

**UNIVERSITY OF TURKISH AERONAUTICAL ASSOCIATION
INSTITUTE OF SOCIAL SCIENCES**

**THE EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON
PERCEPTION OF ORGANIZATIONAL PERFORMANCE**



MASTER THESIS

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Department of Management

Master of Management Program

FEBRUARY 2019

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I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct, I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original; to this work.

21 February 2019

Abdulwahab EL-MARGHAN

DEDICATION

Firstly, it is my pleasure to thank the University of Turkish Aeronautical Association especially the Department of Management for giving me the opportunity to study, and I would also like to give my thanks to all the instructors for their help.

Further, I am actually glad to thank my thesis supervisor Asst. Prof. Dr. Haydar ATEŞ for his time and effort, God bless him.

Furthermore, I am pleased to of Libya for their patience and help to fill the questionnaire. extend my gratitude to managers and employees of the General Electricity Company

Finally, I am pleased to extend my appreciation and gratitude to my family for their patience and support throughout the whole study period.

Abdulwahab EL-MARGHANI

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ABSTRACT

THE EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON PERCEPTION OF ORGANIZATIONAL PERFORMANCE

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Master, Department of Management

Thesis Supervisor: Asst. Prof. Dr. Haydar ATEŞ

February 2019, 77 pages

Today's organizations need to enhance their performance more than ever so that they can remain in the current competitive environment. The modern concepts of human resource management have been studied intensively, because of the important role that human resource plays in public and private organizations for increasing performance. Lately, in the field of human resource management, it became clear that the practices of HRM can make a great effect on the organizational performance if they strategically implemented according to the needs of the organization and its strategic objectives.

In this regard, the study intended to investigate the influence of HRM practices on the performance of organization which represented by the General Electricity Company of Libya. It is a descriptive research and a questionnaire was utilized to gather the research data from respondents. Data were obtained from a random sample made up of 400 respondents from different management levels of the company. participants requested to tick the statements that they find appropriate to the answers by using a five-point of Likert type.

Correlation analysis showed a positive significant correlation between compensation practice and organizational performance and that no relationship with planning and performance appraisal. Also, multiple regressions were utilized to evaluate the ability of practices to predict the organizational performance levels. Results indicated that Compensation have the greatest impact on organizational

performance. The study recommended that human resources management practices in the Libyan organizations should be given greater importance and future studies should involve more HRM practices to raise awareness about their importance of improving performance.

Keywords: HRM Practices, Perception of Organizational Performance.



ÖZET

İNSAN KAYNAKLARI YÖNETİMİ UYGULAMALARININ KURUMSAL PERFORMANSIN ALGISINA ETKİSİ

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Şubat 2019, 77 sayfa

Günümüzün organizasyonları, mevcut rekabet ortamında kalabilmeleri için performanslarını her zamankinden daha fazla geliştirmelidir. İnsan kaynakları yönetiminin modern kavramları kamu ve özel kuruluşlarda oynadığı önemli rol nedeniyle, insan kaynağının örgütsel performansı arttırmak için yoğun olarak tartışılmıştır. Son zamanlarda insan kaynakları yönetimi uygulamalarının kurumsal verimlilik üzerinde, organizasyonun ve stratejik hedeflerinin ihtiyaçlarına göre doğru uygulandığı takdirde büyük bir etki yaratabileceği gerçeği açıkça görülmüştür.

Bu çalışma, Libya kamu sektöründe ve Libyalı Genel Elektrik Şirketi'ndeki insan kaynakları yönetimi uygulamalarının kurumsal verimlilik üzerindeki etkisini incelemeyi amaçlamıştır. Tanımlayıcı bir araştırma tasarımıdır ve katılımcılardan elde edilen araştırma verilerini toplamak için çalışmada bir anket kullanılmıştır. Veriler, şirketin farklı yönetim birimlerinde çalışmakta olan 400 katılımcıdan oluşan rastgele bir örneklemden elde edilmiştir. Bu çalışmanın katılımcılarından beşli Likert tipi ölçek kullanarak, cevaplarına uygun buldukları ifadeleri işaretlemeleri istenilmiştir.

Korelasyon analizi, tazminat uygulamaları ile kurumsal verimlilik arasında anlamlı ve pozitif bir ilişki olduğunu ortaya koymuştur ama planlama ve performans değerlendirme ile bir ilişki olmadığını göstermiştir.

Ayrıca yöntemin kurumsal verimlilik seviyelerini tahmin etme yeteneğini değerlendirmek amacıyla çoklu regresyonlar kullanılmıştır. Sonuçlar, bu ölçümün tazminat ve kurumsal verimlilik için istatistikî olarak anlamlı birer belirleyici

olduđunu göstermiřtir. Bu alıřmada, Libyalı kurumlarında insan kaynakları ynetimi uygulamalarına daha fazla nem verilmesi ve gelecekteki alıřmaların, performansın iyileřtirilmesinin nemine dair farkındalık yaratması amacıyla daha fazla insan kaynakları ynetimi uygulamasına yer verilmesi nerilmiřtir.

Anahtar Kelimeler: İnsan Kaynakları Ynetimi Uygulamaları, Kurumsal Performans Algısı.



CHAPTER ONE

INTRODUCTION

The political, economic and technological changes hitting the world affect the way in which services largely exchanged in a competitive international market and the quality becoming the foundation. In the past, global competition has been much lower than it is now for the business environment, but challenges facing organizations today are very different as the global economy enhances opportunities and risks for all organizations and pushes all to make improvements not only for competition but also for sustainability. Globalization, in turn, is the result of strong external factors supported by new technological, economic, legislative, political and social changes. The globalization of production and markets, the rate of technological innovations and the fluctuation of demand for services and goods are factors which have raised the environmental competitiveness that the organizations ought to respond.

Organizations increasingly are required to maintain a competitive advantage by adopting an appropriate strategy (e.g., a low-cost leadership, differentiation). They build their strategies by defining their goals and objectives while taking into account different external and internal environments. They require to confirm the extreme use of their resources to their benefit while it is essential to their organizational existence. Researches indicated that they could make a reasonable position by properly managing their valuable, non-substitutable, and inimitable resource. “It has recently become clear that the main resource helps the organization to get a competitive advantage is its human resource. The committed and efficient employees help organizations to succeed in their strategies, while these strategies carried out and the employees participate in the formulation also in the implementation stages” (Mansour, 2015).

Human resources considered to be the cornerstone in achieving the organization's goals and objectives. Their importance lies in their effective role in raising the efficiency of the organization and its ability to compete internally

and externally. Traditional sources of success such as technology may still provide competitive power, but the organization's HR is substantial to the sustainability of the organization without it no organization can succeed. Organizations recently have been focusing on the achievement of high performance by the optimal utilization of qualified HR for being strategic assets. The appropriate and effective management of HR generally leads to quality of production and creation of a productive workforce and thus reduces the rate of errors and problems related to the human resources such as job dissatisfaction and absenteeism or turnover (Al-Qadi, 2012).

It is assumed that HR management has an effect on the knowledge, skills, capabilities, attitudes, and behavior of the workforce, consequently, it could affect the performance of organizations (Hartog, Boselie, & Paauwe, 2004). It can be defined as: “Human resource management (HRM) involves all management decisions and actions that affect the nature of the relationship between the organization and employees – its human resources” also defined as “The management of work and people towards desired ends, is a fundamental activity in any organization in which human beings are employed” (Armstrong & Taylor, 2014, p. 43).

HRM has a major role in the organizational hierarchy. It aims at making sure the organization has the appropriate, capable, well-motivated and committed staff and maintain them. It also carries out many tasks and responsibilities such as planning, attracting, training, establishing a system of wages, bonuses, fair incentives and evaluating the performance of the workforce. That requires taking steps to assess the future employees needs as well as to enhance and develop the capabilities of the existing workforce, their contributions and potential by providing continuous learning and development opportunities (Armstrong, 2008, p. 11).

HRM policies as well as practices must be in line with the organization's strategies for achieving better organizational performance. That means matching human resource management strategies to the organizations strategy. That way organizations seeking success has stimulated the decision-makers and the academic researchers to find out about the existence connection between organization's HR management practices and their performance (Quansah, 2013). There is on-going and increasing academic awareness about the relationship between the HRM practices and performance of the organization. Variety of these comprehensive studies indicated an existing relationship between HRM practices and performance. This

connection is depended on the principle that the improved utilization of HRM practices and policies would correlate with developed organizational performance. Although there are countless studies confirming that relationship, there are not enough empirical studies examining the mechanism that makes this relationship work (Mansour, 2015).

HRM practices defined as “a set of organizational activities that aim at managing a pool of human capital and ensuring that this capital is employed towards the achievement of organizational objectives”. Therefore, if an appropriate bundle or range of HRM practices developed and successfully implemented, HR can provide a considerable impact on organizational performance. In addition, develop a fair system of salaries, bonuses, incentives and the adoption of objectivity in promotion according to transparent criteria that are clear to all (Hassan, 2010).

Recent years have attended a great attention of organizations in Libya to the management of human resource. They carry on to face challenges for developing its concepts of human resources management in different aspects, for example, the lack of transparency in recruitment, training, and development, the lack of generating a suitable evaluation of training programs, empowerment etc. There is also weak managerial consideration for stimulating management and development of human resources based on best practices and what is most appropriate to the situation. So, the practices of human resources management in Libyan have become an essential part of the development plan and a strong motivation to achieve the proposed performance.

This present study attempted to identify the impact of HRM practices on the organizational performance in the General Electricity Company of Libya. This research can be very important at this particular time due to the challenges and changes facing the General Electricity Company of Libya, which is the subject of this study. The company plays an important role in providing an important service (electricity) to the public. The company has witnessed remarkable development in expanding its projects due to the increasing demand for electricity. That way the company needs more and more development in its systems to cope up with on-going challenges. It needs to exploit all the available resources to survive in its dynamic and changeable environment.

1.1 Problem Statement

Firms constantly are developing their HRM practices towards achieving continuous competitive advantage. These practices include HRM practices assumed to have an impact on the organizational performance because employees are the organization's fundamental resource that performance of the organization relies on (Mansour, 2015). These practices should be in the agenda with the strategic objectives for positively impact the organizational performance. In other words, Human Resources Management practices should be link with the organization's strategic objectives. Therefore, human resource can positively affect the organizational performance, if it could manage to generate an appropriate range of HR practices that motivate the employees to help the organization accomplishes its goals (Al-Qadi, 2012).

Today's HRM encountered to several challenges facing practitioners to get the appropriate ways to make those practices contribute to organizational performance, and looking for the strategic dimension of those practices to help organizations better achieving their goals more efficiently and effectively for the long term. Among those challenges, objective policies of recruitment and selection, strategic HR planning, quality training programs that lead to improved employees performance, appropriate employees' performance appraisal, employees participation in decision making, objectivity in promotion according to transparent criteria, fair systems of rewarding and compensation (Kalaf, 2017).

Through working at the General Electricity Company of Libya for more than 10 years, it is noticed that the management of human resources has been improved more than it was before. However, in general, there is still confusion in some aspects, such as power conflict and employee's dissatisfaction. Obviously, this may affect the employee's performance consequently the company's overall performance.

Based on the fact that firms should enhance their manpower by setting up their practices and systems as instruments to reach its objectives. The research problem can be described in this following question: Is there a correlation between HRM practices and organizational performance?

1.2 Research Questions

From the research main question, we can generate some sub-questions that help to make the relationship between the variables better clear and these questions are:

Q1 : What is the effect of HRM practices on organizational performance?

Q2 : Do demographic factors influence employees' evaluation of human resource management practices?

Q3 : Do demographic factors influence employees' evaluation of organizational performance?

Q4 : What are the most important HRM practices in GECOL?

1.3 Research Objectives

The main objective of the study comes from the current view of HR as a competitive advantage source and a strategic partner in the organization, as well as its active role in achieving better work performance. The objectives of the research may be determined in more than one reason:

1. To evaluate the relationship between HRM practices and organizational performance.
2. To measure the impact of HRM practices on the organization performance.
3. To determine the variability of demographic factors on the perception of HRM and organization performance.
4. To evaluate the importance of HRM practices in GECOL.

1.4 Significance of the Research

The main purpose of this study is to determine the potential effect of the practices of HRM on organizational performance in the General Electricity Company of Libya. The conclusion and proposals may supply the company with a reliable foundation for appropriately managing its HR and to help the company to increase its performance with the current employees.

In addition, the research aims at presenting that Libyan state-owned organizations, for sustaining competitive advantage they should employ their key resource to enhance organizational performance by focusing on HRM practices improvement. Further, it is expected that the findings of the study could afford a help

to experts in public and private organizations which try to improve their HRM practices.

1.5 Research Organization

This study is intended to be organized into five chapters as following:

Chapter one is an introductory chapter and it contains the research introduction, study problem, questions of research and objectives. It includes also the significance of study and organization. Furthermore,

Chapter two attempts to explain the concepts to provide wider sight of research variables and provides a background of the research studies related to this study.

Chapter three covers methodology of research which presents the research design, the population, and sample of study and data collection methods.

Chapter four provides data analysis and presenting the primary results and a discussion related to results.

Chapter five draws the study conclusion based on the findings also the recommendations which may help the company to implement appropriate practices as well as presents proposals for future research studies.

CHAPTER TWO

LITERATURE REVIEW

The main purpose of the research is to explore the correlation between HRM practices and the performance of the organization which conducted on the general electricity company of Libya. For the purpose of achieving the research objective, the study generated the following question: Is there a correlation between HRM practices and the performance of the organization?

Regarding the research question and for further clarification this chapter introduces a review which contains the theoretical review of the main points related to the research variables starting with a part on the concepts of HRM then a review of the historical development of human resources management and follows by part on the main perspectives and approaches of HRM practices. Further, this chapter introduces HRM practices and the organizational performance followed by a description of the strategic role of HRM practices, also the impact of practices of HRM on the performance of the organization. Finally, it provides a literature review of related studies associated with the impact of HRM practices and organizational performance.

2.1 The Importance of Human Resources Management

It is defined as “the management of work and people towards desired ends, is a fundamental activity in any organization in which human beings are employed. HRM is an inevitable consequence of starting and growing an organization as if organizations cannot survive or grow without making a reasonable attempt at organizing work and managing people” (Boxall, Purcell, & wright, 2008). It also defined as “Human resource management is a strategic, integrated and coherent approach to the employment, development, and well-being of the people working in organizations”. It covers important activities such as human capital management,

performance reward management, employee well-being, learning and development, employee relations and knowledge management and other activities that concern employees and work (Armstrong, 2013, p. 5).

From the above definitions, it can be understood that HRM is necessary to organizations which concerned first with ensuring that the organization has the sufficient and needed workforce and therefore is able to satisfy the firm's needs of employees which also determined by the design of the organization's structure. When selecting and recruiting employees to fill a vacancy. It should be with the right and skilled employee to provide the desired performance needed. When the required manpower is available, HR managers seek to ensure that employees are well motivated and committed by conducting motivating practices such as training and development, as well as reward systems, which demanded to increase the employees' desire and intention of work that helps for getting the proposed improved performance. Another important factor that organizations need to effectively compete in the labor market by employing and retaining the best manpower available. This involves developing stimulating employment packages which attract and maintain the required skilled employees, and when necessary, get rid of those no longer have a role to play in the organization.

Why human resources management is critical to the success of organizations? because HRM concerns with human resources, which are the most important resource to the organization, where they have certain qualities make them valuable. "The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. HRM aims at increasing organizational effectiveness and capability which is the capacity of an organization to achieve its goals by making the best use of its resources available. But HRM has an ethical dimension which means that it must also be concerned with the rights and needs of people in organizations through the exercise of social responsibility" (Armstrong, 2009a, p. 5). Regarding the business strategy, an organization can succeed if it has a sustainable competitive advantage better than competitors and can retain that competitive advantage over time. Therefore, we can conclude that organizations need the human resource that would give them such a feature by improving their human resource management (Noe, Hollenbeck, Gerhart, & Wright, 2011, p. 4).

2.2 Historical Development of Human Resources Management

The relationship among the organization's management and the employees have experienced great development over time. The way that human resources management has become is the result of the interaction of many economic, social, managerial and cultural factors. Following a discussion of the main stages that contributed to the formation of HRM.

2.2.1 The emerge of scientific management

One of the most important stages which contributed to the development of HRM at the beginning of the last century is the scientific management theory by Frederick Taylor (1856-1915). The scientific management theory was given a great consideration among employees and management through the use of scientific method in determining the specifications of business and choosing the best person to work and using (time and motion) study to encourage employees to perform according to specified methods and speed or rate required. Workers were subjected to strict control in order to meet these predefined standards. Those who do not meet the required criteria have been dismissed from work (Salim, 2009). According to this philosophy, the functions of personnel management was limited in some activities, such as employment, training, health care and safety. Basically, this point of view was looking for achieving the most possible production of work regardless of whether the workers' goals are achieved or not. However, the administration tried to provide some additional services for workers, such as holidays, loans and insurance etc. but they were voluntary services by the administration and not as a result of workers' pressure or government (Robbins & Coulter, 2012, p. 29).

2.2.2 The human relations school

The ignorance of scientific management for workers' goals and their personal and emotional desires took to the appearance of a new school into management started in 1924. The School of Human Relations by western engineer Elton Mayo. The impact of this school has begun to improve HRM as a result of a chain of researches conducted at a Western Electric Company Works in Cicero, Illinois. It

was the most significant contribution to the organizational behavior area called the "Hawthorne Studies" (Robbins & Coulter, 2012, p. 33).

The results provided new indicators for how management should work with employees. The employees' productivity and their efficiency of work can not only be determined in the light of scientific management way and determining wage can not only be by the administration but besides that, there are social and psychological indicators contribute to that. These studies have focused on the correlation between productivity and morality of workers and the incentives and their impact on productivity. It also pointed out the importance of HR in work and the essential to align the objectives of employees to the organizations' objectives. It also criticized the idea of economic man presented by Tyler School, which considered work as an economic object driven only by financial incentives, while the School of Human Relations points out the opposite. This school considers individuals as human beings have feeling and their feeling must be respected. Also, they are a valuable resource that must be satisfied and their human needs ought to be met, which directly or indirectly contributes to achieving their goals and the organization's objectives. However, the results of this human philosophy were limited in the real life, because satisfying all the needs of workers is difficult to be met, and sometimes some of these needs are against the objectives of the organization (Salim, 2009).

2.2.3 The school of personnel management

After the Second World War, the Administrations became increasingly convinced by the importance of the management department in their factories. Some problems started to appear between the management and their employees which led to the emerging specialized department to care for human resources as a result of the lack in scientific management and human relations (Kalaf, 2017).

This school focused on providing the organization of the needed workforce and developing and maintaining them for attaining the organization's objectives of maximum productivity, profit, and growth, as well as assisting the organization in solving the workforce problems. What increased the role of personnel management was the interference of the government in employment and work conditions conducting some laws and regulations regulating the work of employees in organizations and forcing organizations to provide more functional benefits to

workers such as health insurance and compensation. This specialization in the field of business administration (personnel management) has developed principles and rules which was teaching in universities and had a direct impact on the promotion of scientific studies in the field of human behavior. Between 1960 and 1980, many theories of human resource motivation and leadership emerged. It is noted that the role of personnel management was limited to implement the policies and rules of top management in functions like human resource planning, selection, recruitment, training, and development. Personnel management has also expanded to include all staff members of the organization after it was limited to workers only (Salim, 2009).

2.2.4 The school of human resources management

In order to avoid problems in the previous schools in dealing with employees in the organization, and keeping up with the continuous developments in the modern management thought the innovation, creativity, and concentration on the capabilities and talents of individuals and the investment of their intellectual potential. During the eighties of the last century a new concept of HRM appeared "Human Resource Management" The activities of this department were defined in a range of functions such as job analysis and specification, recruitment and selection of employees, wage and incentive preparation, training and development, solving their employees problems and strengthening cooperation relations between the employees and management (Salim, 2009).

This school better contributed to attain the proposed objectives of the organization in terms of increasing productivity and achieve the desired growth of the business. The efforts of this school focused on how to find coordination and integration between employees and therefore it should expand the knowledge of employees of these functions and deepen their awareness of the significance of HRM and its role in implementing policies for each job consequently the perception of employees has changed (Al-Qadi, 2012).

There are some factors have also contributed to make and spread of this new term following a brief description of these factors:

Economic factors: Organizations has faced severe pressure in order to raise the productivity of workers compared to the increasing cost of the workforce.

Organizations have also faced pressure in cases of reducing employment, improving product quality and expanding internal and international markets.

Social factors: Organizations also faced important issues such as the diversity of employment sources, with different cultures. Also the increasing of their needs and the ongoing changing of their expectations, in addition, the continuing government interventions with the rules and legislation for ensuring the protection of the workforce.

Technological factors: Organizations have also faced rapid technological changes in terms of production technologies, quality and cost of machines and equipment, and the evolution of communications networks and IT systems.

Administrative factors: The theoretical and practical managerial developments and the great use of information technology have developed a new base for modern organizations in how to address individual issues. For example, leadership and motivation theories, goal management, and total quality management have created new approaches in both business management and human management (Salim, 2009).

2.2.5 The school of strategic human resource management.

This school initiated to formulate and setup at the beginning of the present century based on the ideas that came from the School of Human Resources Management, it did not cancel the previous ideas but tried to add what can enhance management now. It can be better understood by asking the following question: How can human resources management be integrated with the organization's strategy?

It is clear that the previous school focused on finding the coordination and integration between policies and programs that were set up which is no longer sufficient in the context of the importance of human resources and its role in work. In addition, it failed to satisfy the top management desire in the organization to succeed in the competition at the international level and within many different cultural and political variables (Al-Qadi, 2012). This school emerged after the end of human resources management school trying to find the right tools to fix some previous problems such as recruiting according to the organization's strategic needs and the functional departments needs also to be aligned to the organization's strategy concerning more important and vital goals like performance management, achieving

higher productivity and improving efficiency and effectiveness. While this school is still under development, there is a strong belief in the possibility that it may have an impact on organizations to manage their human resources in ways that enable it to place the right person in the right place (Salim, 2009). Thus, It is found that the strategic dimension of human resources management is better to be formed in line with the framework of the organization's strategic process at different stages in terms of clear vision basic mission goals as well as taking in consideration the external and internal environmental factors in order to determine the objectives of organization. According to this school, employees no longer are seen as only individuals doing specific jobs but seen as a real business partner and a strategic resource of the organization (Al-Qadi, 2012).

Lately the term " Strategic Human Resources Management" has replaced the term "Human Resources Management" in most universities around the world and many international companies after strategic management ideas and principles spread in various administrative fields and has been taught in most of the universities around the world. There are also many books and research studies which attempted to define this concept. It has been emerged because of many economic, social and political factors. The impact of globalization, increased government intervention, the rise of TQM, as well as the orientation towards customer satisfaction as a key to the survival of organizations and ensure its success in the undergoing changing environment. It became clear that the organization's management should have taken an integrated strategic perspective in dealing with its human resources. Human resource management has changed from being a set of procedural actions associated with employee policies and systems to be a strategic function that deals with the most important resources of the organization and integrated with its overall objectives and strategies. This study matches the philosophy of integration between human resource management's strategic practices and the organization strategy and focuses on supporting this integration in various management activities (Salim, 2009).

2.3 The Strategic Role of Human Resource Management

HRM experienced a lot of changes during the last century and this century. These changes have occurred in two major transformations. The first change was from being personnel management to HR management and the other change was of

being HRM to strategic HRM. The first change helped to include human resource within the important organization's assets that can be systematically managed where the second change is based on the same previous idea, in addition, came to coordinating human resource policies and practices with each other and matches them to the organization's needs where these needs should be according to the organization's strategy. So this change in human resources management has become strategic HRM. In other words, it involves the management orientation that ensures the appropriate management of human resource in the way leads to achieve the organization's goals within the framework of its vision and mission (Al-Qadi, 2012).

Organizations today understand the importance of human resource for achieving their goals. That way it became clear that HRM has a vital role in organizations today, while it is responsible for employees as they have a vital role in gaining competitive advantage. They should not simply respond to what management states. They must be forward thinking. They should take the lead to help the management with the organization's most valuable asset whom its people working there. Therefore, human resource management has to balance between two main responsibilities: supporting the organization in getting its strategic goal and representing its employees while they are the main resource enable the organization getting that goal. Also considering employees as a strategic partner that involves supporting the business strategy and maintaining them within the organization requires conducting those practices they desire (Decenzo, Robbins, & Verhulst, 2010, p. 33).

Human resources management emerged to deal with some duties, together with the compatibility between HRM practices and the organization's goals. It links HRM practices vertically with the overall strategy and horizontally which is the integration between human resources practices to support each other. It believes the view that organizations can be more active if they manage to conduct appropriate human resource policies and practices like providing the organization with the needed human resource that have the necessary skills and competencies to stimulate the organizational performance. In other words, strategic HRM is to create the integration of the overall strategic objectives of the organization with HRM strategy. As the processes of human resource management are managed in a way to promote the objectives of creating an integrated approach of managing various human

resource functions such as training, attracting and motivation that complete each other (Al-Qadi, 2012).

When formulating the organization's strategy in terms of supporting the functional departments such as marketing, production, finance, and operations, then some questions need to be answered while selecting the appropriate structure to fit the needs of strategy those questions are: How is the authority centralized or decentralized? How is the span of control narrow or wide? When the structure is selected, jobs designed then employees get to know the necessary abilities, knowledge, and skills for their positions and its connection to the organization. Recruitment and selection policies must be examined to be sure that the selected employees have the right and needed skills. Compensation for rewarding should contribute to the organizational goals. Also performance management help to support the organizational structure as it draws the lines for employ or dismisses. HRM needs to find out the job standards and evaluate the performance (Decenzo et al., 2010, p. 33).

If organizations' management link their human resources management practices to their strategy somehow that could increase their shareholder value and profitability. It is assumed that the more emphasis on practices which add value to human resource, the more profitability the organizations can be. Superior HR practices, including recruiting the right employees to work within the organization's strategy, can increase productivity and profitability. Strategic HRM makes a clear connection between the activities of employees and goals of the organization. So It is better employees can understand the link between their day by day tasks and the achievement of an objective or goal (Decenzo et al., 2010, p. 33). HRM practices can increase the performance of organizations and be a source of competitive advantage as these policies and practices are usually unique and inimitable. In addition, HRM practices will enhance the performance of the organization when they are internally aligned to manage the workforce in a way that leads to gain competitive advantage (Al-Qadi, 2012).

2.4 Perspectives and Approaches of Human Resource Management

Recently some perspectives have emerged regarding how specialized human resource management activities should be in order to achieve a competitive advantage and continuous effectiveness. It is possible to refer to three basic

perspectives in this regard that are still competing for being the best in this subject. These perspectives are the best practice model, The resource-based view and the best fit perspective. Following are the basic ideas of each model referring to the main points that worth the attention of human resources management practitioners in organizations:

2.4.1 First: The best-fit approach

This model is led by well-known searchers such as Porter, and Miles, Snow, and Boxall. They believe that strategic HRM would be better and more effective in achieving competitive advantage when integrating with the environmental context. The organization's performance will improve when the organization's strategy and HRM practices are properly fit. In order to achieve the integration, human resources management must have the ability to deal with two forms of fit: the external (vertical) fit and the internal (horizontal) fit (Armstrong, 2008, p. 40).

The external fit: is the fit that must take place between HRM strategies, the overall strategy of the organization with external environmental variables. This require adaptability and high flexibility in HRM practices, especially in the early stages in the organization's life.

The internal fit: is also called horizontal fit, that takes place among the practices of HRM. This model is based on the idea of bundling, that is, not to deal with human resources activities in a separate or isolated manner, because by their nature they are combined and coherent activities in integrated groups. One of the criticisms of this perspective is the disability of finding a proper match between the needs and interests of the individuals and the requirements of human resources strategy and the organization strategy. Again it is hard to get a clear description of the competitive strategy because it differs among organizations (Salim, 2009).

2.4.2 Second: The best practice model

This model is opposite to the previous one, which emphasizes that the organization should follow a group of practices of human resource management that assumed to make the greatest impact, regardless of the nature of the environmental situation. In other words, applying the best practice would help to get the best

organization's performance and it said to be applicable to all organizations and in any environment. Therefore, this model is called the universal model or one best way model. It assumed that some practices are always better than the other ones. Therefore, the organization should always look for its best practices through comparisons and experimentations. Researchers over time suggested different lists of practices; however, the well-known best practice model was produced by Pfeffer who presented seven basic practices covering human resources management activities such as selection, recruitment, training, and compensation etc. The idea supports this perspective is that the right application of these practices helping the organization getting a competitive advantage. The seven practices namely are:

- 1- Employment security
- 2- Selective hiring
- 3- Self-managed teams
- 4- High compensation contingent on performance
- 5- Training to provide a skilled and motivated workforce
- 6- Reduction of status differentials
- 7- Sharing information (Armstrong, 2008, p. 40)

2.4.3 Third: The resource based view

Penrose and Barney (as cited in Salim, 2009) Contributed to this model. Barney, in her famous book "The Organization Growth Theory" pointed out that the organization, in fact, is a set of productive physical and human resources, and it is essential to pay attention to develop and train HR as they are basic for the organization's growth. This model is the most widely used due to its closeness to the actual reality of the interaction between the organization and its environment and to many criticisms directed to other models (Salim, 2009).

The composition of strategy, at the organizational level and functional level, determined by the organization's resources. Resources are all physical, human and intangible assets. The resource considers being a competitive advantage to the organization if the organization managed to better make use of it than competitors. HR is the most essential and valuable in getting a competitive advantage that dealing with other resources. Hence this model tries to draw attention to the strategic value of human resource and the importance of maintaining, developing and training this

asset because of its basic role and to be an effective element in achieving the conducted strategy and gaining competitive advantage in a particular market. The more the organization can develop its human resource, the more efficient it would be in dealing with its physical resources that are dynamic due to the dynamic environmental variables (Quansah, 2013).

According to Barney, the resource is fundamental to the organization and consider being a competitive advantage if it is characterized as "have value, rare, inimitable, non-substitutable". According to this model, the first step of strategic HRM is to empower employees and motivate them to deal creatively with the organization's resources for to achieve the best use of these resources and exploit the environmental opportunities and overcome the difficulties efficiently. Any expenses on human resources must be considered as an investment that makes a great return. Therefore employees improvement and their experiences acquisition and skills, as well as training them how to use their skills consider being a strategic asset that impossible to imitate by other rivals (Salim, 2009).

2.5 Human Resource Management Practices

The modern concepts of human resource widely studied because of the vital role they play which attracted the attention of officials and practitioners in public and private organizations worldwide. Researches and theories have been intensively occurred on how to get the optimal use of this important resource. Lately, in HRM field it becomes clear that the practices of HRM can make a great impact on employees' performance as a result on the organizational performance if they properly implemented according to the needs of the organization and its objectives. Researchers pointed out different sets of HRM practices that directly influence HR which described as "best practices" or "high performance practices". Also described as "sophisticated" or "Professional". However, one of the enduring questions in HRM researches that if there is a single set of practices that could represent a universal approach of HRM practices. Theories on best practices suggested certain HRM practices that can positively impact the organizational performance.

Theories of the best practices or high commitment systems believe that linking some practices to human resources management, whether alone or jointly, contributes to improving the performance of organizations. Guest (as cited in Al-

Qadi, 2012) pointed out, three kinds of theories that explain human resources management practices:

1. Strategic theories: The core objective of the theory is to describe the correlation between some possible external influences and human resources management practices so that to explain the impact of these external factors on human resources management practices.
2. Descriptive theories: The theories that attempt to describe human resources practices more comprehensively, and enable the idea of having different relationships between them.
3. Normative theories: Reflects the existing knowledge to provide a basis for a set of practice or that a set of values indicates best practice. Also points out that when HRM practices come together to achieve the goals, the result will be a high performance from the employees and thus a positive impact on performance (Al-Qadi, 2012).

Researchers over time suggested different lists of practices; however, there is no agreement on specific practices could be suitable as a general HRM aspect. It is good to note that there are some practices form the essential suggested lists of practices. This study is conducted on five HRM practices based on the possibility of their important impact on the study simple and according to the literature reviewed. Following a description of these human resource management practices:

2.5.1 Human resource planning

Human resources planning forms a significant relationship between the organization's strategy and the overall functions of HRM. The strategic Plan for HRM reflects how organizations attract and employs its human resources according to the future expected needs. It is affected by the organization's strategy and it draws the basis for human resources management (Salim, 2009). "Human resource planning is the process by which managers ensure that they have the right number and kinds of capable people in the right places and at the right times" (Robbins & Coulter, 2012: 318). Reilly (as cited in Armstrong, 2009) defined HR planning as: "A process in which an organization attempts to estimate the demand for labor and evaluate the size, nature, and sources of supply which will be required to meet the demand" (Michael Armstrong, 2009: 486).

It is clear that these definitions share several points, for example, that planning for the future human needs is a process that must bring into line with the strategic planning of the organization. That means it is not separated from the other resources planning in the organization. This process depends first and foremost on the existence of clearly defined goals that the organization seeks to achieve by planning its various resources which human resource is one of them (Salim, 2009).

Human resource planning requires a clear strategic plan that includes other management activities that HR does, such as recruitment, training, and development etc. This requires collecting an accurate and sufficient information in order to make decisions help the organization succeed in long-term. On the other hand, the human needs planning process for being effective depends on conducting a comprehensive analysis of the surrounding environmental conditions as well as the conditions of the internal environment (Salim, 2009).

2.5.2 Recruitment and Selection

"Recruitment is the process of finding and engaging the people organization needs. Selection is that part of the recruitment process concerned with deciding which applicants or candidates should be appointed to jobs." (Armstrong & Taylor, 2014, p. 226). The organization normally makes selection decisions if there was a vacancy in order to add new employees to the existing workforce or transfer existing employees to that position (Noe et al., 2011, p. 7).

The organizational performance can be enhanced by effective HR strategies which succeed in employing and retaining a motivated and committed staff. Recruitment and selection, have a substantial role in increasing the effectiveness and performance of the organization if it manages to acquire the workforce that already has the needed knowledge, skills and capabilities (Quansah, 2013). The recruitment and selection process may come in three main stages which are: defining requirement, attracting candidates and selecting candidates (Armstrong, 2006, p. 409). Some previous researches that examined the correlation between recruitment and selection practices and the performance of the organization found a positive correlation between them. It is clear that there is a relationship between these variables and a good improvement in recruitment and selection practice could have a

huge influence on the performance of organization especially in the long-term (Singh, 2004; Katou, 2008; Al-Qadi, 2012; Mansour, 2015; Khalaf, 2017).

Organizations in Libya has not yet adapted to modern concept and standards of recruitment and selection practice. Such limitations in using recruitment and selection process could have a negative impact on the employee's productivity consequently on the quality of services, while that does not lead to have the right person in the right place. Also that leads to increase the rate of turnover while there are still some organizations and institutions suffering from limited application of new concept and standards regarding recruitment and selection practice.

2.5.3 Training and development

Training is a planned and systematic instruction activity done by the organization to provide employees with particular knowledge and promote learning to improve their skills and abilities, and positively change their behavior and attitudes so that they can cope with the ever-changing internal and external environment in today's world. It is believed that training contributes effectively to the competitive advantage of the organization while it creates a skilled and efficient workforce. It is an ongoing process that every worker in the organization may subject to, as it is not limited to one employee or another. The benefits of training are shared by the organization, employees and the community. The significant of Training appear in being a process that must be subject to an evaluation for fulfilling the training needs of staff for attaining the desired purposes. The lack of belief in training importance and the lack of encouraging the functional departments to properly choose who need to conduct training, one of the common reasons that lead to failure of training to yield its benefits in most organizations (Salim, 2009, p. 239).

Training remains vital to improve employees' performance. Fulfilling the needs of training of the organization's current staff can positively affect their organizational commitment. Cheng and Ho (as cited in Quansah, 2013) claimed that sufficient training provides a noticeable improvement in staff communication as well as performance also extending retaining time. Furthermore, programs target the communication skills with workers, there will be a substantial increase in revenue and better working relationships. Also (Karia & Asaari, 2006) claimed that training

make a positive impact on involvement, satisfaction, as well as the commitment (Quansah, 2013).

2.5.4 Performance appraisal

Once the organization has spent that amount of money on various activities such as (recruiting, selecting, orienting, and training), then it needs to keep its employees, especially the skilled once. The main two HRM functions that play a great part in this regard are improving suitable compensation programs and managing the performance of employees (Decenzo et al., 2010, p. 232).

The majority of employees are subject to an assessment of their past performance at least once a year. It may last less than five minutes to assess the performance of a particular employee, while it may take longer than one week for another. All workers consider the evaluation process to have a direct effect on their working lives. As it may result in an increase in salary or promotion to a higher job e.g., In contrast, it can result in imposing a punishment in some cases or giving a training course in order to acquire new knowledge and skills to enable them to perform better (Decenzo et al., 2010, p. 232).

Performance appraisal currently is considered an integral part of TQM, which represents the contemporary approach of managing organizations. An approach that emphasizes the need to continue developing and improving the performance of employees according to the results of their performance evaluation. The organizational effectiveness which concerned with providing customers with goods and services they are satisfied with also depends on the continuous improvement of performance (Salim, 2009, p. 239).

The strategic performance management helps the organization achieve its objectives and that can occur by drive the employees' behavior to the organization's goals. It starts with defining the organization's expectations from its employees and measures every employee's performance for identifying where can those expectations be met. This allows the organization to correct the wrongly conducted policies and practices, such as training or incentives. Performance management can achieve its strategic objective when the measurements are truly linked to the organization's objectives. Also when the feedback about performance is communicated to employees (Noe et al., 2011, p. 226).

Some problems may arise when conducting a performance evaluation process. The main problem is how to ensure the objectivity and fairness of who conducting the evaluation process and protect him against making mistakes. It has been noted by researches that the evaluator may make several mistakes that could destroy the core activity in human resources management, which is to assess the employee's performance. He may not be able to accurately classify the evaluation criteria or the evaluation reflects the relationship with his subordinate which called the Halo Effect. Also the ability to be accustomed to "middle solutions" and "Personal Bias" and the negative effect on the evaluation process caused by these matters. This has been supported by many studies, for example, that the black man gets lower rating pay than the white man in USA firms. Such problems must be sorted out and the administration must have the courage to identify their existence because knowing the problem is the key to avoiding its future happen (Salim, 2009, p. 239).

2.5.5 Compensation and Benefits

"Employee compensation includes all forms of pay going to employees and arising from their employment. It has two main components, direct financial payments (wages, salaries, incentives, commissions, and bonuses) and indirect financial payments (financial benefits like employer-paid insurance and vacations)" (Dessler, 2015, p. 546). The modern view of compensation extends to include the non-financial matters or called moral and social needs, which no less important than the material needs that the financial compensation deals with. Examples are (good treatment, work security, psychological well-being, and opportunity for growth and progress). Most people expect to get applicable compensation from their employer. Thus It can help to attract and maintain talented and competent employees who expected to assist organizations to achieve their objectives if the organization managed to conduct and implement a fair and stimulating compensation system (Al-Qadi, 2012).

When evolving a strategic compensation system, the organization must work to achieve two basic equalities: internal equality within the organization and external equality with competing organizations. Taking into account the impossibility of achieving absolute justice, but justice is relative due to some interaction factors that could affect the organizational ability to ensure that appropriate justice. Also, it is a

significant factor in maintaining motivated employees "The equity theory of motivation assumes that people are motivated to maintain a balance between what they perceive as their contributions and their rewards" (Dessler, 2015, p. 346).

Since the strategy defines the organization's orientation, the compensation system must be aligned with that strategic orientation. The final formulation of the compensation strategy is determined by several factors which need to keep in mind. Among these are the components of the organization's statement and its philosophy towards employees (Salim, 2009, p. 319). Also, the life stage in which the organization is going through as the life cycle model indicated four stages which are: (start-up, growth, maturity, decline). As the organization grows, HRM procedures and practices should improve to fit its needs. Further, as the overall strategy must be integrated with business strategy and functional strategy, This integration must be linked to the life cycle of the organization (Armstrong & Taylor, 2014, p. 23). In successful, high-growth organizations, human resource management make every effort to attract knowledge workers. That time they may find themselves enforced to pay higher salaries than the labor market or competing organizations. On the other hand, when the organizations go through a period of stability, then they attempt to give equal salaries as other organizations do. Also when the organizations in decline and reduction phase, they may decide to pay lower salaries than in the labor market as a means of forcing workers to leave the organization. Along with these strategic factors, there are other important factors that also determine the compensation strategy, including the extent to which the organization can pay, and the ability to attract and retain talented employees by creating an appropriate working environment. Also the government legislation and trade unions. How can the trade unions impose its conditions in determining the level of compensation for workers? Finally, the cost of living in an environment where the organization operates (Salim, 2009, p. 319).

2.6 The Organizational Performance

The organizational performance has attracted considerable attention from practitioners and academicians for being essential to organizations for their success and survival in modern business. It is normally considered to be a dependent variable and also assumed to play a central role of being counted as the general organizational goal.

2.6.1 Defining organizational performance

Researchers attempt to define the concept of organizational performance and it has been a very common concept in management researches, nevertheless, there is a lack of defining the right meaning and how is it measured and it still an open question. Before defining organizational performance first, we need to understand performance management following some definitions presented to better conceptualize and understand the concept: "Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements" (Armstrong, 2009b, p. 234). Also, it has been defined by Berman (as cited in Khalaf, 2017) "the effective and efficient use of resources to achieve results" (Kalaf, 2017).

Researchers define organizational performance like Aguinis (as cited in Aldulimy, 2018). defined it as "Organizational performance describes an organization's ability to use its full potential to achieve its objectives of profitability and sustainability in the business market" (Aldulimy, 2018). Managing the organization's performance is an ongoing responsibility of top management while it is responsible for planning, organizing, monitoring and controlling activities in such a way to achieve the organization's strategic objectives and satisfy the stakeholder desires and needs. Performance management systems of Individuals, as well as teams, play an important role in managing organizational performance as well as developing effective work systems (Armstrong, 2009b). Operations, Marketing, and HR are eventually measured by their participation in the performance of the organization. Measuring performance is essential to help researchers and managers to assess the appropriate actions where the organization face their competitors and how the organization evolve over time (Richard, Devinney, Yip, & Johnson, 2009).

2.6.2 The strategic approach of the management of organizational performance

The strategic approach of the organizational performance management explains how to create a broader and longer-term vision for how to achieve the organization's

proposed goals so to manage performance in ways that ensure maintaining this strategic direction. The purpose is to provide a reasonable path in an ongoing competitive environment so that the business needs, as well as the individual and collective needs of employees, can be met through the development and implementation of integrated systems for managing and improving performance.

This approach is built on the resource-based view that the development of the organization's strategic rare and difficult to imitate resources that create competitive advantage. The strategic goal is to create an organization which is more flexible and intelligent than rivals by developing more skilled employees and expanding their skills base, that what is performance management desire to do (Boxall, 1996).

2.6.3 Measuring organizational performance

Measuring organizational performance differs according to the perspective of measurement adopted. The financial perspective is basically based on evaluating the financial indicators of the organization. For a long time, the focus was on measuring the performance of financial indicators and failed to address other indicators that have an effect on the performance of organizations. Researches on Human Resource Management to a large extent have neglected the employees' attitude, perception, and behavior (Singh, 2004). The organization's competitive environment increases day by day, it is not possible to consider only the financial indicators as a basis for measuring performance. The modern approach to organizational performance measurement has adopted financial and non-financial indicators. This improves in performance assessment has emerged to overcome that view which only considers the financial side to come up with a wider approach that considers more important factors such as technologies, employees behavior, economic changes, markets, costumers needs, and the organization's strategic goals (Al-Qadi, 2012).

One of the well-known approaches was Key performance indicators “are the results or outcomes that are identified as being crucial to the achievement of high performance and provide the basis for setting objectives and measuring performance.” A KPI used to measure things that are strategically important to the organization such as the rate of turnover, sales, time to market, added value per employee and employee engagement. Also The balanced scorecard that assumed “Managers want a balanced presentation of both financial and operational measures.

Their original concept of the scorecard required managers to answer four basic questions, which means looking at the business from four related perspectives” namely (customer perspective, financial perspective, innovation and learning, internal perspective) (Armstrong, 2009b, p. 233).

The financial performance of the organization relies on operative performance. Since the operative performance of the organization depends on human resource, procedures, and technology used. Therefore for effectively making use of human resource and the technology used, the organization must be competent with sufficient skills, competencies, and capabilities which are important factors determining the effectiveness of operations in regard with providing quality products and services within a specific period (Al-Qadi, 2012). The turnover rate was the most common measure at the individual level (Boselie, Dietz, & Boon, 2005). On the other side, recent studies have begun to include one or more employees’ measurements in their studies such as motivation, job satisfaction, commitment, trust or turnover. Measuring and identifying employees' attitude and behavior can be considered more challenging than operational and financial performance (Byremo, 2015). HRM practices such as recruitment and training assumed to enable the organization to enhance the efficiency of workers to perform higher (Al-Qadi, 2012).

Built on the above literature review, it became clear that the evaluation of organizational performance varies from one organization to another, using different criteria. Some organizations adopt financial goals, such as profitability and market shares as indicators of performance, while other organizations tend to use non-financial goals, such as customer satisfaction, employee involvement, improvement of product quality, and reduction of customer complaints as important indicators of organizational effectiveness (Aldulimy, 2018).

The measurement of the employees' behavior and attitude expected to be more challenging compared to operational and financial performance. They can be translated into quantifiable data though Likert-type ratings, to be analyzed. Therefore, the non-financial performance of the organization through the employees' perceptions which supposed to reflect the organizational performance was subsequently adopted as a dependent variable of this study. In other words, in this study organizational performance was measured through employees’ perception as an indicator of the company performance.

2.7 The Impact of HRM Practice on Organizational Performance

Despite the existence of various stakeholders in the organization, the main objective of the organization is the financial performance which maximizing shareholders' wealth. The financial performance relies largely on the efficient operational performance. Since the operational performance of the organization depends on human resource, procedures, and technology used. For effectively making use of the organizations resources used, the organization must be competent with sufficient skills and competencies which are important factors determining the effectiveness of operations in terms of providing high-quality products and services within a specific period of time. HRM practices like recruitment and training assumed to enable the organization to enhance the efficiency of workers to perform higher (Al-Qadi, 2012).

The view that supports the practice of HRM is that the performance of an organization largely relies on its human resource, and they are the main source that enables the organization making its goal. Thus, if a proper set of human resources policies and practices are generated and implemented effectively, then human resources can make a great influence on performance. Researches over the past two decades struggled to solve the question that whether HRM practices have a positive impact on the organizational performance (Mansour, 2015).

HRM practices argued to have positive relationships with the performance of the organization especially when management provides an actual concern for the individual employee's needs. Fey (2000) through his study on the correlation between HRM practices and 101 non state-owned organizations' performance in Russia supports the claim that good investing in the practices of HRM can considerably help the organization better perform. Guest (2002) claimed that the influence of HRM on the organizational performance comes from the employee's reaction to the practices of HRM so that the influence goes in the direction of employees' perception about HRM practices. Khatri (2000) related practices of HR to diverse organizational consequences like market value, productivity, turnover, quality, and ROI (Quansah, 2013).

2.8 Research Studies on The Relationship between Human Resource Management Practices and Organizational Performance

A study conducted by Singh (2004) examined the effect of HRM practices on the performance of organizations in India. It was conducted on 82 Indian organizations. Descriptive statistics and correlations conducted and it exposed a positive correlation between some of HRM practices such as (selection, performance appraisal, training, compensation system, and employees' involvement). Among these practices, the highest effect was by training and compensation on the performance of the organization (Singh, 2004).

Green, Wu, Whitten, and Medlin (2006) attempt to examine the present effect of strategic HRM on firm performance. It was conducted on a sample of 269 HR professionals of big US industrial organizations. A structural equation modeling was utilized to analyzing data. Results revealed that the effect of strategic HRM on the performance of the organization was positive and significant. Also, strategic HRM supposed to influence individual performance, job satisfaction, and commitment (Green, Wu, Whitten, & Medlin, 2006).

A study conducted by Katou (2008) evaluated the impact of HRM on company performance. A questionnaire distributed to 178 manufacturing organizations in the context of Greece and 'structural equation modeling' used to analyze data. The findings indicated that a strong positive relationship was between different HRM practices on company performance such as (resourcing and training, compensation, job design, and involvement) and it is also partially mediated by HR outcomes (skills, behavior, attitudes) (Katou, 2008).

Shahzad, Bashir, and Ramay (2008) study studied the correlation between three HR practices (promotion, compensation and performance appraisal) with employee perceived performance of 12 universities covered 94 faculty teachers in Pakistan. The study used the Correlation Matrix to analyze data and the findings indicated a positive correlation between two practices (promotion, compensation) with perceived employee performance whereas (performance appraisal) is not significantly related with employee perceived performance. It suggested that the universities should revise compensation practice and defining a clear sufficient career path to increase the teachers performance (Shahzad, Bashir, & Ramay, 2008).

An empirical study conducted by Akhtar, Ding and Ge (2008) attempted to investigate the effect of strategic HRM practices on the performance of organizations in China. It was conducted on 465 Chinese organizations. Two survey questionnaire distributed to HRM directors and general managers about the performance of product and service and a range of strategic HRM practices of their organizations. The study results indicated that an effective bundle of practices (training, empowerment, and career opportunities and performance appraisals) have an impact on both financial performance as well as the performance of product/service. Profit sharing contributed generally to financial performance, while job descriptions and employment security contributed to the performance of product/service (Akhtar, Ding, & Ge, 2008).

A study by Dimba (2009) aimed at investigate the correlation between strategic HRM practices and company performance and to determine the correlation between strategic practices of HRM and employees' motivation rely on employees' cultural orientations determining the level to which the correlation between human resource management practices and the motivation of employees relies on the cultural orientations of employees in 50 foreign industrial companies in Kenya. The study showed the effect of cultural trends and motivating employees as intermediate variables on the performance of organizations. Data collection was through using questionnaire established by Hofstede and Huselid and improved by the researcher. The findings indicated that strategic HRM practices were significantly related to performance excepting recruitment and selection and the correlation between strategic HRM practices and firm performance contingent on employee orientations when cultural were measured but did not rely on employee orientations where cultural beliefs were measured. Also the relationship between strategic HRM practices and company performance mediated by motivation (Dimba, 2009).

A study of Dharmasiri (2009) attempted to investigate the extent of strategic orientation of human resource managers in South Asia. As it addressed the personal factors and the organizational factors that contribute to the strategic directions of HR managers and to identify the interactional effects of personal and organizational factors. The study conducted on high-performing Commercial Banks in India, Uzbekistan, Bangladesh, and Sri Lanka. A mixed methodology involving qualitative and quantitative approaches was adopted. Interviews with the Head of HR of each company, the Chief Executive Officer and Chief Finance Officer were conducted. A

questionnaire was also administered to collect additional data. The result indicated that personal factors emerged were knowledge, skills and business awareness. The factors related to the organization have emerged which were the clarity of the HRM concept in the manager's perception, convenient organizational environment, and performance orientation. As an overall conclusion strategic orientation of HR managers selected from a purposive showed a satisfactory level of strategic orientation (Dharmasiri, 2009).

Gong, Chang, and Xin (2009) studied the moderate impact of the correlation between HRM and company performance by the differential role of managerial affective and continuance commitment. The research used the dual-concern model of HR management (maintenance and performance). The study conducted on the applied (HRM) practices of 463 organizations operating in China on a selected sample of 2148 manager in middle level and categorized them to the maintenance- and performance-oriented human resource subsystems. By applying the regression technique, it was found a positive correlation between the performance-oriented HR subsystems and performance of the firm and that the relationship was mediated by the affective commitment to the organization. The maintenance-oriented human resource subsystems had a positive correlation with middle managers' continuance commitment but not with their affective commitment and firm performance (Gong, Chang, & Xin, 2009).

A study done by Hasan (2010) studied the correlation between human resources management practices (recruitment, Performance appraisal, compensation and health, and safety) and the organizational excellence at Zain company for telecommunications in Kuwait. In purpose of achieving the study objectives, a questionnaire included 40 paragraphs was designed for collecting the primary study data of sample which consisted of 253 individuals. Data analyzed through simple and multi-regression regarding some hypotheses. The study results indicated a positive relationship between those practices and the organizational excellence (Hassan, 2010).

An empirical study of the Greek manufacturing sector conducted by Katou and Budhwar (2010) aimed at investigating HRM policies and company performance. It was conducted on a sample of 178 organizations working in the manufacturing sector of Greek. It used structural equation modeling. The study findings indicate that the

motivation to perform, ability to perform an opportunity to perform human resource management policy fields were moderated by the strategies of business, and additionally, motivation to perform is moderated by organizational culture and managerial style. Further, the findings revealed that the impact of human resource management policies on organizational performance was completely mediated by employee attitudes, skills, and behavior (Katou & Budhwar, 2010).

A study by Rathnawerera (2010) tried to inspect the impact of human resources management practices on HRM outcomes such as (job commitment, satisfaction, and retention) in the public sector of Sri Lanka. Data collection was through a questionnaire distributed to 209 employees working in various departments in two public banks. To analyze data, the study used multiple regression, coefficient, Pearson correlation, and descriptive statistics. The study findings indicated that there was a significant correlation between HRM practices and job satisfaction, commitment, retention of employees. (Rathnaweera, 2010).

A study by Sani (2012) aimed at investigating the effect of strategic HRM on the performance of the organization in the Nigerian insurance industry, also to examine whether the efficiency of practices of HRM on company performance is depending on the workplace climate of the organization. The study population consisted of 18 insurance companies operating in Nigeria. A questionnaire made to collect the research primary data. The regression and correlation analysis utilized to analyze the data. The study indicated that HRM practices such as career planning, training and job definition were the main strategic human resource practices that stimulated the company performance. Also revealed that the relationship moderated by the organizational climate (Sani, 2012).

Al-Qadi (2012) study attempted to examine the correlation between strategic HR management practices and employee performance and their impact on organizational performance in Jordan private universities. A questionnaire consisting of (38) paragraphs was designed to collect the primary data from (88) individuals. Descriptive statistical analysis and one sample T-test used to analyze data. The results indicated that there was a significant impact of strategic HRM practices (recruitment and selection, training and development, employee empowerment) on employee performance, as a result on firm performance. It recommended that the compensation system ought to be adjusted to meet the employees' expectations at

Jordan private universities. It also recommended that managers from all administrative levels should participate in creating the functions of strategic human resources management (Al-Qadi, 2012).

A study conducted by Mansour (2015) aimed at examining the correlation between human resource management practices and firm performance in Saudi Arabia. 70 surveys were collected as the primary data and tested through regression analysis. The findings revealed that HRM practices has a direct relationship with firm performance (Mansour, 2015).

Khalaf (2017) study aimed at examining the impact of HR management practices on the improvement of job performance. A questionnaire survey was directed to 200 respondents. Multiple correlations and regression analysis tests were used to analyze data. The results indicated that there is a significant correlation between human resources management practices and improvement of job performance in the Babylon Educational Directorate. And recommended that the human resource department need to improve the empowerment and rewards practices to stimulate job performance (Kalaf, 2017).

A study by Mohamed, Mutalib, Abdulaziz, and Ibrahim (2016) attempted to investigate the impact of HRM practices on labor productivity in the Libyan national oil organizations. A cross-sectional survey distributed to 339 individuals of three biggest Libyan national oil companies. The study conducted square multiple correlations to test data. Results revealed that on-the-job training and decentralized decision making had a significant relationship with labor productivity, while staff selection and employee motivation had a positive, but not a significant impact on labor productivity (Mohamed, Mutalib, Abdulaziz, & Ibrahim, 2016).

From the literature review, it can be noticed that the term HRM is currently being applied to various aspects of organizations worldwide due to its strategic role in helping organizations achieving their goals and gaining competitive advantage in the long-term through their human resource. Few studies were done in developing countries as well as the Libyan context. It can be seen that this research is different from other ones while it is shading light on the studies lately taking place around the world in the area of HRM and the organizational performance and trying to match it to the Libyan context. In other words, this study different because it is conducted on new environment. In terms of the study variables, this study conducted on five

practices believed to be of the core practices that are believed to have a role in increasing performance and deals with issues that stimulating employees' satisfaction and commitment. Briefly, based on the findings and recommendations from the previous studies this study would start from the end of other studies and try to deepen research trying to contribute to literature related to human resource management practices to enrich the existing knowledge by providing an example from new environment and help practitioners in the general electricity company for further improving their organizational performance by adapting the technics lately appeared in human resources management practice field.



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This study intended to examine the impact of HRM practices on the organizational performance at GECOL.

The main purpose of this chapter is to present the research design, targeted population, the study sample, data collection methods, questionnaire distribution, the reliability of the research instruments, and the methods used for data analysis.

3.2 Research Design

Scholars defined the research design as following “A research design is a master plan that specifies the methods and procedures for collecting and analyzing the needed information. It provides a framework or plan of action for the research” (Zikmund & Babin, 2009).

This research study is descriptive research concerned with describing the current status of a particular phenomenon and make recommendations that help to address the research problem. The most common method of gathering primary data in business research surveys. Therefore, this research study used a survey method since it is suitable to assist the study for gathering quantitative measurable data. A questionnaire was used as a tool to generate data from the research participants.

The current research study adopted two basic variables. The independent variable Humane Resource Management Practices with five components; (Human resource planning, recruitment, training and development, performance appraisal, compensation), While, the dependent variable is the organizational performance. They are more clarified in the following figure:

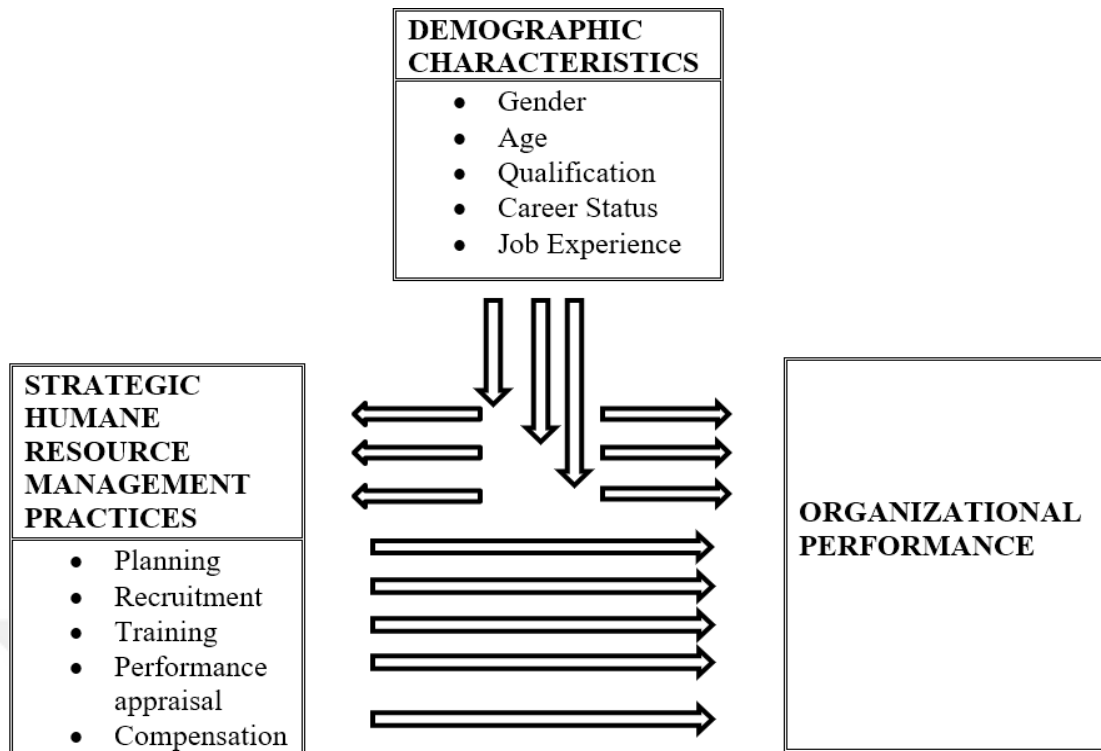


Figure 3.1: Research model.

The research design of this study contained the basic steps required to attain the objectives of the research. It has carried out these procedures through three stages. First stage concerned with revising previous research studies related to human resource management and its elements and organizational performance in order to draw the basis of the research study. The second stage, the research study developed a questionnaire which was distributed to collect data from employees and managers at GECOL. Third stage data were analyzed through some tests that expected to generate the results that help to answer the research questions associated with the conducted objectives. Those tests run out through the Statistical Package for the Social Sciences (SPSS).

3.3 Population and Sample Techniques

Scholars defined the population as the total individuals of a defined group, events, objects or places selected because of their relevance to a study question. They also claimed that data collected from a large population requires a long time and costly. Therefore a selected sample should be taken from the population to conveniently collect the required data for the purpose of the study (Quansah, 2013).

The research sample is defined as “Sampling involves any procedure that draws conclusions based on measurements of a portion of the population. In other words, the sample is a subset from a larger population” (Zikmund & Babin, 2009). They also confirmed that the results attained from the research sample can be generalized to the population and then called statistical inference” (Aldulimy, 2018). Selecting the research sample can be grouped into two main plans: probability sampling and non-probability sampling. Random sample is the best-known probability sample. It indicates that each individual of the research population has an equal chance to be selected. While in the nonprobability sampling, the opportunities for each individual of the population to participate is unknown. It is more suitable for a specific researcher purpose when the study aims at collecting information from specific individuals (Zikmund & Babin, 2009).

This study has adopted the random sampling technic which is a type of probability sample as discussed above that allow each individual to have an equal probability to be included in the research sample. As a result, all staff at four administrations of the general electricity company of Libya which are located in Tripoli were identified as a target population of the research. The sample of the study included the employees working in four administrations and covered different management levels. Accordingly, the sample size was a total of (400) employees were surveyed for the purposes of this research. Despite the distribution of 400 questionnaires, only 327 questionnaires were retrieved and analyzed. After deleting the outliers, the suitable simple found to be 265 respondents. After taking apart data it found that it consists of 4 administration managers, 50 head of departments, 67 unit managers and 144 employees.

3.4 Data Collection Methods

The collection of data has been completed upon the approval of the company as the results of the study may benefit the company. Measures were taken into account to ensure not to disclose the participants' identities and preserve their privacy. It was clear for participants the nature of the study and the purpose of its conduct. They were informed that the data provided are encrypted as they are not asked to write their names and the gathered data is only regarding scientific purposes. For this study, human resource management practices were the

independent variable, and organizational performance was the dependent variable. The study employed a sample of 400 respondents were taken randomly to represent the study population as it covers all the administrative levels from participants of the surveyed company. For the current study primary data were collected by two structured questionnaires and those two questionnaires are presenting as following:

3.4.1 Questionnaire (1)

For the purpose of the current research, human resource management practices considered as an independent variable. It was measured by using a questionnaire developed by Mourad Mansour, (2015). He used the questionnaire to examine organizations in Saudi Arabia, his research tested the suggestion that human resource practices have an effect on different units' performance of selected companies. For the independent variable (human resource management practices) measurement, 29 items were taken from the original questionnaire that supposed to appropriately measure the five dimensions of HRM practices. A principal components factor analysis was conducted on the 29 items. Factor loadings showed that Recruitment and Training practices' items loaded irregularly, therefore, they were excluded. To measure the remained three practices 15 items were used and They are presented as following:

First, for measuring HR Planning 5 statements were used and they are as following:

- 1- The formulation and implementation of human resource activities are in line with the overall corporate strategy.
- 2- The human resource department has an explicit statement of its mission and goals.
- 3- All human resource activities in the company (HR planning, selection, training, compensation, and performance appraisal) are fully integrated with one another.
- 4- There exists a formal written HR plan based on the strategic needs of the firm.
- 5- The HR head is involved in the strategic business planning process.

Second, for measuring Performance Appraisal 4 statements were used and they are as following:

- 1- The employees' capabilities are viewed as the main source of competitive advantage.
- 2- Employees input and suggestions are highly implemented.
- 3- The company places a great deal of importance on merit when making promotion systems.
- 4- The superior normally discusses the performance of his subordinates with them.

Third for measuring Compensation 6 statements were used and they are as following:

- 1- Firm compensation system is closely connected with the financial results of the company.
- 2- Employees in this job regularly (at least once a year) receive a formal evaluation of their performance.
- 3- Job performance is very important in determining his earnings.
- 4- Pay raises for employees in this job are based on job performance (competencies, motivations and behaviors).
- 5- Qualified employees have the opportunity to be promoted to positions of greater pay and/or responsibility within the company.
- 6- The company constantly reviews and updates the range of benefits to meet the needs of employees.

To collect data for this study participants were requested to tick the box that they mostly agree with, For every statement. by using a five-point Liker type: 1- Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly agree.

3.4.2 Questionnaire (2)

As noted earlier, the organizational performance considered as a dependent variable in this research. Nancy Quansah, (2013) questionnaire was used to assess the organizational performance and it consists of 14 items describes the organizational outcomes that are influenced by the appropriate application of human resource management practices. Confirmatory Factor Analysis using Maximum Likelihood as an extraction method was conducted on the scale items. Only four items were kept to reach a good model fit and they are as following:

- 1- Work in this organization is easier because of laid down procedures.

- 2- Financial supports needed are available for use.
- 3- We do not have problems in dealing with state and local government.
- 4- Most suppliers are happy to work with my organization.

Participants of this research were requested to tick the statements that they find appropriate with their answers by using a five-point Liker type:

- 1- Strongly Disagree,
- 2- Disagree,
- 3- Neutral,
- 4- Agree,
- 5- Strongly agree.

3.5 Data Analysis Method

The aim of this research is to identify the relationships between HRM and organizational performance in the Libyan context. The use of statistical methods helps the researcher to find how far these two variables correlated and to determine the nature of correlations between them. A number of statistical tools for analyzing the data collected from the research population were utilized to test the research questions and build indicators which are the tools that found appropriate for the constructs of the research. These statistical techniques and tools used through the Statistical Package for Social Science (SPSS) are described below:

- 1- Person correlation analysis.
- 2- Multiple Regression analysis.
- 3- Multiple ANOVAS.
- 4- One sample T test.

3.6 Reliability and Validity of Instruments

The primary instruments used for assessing the correlations between HRM practices and organizational performance were based on the literature. A questionnaire developed by Mourad Mansour, (2015) utilized to test the research items of the independent variables. Furthermore, a questionnaire of Nancy Quansah, (2013) questionnaire was primarily used for the dependent variable. For confirming the scales suitability to measure the study variables some tests used and they are as following:

3.6.1 Reliability and Validity of Human Resources Management Practices Scale

3.6.1.1 Exploratory Factor Analysis of Human Resources Management Practices

Table 3.1: Factor Analysis for HRM practices Scale.

Pattern Matrix a					
	Component				
	1	2	3	4	5
PQ2	.710				
PQ4	.703			-.141	
PQ5	.682	-.206			
PQ3	.623				
PQ6	.519			.240	-.345
TQ10	.501				-.327
TQ11	.496			-.438	-.213
PQ1	.458			.179	.218
PAQ17		.740		-.209	
PAQ16		.686	.151		
CQ22		.587	.155	-.196	.228
CQ23	-.214	.574		.169	-.335
TQ14	.148	.540	-.125	-.289	
CQ26			.824		
CQ28			.718	.187	
CQ24	-.168		.711		-.143
CQ25			.647		
PAQ20		.202	.479		
CQ29			.436		
CQ27		-.239	.391	-.255	
CQ21		.242	.390	-.124	
PAQ18			.217	-.759	
PAQ19		.291	.115	-.741	.112
PAQ15		.198		-.470	-.222
TQ12				-.419	-.623
RQ7	.317			.155	-.619
RQ9		-.102			-.559
TQ13		.353	-.114	-.150	-.548
RQ8	.365		.203	.183	-.461
Explained Variance (%)	17.998	12.755	8.094	5.023	4.542
Total Explained Variance (%)	48.413				
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .733					
Bartlett's Test of Sphericity: $\chi^2(406) = 2610.647, p < .001$					

3.6.1.2 Factor Analysis for HRM practices

Factor Analysis for HRM practices Measures was conducted on 15 items after Recruitment and Training practices' items were excluded. The Kaiser–Meyer–Olkin measure verified the sampling adequacy for the analysis, KMO = .735. Three factors in combination explained 51.259% of the variance. Table (3.2) shows the factor loadings after rotation. Model fit results are shown in the table below.

Table 3.2: Factor Analysis for HRM practices Measures (3 factors extracted).

Structure Matrix			
	Factor		
	Performance Appraisal	Compensation	Planning
PAQ19	.998		
PAQ18	.780		
PAQ17	.504		
PAQ15	.395		
CQ26		.848	
CQ25		.635	
CQ28		.600	
CQ24		.579	
CQ21		.344	
CQ29		.337	
PQ5			.723
PQ4			.640
PQ2			.628
PQ6			.582
PQ3			.567
Cronbach's Alpha	.728	.731	.763
Explained Variance (%)	21.656	17.591	12.012
Total Explained Variance (%)	51.259		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .735			
Bartlett's Test of Sphericity: $\chi^2 (105) = 1104.051, p < .001$			
Extraction Method: Maximum Likelihood.			
Rotation Method: Oblimin with Kaiser Normalization.			

3.6.1.3 Confirmatory factor analysis (CFA) for HRM

Table (3.3) shows model fit indicators' results and ideal values. The absolute close-fit index which is calculated in this study is the root mean square error of approximation (RMSEA; Browne & Cudeck, 1993). Smaller absolute close-fit index value is indicative of a progressively better fitting model, with values approximating .08 to .06 or less indicative of an acceptable level of model fit (Hu & Bentler, 1999).

Table 3.3: Model fit Indicators.

Test	Result	Ideal value
NFI	.911	.95
TLI (NNFI)	.941	.95
CFI	.965	.95
RMSEA	.0460	.06-.08

The incremental close-fit indexes that which were calculated in this study are the normed fit index (NFI; Bentler & Bonnett, 1980)², the Tucker–Lewis Index (TLI; Tucker & Lewis, 1973) and the Comparative Fit Index (CFI; Bentler, 1990). Larger incremental close-fit index values are indicative of a progressively better fitting model, with values approximating .950 or larger indicative of an acceptable level of model fit (Hu & Bentler, 1999).

3.6.1.4 Scale's reliability of human resources management practices

Table (3.4) shows Reliability Analysis for Human Resources Management Practices. The scale had an acceptable reliability, Cronbach's $\alpha = .722$. Reliability for subdimensions; Performance Appraisal, Compensation and Planning are .728, .731 and .763 respectively.

Table 3.4: Reliability Analysis for Human Resources Management Practices.

Reliability Statistics			
	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Human Resources Management Practices Scale	.722	.722	15
Performance Appraisal	.728	.736	4
Compensation	.731	.729	6
Planning	.763	.762	5

3.6.2 Reliability and Validity of Organizational Performance

3.6.2.1 Factor Analysis for Organizational Performance

Confirmatory Factor Analysis using Maximum Likelihood as an extraction method was conducted on the 12 items. Only four items were kept to reach a good model fit. The Kaiser–Meyer–Olkin measure verified the sampling adequacy for the analysis, KMO =.689. One factor explained 49.648% of the variance. Table (3.5) shows the factor loadings. Model fit results are shown in the table below.

Table 3.5: Factor Analysis for Organizational Performance.

Factor Matrix a	
	Factor
	OP
OPQ39	.683
OPQ35	.683
OPQ40	.506
OPQ31	.408
Cronbach's Alpha	.661
Explained Variance (%)	49.648
Kaiser-Meyer-Olkin Measure of Sampling Adequacy =.689	
Bartlett's Test of Sphericity: $\chi^2 (6) = 148.941, p < .001$	

3.6.2.2 Confirmatory factor analysis (CFA) for organization performance

Table (3.6) shows model fit indicators' results and ideal values. The absolute close-fit index (RMSEA =.09). The incremental close-fit indexes were (NFI=.956), (TLI=.903), (CFI =.968).

Table 3.6: Model fit indicators.

Test	Result	Ideal value
NFI	.956	.95
TLI (NNFI)	.903	.95
CFI	.968	.95
RMSEA	.0935	.06-.08

3.6.2.3 Organizational performance scale's reliability

Table (3.7) shows Reliability Analysis for Organizational Performance Scale. The scale had an acceptable reliability, Cronbach's $\alpha = .661$.

Table 3.7: Reliability Analysis for Organizational Performance.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.661	.659	4

CHAPTER FOUR

DATA ANALYZING AND DISCUSSION

4.1 Introduction

This chapter is concerned with arranging the necessary tests to analyze the research data collected from participants about HRM practices and the organizational performance in GECOL. Also it presents the results of the conducted tests (Person Correlation, Multiple Regression analysis, Multiple ANOVAS, and One-Sample T-Test) that were used to produce results could help for answering the research questions and they are more discussed in following: Also analyzing the research data collected and outlines the analysis results that answer the questions of research.

4.2 Statistical Analysis

4.2.1 Frequencies

Data was obtained from a random sample made up of 265 respondents. Descriptive statistics of the sample; Frequencies, Percent, Valid percent and Cumulative Percent are presented for each demographic variable. A graphical presentation for each variable is produced.

4.2.1.1 Gender Groups

Descriptive statistics of the sample, table (3.8) Frequencies for Gender Groups, revealed that males represent 89.1% and females represent 10.9%. Figure (4.1) represents these values in bar chart.

Table 4.1: Frequencies for Gender Groups.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Males	236	89.1	89.1	89.1
	Females	29	10.9	10.9	100.0
	Total	265	100.0	100.0	

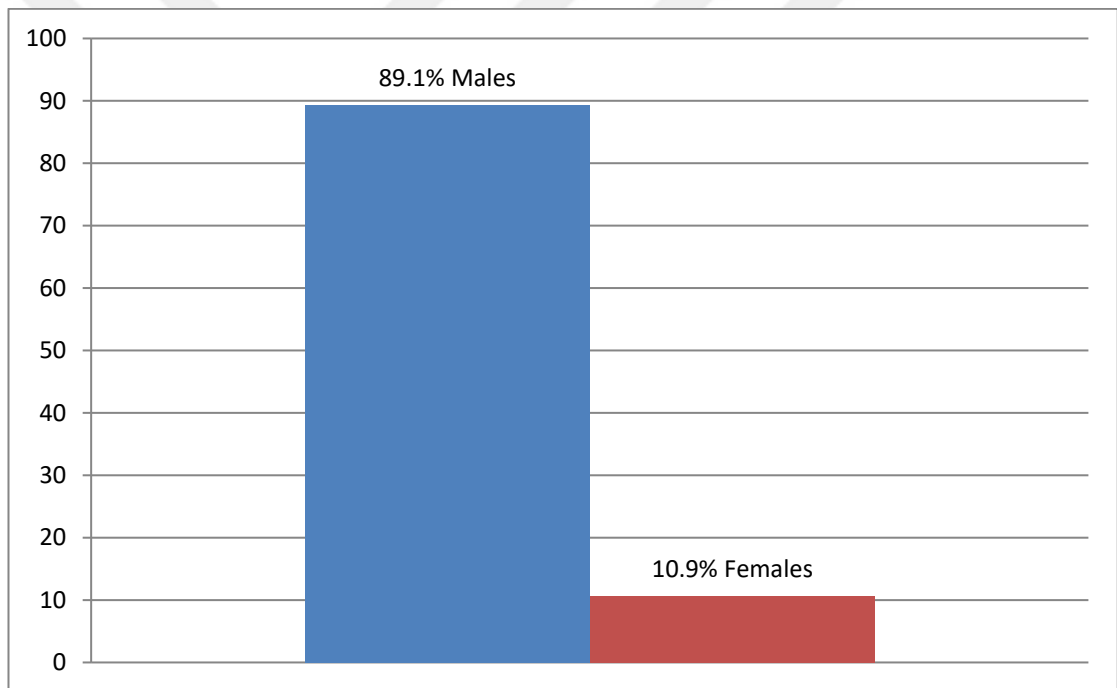


Figure 4.1: Sample Gender Groups

4.2.1.2 Age Groups

Table (4.2) shows frequencies for age groups and Figure (4.2) represents these values in bar chart.

Table 4.2: Frequencies for Age Groups.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 - 29 years	8	3.0	3.0	3.0
	30-39 years	77	29.1	29.1	32.1
	40 - 49 years	83	31.3	31.3	63.4
	50 years and above	97	36.6	36.6	100.0
	Total	265	100.0	100.0	

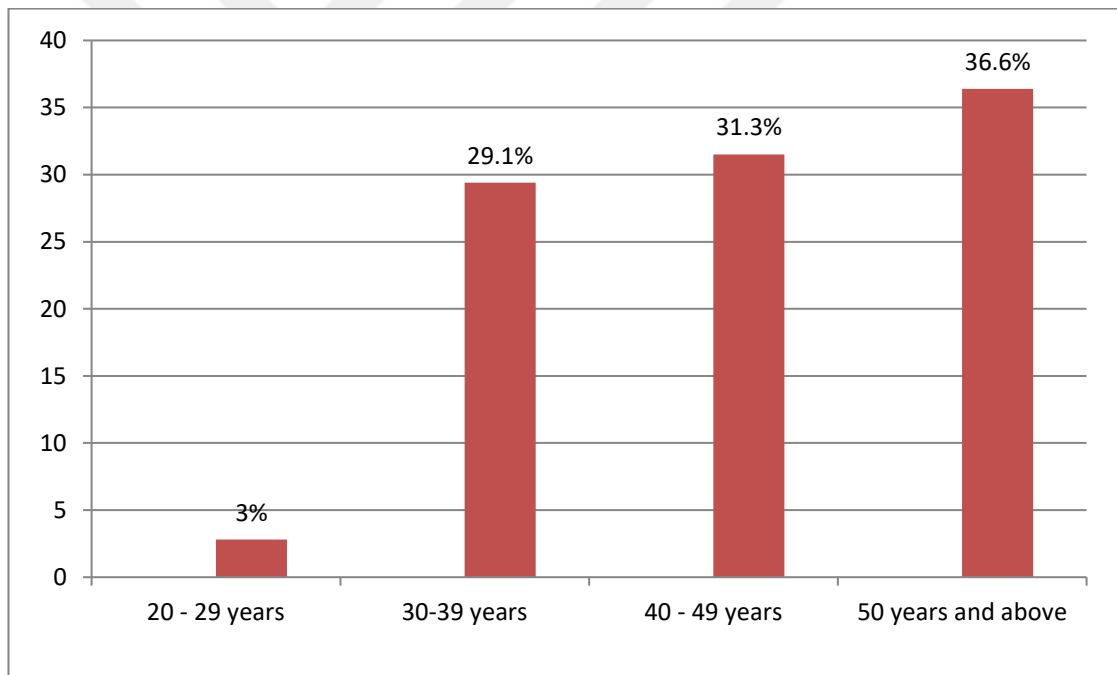


Figure 4.2: Sample Age Groups.

4.2.1.3 Qualification Groups

Table (4.3) shows frequencies for Qualification groups and Figure (4) represents these values in bar chart.

Table 4.3: Frequencies for Qualification Groups.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	5	1.9	1.9	1.9
	Diploma	117	44.2	44.2	46.0
	Bachelor	125	47.2	47.2	93.2
	Master	18	6.8	6.8	100.0
	Total	265	100.0	100.0	

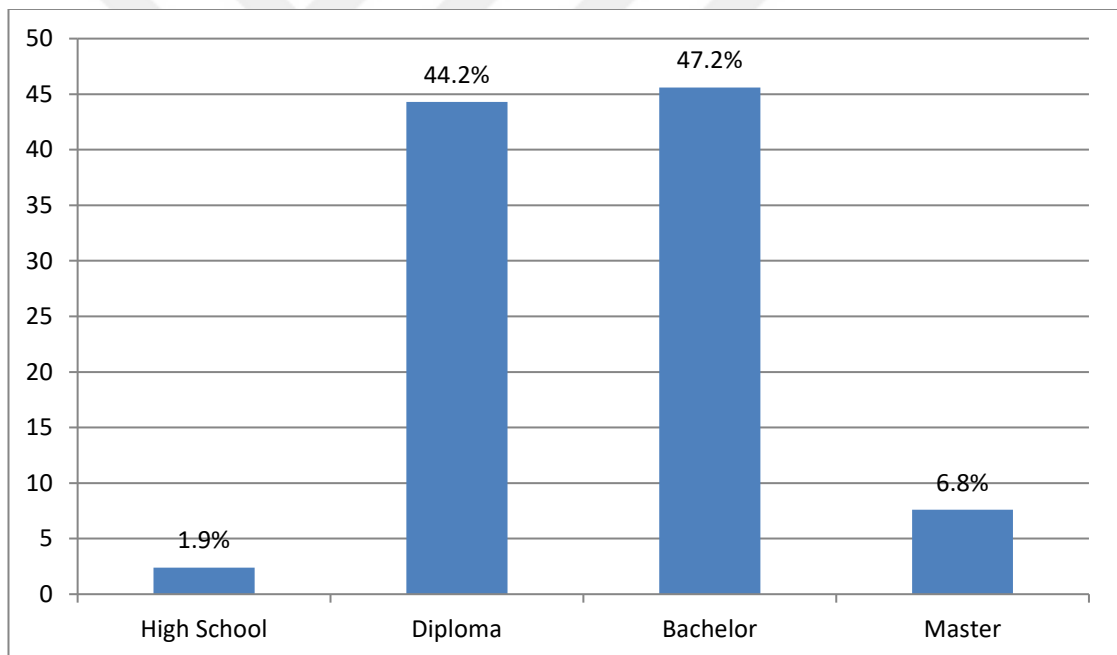


Figure 4.3: Sample Qualification Groups.

4.2.1.4 Career Status Groups

Table (4.4) shows frequencies for Career Status groups and Figure (5) represents these values in bar chart.

Table 4.4: Frequencies of Career Status Groups.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employee	144	54.3	54.3	54.3
	Unit Manager	67	25.3	25.3	79.6
	Head of Dept.	50	18.9	18.9	98.5
	Administration Manager	4	1.5	1.5	100.0
	Total	265	100.0	100.0	

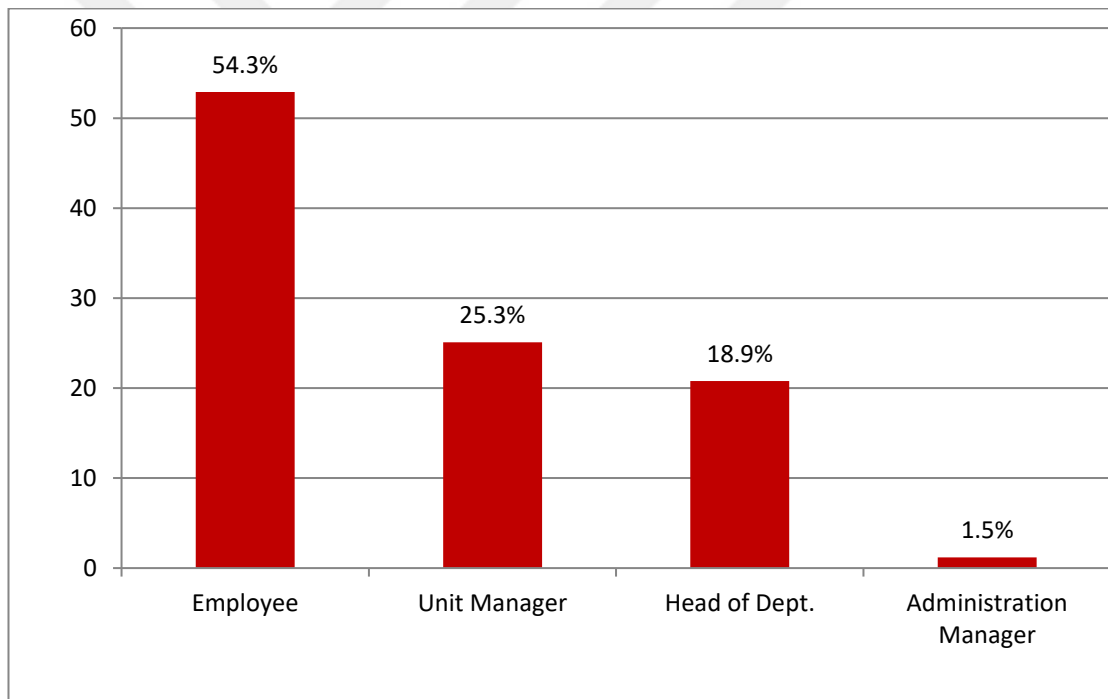


Figure 4.4: Sample Career Status Groups.

4.2.1.5 Job Experience

Table (4.5) shows frequencies for Job Experience groups and Figure (6) represents these values in bar chart.

Table 4.5: Frequencies of Job Experience Groups.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 5 years	8	3.0	3.0	3.0
	6 - 10 years	9	3.4	3.4	6.4
	11- 15 years	58	21.9	21.9	28.3
	16 - 20 years	72	27.2	27.2	55.5
	21 -25 years	27	10.2	10.2	65.7
	26 years and above	91	34.3	34.3	100.0
	Total	265	100.0	100.0	

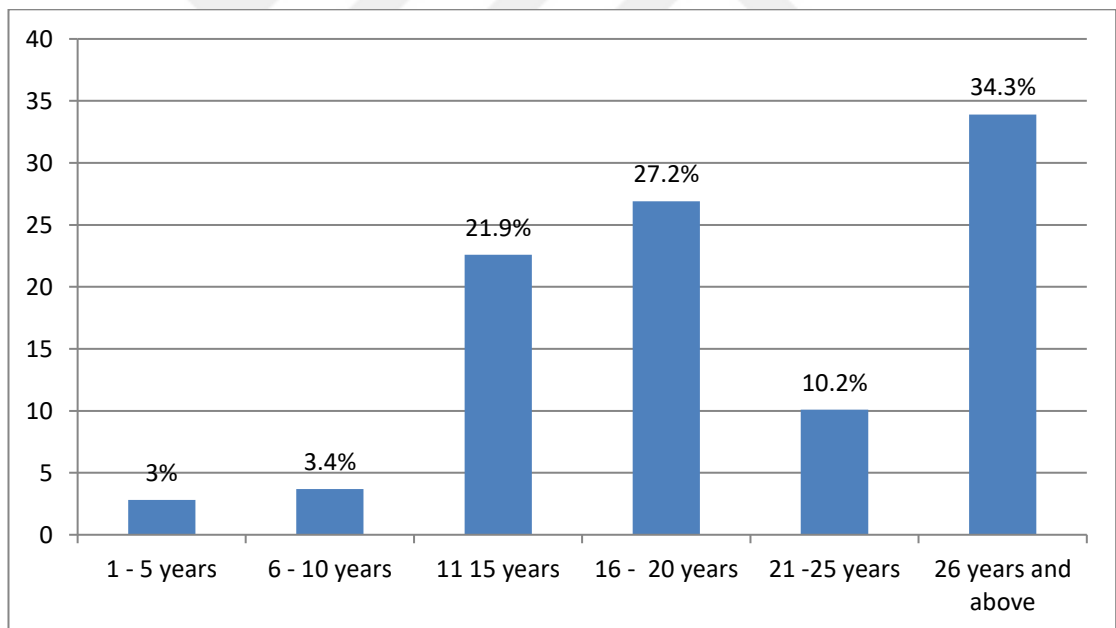


Figure 4.5: Sample Job Experience Groups.

4.2.2 Descriptive statistics of Scales

Table (4.6) shows mean standard deviation and skewness of the Performance Appraisal and its factors. The Performance Appraisal Scale has shown a mean score of (2.84) in a point five scale and a standard deviation of .665.

Table 4.6: Descriptive Statistics of Performance Appraisal Scale.

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
Performance Appraisal	265	2.8425	.66532	-.185	.150
PAQ15	265	2.56	.940	.105	.150
PAQ17	265	3.63	.917	-1.193	.150
PAQ18	265	2.55	.878	.018	.150
PAQ19	265	2.63	.848	.311	.150
Valid N (list wise)	265				

Table (4.7) shows mean standard deviation and skewness of the Compensation Scale and its factors. The Compensation Scale has shown a mean score of (2.39) in a point five scale and a standard deviation of .560.

Table 4.7: Descriptive Statistics of Compensation Scale.

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
Compensation	265	2.3918	.55962	-.084	.150
CQ21	265	2.38	.849	.352	.150
CQ24	265	2.33	.901	.430	.150
CQ25	265	2.19	.750	.218	.150
CQ26	265	2.33	.958	.342	.150
CQ28	265	2.42	.831	.200	.150
CQ29	265	2.71	.836	.238	.150
Valid N (list wise)	265				

Table (4.8) shows mean standard deviation and skewness of the Planning Scale and its factors. The Planning Scale has shown a mean score of (2.53) in a point five scale and a standard deviation of .602.

Table 4.8: Descriptive Statistics of Planning Scale.

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
Planning	264	2.5333	.60223	-.143	.150
PQ2	264	2.45	.830	.358	.150
PQ3	265	2.71	.842	-.129	.150
PQ4	265	2.53	.875	.118	.150
PQ5	265	2.57	.868	.232	.150
PQ6	265	2.43	.790	.278	.150
Valid N (list wise)	264				

Table (4.9) shows mean standard deviation and skewness of the Organizational Performance Scale and its factors. The Organizational Performance Scale has shown a mean score of (2.65) in a point five scale and a standard deviation of .545.

Table 4.9: Descriptive Statistics for Organizational Performance Scale.

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
Organizational Performance	265	2.6538	.54502	-.040	.150
OPQ31	265	2.67	.687	.388	.150
OPQ35	265	2.72	.866	.017	.150
OPQ39	265	2.56	.791	.395	.150
OPQ40	265	2.66	.741	.068	.150
Valid N (list wise)	265				

4.3 Correlations

Pearson Correlation is used to test the relationships between Human Resources Management Practices and Organizational Performance.

Table 4.10: Correlations between Human Resources Management Practices and Organizational Performance.

		Performance Appraisal	Compensation	Planning
Organizational Performance	Pearson Correlation	.062	.234**	.066
	Sig. (2-tailed)	.316	.000	.287
	N	265	265	264

Only the Human Resources Management Practice; Compensation variable had significant positive relationship with Organizational Performance variable ($r=.234$), $p < .05$ Planning and Performance Appraisal had no significant relationship with Organizational Performance variable. Results show a partial positive answer to the main research question with regard to Compensation only: Is there a relationship between human resources management practices and organizational performance?

4.4 Regression

Standard Multiple Regression was used to assess the ability of three measures (Planning, Performance Appraisal and Compensation) to predict levels of Organizational Performance (Organizational Performance Scale). Only Compensation was found statistically significant predictor of Organizational Performance, $F(3, 260)$

= 5.252, $p = .002$ (beta =.230, $p < .001$). Performance Appraisal and Planning were not significant predictors of Organizational Performance, (beta =.002, $p = .968$ and =.678, $p = .498$ respectively). Model explanatory power ($R^2 = .057$) explained only 5.7% of the variance. Results answer the first research question: What is the effect of HRM practices on organizational performance?

Table 4.11: Regression Analysis Results.

Dependent Variable: Organizational Performance					
Independent Variables	R ²	F	β	t	p
Performance Appraisal	.057	5.252**	.002	.040	.968
Compensation			.230	3.664	.000
Planning			.041	.678	.498
**. Model / Coefficients are significant at the 0.01 level					

4.5 Demographic Factors Influence On Employees' Evaluation of HRM Practices and Organizational Performance:

Multiple ANOVAs are used to test differences in evaluation of HRM Practices and Organizational Performance which are attributed to demographic variables (Gender, Age, Qualification, Career Status and Job Experience). Results of these tests are shown below.

4.5.1 Independent Samples t test used for Gender variable

Table (4.12) shows group statistics for males and females in Human Resource Management Practices and Organizational Performance Scales. The highest mean score (2.85) is recorded for males in the Performance Appraisal scale. The lowest mean score (2.23) is recorded for females in the Compensation scale.

Table 4.12: Group Statistics.

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Performance Appraisal	Males	236	2.8517	.66863	.04352
	Females	29	2.7672	.64410	.11961
Compensation	Males	236	2.4110	.57249	.03727
	Females	29	2.2356	.41671	.07738
Planning	Males	235	2.5404	.57037	.03721
	Females	29	2.4759	.82707	.15358
Organizational Performance	Males	236	2.6536	.53691	.03495
	Females	29	2.6552	.61750	.11467

Table 4.13: Independent Samples Test for Gender Variable.

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Performance Appraisal	Equal variances assumed	.166	.684	.644	263	.520	.08445	.13106	-.17361	.34252
	Equal variances not assumed			.664	35.831	.511	.08445	.12728	-.17372	.34263
Compensation	Equal variances assumed	7.077	.008	1.597	263	.111	.17538	.10980	-.04081	.39158
	Equal variances not assumed			2.042	42.224	.047	.17538	.08589	.00209	.34868
Planning	Equal variances assumed	9.805	.002	.544	262	.587	.06456	.11869	-.16915	.29827
	Equal variances not assumed			.409	31.370	.686	.06456	.15803	-.25758	.38670
Organizational Performance	Equal variances assumed	2.571	.110	-.015	263	.988	-.00157	.10745	-.21314	.21000
	Equal variances not assumed			-.013	33.410	.990	-.00157	.11988	-.24535	.24220

An independent-samples t-test was conducted to compare Human Resource Management Practices and Organizational Performance scores for males and females. There was only significant difference in Compensations' scores for males ($M = 2.41$, $SD = .572$) and females ($M = 2.23$, $SD = .417$; $t(42.224) = 2.042$, $p = .047$, two-tailed). The magnitude of the differences in the means (mean difference = .175, 95% CI: .002 to .349) was very small (eta squared = .016). There were no significant differences in scores of Performance Appraisal, Planning and Organizational Performance between males and females.

4.5.2 Analysis of variance (ANOVA) for Age variable

Table (4.14) shows group statistics for Age variable in Human Resource Management Practices and Organizational Performance Scales. The highest mean score (2.92) is recorded for the age group (30-39 years) in the Performance Appraisal scale. The lowest mean score (2.2965) is recorded for the same age group (30-39 years) in the Compensation scale.

Table 4.14: Group Statistics for Age Variable.

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
Performance Appraisal	20 - 29 years	8	2.6875	.32043	.11329	2.4196	2.9554
	30 - 39 years	77	2.9253	.60025	.06841	2.7891	3.0616
	40 - 49 years	83	2.8193	.72658	.07975	2.6606	2.9779
	50 years and above	97	2.8093	.68158	.06920	2.6719	2.9466
	Total	265	2.8425	.66532	.04087	2.7620	2.9229
Compensation	20 - 29 years	8	2.3958	.30780	.10882	2.1385	2.6532
	30 - 39 years	77	2.2965	.49972	.05695	2.1831	2.4100
	40 - 49 years	83	2.3394	.63194	.06936	2.2014	2.4773
	50 years and above	97	2.5120	.53966	.05479	2.4033	2.6208
	Total	265	2.3918	.55962	.03438	2.3241	2.4595
Planning	20 - 29 years	8	2.6750	.70051	.24767	2.0894	3.2606
	30 - 39 years	77	2.5610	.61391	.06996	2.4217	2.7004
	40 - 49 years	82	2.5073	.61519	.06794	2.3721	2.6425
	50 years and above	97	2.5216	.58063	.05895	2.4046	2.6387
	Total	264	2.5333	.60223	.03706	2.4604	2.6063
Organizational Performance	20 - 29 years	8	2.8125	.66480	.23504	2.2567	3.3683
	30 - 39 years	77	2.6201	.49106	.05596	2.5087	2.7316
	40 - 49 years	83	2.6687	.54815	.06017	2.5490	2.7884
	50 years and above	97	2.6546	.57785	.05867	2.5382	2.7711
	Total	265	2.6538	.54502	.03348	2.5879	2.7197

Analysis of Variance (ANOVA) was conducted to compare Human Resource Management Practices and Organizational Performance scores for Age groups. There were no significant differences in scores of Performance Appraisal, Planning, Compensation and Organizational Performance between age groups, $p > .05$.

Table 4.15: ANOVA for Age Variable.

		Sum of Squares	df	Mean Square	F	Sig.
Performance Appraisal	Between Groups	.872	3	.291	.654	.581
	Within Groups	115.988	261	.444		
	Total	116.860	264			
Compensation	Between Groups	2.329	3	.776	2.522	.058
	Within Groups	80.347	261	.308		
	Total	82.677	264			
Planning	Between Groups	.288	3	.096	.263	.852
	Within Groups	95.098	260	.366		
	Total	95.387	263			
Organizational Performance	Between Groups	.307	3	.102	.342	.795
	Within Groups	78.114	261	.299		
	Total	78.421	264			

4.5.3 Analysis of variance (ANOVA) for Qualification variable

Table (4.16) shows group statistics for Qualification groups in Human Resource Management Practices and Organizational Performance Scales. The highest mean score (2.96) is recorded for the Bachelor group in the Performance Appraisal scale. The lowest mean score (2.03) is recorded for the Master group in the Compensation scale.

Table 4.16: Group Statistics for Qualification Variable.

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
Performance Appraisal	High School	5	2.6000	.76240	.34095	1.6534	3.5466
	Diploma	117	2.6944	.73264	.06773	2.5603	2.8286
	Bachelor	125	2.9580	.57566	.05149	2.8561	3.0599
	Master	18	3.0694	.58035	.13679	2.7808	3.3580
	Total	265	2.8425	.66532	.04087	2.7620	2.9229
Compensation	High School	5	1.8333	.42492	.19003	1.3057	2.3609
	Diploma	117	2.3718	.60307	.05575	2.2614	2.4822
	Bachelor	125	2.4853	.47425	.04242	2.4014	2.5693
	Master	18	2.0278	.63207	.14898	1.7135	2.3421
	Total	265	2.3918	.55962	.03438	2.3241	2.4595
Planning	High School	5	2.3600	.47749	.21354	1.7671	2.9529
	Diploma	116	2.4655	.56800	.05274	2.3611	2.5700
	Bachelor	125	2.6016	.63981	.05723	2.4883	2.7149
	Master	18	2.5444	.56070	.13216	2.2656	2.8233
	Total	264	2.5333	.60223	.03706	2.4604	2.6063
Organizational Performance	High School	5	2.4000	.51841	.23184	1.7563	3.0437
	Diploma	117	2.6346	.56433	.05217	2.5313	2.7379
	Bachelor	125	2.6820	.52400	.04687	2.5892	2.7748
	Master	18	2.6528	.58874	.13877	2.3600	2.9455
	Total	265	2.6538	.54502	.03348	2.5879	2.7197

Analysis of Variance (ANOVA) was conducted to compare Human Resource Management Practices and Organizational Performance scores for Qualification groups. There were significant differences in scores of Performance Appraisal: $F(3, 261) = 4.259$, $p = .006$ and Compensation: $F(3, 261) = 5.702$, $p = .001$. There were no significant differences in scores of Planning and Organizational Performance between Qualification groups, $p > .05$. Despite reaching statistical significance, the actual difference in mean scores between the groups, calculated using eta squared, was .05, small effect, for Performance Appraisal and was .06, medium effect for Compensation.

Table 4.17: ANOVA for Qualification Variable.

		Sum of Squares	df	Mean Square	F	Sig.
Performance Appraisal	Between Groups	5.453	3	1.818	4.259	.006
	Within Groups	111.407	261	.427		
	Total	116.860	264			
Compensation	Between Groups	5.085	3	1.695	5.702	.001
	Within Groups	77.592	261	.297		
	Total	82.677	264			
Planning	Between Groups	1.268	3	.423	1.168	.322
	Within Groups	94.118	260	.362		
	Total	95.387	263			
Organizational Performance	Between Groups	.465	3	.155	.518	.670
	Within Groups	77.957	261	.299		
	Total	78.421	264			

4.5.3.1 Post hoc test of group differences

Post-hoc comparisons using the Tukey HSD test was performed to compare significant groups' differences. Table (4.18) shows these Multiple Comparisons.

Table 4.18: Multiple Comparisons Using Tukey HSD.

	(I) Qualification	(J) Qualification	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Performance Appraisal	High School	Diploma	-.09444	.29836	.989	-.8659	.6770
		Bachelor	-.35800	.29797	.626	-1.1284	.4124
		Master	-.46944	.33028	.487	-1.3234	.3845
	Diploma	High School	.09444	.29836	.989	-.6770	.8659
		Bachelor	-.26356*	.08404	.010	-.4809	-.0463
		Master	-.37500	.16541	.108	-.8027	.0527
	Bachelor	High School	.35800	.29797	.626	-.4124	1.1284
		Diploma	.26356*	.08404	.010	.0463	.4809
		Master	-.11144	.16471	.906	-.5373	.3144
	Master	High School	.46944	.33028	.487	-.3845	1.3234
		Diploma	.37500	.16541	.108	-.0527	.8027
		Bachelor	.11144	.16471	.906	-.3144	.5373
Compensation	High School	Diploma	-.53846	.24899	.137	-1.1823	.1054
		Bachelor	-.65200*	.24867	.045	-1.2950	-.0090
		Master	-.19444	.27563	.895	-.9071	.5182
	Diploma	High School	.53846	.24899	.137	-.1054	1.1823
		Bachelor	-.11354	.07014	.370	-.2949	.0678
		Master	.34402	.13805	.063	-.0129	.7010
	Bachelor	High School	.65200*	.24867	.045	.0090	1.2950
		Diploma	.11354	.07014	.370	-.0678	.2949
		Master	.45756*	.13746	.005	.1021	.8130
	Master	High School	.19444	.27563	.895	-.5182	.9071
		Diploma	-.34402	.13805	.063	-.7010	.0129
		Bachelor	-.45756*	.13746	.005	-.8130	-.1021

*. The mean difference is significant at the 0.05 level.

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Diploma (M = 2.69, SD =.73) was significantly different from Bachelor (M = 2.96, SD =.58) in evaluation of Performance Appraisal. Mean score for High School (M=1.83, SD =.42) was, also, significantly different from Bachelor (M = 2.49, SD =.47) in evaluation of Compensation. Finally, Mean score for Bachelor (M=2.49, SD =.47) was, also, significantly different from Master (M = 2.02, SD =.63) in evaluation of Compensation.

4.5.4 Analysis of variance (ANOVA) for Career Status variable

Table (4.19) shows group statistics for Career Status groups in Human Resource Management Practices and Organizational Performance Scales. The highest mean score (2.99) is recorded for the Head of Dept. group in the Performance Appraisal scale. The lowest mean score (2.03) is recorded for the Head of Dept. group in the Compensation scale.

Table 4.19: Group Statistics for Career Status Variable.

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
Performance Appraisal	Employee	144	2.7830	.68081	.05673	2.6708	2.8951
	Unit Manager	67	2.8843	.69267	.08462	2.7154	3.0533
	Head of Dept.	50	2.9850	.56787	.08031	2.8236	3.1464
	Administration Manager	4	2.5000	.57735	.28868	1.5813	3.4187
	Total	265	2.8425	.66532	.04087	2.7620	2.9229
Compensation	Employee	144	2.3750	.54641	.04553	2.2850	2.4650
	Unit Manager	67	2.4478	.60803	.07428	2.2995	2.5961
	Head of Dept.	50	2.3533	.54256	.07673	2.1991	2.5075
	Administration Manager	4	2.5417	.49768	.24884	1.7497	3.3336
	Total	265	2.3918	.55962	.03438	2.3241	2.4595
Planning	Employee	143	2.5175	.63748	.05331	2.4121	2.6229
	Unit Manager	67	2.5134	.56055	.06848	2.3767	2.6502
	Head of Dept.	50	2.6000	.54361	.07688	2.4455	2.7545
	Administration Manager	4	2.6000	.84853	.42426	1.2498	3.9502
	Total	264	2.5333	.60223	.03706	2.4604	2.6063
Organizational Performance	Employee	144	2.6424	.54888	.04574	2.5519	2.7328
	Unit Manager	67	2.6455	.51336	.06272	2.5203	2.7707
	Head of Dept.	50	2.6200	.53271	.07534	2.4686	2.7714
	Administration Manager	4	3.6250	.25000	.12500	3.2272	4.0228
	Total	265	2.6538	.54502	.03348	2.5879	2.7197

Analysis of Variance (ANOVA) was conducted to compare Human Resource Management Practices and Organizational Performance scores for Career Status groups. There was a significant difference in scores of Organizational Performance: $F(3, 261) = 4.496, p = .004$. There were no significant differences in scores of Performance Appraisal, Compensation, and Planning between Career Status groups, $p > .05$. Despite reaching statistical significance, the actual difference in mean scores between the groups, calculated using eta squared, was .05, small effect.

Table 4.20: ANOVA for Career Status Variable.

		Sum of Squares	df	Mean Square	F	Sig.
Performance Appraisal	Between Groups	2.112	3	.704	1.601	.190
	Within Groups	114.748	261	.440		
	Total	116.860	264			
Compensation	Between Groups	.414	3	.138	.438	.726
	Within Groups	82.262	261	.315		
	Total	82.677	264			
Planning	Between Groups	.302	3	.101	.276	.843
	Within Groups	95.084	260	.366		
	Total	95.387	263			
Organizational Performance	Between Groups	3.853	3	1.284	4.496	.004
	Within Groups	74.568	261	.286		
	Total	78.421	264			

4.5.4.1 Post hoc test of group differences in Organizational Performance Scores

Post-hoc comparisons using the Tukey HSD test was performed to compare significant groups' differences. Table (4.21) shows these Multiple Comparisons.

Table 4.21: Multiple Comparisons Using Tukey HSD.

Tukey HSD							
DP	(I) Career Status	(J) Career Status	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Organizational Performance	Employee	Unit Manager	-.00316	.07905	1.000	-.2075	.2012
		Head of Dept.	.02236	.08774	.994	-.2045	.2492
		Administration Manager	-.98264*	.27094	.002	-1.6832	-.2821
	Unit Manager	Employee	.00316	.07905	1.000	-.2012	.2075
		Head of Dept.	.02552	.09989	.994	-.2328	.2838
		Administration Manager	-.97948*	.27512	.002	-1.6908	-.2681
	Head of Dept.	Employee	-.02236	.08774	.994	-.2492	.2045
		Unit Manager	-.02552	.09989	.994	-.2838	.2328
		Administration Manager	-1.00500*	.27774	.002	-1.7231	-.2869
	Administration Manager	Employee	.98264*	.27094	.002	.2821	1.6832
		Unit Manager	.97948*	.27512	.002	.2681	1.6908
		Head of Dept.	1.00500*	.27774	.002	.2869	1.7231

Post-hoc comparisons using the Tukey HSD test indicated that the mean score for Administration Manager's group (M = 3.63, SD =.25) was significantly different from Employee's group (M = 2.64, SD =.55), was significantly different from Unit Manager's group (M = 2.65, SD =.51) and was significantly different from Head of Dept.'s group (M = 2.62, SD =.53) in evaluation of Organizational Performance.

4.5.5 Analysis of variance (ANOVA) for Job Experience variable

Table (4.22) shows group statistics for Job experience groups in Human Resource Management Practices and Organizational Performance Scales. The highest mean score (2.99) is recorded for the (11 - 15 years) group in the Performance Appraisal scale. The lowest mean score (2.03) is recorded for the (21 - 25 years) group in the Compensation scale.

Table 4.22: Group statistics for Job Experience Variable.

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
Performance Appraisal	1 - 5 years	8	2.6875	.32043	.11329	2.4196	2.9554
	6 - 10 years	9	2.5556	.37034	.12345	2.2709	2.8402
	11 - 15 years	58	3.0388	.57507	.07551	2.8876	3.1900
	16 - 20 years	72	2.8646	.66069	.07786	2.7093	3.0198
	21 - 25 years	27	2.6574	.84963	.16351	2.3213	2.9935
	26 years and above	91	2.7967	.68406	.07171	2.6542	2.9392
	Total	265	2.8425	.66532	.04087	2.7620	2.9229
Compensation	1 - 5 years	8	2.3542	.33850	.11968	2.0712	2.6372
	6 - 10 years	9	2.7037	.40635	.13545	2.3914	3.0161
	11 - 15 years	58	2.4138	.45267	.05944	2.2948	2.5328
	16 - 20 years	72	2.3056	.58275	.06868	2.1686	2.4425
	21 - 25 years	27	2.2222	.69491	.13374	1.9473	2.4971
	26 years and above	91	2.4689	.57193	.05995	2.3498	2.5880
	Total	265	2.3918	.55962	.03438	2.3241	2.4595
Planning	1 - 5 years	8	2.6250	.73630	.26032	2.0094	3.2406
	6 - 10 years	9	2.7111	.42557	.14186	2.3840	3.0382
	11 - 15 years	58	2.6172	.67982	.08926	2.4385	2.7960
	16 - 20 years	71	2.5549	.61151	.07257	2.4102	2.6997
	21 - 25 years	27	2.3111	.49094	.09448	2.1169	2.5053
	26 years and above	91	2.5033	.56910	.05966	2.3848	2.6218
	Total	264	2.5333	.60223	.03706	2.4604	2.6063
Organizational Performance	1 - 5 years	8	2.6250	.65465	.23146	2.0777	3.1723
	6 - 10 years	9	2.9444	.41037	.13679	2.6290	3.2599
	11 - 15 years	58	2.6681	.45012	.05910	2.5498	2.7865
	16 - 20 years	72	2.6840	.51388	.06056	2.5633	2.8048
	21 - 25 years	27	2.7315	.60418	.11627	2.4925	2.9705
	26 years and above	91	2.5714	.60241	.06315	2.4460	2.6969
	Total	265	2.6538	.54502	.03348	2.5879	2.7197

Table 4.23: ANOVA for Job Experience Variable.

		Sum of Squares	df	Mean Square	F	Sig.
Performance Appraisal	Between Groups	4.319	5	.864	1.988	.081
	Within Groups	112.541	259	.435		
	Total	116.860	264			
Compensation	Between Groups	2.767	5	.553	1.794	.114
	Within Groups	79.909	259	.309		
	Total	82.677	264			
Planning	Between Groups	2.209	5	.442	1.223	.299
	Within Groups	93.178	258	.361		
	Total	95.387	263			
Organizational Performance	Between Groups	1.625	5	.325	1.096	.363
	Within Groups	76.796	259	.297		
	Total	78.421	264			

Analysis of Variance (ANOVA) was conducted to compare Human Resource Management Practices and Organizational Performance scores for Job Experience groups. There were no significant differences in scores of Performance Appraisal, nor for Compensation nor for Planning and neither for Organizational Performance between Job Experience groups, $p > .05$.

4.6 The Most Important Human Resource Management Practices in GECOL

A one-sample t-test is used to evaluate whether the mean on a test variable is significantly different from a constant, called a test value. The test is used here to evaluate whether the mean of the level of importance in ranking human resource management practices in GECOL varies significantly. The test value used is the midpoint of a five-point scale namely (3). Table (4.24) Ranking Human Resource Management Practices in GECOL according to the order of importance.

Table 4.24: One-Sample Test.

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Performance Appraisal	-3.855	264	.000	-.15755	-.2380	-.0771
Compensation	-17.691	264	.000	-.60818	-.6759	-.5405
Planning	-12.590	263	.000	-.46667	-.5396	-.3937
Training	-8.595	264	.000	-.28226	-.3469	-.2176
Recruitment	-21.062	264	.000	-.83019	-.9078	-.7526

Table (4.25) shows one sample t-test of the level of importance in ranking human resource management practices in GECOL. All human resource practices had negative mean differences when compared to the test value of (3). Performance Appraisal had the lowest mean difference in being the most important (-.15755) while Recruitment had the highest mean difference in being the least important (-.83019). Mean differences are significant at $p > .001$ for the three human resource management practices.

Table 4.25: One-Sample Statistics.

One-Sample Statistics					
Rank	Human Resource Management Practices	N	Mean	Std. Deviation	Std. Error Mean
1	Performance Appraisal	265	2.8425	.66532	.04087
2	Training	265	2.7177	.53459	.03284
3	Planning	264	2.5333	.60223	.03706
4	Compensation	265	2.3918	.55962	.03438
5	Recruitment	265	2.1698	.64165	.03942

Table (32) shows the ranking of Human Resource Management Practices in GECOL according to the order of importance on the basis of mean values. Results show the answer to the fourth research question: what are the most important human resource management practices in GECOL?

4.7 Discussion of the Study Results

The result was drawn from analyzing collected data to answer the research questions raised according to the objectives of the research. Below the result discussion regarding answering the research questions starting from the research's main question:

4.7.1 Discussion of the study results regarding the research main question

The main question of this research, is there a relationship between HRM practices and organizational performance? Pearson Correlation test utilized to analyze the relationships between HRM Practices and Organizational Performance. Results revealed a partial positive answer to the main research question that only one HRM Practice variable had a significant positive relationship with Organizational

Performance variable which was Compensation practice while Planning and Performance Appraisal had no significant relationship with Organizational Performance variable.

Considering the previous research studies, this study agreed with the assumption that, human resource management practices regarding compensation practice correlated to organizational performance. Vlachos (2009) indicated that compensation policy had the strongest predictor of sales growth. Katou, (2008) confirmed the fact there was a strong positive correlation between different human resource management practices on organizational performance. Also, Dimba, (2009) indicated that there is a correlation between SHRM practices and company performance and motivation moderated the relationship. Furthermore, Al-Qadi, (2012) pointed out that there is a correlation between HRM practices and firm performance and this relation is moderated by employee performance. Also, Sani, (2012) revealed that there was a relationship and it is moderated by the organizational climate. Mansour, (2015) confirmed that HRM practices have a direct relationship with firm performance. The findings of this study also confirmed the claim that higher payment guarantees higher performance. Regarding the other practices (HR planning and performance appraisal) results indicated that they had no significant relationship with Organizational Performance variable.

4.7.2 Discussion of results regarding the research sub-question1

Sub-question1: what is the impact of HRM practices on organizational performance? To answer the first question; Standard Multiple Regression was used to assess the ability of three measures (Planning, Performance Appraisal and Compensation) to predict levels of Organizational Performance (Organizational Performance Scale).

Results show that compensation practice had an actual beneficial impact which assumed to enhance employee productivity, thus improving organizational overall performance. Therefore, compensation is indeed a stimulating factor to attract and retain employees and motivate them to enhance organizational productivity. This result further supporting literature that higher payment ensures increased productivity and vice versa.

This study agreed with the previous research studies regarding compensation practice that there is an effect of HRM practices on the organizational performance which supported by studies such as (Singh, 2004; Green, Wu, Whitten, and Medlin, 2006; Akhtar, 2008; Sani, 2012; Al-Qadi, 2012; Mansour, 2015). While the other practices did not show a significant effect on the organizational performance of the studied company. The participants' indication was according to the perception they have for these practices (HR planning and performance appraisal). This emphasizes that the company should repair its rules and systems according to more strategically improved practices based on modern criteria which help the company to satisfy its employees and achieves its goals.

4.7.3 Discussion of results regarding the research sub-question2

Sub-question2: Do demographic factors influence employees' evaluation of HRM practices? Multiple ANOVAs are used to test differences in evaluation of Human Resource Management Practices and Organizational Performance which are attributed to demographic variables.

Results indicated that there was a difference in the evaluation of HRM practices according to Gender factors which were related to Compensation. The magnitude of the differences in the means was very small which means slit difference between males and females where males more valuing compensation.

It revealed also that there was a difference in the evaluation of HRM practices according to qualification factors which were related to Performance Appraisal. Results indicated that the mean score for Diploma was significantly different from Bachelor in evaluation of Performance Appraisal.

Finally, result revealed also that there was a difference in the evaluation of HRM practices according to qualification factors which were related to Compensation. The mean score for High School was significantly different from Bachelor in the evaluation of Compensation and the mean score for Bachelor was, also, significantly different from master in the evaluation of Compensation. This indicates that employees' perceptions of compensation different regarding their qualifications. Results indicated a positive answer to the research second sub-question. Do demographic factors influence employees' evaluation of human resource management practices?

4.7.4 Discussion of results regarding the research sub-question3

Sub-question3: Do demographic factors influence employees' evaluation of organizational performance? To determine the variability of demographic factors on the perception of organization performance. Results indicated that there was a significant difference in scores of Organizational Performance according to Career Status. Administration Manager's group mean scores were significantly and higher than Unit Manager's group while Unit Manager's group was significantly different from Employee's group while Employee's group was significantly different from Head of Dept.'s group in the evaluation of Organizational Performance. This indicates a positive answer to the third research sub-question which means that there is a demographic factors difference between employees of the perception of organizational performance.

4.7.5 Discussion of results regarding the research sub-question4

Sub-question4: What are the most important HRM Practices in GECOL? The objective of the question is to evaluate the importance of HRM Practices in GECOL. Ranking of human resource management practices according to the order of importance on the basis of mean values. Results show that the most important human resource management practice in GECOL generally is performance appraisal according to the employees' perception. They may emphasize it because of its importance in measuring the employees' performance which somehow results in a promotion or getting higher payment such as giving more incentives to whose performance better. For training, employees rank it secondly also for its importance of orientating and motivating for better and quality performance. Thirdly planning and what importance this practice has for allocating the organization of kind of employees needed to practice the various work aspects. After that compensation was ranked fourthly that may be because the employees desire to be satisfying with being given what they deserve according to what they provide to their organization. Lastly, they rank recruitment to be the lest importance in their perception.

CHAPTER FIVE

CONCLUSION AND PROPOSALS

This chapter presents the study conclusion based on the research findings which were drawn from analyzing the research data regarding some questions that raised concerning the study objectives. Also, proposals will be drawn that might help for the company management improving performance through its human HRM practices. Also proposals for further researches regarding HRM practices. Below the conclusion of the study that summarized from the study results:

5.1 Conclusion

The research main objective is to explore the existence of a correlation between human resources management practices and the organizational performance, The study aimed at providing the GECOL as well as organizations In the Libyan public sector useful information that may help the management to improve the organizational performance by putting in place the appropriate human resource management practices to stimulate employees contribution to the organization's activities to raise organizational performance.

The study results revealed a partial positive answer to the main research question that only one HRM Practice variable had a significant positive relationship with Organizational Performance variable which was Compensation practice. That may because of compensation touches the employees' income payment that way they expect it as an effective variable. On the other hand, respondents' perception revealed that GECOL does not give enough concern to other HRM practices in how it develops and implement policies and processes that could positively affect the performance of employees and thus stimulate the performance of the organization. Also, from the employees' answer to the questionnaire we can notice that they may have not sufficient understanding of HRM Practices, although these practices affect

aspects of their career and life. Therefore, GECOL should raise awareness about these practices due to their importance and for the need to raise awareness of human resource management practices organizations should make employees familiar with the role these practices play in raising performance and to enable employees to know their rights, duties, and responsibilities to involve employees in their role towards their organizations in achieving the strategic objective.

Further, these practices' assumed to increase the satisfaction and commitment of employees which raise the quality of production for satisfying the organization's customers. Aligning HR practices with the company's strategy could help the company gain competitive advantage and profit growth. As researchers claimed that HRM practices have significant impacts on organizational performance.

The study results indicated that most of the sample were old employees constitutes 36.6% while was only 3% of the total sample for the young age group in the company. As organizations ought to balance between its workforce age groups and employ young employees from time to time and train and orientate them because the company needs them for the long time period and they might be the future leaders.

Finally this study contributes to literature as following:

First, this study is different from other ones while it is shading light on the studies lately taking place around the world on the subject of HRM practices and the organizational performance and trying to find out about this relationship in the Libyan context. In other words, this study is different because it is conducted on a new environment.

Second, In terms of the study variables, this study conducted on five practices of HRM as an independent variable those believed to be of the core practices which assumed to have a role in increasing performance and help stimulating employees' satisfaction and commitment. The result revealed that compensation had a direct impact on the employees' perception and that because it touches the employees' income so they expect it as an effective variable. Also, organizations should raise awareness about HRM practices to enable their employees to know their rights, duties, and responsibilities to involve them in their role towards their organizations in achieving the strategic objective.

Improving the company performance does not mean only the result of a good functioning system, but also of implementing efficient HR strategies which succeed

in attracting, recruiting and retaining a motivated, competent and committed employees. The findings of this research indicated that there is no clear implemented strategy for human resources. The company ought to go beyond paperwork discussing HR strategy to start from adopting proper HR functions based on HR practices of long-term perspective which help to achieve the desired impact on the organizational performance.

5.2 Research Proposals

Based on the findings a number of recommendations were raised and in the sense of study theory this research recommends:

5.2.1 Proposals for Practical Implication

- 1- Adopting strategic orientation to inspire the company to improve its HRM practices which should be in line with environmental development, to achieve the companies' goals of gaining competitive advantage.
- 2- Conducting new strategic planning of human resources based on; long-term, the expected needs, and resources available to the company, that associated with the company's strategy and adapted to the changing environment, and market changes.
- 3- Providing more attention to recruiting more specialized and competent employees whom expected to support the innovation and creativity because human resource recognized as the basis for achieving institutional excellence and to input new blood to the organization
- 4- Improving and developing human resources by putting in place training programs that respond to the company needs of specialized and skilled human resource concerning its resources and strategy. Also, participate in international training programs with specialized institutions to keep on with the continuous changing in various aspects.
- 5- Enhancing the compensation system in all forms for better impact and to respond to the requirements of competitive work of employees.
- 6- Giving more attention to the feedback system and opening communication channels between employees and their managers. In addition to providing

an effective database that addresses all aspects regarding employees, which helps in providing data to help the company to change and provide a better environment that addresses the employees needs and encourages them to more perform.

- 7- Implementing knowledge management to enrich the information system for supporting the management in managing its human resource whom may positively affected by good HRM practices.

5.2.2 Proposals for Future Researches

Human resources management practices subject ought to be given more importance by linking them to the behavioral aspects of employees for providing organizations with possible information that help to retain their skilled and competent human resource.

Human resources management practices in Libyan organizations should be given greater importance. This research recommends that future studies should involve more human resource management practices due to their importance in improving performance. Also, more studies of public and private institutions are needed in the Libyan context to address some problems for suggesting some solutions regarding HRM practices and organizational performance.

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ATTACHMENTS

Questionnaire

This survey is intended to be as a part of master theses to study "The impact of strategic Human resource management practices on the organizational performance". The required information will only be used for academic purpose. So there is no need to write-down your name or signature and the information provided would be confidentially treated. It will be much appreciated if you could spend some minutes to complete this questionnaire and your candid opinion will be highly respected.

Thank you.

Section one: Demographic Information

Please tick (✓) the one you mostly agree with for each item below.

- 1- Gender : (1) Male (2) Female
- 2- Age (in years) : (1) 20-29 (2) 30-39
(3) 40-49 (4) 50 and above
- 3- level of education : (1) High School (2) Diploma (3) Bachelor
(4) Master (5) Ph.D.
- 4- Career Status : (1) Employee (2) Unit Manager
(3) Head of department (4) Administration manager
(5) Other (please explain)
- 5- Job Experience : (1) 1-5 (2) 6-10 (3) 11-15
(4) 16-20 (5) 21-25 (6) 26 and above

Section two: Human resource management practices

Please tick the box that you mostly agree with, For each statement. Where:
1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Planning		1	2	3	4	5
1	Human resource department is an integral part of the company's strategic planning process.					
2	The formulation and implementation of human resource activities are in line with overall corporate strategy.					
3	The human resource department has an explicit statement of its mission and goals.					
4	All human resource activities in the company (HR planning, selection, training, compensation, and performance appraisal) are fully integrated with one another.					
5	There exists a formal written HR plan based on the strategic needs of the firm.					
6	The HR head is involved in the strategic business planning process.					
Recruitment		1	2	3	4	5
7	Applicants for a job in the company take formal tests before being hired.					
8	Applicants undergo structured interviews (job-related questions, same questions asked for all applicants, rating scales) before being hired.					
9	When new management positions come up, the company normally tries to fill them with people from within the department rather than recruiting from outside.					
Training		1	2	3	4	5
10	The company places a great deal of importance on training					
11	Managers analyze the employee training needs.					
12	Managers evaluate the effectiveness the organization's employee training through behaviors					
13	Managers evaluate the effectiveness the organization's employee training through results.					
14	The company conducts cost-benefit analysis to assess the effectiveness of the training program					
Performance Appraisal						
15	The employees' capabilities are viewed as the main source of competitive Advantage.					
16	Employees input and suggestion are highly encouraged.					
17	Employees input and suggestions are highly implemented.					
18	The company places a great deal of importance on merit when making promotion systems.					
19	The superior normally discusses the performance of his					

	subordinates with Them.					
20	Performance appraisal includes the supervisor setting objectives and goals of subordinates for the period ahead in consultation with them					
Compensation		1	2	3	4	5
21	The firm compensation system is closely connected with the financial results of the company.					
22	The company uses performance-based compensation to a large extent.					
23	Compensation practice is linked to firm's goals and objectives.					
24	Employees in this job regularly (at least once a year) receive a formal evaluation of their performance.					
25	Job performance is very important in determining his earnings.					
26	Pay raises for employees in this job are based on job performance (competencies, motivations and behaviors).					
27	Promotion is based primarily on seniority.					
28	Qualified employees have the opportunity to be promoted to positions of greater pay and/or responsibility within the company.					
29	The company constantly reviews and updates the range of benefits to meet the needs of employees					

Section 3: The organizational performance

Please tick the box that you mostly agree with, For each statement. Where: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Organizational Performance						
30	The organization achieves its stated goals.					
31	Work in this organization is easier because of laid down procedures					
32	Each section understands the role it plays in achieving organizational goals.					
33	The organization functions smoothly with a minimum of internal conflict					
34	Resources needed for proper functioning of the organization are always available.					
35	Financial supports needed are available for use.					
36	The organization has enough human capital to accomplish its goals					
37	The organization is able to satisfy the owner(s) /shareholders.					
38	Customers/clients" expectations are met					
39	We do not have problems in dealing with state and local government.					
40	Most suppliers are happy to work with my organization.					
41	Employees are motivated to stay with this organization.					

Thanks for participation.

CURRICULUM VITAE

PERSONAL INFORMATION

Name and surname : Abddulwahab Almarghani
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EDUCATION

2001 Bachelor in Accounting of Tripoli university
2018 MBA diploma of the University of Turkish Aeronautical Association

Work experience

2004 — 2005 at Jabil company as an accountant in accounting department
2006 — Till now at the general electricity company of Libyan GECOL in charge of meter data entering and solving meter readings problems regarding consumer accounts

Skills

Computer Skills : Microsoft Word, Excel, PowerPoint
Languages : Arabic as a mother tongue, English and Turkish