

# Linking HRD Policy to Organisational Strategy: The Mediating Role of Organizational Culture and Benefits to an Organization in the 21st Century

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## Abstract

In this competitive world, the survival of organizations today calls for the linkage between HRD policies with organizational strategy. This paper focuses on the need to create a linkage between HRD policy and organization strategy if the organization is to achieve success thru people. The study reviewed related literature in form of articles and papers with regard to HRD policy and organizational strategy and the mediating role. In establishing this linkage, the authors employed a qualitative systematic review with a Prisma in which the researcher's reviewed literature that relates to the variable in the study to reach at a logical conclusion. The findings reveal that for an organization to be able to archive its objectives, its strategies must be informed by people factors which are a description of the ways in which you intend to develop your human resource because it is this human resource that contributes to organizational strategy in order for an organization to be able to achieve a competitive advantage which is the essence of strategy. HRD policies must well be linked to the strategy of the organization, in this linkage however it has been established that culture will play an important role in linking this relationship. The benefits that accrue out of this linkage are many like, higher productivity of the firm, it helps to drive organisational strategy and it also helps to drive cohesion which leads to success in the organisation.

**Keywords:** HRD policy, organizational strategy, organizational culture, competitive advantage, mediating role.

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## Introduction

Today in this 21<sup>st</sup> century the world over, human resource development policy has been seen to have a significant impact on the performance of an organization. According to Armstrong (2008) the overall purpose of human resource management is to ensure that the organization is able to achieve success through people. Human resource development as a function of human resource management is meant to enhance the performance of employees thru training and acquisition of knowledge and skills that are critical to the functioning of the organization. This development can only be archived with a well streamlined guide line on how to achieve people development in form of HRD policy. Achieving congruence between HRD policy and organizational strategy is the key emphasis of this write up. Organization strategy refers to those ways and means the

organization has put in place to achieve success in the organization. HRD management has turned into a global phenomenon, Hamlin (2016), with many organizations and countries looking towards the development of HRD policy for sustainability and development of firms and nations. The way things are done in the organization is what is termed as organizational culture, Sapada, et al. (2018). Organizational culture is as a result of a firm's vision, norms, habits, beliefs and values. Organizational culture affects the way employees interact with each other, with customers and shareholders, Katsavria and Ramazani (2019). This study therefore sought to show a linkage between HRD policy and organizational strategy with mediating role of organizational culture.

### **Problem statement**

Policy drives strategy, this is because the organizational policies will provide guidance and direction on what needs to be done. HRD policy is key in driving strategy in an organization. The policy guide lines to HRD will help to direct the organization on how to develop its employee and how this development will help in the implementation of organizational strategy. Organizations need to know what kind of training is required in the organization that well suits the strategic requirements of the organization. There have been studies that have focused on HRD and its integration with organizational strategy Like (Sthapit, 2010; Alagaraja, Egan & Woodman 2017; Herd & Alagaraja 2016; Brewster 2017; Mitsakis, 2019), and while there has been agreement that HRD linkage with organizational strategy has been a cause for success in organizations, none of these studies have paid particular attention on the linkage between HRD policy and organizational strategy with particular focus on organizational culture as mediating factor. This paper therefore focuses on this relationship but at the same time focusing on organizational culture as a mediating factor in this linkage.

### **Study objectives**

1. To examine the linkage between human resource development policy and organizational strategy.
2. To examine the mediating relationship of organizational culture between human resource development policy and organizational strategy.

### **Research questions**

1. What is the linkage between human resource development policy and organizational strategy?
2. What is the mediating role of organizational culture between human resource development policy and organizational strategy?

### **Literature review**

#### *What is policy*

A policy is a set of principles, rules and guidelines formulated by an organization to reach its long-term goals. Policies tend to reflect a variety of intentions and ideas. Armstrong (2006), says, a policy can also be defined as a plan of action and a statement of intention committing management to a general course of action, Mota (2020).

#### *Human Resource Development Policy*

Wang, et al (2017), defines HRD as any process or activity that, either initially or over the long term, has the potential to develop adult work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately, the whole of humanity. Policy is the guide to action and it connotes a broader framework to operationalize a philosophy, principle, vision or decision, mandate etc. which are translated into various programs, projects and actions, Khan and Khandaker (2016). Aziri (2019), human resource policies are written guidance about the handling of various HR issues. A human resource development policy is a broader guide line of how HRD activities are going to conducted in an organization with respect to content, timing, selection of who is going for training, funding and the responsibility for HRD programs and their evaluation including many other issues related to training and development of staff in the organization, Arrawatia (2019).

#### *Organizational strategy*

Strategy is a plan of action that the organization has on what it intends to do and how it is going to do it. Strategy is a plan of action, and the organization will always strive to plan by top management in order to make sure that the organization succeeds. It's about determining the long-term goals of an enterprise and the determination of a course of action to be taken given the available resources to achieve goals, Jacobs (2019). It's a long run focus on the organization and it predicts the future based on today's events which helps the organization to choose the right path. Miller, Gomes & Lehman (2019), say that often people achieve goals obliquely without explicit awareness of their intentions or how they relate to outcomes. The planning is about formulating strategies bearing in mind the goals, objectives, values and priorities of the organization, (Mintzberg, et al. 1998 in Celik 2019). The process of strategy as Nzewi et al. (2017) says, requires companies that plan and implement strategy should involve all stake holders in the process. The strategy shows the nature of actions that need to be done and the course of action required for success to happen, Höglund, et al. (2018). Strategy allows the organization to make long term decisions while at the same time enable corrective action required, Mendoza-Abarca and Gras (2019).

**Strategic approach to HR**

It all begins with managing the organization strategically and in accordance with the objectives and goals of the organization. Hamid, et al. (2020), says strategic human resource is the proactive management of people where you do the forecasting, planning, changing and improving on employee knowledge and skills and many more in accordance with strategic plans of the organization as crafted by top management in order to achieve success in the organization. The underlying premise is that the HRD policy and practices should fit into the organizational broader strategic plans, Armstrong and Taylor (2020). Developing these links, Dos Santos and Pedro (2020), says helps the organization asses its HRD policies that can promote a better efficiency and productivity in the organization. For better performance it requires that the organizational strategies should be supported by good HRD policies, Sthapit (2010) and such policies should be well embedded in the knowledge and skills required for success to happen. When the HRD policy is integrated with the organizational strategy, there are performance requirements that are required in form of organizational strategies and having an HRD policy statements that fosters this integration. It then calls for the alignment of the training needs/ HRD activities to be in line with organizational needs.

**Theoretical framework**

The study adopted the systems theory to explain the relationship among the variables in the study. The theory is based on the assumption that, Odongo et al. (2019), an organization is a set of inter related parts called sub systems and these sub systems are well related to each other which makes the system. Changes in one sub system, Teece (2018), will definitely lead to a change in the whole system. An organization is a set of sub system that form what is referred to as a system. There are physical, social, psychological and biological subsystems Roberts (2019). These are interconnected and connection is work helps the functionality in an organization. When systems interact with each other we have what we call open system and when not open it called the closed system. In an organization HRD policy is part of the system as does the organizational strategy and the culture of the organization. These three elements must work in consonance to bring about functionality and success in the organization. Linking HRD policy with organizational strategy will not be enough for the organization to work, Hiver et al. (2021), it requires other parts of the organization that form the system and organization culture is one of them. The theory emphasizes the role of inter relationships, Lom and Pribyl (2021), in the organization and collaboration which fosters work in an organization.

**Conceptual frame work**

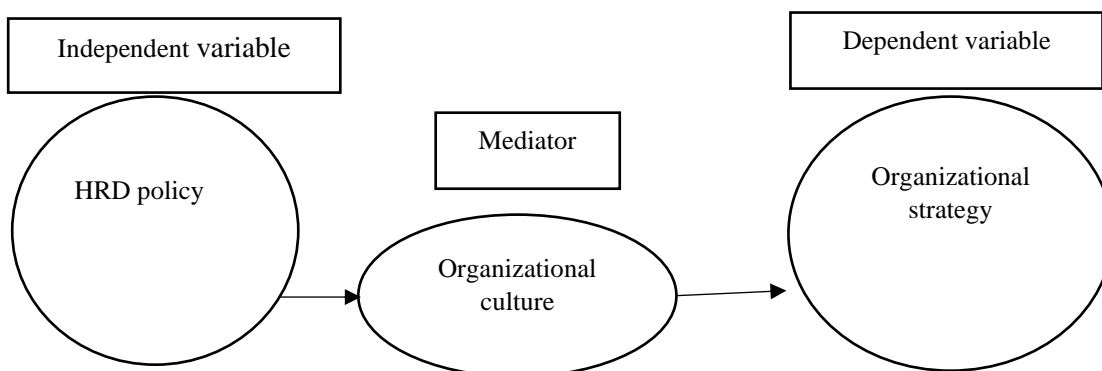
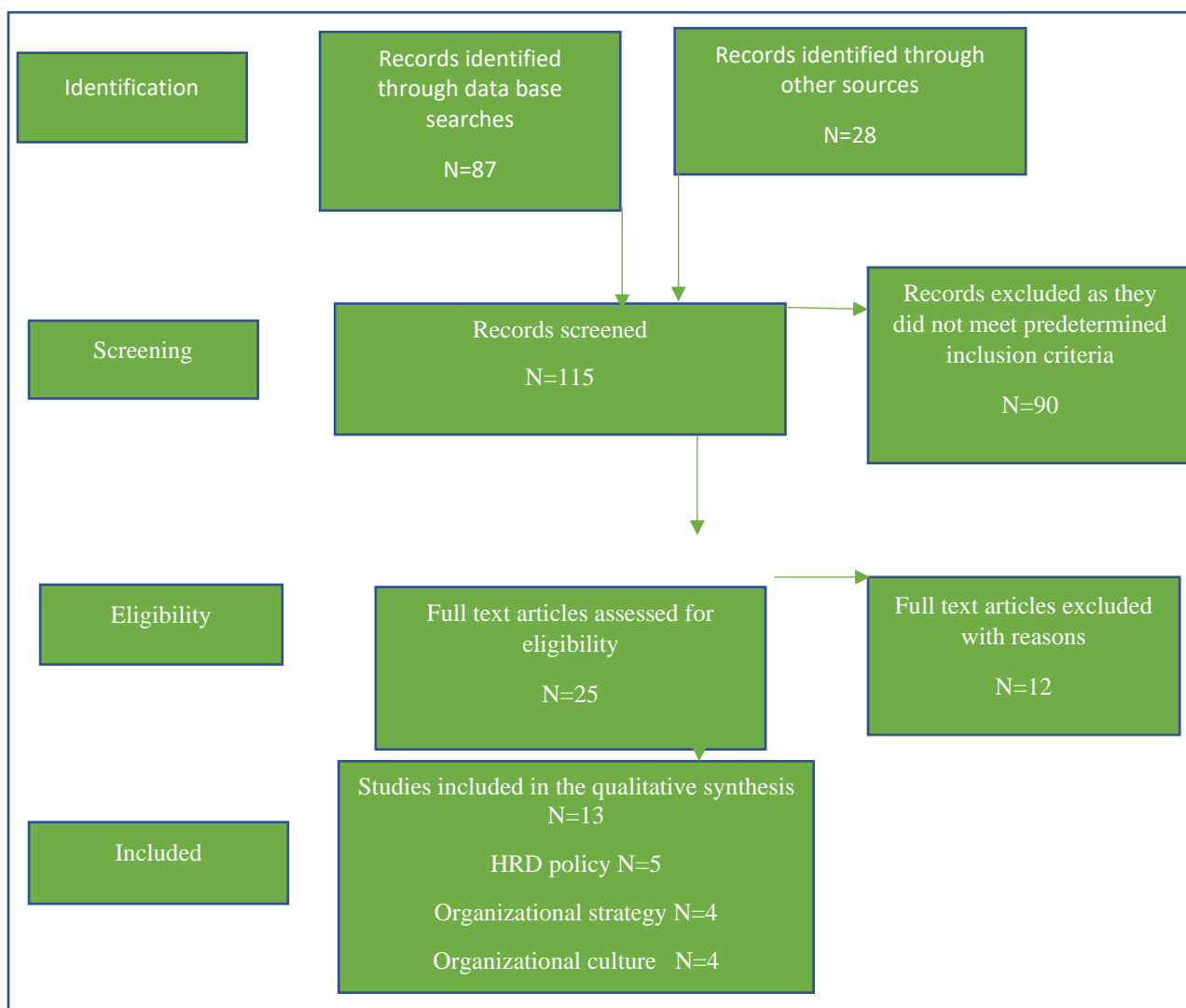


Figure 1: The Conceptual Framework of Study  
Source: Researcher

It is anticipated that HRD policy influences organizational strategy. The basic premise in the relationship between the conceptual frame work and the study variables is that be HRD policy in the organization strategy may not be well be implemented if there is no favourable organizational culture to foster and encourages its implementation. In establishing this linkage, the authors employed a qualitative systematic review with a Prisma in which the researcher's reviewed literature that relates to the variables in the study to reach at a logical conclusion.

## Methodology

The authors employed a qualitative systematic review with a Prisma in which the researcher's reviewed literature that relates to the variable in the study so as to establish the linkage between HRD policy and organizational strategy with the mediating role of organizational culture. This study has reviewed related literature in form of articles and papers most of which are well designed in the area of human resource management and human resource development with particular reference to HRD policy. The review was extended to organizational culture as a mediating factor in this linkage between HRD policy and organizational strategy. Due emphasis was placed on this linkage and it formed the basis for the literature that has been reviewed.



**Figure 2:** The search strategy guided by the Prisma flow diagram.

Several articles assessed related to HRD policy, organizational strategy and organizational culture as the mediating factor. The literature review was guided by the Prisma flow diagram as shown in Figure 2 above. Using the review methodology four steps were used to identify the possible studies and these were:

- i) Searching with articles and abstract with (HRD policy) and organizational strategy with a mediating role
- ii) Searching with abstracts and journal on HRD policy and organizational strategy.
- iii) Expert recommendations by reviewers
- iv) Using studies from step ii and iii

Step 1 yielded 87 Articles and while step 2-4 yielded an additional 28 articles. In determining basic eligibility each record was checked to ensure that it appeared in a peer reviewed journal. Eligibility was further determined to ensure by reading to find out that the article ensured empirical findings and that HRD policy and organizational strategy were included as constructs and if a mediating factor was present which resulted into 13 empirical studies. The study employed a qualitative and narrative literature review design, Mohajan (2018), in which the researcher reviews literature that relates to the variable in the study to reach a conclusion.

## Findings

*Research questions one: What is the linkage between human resource development policy and organizational strategy?*

The use of strategy in training and development, DeMotta et al. (2019), requires that these are aligned to related organizational needs in order to achieve organization's mission and objectives. The HRD policy will spell out the guidelines the organization has put in place that will help it in the development of human resource. These guide lines must well suit into the organizational strategy if success is to happen. It has been argued by (Garavan 199) in Mitsakis (2019), that for HRD to be strategic in the organization, there must be a linkage with business strategy. Muñoz-Pascual et al. (2020) argues that there is a very close relationship between employee development and corporate success especially if this training is directly linked to strategic objectives of the organization. Integrating HRD policy with organizational strategy as Mitsakis (2019) says, can have effective performance in HRD functioning. The link between Human Resource development policy and the strategy of an organization, Shet (2020), first, begins with a strategy well focused to professional development of people, secondly, through creating the Human Resource development system and processes in alignment with the organization's strategy. The first step in aligning Human Resource development policy with strategy is to recognize that the Human Resource Development department and its duties is a strategic asset, instead of the traditional administrative function and that the people who work there are strategic partners. Short of this an organization fails to recognize this relationship and misses the opportunity to allow Human Resource to become a strategic partner in the strategic plans of the organization, Stachova Stacho and Blstakova (2019).

**Table 1: The studies analysed and how relevant they were in the study**

Author	Purpose	Study design	Findings	Conclusion
DeMotta, Gonzales & Lawson, (2019),	Strategic Training Approaches that Lead to The Retention of Talented Employees	Explored review of literature	Training and development lead to retaining talented employees	Training and development lead to retaining talented employees
Mitsakis (2019)	A new 'success element of organizational resilience	Explored review of literature	HRD resilience is key for organizational success	HRD resilience is key in organizational success
Muñoz-Pascual, Galende, & Curado, (2020)	Knowledge Sharing for a Sustainability	Qualitative method to measure knowledge sharing	Where is affective commitment there is more knowledge sharing	Manager's characteristics are key in knowledge sharing
Wang, Kim, Rafferty & Sanders (2020),	Employee perceptions of HR practices	Reviewed available article son HR practice	HR communication way key in employee perception of goo HR practice	HR perceptions vary across organization hierarchy

Shet, (2020),	Strategic talent management	available article son strategic management	Talent management is key for success	Talent management is key for success
Stachová Stacho & Blštáková (2019).	Human Resource Management Department as Strategic Partner in Organization.	Reviewed articles on HR department	HR department is key in management of the organization	HR department is key in management of the organization
Seeck & Diehl (2017),	HRM and innovation	Explored review of literature	HRM promotes innovation in an organization	HRM promotes innovation in an organization
Cooper & Davis (2019),	Human Resource Development Analysis	Explored review of literature	HRD improves the effectiveness of human resource activities	HRD improves the effectiveness of human resource activities
Collings, Wood & Szamosi (2018).	critical approach. In Human Resource Management	Explored review of literature	HRD promotes organization growth	HRD promotes organization growth
Hasan, Islam & Chowdhury, (2020).	Crafting Organizational Efficiency	Explored review of literature	Transformational human resource management improves organizational efficiency with knowledge management as a potential mediator	knowledge management is a potential mediator in Transformational human resource management
Dede (2019),	Enhancing Employee Innovative Work Behavior	Explored review of literature	Innovation is key in the changing business environment	Innovation helps business grow

*Research questions: What is the mediating role of organizational culture between human resource development policy and organizational strategy?*

In a scholarly world it is not easy to agree on a definition of a social phenomenon, Mobarg (2016), however says culture can be defined as learned, shared, compelling, integrated set of symbols whose meaning provide a set of orientations for members of that society, (Terpstra & David 1991 in Medina & Coelho 2016). Peprah and Ganu (2018), postulate that human capital affects organizational culture, structure and impact positively on organizational sustainability. Organizational culture is shaped by a leader's values and beliefs and is communicated through norms, artifacts, and behavioral patterns, Anicich and Hirsh (2017). Building an organizational culture that breeds cohesion is very significant in the achievement of a linkage between HRD policy and organizational strategy. An organizational climate that is conducive for the development of human potential would have the following cultural elements according to (Rao (1990) in Yang, Lütge and Yang 2019) says employee are action oriented and willing to take initiative with a high degree of proactivity, employees do collaborate with each other and have a feeling of belonging to the organization and a common cause. Employees, departments and all groups should trust each other and be relied upon to do what they say they will do. A culture of openness, where employees feel free to discuss their ideas, activities and feelings with each other and or supervisors. A culture that is able to confront rather than shying away from problems. A culture that breeds trust, takes people at their face value and believing in what they say A culture that promotes authenticity on part of the employee and what they say. This is normally reflected in owning up one's mistakes and unreserved sharing of feelings and thoughts. In reference to the above discussion, it shows there is a relationship in the link between HRD policy and organizational strategy and in the linkage organization culture plays a decisive mediation role in this integration in order to achieve organizational success as shown in table 2 below:

**Table 2: The studies analysed and how relevant they were in the tsudy**

Author	Purpose	Study design	Findings	Conclusion
Kosiorek & Szczepańska (2016),	organizational culture and employee performance	Explored review of literature	Culture will tend to define the way people think and act in an organization	organizational culture eventually impacts of employee attitude and behavior

Kasetvetin (2019).	employee relations management and performance management	Explored review of literature	, employee relations management and performance management tend to affected organizational culture	, employee relations management and performance management tend to affected organizational culture
Berezin, & Marshall (2020).	A culture of open learning	Explored review of literature	self-improvement and acquiring new knowledge and skills to promote their competence	knowledge and skills promote their competence
Tran & choi (2016).	Learning at the work place	Explored review of literature	A proactive mind set turns problems into opportunities for learning	A proactive mind set turns problems into opportunities for learning
Morrison, Smit & Brown (2006).	Leadership and culture in the organizations	Explored review of literature	cultural creation is the essence of leadership and leadership and culture are two sides of the same coin,	leadership and culture are two sides of the same coin,
Shuibin, Benjamin & Naam (2020).	Culture and organizational development	Cross sectional survey	A culture of openness facilitates HRD	HRD policy has the ultimate responsibility of creating and enhancing culture and values that support the linkage between HRD policy and organizational strategy.

## Conclusion

The review of literature indicates organizational culture mediates the relationship between HRD policy and organizational strategy. Culture is a supportive tool to organizational strategy and when it comes to linking HRD policy to organizational strategy, culture will play the mediating role in achieving success in the organization. HRD policy will help the organization have a clear guideline on how it intends to develop its people with respect to achieving success but aligning this policy with the strategic requirements of the organization.

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