



FACTORS AFFECTING HUMAN RESOURCE PRACTICES IN A SAMPLE OF DIVERSIFIED JORDANIAN ORGANIZATIONS

Dirar Abdelaziz attallah AL-maaitah^{1*}, Tamara AL- Maaitah², Dr.Abdullah Al-shourah³

¹PhD Student, Department of Management, Faculty leadership and management, University Sains Islam Malaysia, Cyberjaya-Cyber11- ARC Condominiums-code63000, Kuala Lumpur, Malaysia.

²PhD Student, Department of Management, Faculty of Business Studies, School of Business Innovation & Technopreneurship, University Malaysia Perlis, Jalan Kangar - Alor Setar, 01000 Kangar, Perlis, Malaysia

³Assistant Professor The World Islamic Since & Education University (WISE) College of Business Administration Department Of Management

Correspondence Author: derar_maaitah@yahoo.com

Keywords: (HRM) practices, (Non-government organizations, Government organizations and private organizations)

Abstract

This study aimed at studying the factors that affect HR practices in some Jordanian organizations. The factors in this paper include firm size (No. of employees), sector (whether government, private or non-government organization), and profitability (profit Vs non-profit organization). A stratified random sample of 70 establishments that employ more than 50 employees was selected to cover government, private and non-government sectors.

Introduction

Human resource management (HRM) refers to the practices, systems, and policies that affect the behaviour, performance, and attitudes of workers (Decieri et al., 2008). Human resource practices contain selecting human resource wants, screening, recruiting, training, satisfying, appraising as well as attending to labour relations, security and health, and equality concerns (Dessler, 2007). The current years has shown a rising interest in the management of knowledge-based societies (Robertson & Swan, 2004). The effective execution of HR practices in organizations is a main source of competitive advantage and has a positive relationship with organization performance (Collins, 2007). Reading topics of modern management, which contains recruitment and selection, training and development and the factors affecting the practice, is a fresh concept to developing countries, such as Jordan.

Organization performance

One of the key discussions in this study emphasizes on the determinants of organization performance. Scholars from diverse backgrounds have clarified organization performance and recognized the sources of inter-organization performance changes (McGahan & Porter, 1997). Organization performance is determined via calculating the actual outputs of an organization against its intended outputs (i.e., goals or objectives). According to Richard, Devinney, Yip, & Johnson (2009), organization performance involves three areas of company outcomes, namely, financial performance (return on assets, return on investment, and profits), product market performance (sales and market share), and shareholder return. Organization performance also refers to strategic planning, operations and finance, legal, and organization developments. Numerous researchers relate organization performance to financial performance, which involves budgets, assets, operations, products, services, and markets (Thurbin, 1994; Smith, 1999; Subramaniam, Shamsudin, & Ibrahim, 2011; Dixon, 1991). Some researchers identify several non-financial outputs that also add to organization performance, namely, management quality (De Waal & Frijns, 2011), long-term direction (Steiss, 2003; Guest, 1997), continuous development (Arsad, 2012), workforce quality (Storey, 1989), and openness and action orientation (Pathak et al., 2005).

Effect of HR Planning on organizational performance

According to Mursi (2003), there are important and positive relationships between HR planning and organizational performance. In another study by Hiti (2000), HR planning has a positive relationship with organizational performance. In another study by M Arsad (2012) manpower planning effect on organizational performance and have a positive relationship between manpower planning an organizational performance. Study by Chand and Katou (2007) in their study in the Indian hotel industry were also found out that manpower planning have strong relationship to productivity, and productivity impact on organizational performance.

Recruitment and selection

Recruitment is the process of collecting fit applicants for existing positions within an organization (Mathis, 2004), and determining whether to hire the experienced applicants or to reject them. Selection includes choosing the most right applicants who fulfil the requirements for a particular job. The preparation of selection is a decision-making activity or a psychological calculation of appropriateness (Price, 2004). Organizations that adopt appropriate selection processes are guaranteed to hire employees with the



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

right skills and levels of confidence for a particular job (Pfeffer, 1994; Huselid, 1997). Some academics found that prerogative recruitment and selection practices positively affect organizational performance (Harel&Tzafir, 1996; Delany &Huselid, 1996). Delary and Huselid (1996) found that effective recruitment and selection processes positively affect organization performance. Through studying the employee recruitment, retention, and performance strategies in the Nigerian civil service, Gberevbie (2010) emphasized the importance of adopting appropriate employee recruitment and retention strategies to improve organizational performance. Other researchers suggested that a significant and positive relationship occurs between recruitment/selection and organization performance (Terpstra&Rozell, 1993; Harel& Recruitment and Selection

When seeing recruitment and selection procedures, twenty out of the 24 interviewees said they had different systems for recruiting and selecting new members of staff. They stated that when selecting new employees they rely on interviewing as a main way of selection. Here are selected of the comments complete by interviewees:

"The most frequent methods we use in our recruitment efforts are newspaper announcements".

"We often use newspaper advertisements and internal advertising for recruiting fresh staff".

"Publications and visits to university and college sites have been used for two years but were less frequently used".Tzafir, 1996; Gberevbie, 2010).

Training and development

Training and development is an vital element of HRM (Vlachos, 2009). Organizational performance may benefit from training and development in numerous ways (Subramaniam et al., 2011). Training is a marshalled activity that aims to impart instructions or information to develop the performance, knowledge, or skills of the trainee (Saed&Asgher, 2012). Development refers to the activities that help individuals achieve new knowledge or skills that are basic for their personal advance. All-inclusive training and development programs help trainees to emphasis on the skills, attitudes, and knowledge that are necessary to attain goals and to produce competitive advantages for an organization (Peteraf, 1993). Apospori, Nikandrou, Brewster, and Papalexandris (2008) found that training has a significant effect on organizational performance. Subramaniam et al. (2011) argued that training and development could influence the performance of an organization because the skills, knowledge, and abilities of employees could be improved continuously. AL-Qudah, Osman, AbHalim, and Al-Shatanawi (2014) stated that a significant relationship exists between training and development and organizational performance. Blair (2007) found that investment on training and development could produce huge benefits for an organization. Several researchers have reported that training can positively affect productivity, and employees and employers can receive mutual benefits from training (Conti, 2005; Ballot et al., 2006). A significant relationship between training/development and organizational performance was also established in several studies (Dimba, 2010; Subramaniam et al., 2011; Apospori et al., 2008; Kundu, 2007, AL-Qudah et al., 2014).

Training and Development Fifteen out of the 24 interviewees suggested that they have employee training and development in their organization. There was a varied set of responses ranging from just sending employees on courses to take a company-wide view of training, development and learning. Only in NGOs, was training seen as an important investment. Contrary to the NGO sector, the majority of government managers look at training as an fun and a waste of time, while the private sector sees that the pure technical aspect is significant, like programs concerning quality, operating newly fixed equipment's.

Methodology

The population contained of Jordan organizations in the government, private and non-government organizations (NGOs) that employ 50 employees and above. Table No.1 displays both the number of organizations for each sector, usable returns of the questionnaires, number of surveyed organizations and the percentage of surveyed ones for each part.

Table 1: Number of organizations and surveyed ones for each sector

Sector	No. of organizations for each sector	Usable returns of the questionnaires	No. of surveyed organization-al respondents	Percentage of surveyed organizations for each sector
Government	44	28	14	32%
Private	141	78	39	28%
NGOs	51	34	17	33%
Total	236	140	70	-----

A stratified sample was drawn in order to distinguish three sectors (Government, Private, and NGOs) and three size classes (50-99 employees, 100-199 employees and above 200). This classification was adopted by De Kok and Uhlener (2003). Two hundred questionnaires were distributed and addressed to the three levels of management in 70 organizations located in the West Bank. The decision to limit the study to firms in West Bank only is due to the closure of Gaza Strip and Jerusalem. One hundred and forty questionnaires were returned, sixty questionnaires were dropped from analysis as they were invalid; the respondents were



two per establishment. The response rate was 70% and is acceptable compared to others such as Huselid (1995), as it was 28%. A panel of five experts in the field of HRM examined the questionnaire and the interview questions in order to establish validity. Reliability analysis conducted on all items on the original instrument resulted in an overall Cronbach's $\alpha = 0.918$. Cronbach's α coefficient is a measure of internal consistency; it indicates how well the set of items on a questionnaire measured a single latent construct.

The acceptable range of Cronbach's α coefficient is between 0.7- 1.0. As a result, the instrument, on which the questionnaire was based, was shown to have sufficient internal consistency (Creswell, 2005). In addition the reliability for each sub-scale has been computed.

The Cronbach alpha exceeds 0.70 of four out of the five subscales; table 2 clarifies the results of the subscales.

The reliabilities of these subscales are comparable with those reported by e.g. Huselid (1995) and Delery and Doty (1996) which were one of their subscales 0.43. The exception is recruitment with a Cronbach alpha of 0.67, the reliability of this subscale is unsatisfactory. Given the importance of this subscale and given that Huselid (1995) and Delery and Doty (1996) included a 0.43 Cronbach alpha, it is included in the study.

Table 2: Cronbach alpha for each sub- sectors and for overall HR practices

Scale	Value of Cronbach alpha
Recruitment	0.67
Selection	0.72
Training	0.87
Compensation	0.83
Appraisal	0.78

Presentation and analysis of data

This data that sought from the respondents are presented in table 3 and show that 41 establishments (58%) of the sample organizations are employing 50-99 workers, 39 organizations (56%) of the sample organizations were drawn from the private sector, and 39 establishments (56%) are profit-oriented establishments.

Table 3: Descriptive statistics of independent variables

Variables	Number of cases (N)	Percentage
No. of employees		
50-99	41	58%
100-199	15	21%
More than 200	14	21%
Sector		
Government	14	20%
Private	39	56%
NGO	17	24%
Profit organizations		
Yes	39	56%
No	31	44%

Testing Hypotheses

To examine the factors affecting Human resource management practices three hypotheses formulated as follows:

H1: There is a positive relationship between firm size and formalization of HRM practices.

Multiple regression carried out and tables below conclude that the size of the firm is positively related with the formalization of HRM practices as "R" = 73% and R square = 0.539.

In this research establishments sizes (Number of employees) are classified into three types: size1: number of employees 50-99; size2: number of employees 100-199; size3 : number of employees 200 and above. Table 4 shows that size2 and size3 are significant with p = 0.000 at a confidence level $\alpha = 0.05$.



Table: 4: R square and predictors of firm size

R Square		Unstandardized Coefficients	T	Sig.
0.539		B	B	Std. Error
	(Constant)	2.356	50.403	.000
	Size 3 (more than 200 employees)	.660	12.060	.000
	Siz2 (100-199 employees)	.238	3.566	.000

Dependent Variable: overall HRM scale

H2: There are no differences between government, private and NGOs in implementing HRM practices. Analysis of variance (ANOVA) is conducted to see the differences between government, private and NGOs in implementing HR practices. From the below tables it is clear that there are differences in HR practices as table 5 (a) clarifies. In order to explore the sector that implements HR practices the most, Post Hoc HSD is conducted. Results in table 5(b) clarifies that NGO sector is statistically significant with α less than 0.05

Table 5(a): ANOVA test for sector dimensions (Government, private, and NGOs)

		df	Mean Square	F	Sig.
Between Groups	3.715	2	1.858	15.748	.000
Within Groups	16.161	68	0.118		
Total	19.877	70			

Table:5(b): Multiple Comparisons between (Government, private, and NGOs)

Sector	sector	Mean Difference	Std. Error	Sig.
		Lower Bound	Upper Bound	Lower Bound
Govt	private	0.13711	.07567	.169
	NGO	0.25867(*)	.08765	.010
private	Govt	0.13711	.07567	.169
	NGO	0.39578(*)	.07058	.000
NGO	Govt	0.25867(*)	.08765	.010
	private	0.39578(*)	.07058	.000

* The mean difference is significant at the .05 level.

H3: There are no differences whether the organization is profit oriented or non-profit oriented and the formalization of HRM practices.

Here, research intended to know if there are any differences in the application of HRM practices between profit and non-profit organizations. For this purpose an independent sample t-test is employed. Table 6 (a) shows that the mean for the profit organizations is 1.8 with SD=0.4 and the mean for non-profit organizations is 2.1 with SD = 0.26. Table 6 (b) shows that there is a significant difference with $p = 0.000$ at confidence level $\alpha = 0.05$. So the hypothesis is rejected. Therefore, there is a difference in HR practices between profit oriented and non-profit organizations. This difference is in favor of non-profit ones as the means denoted.

mean for non-profit organizations is 2.1 with SD = 0.26. Table 6 (b) shows that there is a significant difference with $p = 0.000$ at confidence level $\alpha = 0.05$. So the hypothesis is rejected. Therefore, there is a difference in HR practices between profit oriented and non-profit organizations. This difference is in favor of non-profit ones as the means denoted.

Table 6(a): T-test and mean differences between profit and non-profit establishments.

overall HRM scale	profit oriented organizations	N	Mean	Std. Deviation	Std. Error Mean
	Yes	39	1.8013	.40936	.04635
	No	31	2.0802	.26504	.03366



Table 6(b): T-test and mean differences between profit and non-profit establishments

overall HRM scale	t-test for Equality of Means						
	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Interval Difference	Confidence of the
	4.870	68	.000	.27896	.05728	.39227	.16565

Prospects of HRM

When asked about the future prospects of HR in Jordan, the majority of the interviewees indicated that the merit system of recruitment, promotion and salary increases connote that the best candidates are selected from among the pool of qualified candidates rather than recruiting candidates on the basis of nepotism, favouritism, or other considerations. This is not the case in most of the companies selected for this study. The interviewees stated that promotion should be based on merit, which may help us to verify the overall performance of the worker. Promotion and merit increases here are based on favouritism, nepotism, and in most instances on political grounds. In terms of productivity improvement programs, respondents indicated that instituting an employee incentive system helped to boost morale, productivity and dramatically reduced employee turnover. To quote one: "As we started pay-for-performance programs four years ago, our sales have increased by 10 percent; performance and productivity have also increased considerably, and our rationale for the programs is that most people believe that employees should be rewarded for good performance".

Recommendations:

The researcher recommended that administrators from different organizations should be sophisticated about the importance of human resources and its main role for the achieving best results. This can be done via seminars, workshops, and conferences. Universities and research organizations must play a key role by holding conferences and transfer the experiences of NGOs in this context. Also results show that NGOs are applying HR practices at a higher level when likened with both government and private regions; based on this result, the researcher recommending prospective researchers to study the implications of HR practices on NGOs performance.

References:

1. AL-Qudah, M. K. M., Osman, A., AbHalim, M. S., & Al-Shatanawi, H. A., (2014). The Effect of Human Resources Planning and Training and Development on Organizational Performance in the Government Sector in Jordan, *International Journal of Academic Research in Business and Social Sciences*, Vol. 4, No. 4.
2. Arsad, M. (2012). *Human Resource Management Practices and Organizational Performance: A Study on Administrators in Universiti Teknologi Mara*. (Unpublished MSc Dissertation). Universiti Utara Malaysia.
3. Ballot, Gérard, Fakhfakh, F., & Taymaz, E. (2006). Who benefits from training and R & D, the firm or the workers? *British Journal of Industrial Relations*, Vol.44, 473-495.
4. Collins, J.D. and Hitt, M.A. (2007), „Leveraging tacit knowledge in alliances: the importance of using relational capabilities to build and leverage relational capital“, *Journal of Engineering and Technology Management*, Vol. 23 No. 3, pp. 147-67.
5. Conti, G. (2005). Training, Productivity and Wages in Italy. *Labour Economics*, Vol.12, 557-576.
6. Creswell, J. W. (2005). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research*. London: Sage.
7. De Kok, J.M.P. and L.M. Uhlener (2003). *Human resource Management with small firms; facts and explanations*. Zoetermeer: EIM Business and Policy Research.
8. Delery, J.E. & D.H. Doty (1996). Modes of Theorizing in Strategic Human Resource Management: tests of Universalistic, Contingency and Configurational Performance Predictors. *Academy of Management Journal*, 4 (39), 802-835.
9. Dessler, G. (2008), *Human Resource Management*, 11th ed., Prentice-Hall, Englewood Cliffs, Dixon, N. M. (1991). *Helping US HR professionals into action learning*. Action Learning in Practice, 2nd edition. UK: Gower, Eldershot.
10. De Waal, A. & Frijns, M. (2011). Longitudinal research into factors of high performance: the follow-up case of Nabil Bank. *Measuring Business Excellence*, 15(1), 4-19.
11. Gberevbie, D.E. (2010). “Strategies for Employee Recruitment, Retention and Performance: Dimension of the Federal Civil Service of Nigeria”. *African Journal of Business Management*. Vol.4 (8).pp.1447-1456.
12. Guest, D. E. (1997). *Human Resource Management and Performance: review and research agenda*. *The International Journal of Human Resource Management*, 8(3).
13. Huselid, M. A. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *Academy of Management Journal*, 38(3), 635-672.



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

14. Mathis, H. & Jackson, L. (2004). Human Resource Management, Singapore”, Thomson Asia Pte . Ltd
15. McCann, J.E. and Buckner, M. (2004), “Strategically integrating knowledge management initiatives”, Journal of Knowledge Management, Vol. 8 No. 1, pp. 47-63.
16. Pfeffer, J. (1998). Seven practices of successful organizations. California Management Review, 4(2), 96.
17. Price, A. (2004). Human Resource Management in a Business Context. (2nd ed). London: Thomson Learning.
18. Smyth, R., (2004). Exploring the usefulness of a conceptual framework as a research tool: A researcher's reflections. Issues In Educational Research, Vol 14, 2004.
19. Subramaniam, C., Shamsudin, F. M. & Ibrahim, H. (2011).Linking human resource practices and organisational performance: Evidence from small and medium organizations in Malaysia.JurnalPengurusan, 32, 27-37.
20. Vlachos, I. P. (2009).The effects of human resource practices on firm growth. International Journal of Business Science and Applied Management, Vol.4 (2), 17-34.