

# Organisational Culture as a Mediator in Leadership, HRM and Performance: A Conceptual Exploration for Higher Vocational Schools in Northwest China

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**Abstract:** *This study aims to explore the impact of human resource management (HRM) and transactional leadership on organizational performance of higher vocational education in northwest China. Based on positivism methodology, this study adopts quantitative research design and verifies the theoretical model through structural equation modeling (SEM). Data will be collected by sending structured questionnaires to teachers and staff at about 30 higher vocational colleges in Northwest China. Although this study is a conceptual proposal, the findings are expected to be positive and will provide insights into how management practices affect organizational culture and performance. Limitations include sample representativeness and single-method bias, and future studies will explore more methods and longitudinal analyses.*

**Keywords:** HRM, Transactional Leadership, Organizational Culture, Organizational Performance

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## 1. Introduction

Vocational education in China is undergoing a profound transformation, but its current state of development still faces many challenges and opportunities. China has 34 provincial-level administrative regions, including 23 provinces, 5 autonomous regions, 4 municipalities directly under the Central Government and 2 special administrative regions. China's administrative regions are generally divided into seven, namely Northeast, North, East, Central, South, Southwest and Northwest regions.

Northwest China includes Xinjiang, Qinghai, Gansu, Ningxia, Inner Mongolia and Shanxi provinces. On the whole, the vocational education in northwest China has grown to a certain extent. The government has increased investment in vocational education, set up a number of new vocational colleges, and expanded the scale of enrollment. At present, there are 172 higher vocational education schools in western China<sup>1</sup>. This allows more students to have the opportunity to receive vocational education, training a certain number of technical skills for the economic development of the region.

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<sup>1</sup> The data comes from the "National School List 2024" of the Ministry of Education of China.

Higher vocational education schools play an important role in training technical personnel. They offer rich and diverse professional choices, focus on practical teaching, work closely with enterprises, and provide students with systematic skills training and practical opportunities. This practice-oriented teaching method enables students to quickly adapt to the job position and meet the actual needs of enterprises. In northwest China, higher vocational education schools also play an important role in promoting local economic development. By deepening the integration of industry and education, school-enterprise cooperation, the education chain, the talent chain and the industrial chain, innovation chain organic connection, improve the ability to serve local economic and social development. The professional setting of vocational colleges keeps up with the market demand, covers many fields, solves the employment needs of enterprises, and opens up a broad road for the career development of students

However, compared with the developed areas in the east, there is an obvious gap in the organizational performance of higher vocational education in Northwest China. With the development of education reform and economy, the challenges faced by vocational schools in northwest China are put forward, such as insufficient teacher incentive and rigid management structure. Studies have shown that human resource management and leadership style are important factors affecting educational performance.

## **2. Problem Statement**

Existing studies have shown that human resource management and leadership style are important factors affecting educational performance (Kaid Al-Swidi, Gelaidan, & Saleh, 2021). However, although transactional leadership and effective human resource management practices are widely used in vocational education Settings, the actual impact of these measures on organizational performance in vocational schools in Northwest China is still lacking in systematic studies (Wu & Li, 2022). Moreover, vocational schools in the Northwest Territories operate in a unique socio-economic and cultural environment characterized by limited resources, geographic differences, and distinct cultural dynamics. These contextual factors may potentially influence the effectiveness of human resource management and leadership practices, and it is necessary to examine their specific impact on organizational performance within this framework.

In addition, organizational culture may play a mediating role in improving school performance (Kaid Al-Swidi, Gelaidan, & Saleh, 2021), but its specific mechanism has not been fully explored in the context of vocational schools in Northwest China (Madhavkumar, 2023). Specifically, due to the hands-on and job-oriented nature of vocational education, the interactions between leadership behaviors, human resource management practices, and organizational culture may be quite different in this context than in the general educational setting. These interactions warrant more in-depth investigation to understand how these variables work together to influence student achievement and the success of staff performance within an organization.

By considering organizational culture as a mediating variable, this study aims to explore the influence path of human resource management and transactional leadership on organizational performance of vocational schools, and further reveal how these factors can improve student achievement and overall school performance through the adjustment of organizational culture (Anwar, 2021; Pinar & Semih, 2022). This study is particularly important in addressing the operational challenges faced by vocational schools in less developed regions, providing insights into management practices that are consistent with the unique socio-cultural

characteristics of the region. This study hopes to provide data support and policy suggestions for the managers of vocational schools in northwest China to improve the quality of higher vocational education.

### 3. Research Objectives

This study aims to explore the impact of Human Resource Management (HRM) and Transactional Leadership on the organizational performance of higher vocational schools in Northwest China. Specifically, the objectives of this study include the following aspects:

#### ***Explore the direct impact of human resource management and transactional leadership on the organizational performance of vocational schools***

By analyzing the management practices and leadership styles of vocational schools, the role of human resource management strategies and transactional leadership in improving school operations, enhancing education quality and increasing employee satisfaction is evaluated. The study will examine how these management behaviors directly affect the organizational performance of vocational schools, so as to reveal the path and method of effective management.

In addition, the goal takes into account the unique challenges facing NWT vocational schools, such as addressing workforce skills gaps, aligning curriculum with industry needs, and managing resource constraints. Understanding these dynamics is critical to designing management interventions that actually work.

#### ***Study the mediating role of organizational culture in HRM and leadership behavior and organizational performance***

Organizational culture is considered to be a bridge between leadership behavior and performance results (Kaid Al-Swidi et al., 2021). This study will explore how organizational culture plays an intermediary role in the process of HRM and transactional leadership affecting performance, and analyze its specific mechanisms and effects in enhancing school cohesion, promoting teacher cooperation and improving teaching quality.

In particular, the study will focus on how organizational culture amplifies or mitigates the effectiveness of human resource management and leadership strategies in vocational schools operating in culturally diverse and economically underdeveloped areas. This analysis will provide insights into creating a cohesive and performance-oriented organizational culture.

#### ***Measure the performance of vocational schools by student outcomes and overall school performance***

Organizational performance of higher vocational schools is not only reflected in the effectiveness of teaching management, but also should include the improvement of student outcomes and the sustainability of the overall development of the school (Sciarelli et al., 2020). Therefore, this study will adopt dual performance measurement dimensions, namely student achievement (such as graduation rate and employment rate) and overall school performance (such as school reputation and industry recognition), to comprehensively evaluate the impact of human resource management and leadership behaviors on vocational school performance.

This dual perspective ensures that the study captures both immediate educational outcomes and long-term organizational success, providing a comprehensive view of performance indicators relevant to the vocational education sector.

#### **4. Significance of the Study**

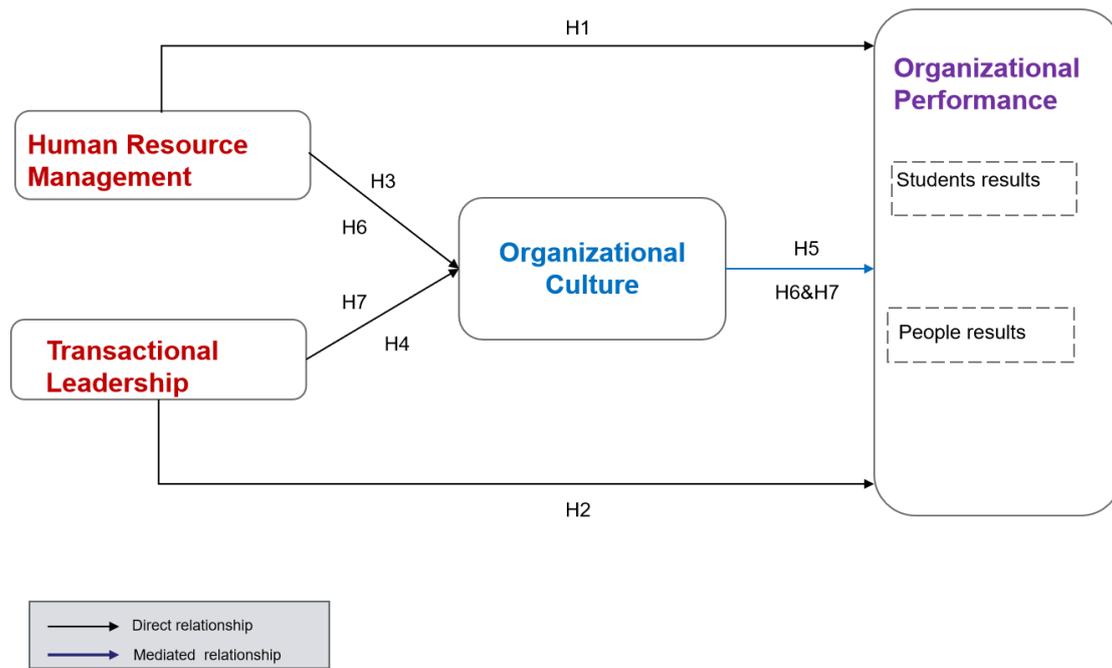
From a theoretical perspective, this study will deepen the understanding of transactional leadership and organizational culture in the context of vocational schools. Although transactional leadership has been extensively studied as a common leadership style, its specific role in vocational education Settings and its interaction with organizational culture have not been fully explored (Kaid Al-Swidi et al., 2021). By exploring how organizational culture plays a mediating role between transactional leadership and organizational performance, this study will provide new perspectives and empirical support for leadership theory and organizational culture research.

From a practical point of view, this study can provide effective management tools for vocational schools, so as to enhance teachers' enthusiasm and teaching effect, and further improve students' vocational skills. This will directly affect the employability of students, so that vocational schools can train highly skilled talents in line with market demand and meet the needs of regional enterprises for skilled workers. The results of this study will help vocational schools build closer partnerships with local businesses. As vocational schools produce a more highly skilled workforce, local businesses will be more competitive and productive, which in turn will drive regional economic growth. This positive economic benefit will provide long-term financial support and policy promotion for vocational education, thus forming a virtuous development cycle.

#### **5. Theoretical Foundation and Research Framework**

The Resource-Based View (RBV), originally proposed by Barney (1991), argues that an organization's internal resources are the foundation for sustainable competitive advantage and superior performance. Resources are valuable, rare, inimitable, and irreplaceable (VRIN) and include both tangible and intangible assets. In the context of vocational schools, human resource management (HRM) and leadership styles can be considered as key organizational resources that directly affect the quality of education and overall performance (Sirmon et al., 2007).

Organizational culture, as an intangible resource, plays a vital role in the resource-performance link. By fostering shared values, norms, and behaviors, culture improves the consistency and utilization of resources, translating HRM strategies and leadership practices into tangible performance outcomes. This study applies RBV to explore how HRM and transactional leadership, as key resources, interact with organizational culture to influence the dual dimensions of performance: overall success in student achievement and staff performance.



**Figure 1: Research Framework**  
 Source: Authors

## 6. Hypotheses Development

### *Human Resource Management, Organizational Culture and Organizational Performance*

Human resource management (HRM) practices are widely recognized for their ability to directly improve organizational performance. Madhavkumar and Vandana (2023) emphasize that HRM strategies such as training programs, performance appraisals, and incentives can increase employee productivity and engagement, thereby contributing to overall organizational results. Similarly, Anwar and Abdullah (2021) consider human resource management as an integral part of achieving organizational efficiency and performance.

Based on the above theory and research, the following hypothesis can be drawn.

**H1:** *Human resource management has a positive and direct impact on organizational performance.*

In addition to its direct role, HRM plays a vital role in shaping organizational culture. Kaid Al-Swidi et al. (2021) found that HRM practices promote shared values and behaviors and foster a cohesive and positive organizational culture. This is in line with Jahmani et al. (2023) who emphasized that HRM indirectly affects performance by enhancing organizational culture. Abu-Mahfouz et al. (2023) further emphasized that HRM practices amplify their impact through mediating variables such as organizational culture and knowledge management.

Based on the above theory and research, the following hypotheses can be drawn.

**H3:** *There is a positive relationship between human resource management and organizational culture.*

Organizational culture itself is the bridge between HRM and organizational performance. A strong and cohesive culture shaped by effective HRM practices can drive improvements in

employee collaboration, productivity, and alignment with institutional goals, ultimately leading to better performance outcomes (Kaid Al-Swidi et al., 2021; Jahmani et al., 2023).

Based on the above theory and research, the following hypotheses can be drawn.

**H5:** *Organizational culture has a positive impact on organizational performance.*

**H6:** *Organizational culture mediates the positive and significant effect of human resource management on organizational performance.*

### ***Transactional Leadership, Organizational Culture and Organizational Performance***

Transactional leadership is another key driver of organizational performance. Ibrahim (2018) described transactional leadership as a style that focuses on clear expectations and incentives that effectively motivate employees to improve performance. Pinar and Semih (2022) confirmed that transactional leadership significantly improves organizational performance in structured environments such as aviation schools.

Based on the above theory and research, the following hypothesis can be drawn.

**H2:** *Transactional leadership has a positive and significant impact on organizational performance.*

This leadership style not only affects performance but also shapes organizational culture. Kaid Al-Swidi et al. (2021) argued that transactional leadership promotes cultural cohesion by establishing clear rules and reinforcing behaviors through rewards. Lin (2024) further argued that transactional leadership strengthens school culture by encouraging teacher collaboration and improving the overall work environment.

Based on the above theory and research, the following hypothesis can be drawn.

**H4:** *There is a positive relationship between transactional leadership and organizational culture.*

In addition, organizational culture mediates the relationship between transactional leadership and performance. Pinar and Semih (2022) emphasized that leadership style indirectly affects organizational outcomes by shaping cultural norms and shared values. Lin (2024) supported this view by showing that a strong school culture mediates between leadership style and performance improvement.

Based on the above theory and research, the following hypothesis can be drawn.

**H7:** *Organizational culture mediates the positive and significant effect of transactional leadership on organizational performance.*

## **7. Research Methodology**

This study is based on a methodological framework that integrates ontological and positive perspectives to examine quality and sustainability aspects of higher vocational education in Northwest China (Li & Pilz, 2023). The ontological dimension of this study is based on the premise that reality exists as an external objective entity that can be systematically analyzed through observable and quantifiable phenomena. Under the positivism methodology, deductive

reasoning and single quantitative analysis are used in this study. In this study, SmartPLS4 was used for structural equation modeling (SEM), a methodological approach that facilitates empirical verification of theoretical structures. This study uses quantitative research method to study the organizational performance of higher vocational education in northwest China.

The data of this study will be obtained by sending questionnaires to higher vocational schools in Northwest China. As of August 2024, there are 172 higher vocational education schools in northwest China. This study will use structured questionnaire survey to collect data from middle manager in about 30 vocational schools in Northwest China, each school plans to issue a questionnaire aiming to understand the impact of human resource management and transactional leadership on two dimensions of organizational performance. In China's higher vocational education schools, the members of the Party committee<sup>2</sup> play a central role in the decision-making of the school, they are responsible for grasping the strategic direction of the school, and have an important impact on the daily management of the school. In order to ensure the reliability and validity of the data, this study selected the middle managers of the Party committee as the target respondents of the questionnaire, especially the person in charge of the school office.

## 8. Research Limitations and Prospects

The data in this study only came from 30 higher vocational colleges in Northwest China, which may lead to the underrepresentation of the sample. While these schools are somewhat diverse regionally, they may not fully reflect the situation of higher vocational colleges throughout the Northwest or nationwide.

In the context of the proposed conceptual study, the test results of the hypothesis may show a significant positive impact of the independent variable on the dependent variable, and organizational culture as a mediating variable can further strengthen this impact. In the future, the scope of the study can be expanded to more regions or nationwide to enhance the representativeness of the sample and ensure the universality of the results in a wider range.

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<sup>2</sup> In Chinese schools, colleges and universities, the Party Committee (Party Committee) is the party organization established by the Communist Party of China (CPC) within the school to lead and supervise the work of the school. Its position is very important, especially in public schools and colleges and universities, where the party committee is the highest decision-making and leadership body of the school. The Party Committee usually consists of several members, usually from the principal (party secretary), several vice-principals, the head of the Discipline Inspection Committee, and 1-2 representatives of middle-level managers.

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