

The Impact of Human Resource Practices on Organizational Performance: A Study of Businesses in Kurdistan

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Abstract— *The aim of this study to find the impact of human resource management practices on organizational performance of businesses located in Erbil. The research analyzed by applying quantitative method, I applied a structured survey as tool of this research. I distributed 100 questionnaires, but only 71 questionnaires I was able to receive. The findings showed that there is a positive relationship between human resource management practices and organizational performance. In my study, I have found the limitations, for instance the measurement of applying few of human resource management practices in order to measure organizational performance. Future studies can enhance the above research limitations and foresee a much detailed research study of the relation between human resource management practices by taking more practices into consideration in order to measure and assess organizational performance.*

Keywords— *Human resource management, Organizational Performance, Erbil, Kurdistan.*

I. INTRODUCTION

Lately it has become a shared belief that human resource management practices are the main basis of maintainable competitive advantage and achievement. Human Resources Management practices highlight the significance of the organizational outcome and achievement. Though, Human Resources Management practices have been defied to establish the value of its purposes in demonstrating its influence on an organization achievement, decreasing cost and increasing the quality and adding value to the organization and customers. The associations between Human Resources Management practices and organizational performance have been an intensely debated topic. As (Hamid, et al. 2017), appealed; earlier examiners examined the association between Human Resources Management practices and performance and were created on

a theory that practices of human resource management may commonly be practical in order to aid performance. It is clear that organizational performance and human resource management practices are strong-minded by worker achievement and outcome. If firms implement suitable human resources management practices, they could influence significantly on organizational outcome and achievement. This study investigates the relationship between human resource management practices and organizational performance in Erbil.

Research problem

Today's economy crisis in Kurdistan has forced business owners to re-evaluate all aspects of their operations. Internal systems are reviewed, inventory controls are implemented, sales and marketing strategies are revised and overall productivity is analyzed. Many companies overlook one of the largest components of their organization—their human capital. Evaluating human resource practices is essential to the infrastructure, productivity and future success of the company. Therefore, currently many organizations are lacking from re-evaluating their human resource management practices.

Purpose of the study

The purpose of this study is to examine the impact of human resource management practices (training, development, recruitment, selection and compensation) on organizational performance in Erbil.

Research questions:

RQ1/ What are the main human resource management practices that contribute in improving organizational performance?

RQ2/ which human resource management practices will have more effect on organizational performance comparing with other practices?

Research objectives:

1. To examine the essential human resource practices that influence organizational performance in Erbil.
2. To investigate which human resource management practices will have greater impact on organizational performance

II. LITERATURE REVIEW

The concept of human resource

Human Resource is the most vital resource for any businesses and it is the asset of accomplishing the best organizational objectives. HRM is the way toward overseeing individuals of businesses with an individual approach. HR way to deal with labor empowers the supervisor to see the general population as a critical asset. HRM is to draw in, hold and add to investor esteem out the 'human resource' parts of an administration imaginative Human Resource Management rehearses position including human asset arranging, work examination, are required to be actualized (Ghalayini, 2017). At the present time, human resource management practices are include; training and development, orientation, compensation, recruitment and selection. Human Resource Management is the way toward getting, preparing, evaluating, and repaying workers, and keeping up work relations, wellbeing and security, and reasonableness concerns (Brito & Oliveira, 2016).

Human resource practices

According to Brito & Oliveira, (2016), training and development are the formal and efficient alteration of conduct through realizing which happens because of training, direction, improvement and arranged experience. Furthermore, according to Alami, et al. (2015), training and development can be at work or off the activity relying upon the need being referred to. Suitable preparing is required for different needs, for example, to take care of correlated issues, to help performance, and furthermore for persistent advancement of human asset.

Recruitment and selecting are the procedure to completely fill the offered work positions in adequate number and characteristics of the candidates, and in addition to meet the desires and necessities of the business (Nasiri, 2017). This includes two interrelated procedures, Recruitment and selecting are the way toward creating a pool of proficient individuals to apply for work to a business while determination is the procedure by which particular instruments are utilized to look over a pool of candidates' people most appropriate for the activity contemplating administration objectives and lawful prerequisites (Singh & Kassa, 2016).

Compensation is a procedure of giving financial incentive to representatives to the work they performed. Pay can be

utilized to procure gifted representatives, remunerate the performance, and empower organization dedication by decrease turnover. Compensation is a worker's base wages, which can be a yearly pay or time-based compensation, in addition to any performance based pay a representative gets, for example, benefit sharing rewards. Representative remuneration assumes such a key part since it is at the core of the work relationship, being of basic significance to the two workers and managers (Trehan & Setia, 2014).

Organizational performance

Performance management and estimation frameworks created as methods for checking and keeping up hierarchical control, which is the way toward guaranteeing that a business seeks after activity designs that prompt the accomplishment of general objectives and destinations (Hamid, et al. 2017). Businesses have a critical part in our everyday lives and in this manner, effective businesses speak to a key element for creating countries. In this manner, numerous business analysts consider businesses and foundations like a motor in deciding the financial, social and political advance (Yilmaz & Bulut, 2015). According to Liu, (2016), stated that trusts that the performance comprises in "achieving the objectives that were given to you in joining of big business orientations". Performance isn't a goal reality, holding up some place to be estimated and evaluated, however a socially built reality that exists in individuals' psyches, on the off chance that it exists some place (Abou-Moghli, & Abo-Rumman, 2012).

Relationship between HRM and organizational performance

Organizational performance is a standout amongst the most factors that effect on the performance of the business. The effective business comprehends the significance of HR as a basic factor specifically influences and contributes on the performance (Opoku & Arthur, 2015). There is a positive connection between business performance and representative advancement. Performance programs have effect on this relationship. Performance programs incorporate the motivator's designs, criticism system (Richman, 2015). Mutua, et al. (2012), showed that HRM rehearses progress authoritative effectiveness and performance by drawing in, distinguishing, and keeping workers with learning, aptitudes, and capacities, and getting them to conduct in the way that will bolster the mission and points of the business.

III. METHODOLOGY

Research design

A research design can be defined as "a proposal for carrying out a research with full control on variables that might

match with the results". Riff, et al. (2014) explained a research design as "an idea that clarifies where, when and how information is to be gathered and analyzed". The author implemented quantitative method to find the relationship between human resource practices and organizational performance in Erbil. The quantitative method comes from the confidence that individual phenomena and factors in individual behavior could be researched empirically as well as this method has been selected as an effective method. Quantitative study employs a stable scheme that classifies and arranges in the questions to be answered and a comprehensive technique of gathering information and analysis (Hoy, et al. 2015).

Sample

This study had chosen a survey research, to analyze the relationship between human resource practices and organizational performance in Erbil. The author applied a structured survey as tool of this research. I distributed 100 questionnaires, but only 71 questionnaires I was able to receive.

Instruments

The survey is designed in multiple choice questions, where the participants had a chance to choose from different scales, the likert scale was used in the questionnaire. The likert scale ranged from 1 which stated for strongly disagree to 5 which stated for strongly agree, however the questionnaire adapted from different academic sources. The questionnaire was prepared and adapted from (Mwaniki&Gathanya, 2015).

IV. ANALYSIS AND RESULTS

Table.1: Demographic

Parameters		Frequency	Percentage
Gender	Male	51	71.8
	Female	20	28.2
Age	20-30	4	5.6
	30-40	13	18.3
	40-50	25	35.2
	50-60	22	31.0
	60+	7	9.9
Marital Status	Single	14	19.7
	Married	38	53.5
	Widowed	6	8.5
	Divorced	9	12.7
	Separated	4	5.6
Academic Qualification	High School	4	5.6
	Institute	16	22.5
	Bachelor degree	34	47.9
	Master degree	13	18.3
	Doctorate degree	4	5.6
Occupation	Employed	31	43.7
	Self-employed	7	9.9
	full time student	15	21.1
	Jobless	3	4.2
	Retired	15	21.1

Table (1) illustrates the demographic information for the participants contributed in this research, the results of demographic information analysis demonstrated that 51 (71.8%) of participants in this study are male and 20 (28.2%) of participants in this study are female. Moreover, when it comes to guest's age contributed in this research, the results showed that 4 (5.6%) of participants are aged

between 20 years old and 30 years old, 13 (18.3%) of participants are aged between 30 years old and 40 years old, 25 (35.2%) of participants are aged between 40 years old and 50 years old, 22 (31.0%) of participants are aged between 50 years old and 60 years old and 7 (9.9%) of participants are aged between 50 years old and 60 years old. When it comes to participants' marital status who visited

business, the results showed that 14(19.7%) of single participants visited business and contributed in this study, 38 (53.5%) of married participants visited business and contributed in this study, 6 (8.5%) of widowed participants visited business and contributed in this study, 9 (12.7%) of divorced participants visited business and contributed in this study, and 4 (5.6%) of separated participants visited business and contributed in this study. When it comes to participants' academic qualification contributed in this research, the results showed that 4(5.6%) of high school graduated participants visited business and contributed in this research, 16 (22.5%) of institute graduated participants visited business and contributed in this research, 34 (47.9%) of institute graduated participants visited business and

contributed in this research, 13(18.3%) of master degree graduated participants visited business and contributed in this research, and 4 (5.6%) of doctorate degree graduated participants visited business and contributed in this research. When it comes to participants' occupation visited business and contributed in this research, the results showed that 3(4.2%) of participants are jobless who visited and contributed in this study, 7 (9.9%) of participants are self-employed who visited and contributed in this study, 15 (21.1%) of participants are student who visited and contributed in this study, 31 (43.7%) of participants are employed who visited and contributed in this study, 15 (21.1%) of participants are retired who visited and contributed in this study.

Table.2: Reliability Statistics

Cronbach's Alpha	N of Items
.753	12
Cronbach's Alpha	Questions
.756	Q1/ Human resource management at Business is implementing recruitment process effectively
.727	Q2/ Human resource management at Business is providing training effectively
.726	Q3/ Human resource management at Business is conducting effective interview and background check for candidates
.724	Q4/ Human resource management at Business is implementing staff promotion system effectively
.761	Q5/ Human resource management at Business arranges workshop and orientation for employees
.710	Q6/ Human resource management at Business is implementing compensation system successfully
.732	Q1/ Business is determining departmental objectives
.738	Q2/ Business is aligning individual goal with business's vision and mission to enhance performance
.774	Q3/ The managers' success in improving commitment to meeting the set objectives
.721	Q4/ The efficiency in providing incessant direction and follow up to attain organizational objectives
.723	Q5/ The efficacy in assessment practice
.736	Q6/ The success in communication of employee accomplishments after the assessment practice

I used reliability to measure all questions that have been used to test the relationship between human resource management practices and organizational performance. The results showed that the alpha for all 12 questions =.753, I concluded that all 12 questions are reliable to measure this study. Also I used reliability study for each question individually, the results showed that the alpha for question one (Human resource management at Business is implementing recruitment process effectively) =.756, the

alpha for question two (Human resource management at Business is providing training effectively) =.727, the alpha for question three (Human resource management at Business is conducting effective interview and background check for candidates) =.726, the alpha for question four (Human resource management at Business is implementing compensation system successfully), the alpha for question four (Human resource management at Business is implementing compensation system successfully) =.724, the

alpha for question five (Human resource management at Business arranges workshop and orientation for employees) =.761, the alpha for question six (Human resource management at Business is implementing compensation system successfully) =.710, the alpha for question one for organizational performance (Business is determining departmental objectives) =.732, the alpha for question two for organizational performance (Business is aligning individual goal with business’s vision and mission to enhance performance) =.738, the alpha for question three

for organizational performance (The managers’ success in improving commitment to meeting the set objectives) =.774, the alpha for question four for organizational performance (The efficiency in providing incessant direction and follow up to attain organizational objectives) =.721, the alpha for question five for organizational performance (The efficacy in assessment practice) =.723, the alpha for question five for organizational performance (The success in communication of employee accomplishments after the assessment practice) =.736.

Table.1: Items Description

Parameters		Frequency	Percentage	Mean	St. deviation
Q1. Human resource management at Business is implementing recruitment process effectively	Strongly disagree	1	1.4	3.9	.813
	Disagree	3	4.2		
	Neutral	12	16.9		
	Agree	41	57.7		
	Strongly Agree	14	19.7		
Q2. Human resource management at Business is providing training effectively	Strongly disagree	2	2.8	3.93	.990
	Disagree	4	5.6		
	Neutral	13	18.3		
	Agree	30	42.3		
	Strongly Agree	22	31.0		
Q3. Human resource management at Business is conducting effective interview and background check for candidates	Strongly disagree	4	5.6	3.89	1.115
	Disagree	5	7.0		
	Neutral	9	12.7		
	Agree	30	42.3		
	Strongly Agree	23	32.4		
Q4. Human resource management at Business is implementing staff promotion system effectively	Strongly disagree	3	4.2	4.01	1.007
	Disagree	2	2.8		
	Neutral	11	15.5		
	Agree	30	42.3		
	Strongly Agree	25	35.2		
Q5. Human resource management at Business arranges workshop and orientation for employees	Strongly disagree	3	4.2	3.73	1.041
	Disagree	6	8.5		
	Neutral	14	19.7		
	Agree	32	45.1		
	Strongly Agree	16	22.5		
Q6. Human resource management at Business is implementing compensation system successfully	Strongly disagree	5	7.0	3.62	1.151
	Disagree	6	8.5		
	Neutral	17	23.9		
	Agree	26	36.6		

	Strongly Agree	17	23.9		
Q7. Business is determining departmental objectives	Strongly disagree	3	4.2	3.93	1.060
	Disagree	5	7.0		
	Neutral	9	12.7		
	Agree	31	43.7		
	Strongly Agree	23	32.4		
Q8. Business is aligning individual goal with business's vision and mission to enhance performance	Strongly disagree	3	4.2	4.08	1.011
	Disagree	2	2.8		
	Neutral	9	12.7		
	Agree	29	40.8		
	Strongly Agree	28	39.4		
Q9. The managers' success in improving commitment to meeting the set objectives	Strongly disagree	2	2.8	3.87	.985
	Disagree	5	7.0		
	Neutral	12	16.9		
	Agree	33	46.5		
	Strongly Agree	19	26.8		
Q10. The efficiency in providing incessant direction and follow up to attain organizational objectives	Strongly disagree	4	5.6	3.76	1.088
	Disagree	4	5.6		
	Neutral	16	22.5		
	Agree	28	39.4		
	Strongly Agree	19	26.8		
Q11. The efficacy in assessment practice	Strongly disagree	4	5.6	3.83	1.134
	Disagree	6	8.5		
	Neutral	10	14.1		
	Agree	29	40.8		
	Strongly Agree	22	31.0		
Q12. The success in communication of employee accomplishments after the assessment practice	Strongly disagree	2	2.8	4.14	.946
	Disagree	2	2.8		
	Neutral	9	12.7		
	Agree	29	40.8		
	Strongly Agree	29	40.8		

I used descriptive analysis to measure the relationship between human resource management practices and organizational performance at Business in Erbil. The results showed the followings: regarding question one (Human resource management at Business is implementing recruitment process effectively) only one guest strongly disagree, 3 participants disagreed, 12 participants neither disagree nor agree, 41 participants agreed and 14 participants strongly agreed, regarding question two (Human resource management at Business is providing

training effectively) only two participants strongly disagree, 4 participants disagreed, 13 participants neither disagree nor agree, 30 participants agreed and 22 participants strongly agreed, regarding question three (Human resource management at Business is conducting effective interview and background check for candidates) only four participants strongly disagree, five participants disagreed, nine participants neither disagree nor agree, 30 participants agreed and 23 participants strongly agreed, regarding question four (Human resource management at Business is

implementing staff promotion system effectively) only three participants strongly disagree, two participants disagreed, 11 participants neither disagree nor agree, 30 participants agreed and 25 participants strongly agreed, regarding question five (Human resource management at Business arranges workshop and orientation for employees) only three participants strongly disagree, six participants disagreed, 14 participants neither disagree nor agree, 32 participants agreed and 16 participants strongly agreed, regarding question six (Human resource management at Business is implementing compensation system successfully) only five participants strongly disagree, six participants disagreed, 17 participants neither disagree nor agree, 26 participants agreed and 17 participants strongly agreed, regarding question seven (Business is determining departmental objectives) only three participants strongly disagree, five participants disagreed, nine participants neither disagree nor agree, 31 participants agreed and 23 participants strongly agreed, regarding question eight (Business is aligning individual goal with business's vision and mission to enhance performance) only three participants strongly disagree, two participants disagreed, nine participants neither disagree nor agree, 29 participants agreed and 28 participants strongly agreed, regarding question nine (The managers' success in improving commitment to meeting the set objectives) only two participants strongly disagree, five participants disagreed, 12 participants neither disagree nor agree, 33 participants agreed and 19 participants strongly agreed, regarding question ten (The efficiency in providing incessant direction and follow up to attain organizational objectives) only four participants strongly disagree, four participants disagreed, 16 participants neither disagree nor agree, 28 participants agreed and 19 participants strongly agreed, regarding question eleven (The efficacy in assessment practice) only four participants strongly disagree, six participants disagreed, 10 participants neither disagree nor agree, 29 participants agreed and 22 participants strongly agreed, and finally regarding question twelve (The success in communication of employee accomplishments after the assessment practice) only two participants strongly disagree, two participants disagreed, nine participants neither disagree nor agree, 29 participants agreed and 29 participants strongly agreed.

V. CONCLUSION

I have demonstrated and clarified that human resource management practices and its relationship with organizational performance in Business located in Erbil. My prospect is that some variables will impulse for a steady

modify in the way business currently consider human resource management practices. Among these elements are the recruitment, selection, compensation, job description and interview. According to my analysis, I have found that Human resource management at Business is implementing recruitment process effectively, Human resource management at Business is providing training effectively, Human resource management at Business is conducting effective interview and background check for candidates, Human resource management at Business is implementing staff promotion system effectively, Human resource management at Business arranges workshop and orientation for employees and finally Human resource management at Business is implementing compensation system successfully.

VI. LIMITATIONS

In my study, I have found the limitations, for instance the measurement of applying few of human resource management practices in order to measure organizational performance at Business in Erbil.

VII. SUGGESTIONS

Future studies can enhance the above research limitations and foresee a much detailed research study of the relation between human resource management practices by taking more practices into consideration in order to measure and assess organizational performance.

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