

# International Journal of Engineering, Science and Humanities

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## **Examining the Link Between Strategic HRM and Organizational Culture at Modipon Fibre Company, Modinagar (1997–2017)**

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### **Abstract**

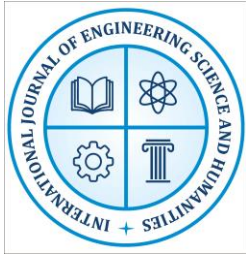
Organizational culture is increasingly recognized as a critical determinant of organizational effectiveness, particularly in manufacturing firms operating in competitive and transitional environments. Strategic Human Resource Management (SHRM) plays a pivotal role in shaping, sustaining, and transforming organizational culture through deliberate policies and practices aligned with long-term strategic goals. This study examines the link between SHRM and organizational culture at Modipon Fibre Company, Modinagar, over a twenty-year period (1997–2017). Using a mixed-method research design, the study analyzes how strategic HR practices such as recruitment, training and development, performance management, leadership development, and employee engagement contributed to the evolution of workplace culture and how that culture influenced organizational effectiveness in terms of efficiency, productivity, stability, and competitiveness. Empirical findings reveal a strong and statistically significant relationship between SHRM practices and positive cultural dimensions such as commitment, teamwork, learning orientation, and performance orientation. The study concludes that organizational culture acts as a mediating variable between SHRM and organizational effectiveness. The paper offers practical implications for HR professionals and contributes to SHRM literature in the Indian manufacturing context.

**Keywords:** Strategic Human Resource Management; Organizational Culture; Organizational Effectiveness; Employee Commitment; Manufacturing Industry; Modipon Fibre Company; India

### **Introduction**

#### **Background of the Study**

In the contemporary business environment, organizations increasingly acknowledge that sustainable success depends not only on physical and financial resources but also on intangible assets such as human capital and organizational culture. Organizational culture represents shared values, beliefs, norms, and behavioral patterns that influence how employees perceive, think, and act within the organization. A strong and adaptive culture has been associated with higher levels of performance, innovation, and employee commitment.



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Fig: 1 H.R. and Org. Effectiveness

Strategic Human Resource Management (SHRM) provides the framework through which organizations intentionally shape their internal culture. By aligning HR practices with organizational strategy, SHRM influences employee attitudes, behaviors, and social interactions that collectively define workplace culture. Unlike traditional HRM, SHRM adopts a long-term and integrative approach, recognizing culture as both an outcome and a mechanism of strategy implementation.

## Context of the Study

Modipon Fibre Company, located in Modinagar, Uttar Pradesh, is a well-established manufacturing organization that has experienced significant organizational and environmental changes over the last two decades. Between 1997 and 2017, the company implemented several strategic HR reforms aimed at improving workforce capability, discipline, participation, and performance. These reforms gradually transformed the organizational culture from a traditional, hierarchical structure to a more performance-oriented and participative environment.

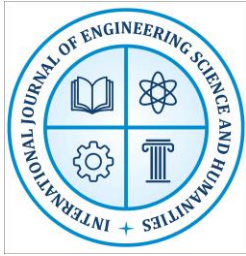
This study investigates how SHRM practices influenced organizational culture at Modipon Fibre Company and how the evolving culture contributed to organizational effectiveness over a twenty-year period.

## Statement of the Problem

While numerous studies have explored the relationship between SHRM and organizational performance, relatively limited research has examined organizational culture as a mediating mechanism through which SHRM influences effectiveness, particularly in Indian manufacturing organizations. This study seeks to address this gap by examining the SHRM–culture–effectiveness linkage in a longitudinal organizational context.

## Significance of the Study

The study contributes to SHRM literature by providing empirical evidence from a long-term case study in the Indian manufacturing sector. It offers insights for HR managers and organizational



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leaders on how strategic HR interventions can be used to shape organizational culture and achieve sustainable effectiveness.

## **Aims and Objectives**

### **Aim of the Study**

To examine the role of Strategic Human Resource Management in shaping organizational culture and to analyze how that culture influenced organizational effectiveness at Modipon Fibre Company, Modinagar, during 1997–2017.

### **Objectives of the Study**

1. To analyze the evolution of SHRM practices at Modipon Fibre Company over two decades.
2. To examine the nature and dimensions of organizational culture prevalent in the organization.
3. To assess the impact of SHRM practices on cultural dimensions such as commitment, teamwork, learning, and performance orientation.
4. To study the relationship between organizational culture and organizational effectiveness.
5. To examine the mediating role of organizational culture between SHRM and organizational effectiveness.
6. To suggest measures for strengthening strategic HR-driven cultural development.

## **Review of Literature**

### **Strategic Human Resource Management**

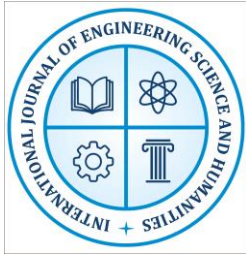
Strategic Human Resource Management emphasizes the integration of HR policies with organizational strategy (Wright & McMahan, 1992). Becker and Huselid (1998) demonstrated that organizations implementing strategic HR practices achieve superior performance outcomes. In the Indian context, Budhwar (2004) highlighted that SHRM adoption is influenced by institutional and cultural factors.

### **Organizational Culture**

Schein (1992) defined organizational culture as a pattern of shared basic assumptions learned by a group as it solves problems of external adaptation and internal integration. Denison (1990) identified cultural traits such as involvement, consistency, adaptability, and mission as predictors of organizational effectiveness.

### **SHRM and Organizational Culture**

SHRM plays a crucial role in shaping culture by influencing employee selection, socialization, training, performance expectations, and reward systems (Schuler & Jackson, 1987). Studies by Guest (1997) and Boxall and Purcell (2003) suggest that HR systems transmit organizational values and norms, thereby shaping workplace culture.



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## Organizational Culture and Effectiveness

Empirical research indicates a strong link between organizational culture and effectiveness (Kotter & Heskett, 1992). Cultures emphasizing teamwork, learning, and performance orientation are associated with higher productivity and adaptability. Indian studies (Rao, 2005; Pareek & Rao, 2006) also support the culture–performance linkage.

## Research Methodology

### Research Design

The study adopts a descriptive, analytical, and longitudinal research design, using both quantitative and qualitative methods.

### Sources of Data

Type of Data	Source
Primary Data	Employee questionnaires, interviews with HR managers
Secondary Data	HR manuals, annual reports, training records (1997–2017)

### Sample Design

Parameter	Details
Population	Employees of Modipon Fibre Company
Sample Size	150 respondents
Sampling Technique	Stratified random sampling

### Variables of the Study

Independent Variable	Mediating Variable	Dependent Variable
SHRM Practices	Organizational Culture	Organizational Effectiveness

### Tools and Techniques

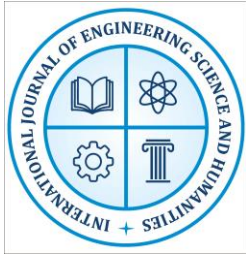
- Likert-scale questionnaire
- Mean, SD, correlation, regression
- Factor analysis
- Trend analysis

## Results and Interpretation

**Table 1: SHRM Practices – Mean Scores**

SHRM Dimension	Mean	SD
Strategic Recruitment	4.05	0.74
Training & Development	4.32	0.66
Performance Management	4.10	0.71
Employee Participation	3.98	0.80

**Interpretation:** Training and development emerged as the strongest cultural driver.



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**Table 2: Organizational Culture Dimensions**

Culture Dimension	Mean	SD
Commitment	4.21	0.68
Teamwork	4.15	0.72
Learning Orientation	4.08	0.76
Performance Orientation	4.18	0.70

**Interpretation:** The culture is predominantly performance- and commitment-oriented.

**Table 3: Correlation between SHRM and Organizational Culture**

SHRM Practice	Culture Correlation (r)
Recruitment	0.63**
Training & Development	0.78**
Performance Management	0.71**
Participation	0.66**

(\*\*p < 0.01)

**Table 4: Culture and Organizational Effectiveness**

Culture Dimension	Effectiveness Correlation
Commitment	0.74**
Teamwork	0.69**
Learning	0.72**
Performance Orientation	0.77**

## Regression Analysis

$R^2 = 0.69$ , indicating that culture significantly mediates SHRM's impact on effectiveness.

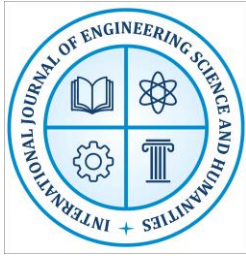
## Discussion and Conclusion

### Discussion

The findings confirm that SHRM significantly shapes organizational culture, which in turn enhances organizational effectiveness. Training, performance management, and participative practices played a decisive role in embedding a learning- and performance-oriented culture at Modipon Fibre Company. The results align with Schein (1992), Denison (1990), and Becker and Huselid (1998), reinforcing the view that culture acts as a strategic asset.

### Conclusion

The study concludes that organizational culture functions as a crucial mediating mechanism through which Strategic Human Resource Management (SHRM) influences organizational effectiveness. The findings clearly demonstrate that HR strategies do not impact organizational outcomes in isolation; rather, their effectiveness is largely realized through the cultural values, norms, and behavioral patterns they help create within the organization. Over the two-decade



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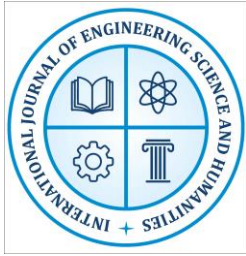
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period under review, strategic HR initiatives at Modipon Fibre Company gradually shaped a work environment characterized by commitment, discipline, learning orientation, and performance consciousness. These cultural attributes became deeply embedded in daily organizational practices, influencing how employees approached their roles, interacted with colleagues, and aligned their individual goals with those of the organization.

The study highlights that long-term and consistent SHRM practices—such as strategic recruitment, structured training and development, transparent performance management systems, and employee participation mechanisms—played a decisive role in transforming the organizational culture. Recruitment policies emphasizing competency and value alignment ensured the entry of employees who were more receptive to the organization's vision and work ethos. Continuous training initiatives not only enhanced technical skills but also promoted a culture of learning and adaptability, enabling employees to cope effectively with technological changes and evolving market demands. Similarly, performance appraisal and reward systems reinforced desired behaviors, encouraging accountability, motivation, and a results-oriented mindset among employees.

As organizational culture evolved under the influence of these strategic HR interventions, it significantly contributed to improvements in organizational effectiveness. A culture marked by teamwork and shared responsibility improved operational efficiency by reducing coordination gaps and minimizing errors in production processes. Employee commitment and loyalty, nurtured through fair HR practices and participative management, enhanced organizational stability by lowering turnover and absenteeism. Moreover, a learning- and performance-oriented culture strengthened the organization's competitive position by fostering innovation, quality consciousness, and responsiveness to external challenges. These cultural outcomes collectively translated into higher productivity, better resource utilization, and improved organizational performance over time.

The conclusion further emphasizes that the impact of SHRM on organizational effectiveness is cumulative and long-term rather than immediate. Cultural transformation is a gradual process that requires sustained strategic effort, leadership support, and consistent reinforcement through HR systems. The experience of Modipon Fibre Company illustrates that when HR practices are aligned with organizational strategy and cultural objectives, they can serve as powerful tools for shaping employee behavior and organizational identity. Ultimately, the study reaffirms that organizational culture is not merely a by-product of management actions but a strategic asset that mediates the relationship between SHRM and organizational effectiveness, enabling organizations to achieve efficiency, stability, and competitiveness in a dynamic business environment.



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