

# THE INFLUENCE OF MATERIAL CULTURE ON HUMAN RESOURCE MANAGEMENT PRACTICES OF CHINESE NEW VENTURES

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## ABSTRACT

There is a synergistic effect between corporate material culture and human resource management, and successful human resource management needs to be based on adapting and supporting material culture. This study explores the influence mechanism of material culture on human resource management practices in the context of Chinese new ventures. This article collected 400 first-hand valid data in the form of a questionnaire. To test the research hypothesis H1, this article uses SPSS to construct a regression model for analysis. The data analysis results show that material culture has a significant positive impact on human resource management practices.

**Keywords:** Material culture, Human resource management practices, Chinese new ventures

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## INTRODUCTION

Human resources are the primary resource for promoting economic and social development. Human resources are an essential and effective resource for the survival and development of enterprises, and human resource management is an important part of enterprise management (Anwar & Abdullah, 2021). Corporate culture, as the soft power of enterprise development, not only reflects the core values of the enterprise and represents its external image, but also has an important impact on the cultivation of employee work habits, the establishment of work attitudes, and the improvement of job satisfaction (Hermalin, 2012).

The research target of this study is Chinese new ventures. As an important job provider and competitive participant, new ventures have continuously injected new vitality into China's economic and social development. However, in the process of developing new startups in China, the hidden impact on human resource management and incomplete understanding has become increasingly apparent. New startups, while in need of high-quality talent, find it difficult to rely on tempting human resource management to introduce, develop, and retain talent. If human resource management cannot provide sufficient intellectual support for enterprises, their development will be affected. Therefore, studying human resource management in Chinese startups from the perspective of corporate culture is in line with the practical needs of enterprise development.

In terms of research content, most existing studies have explored the impact of corporate culture as a whole on enterprises, neglecting the impact of different dimensions of corporate culture on enterprises. Based on this, this article intends to explore the influence of one of the dimensions of corporate culture: material culture, on human resource management practices of Chinese new ventures, filling this gap.

The research objective of this current study is following:

Objective 1: To explore the influence of material culture on human resource management practices of Chinese new ventures.

## LITERATURE REVIEWS

### Definition of Terms

Luo & Lin (2003) proposed the trinity theory of corporate culture, known as the "concentric circle theory". Divide corporate culture into three aspects: material culture, institutional culture, and spiritual culture. Corporate material culture refers to the hardware facilities for corporate environment and cultural construction; System culture is the sum of corporate behavioral norms, involving organizational policies, work relationships, hierarchical systems, as well as various rules and regulations and disciplines; Corporate spiritual culture refers to various default behavioral norms, business concepts, values, team spirit, entrepreneurial spirit, etc. (Ni & Guan, 2023).

According to Hamouche (2023) the policies and practices involved in carrying out the "people" or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising comprises of HRM. Generally, HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization's objectives (Wilton, 2019).

### The Impact of Corporate Material Culture on Human Resource Management Practices

Corporate material culture refers to the hardware facilities for the corporate environment and cultural construction. The formation of the internal human resource environment of an enterprise is a key element that affects its human resource management practices. Providing employees with a sustainable and future oriented work environment, as well as providing appropriate hardware and resource

implementation, is conducive to the success of human resource management practices. Mira et al. (2019) found a positive correlation between employee satisfaction with the work environment and practices in human resource management.

According to Taylor (1991), objective conditions such as the material environment and equipment facilities of a company affect work efficiency. According to Dong et al. (2021), the impact of work atmosphere and employee emotions on work efficiency is even higher than that of hard environments such as lighting and equipment. These factors directly constrain or affect the feelings, emotions, work efficiency, etc. of those who are exposed to the environment, thereby affecting the effectiveness of human resource management practices in that environment. Therefore, this article proposes the following hypothesis:

*H1: Material culture has a significant positive impact on the human resource management practices of Chinese new ventures.*

Figure 1 below displays the conceptual framework of this study.

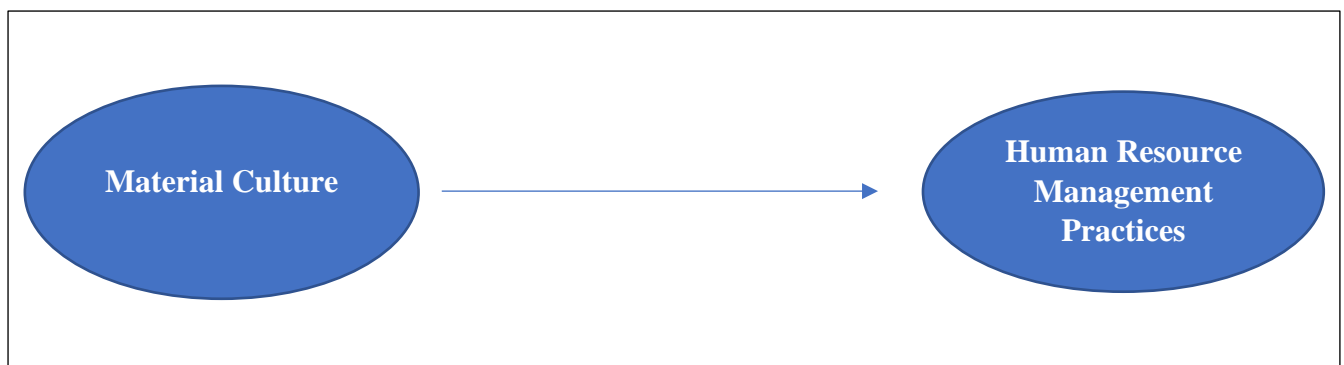


Figure 1 Conceptual Framework

## RESEARCH METHODOLOGY

### Population and Sampling

This study will limit the overall picture to Chinese new ventures. On the basis of previous definitions of new enterprises, this article selects employees of Chinese enterprises established within 8 years as the target population.

Nunnally (1978) recommended that even with a moderate number of predictor variables, sample sizes of 300 to 400 are often necessary in multiple regression. This recommendation stands in stark contrast to the common rule of thumb that the ratio of subjects to predictors be at least 10:1 (Kelley & Maxwell, 2003). In this study, the sample size was set to 400, which means a survey questionnaire was distributed to 400 employees of Chinese new ventures.

This article adopts the simple random sampling method. Simple random sampling is an extensively used sampling method in scientific research. Simple random sampling is selected for populations which are highly homogenous where the members of the research are randomly selected to participate in the research.

### Data Collection

The most common instrument used for data collection is questionnaires. The participants fill in their responses themselves on a paper pencil instrument or on computer directly. Questionnaires can be structured or unstructured. In structured questionnaires, both the questions and the responses/answers are provided and the study participants need to pick up the correct responses. This study collected first-hand data using a structured questionnaire method.

## Instruments

This article measures material culture based on the work environment scale developed by Hofstede et al. (1990) and Chen's (2008) research. This article measures human resource management practices based on a scale developed by MacDuffie (1995) and Youndt et al (1996). The above two scales all use the Likert 5-level scale design to measure items, ranging from 1 (strongly disagree) to 5 (strongly agree).

## Statistical Analysis

### Reliability and Validity Analysis

The Cronbach's  $\alpha$  coefficient is used to test the reliability of survey scales. The higher the coefficient, the more stable and reliable the scale is. It is generally believed that if the reliability of the total scale is below 0.67, it indicates poor reliability of the sample and requires a review of the sample. Reliability is a necessary condition for validity, and low reliability will inevitably lead to low validity, but high reliability and efficiency may not necessarily be high (Hayes & Coutts, 2020).

The validity refers to the effectiveness of a questionnaire scale, which refers to the depth and degree to which the actual measured content of the survey scale can reach the content that needs to be measured. Before conducting factor analysis, both KMO values and Bartlett's sphericity test are used to determine whether the obtained sample data is suitable for factor analysis. The larger the KMO value, the stronger the correlation between variables, making it more suitable for factor analysis. Generally speaking, the KMO value must be controlled above 0.6 (Pattnaik & Dangayach, 2019). The criterion for Bartlett's sphericity test is that the probability of statistical significance is less than 0.05, indicating that the scale is suitable for factor analysis.

### Correlation Analysis

Many studies use correlation analysis to explore the degree association between study variables. Especially in social science research, linear correlation analysis is a tool for representing the closeness of one related variable to another. Correlation coefficient is the measure to quantify such degree of relationship of the variables (Senthilnathan, 2019).

### Regression Analysis

Regression analysis is the most powerful tool that is widely used. Regression analysis is a statistical tool for understanding the relationship between two or more variables (Keith, 2019).

## RESEARCH RESULTS

### Profile of Respondents

The profile of respondents in this article is shown in Table 1.

**Table 1** Profile of Respondents

Demographic		Frequency	Percentage (%)
Gender	Male	199	49.8
	Female	201	50.2
Age	Under 20 years old	63	15.8
	20-30 years old	141	35.3
	31-40 years old	165	41.3

	Over 40 years old	31	7.8
Education Background	Below Associate Degree	44	11.0
	Junior College	116	29.0
	Undergraduate	175	43.8
	Master	50	12.5
	PhD or above	15	3.8
Monthly Income	Less than 3000 yuan	88	22.0
	3000-5000 yuan	130	32.5
	5001-10000 yuan	97	24.3
	10001-20000 yuan	61	15.3
	More than 20000 yuan	24	6.0
The length of time has worked in this current company	Less than 1 year	54	13.5
	1-3 years	170	42.5
	4-6 years	108	27.0
	7-8 years	68	17.0

### Reliability Analysis

It can be seen from Table 2 that the material culture scale contains 7 items, and its Cronbach's alpha is 0.919 ( $>0.7$ ), indicating that the material culture scale has good reliability. Similarly, the human resource management practices scale also has good reliability and meet the requirements of questionnaire analysis.

**Table 2** Reliability Test Results

Variable Scale	Number of Items	Cronbach's Alpha
Material Culture	7	0.919
Human Resource Management Practices	9	0.847

### Validity Analysis

From Table 3, it can be seen that the KMO value is 0.911 ( $>0.60$ ), and the P-value of Bartlett's Test of Sphericity is less than 0.01. Therefore, it can be concluded that the questionnaire scale in this study has good validity.

**Table 3** Validity Test Results

KMO	Bartlett's Test of Sphericity		
	Approx. Chi-Square	df	Sig.
0.911	3895.576	120	0.000

**Correlation Analysis**

From Table 4, it can be concluded that there is a significant positive correlation between material culture and human resource management practices ( $r=0.441$ ,  $p<0.01$ ).

**Table 4** Correlations Analysis

	Material Culture
Material Culture	1
Human Resource Management Practices	0.441**

Note: \*\*. Correlation is significant at the 0.01 level (2-tailed).

**Regression Analysis**

This article uses SPSS software, with human resource management practices as the dependent variable and material culture as the independent variable, to construct a linear regression model and analyze the impact of material culture on human resource management. According to Table 5, the regression analysis results indicate that material culture has a significant positive impact on human resource management practices ( $\beta=0.342$ ,  $p<0.01$ ), therefore, the hypothesis H1 is hold.

**Table 5** Regression Analysis Results

Independent Variable	Unstandardized Coefficients ( $\beta$ )	t
(Constant)	2.280**	18.866
Material Culture	0.342**	9.792
F test	95.888**	
R Square	0.194	
Adjusted R Square	0.192	
Durbin-Watson	2.093	

Note: \*\*. is significant at the 0.01 level (2-tailed).

Dependent variable: Human Resource Management Practices

**CONCLUSION & DISCUSSION**

This study explores the influence mechanism of material culture on human resource management practices in the context of Chinese new ventures. This article collected 400 first-hand valid data in the

form of a questionnaire. This study used SPSS software to conduct reliability analysis, validity analysis, correlation analysis and regression analysis. To test the research hypothesis H1, this article uses SPSS to construct a regression model for analysis. The data analysis results show that material culture has a significant positive impact on human resource management practices.

Results of this study indicate that material culture has a positive impact on human resource management practices. The results of this study support the “culture determinism” argument that a good culture possibly leads to the effective human resource management practices (Wei et al., 2008). In the transitional economy of China, entrepreneurship and innovation implied by a material culture may be very important, since such an orientation not only facilitates the development of advanced management practices like HRM, but also helps improve the firm’s bottom line (Wei et al., 2008).

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**Data Availability Statement:** The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

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