

**HUMAN RESOURCE MANAGEMENT PRACTICES AND  
ORGANIZATIONAL PERFORMANCE: STUDY IN SUDAN  
NATIONAL OIL COMPANY (SNOC)**

**Abu bakr Ali Abd.Ellatif Ali**

**OTHMAN YEOP ABDULLAH  
GRADUATE SCHOOL OF BUSINESS  
UNIVERSITI UTARA MALAYSIA  
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**HUMAN RESOURCE MANAGEMENT PRACTICES AND  
ORGANIZATIONAL PERFORMANCE: STUDY IN SUDAN  
NATIONAL OIL COMPANY (SNOC)**

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Universiti Utara Malaysia

**BY**

**Abu bakr Ali Abd.Ellatif Ali**

**803825**



**KOLEJ PERNIAGAAN**  
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Universiti Utara Malaysia

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## **ABSTRACT**

This study investigates the impact of HRM practices on organizational performance which include practices such as “human resource planning, staffing processes, training and development, reward and compensation systems, employee and labor relations”, and are treated as independent variables. The study is concentrating on study on Sudan National Oil Company (SNOC). Total responses are 100 from 153 population of Sudan National Oil Company (SNOC) are collected and analyzed objectively; it was examined if HRM practices have significant association on organizational performance. The aim is to get real picture on the influence of HRM practices on organizational performance. The finding indicates that, there is positive relationship between HRM practices and organizational performance. This study is important for several reasons. Firstly, recognizing a positive relationship between, HRM and organizational performance; secondly, to clarify the problem and barriers encountered in the application of human resource programs in the Sudanese companies in the context to the case included in this study thirdly, to participate in and contribute to research, resulting in Knowledge increase, and lastly, to assist scholars and other researchers in the HRM field.

## **DEDICATION**

This dissertation is dedicated with love and gratitude to my beloved mother, Asia, and my father Ali, who has provided undying love, support and encouragement. They provided me with strength, dreams, courage and determination to move through the final stages of this process. My dream came true due to their love and sacrifices.

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction to the Study

Over the past decade, there has been a great deal of interest in the relationship between Human resource management (HRM) practice and organizational performance. This relationship is widely debated topic in the field of management studies (chin-ju Tsai, 2002). Human resource management (HRM) is an important function in organizations and it involves everyone (Schuler, 2000; Guthrie, 2001; Singh, 2003; Leda & Nancy, 2004; Dilfaraz, 2010). Managing human resources effectively requires a special expertise and professionals that perform the task in partnership with the other related managers, employees, and workplace activities.

Over the past 15 or 20 years, many researchers have pointed out that human resource management practices, which consist of planning process, recruitment and selection procedure, training and development program, compensation policy, appraisal system, and so on, can be used to gain competitive advantage or improve performance of the organization (Lado & Wilson, 1994; Huselid, 1995; Boxall, 2003; Kydd & Oppenheim, 1990; Chang & Chen, 2002; Schuler & Jackson, 1987; Fottler, et al. , 1990; Huselid, et al., 1997; Li & Deng, 1999; Benjamin, 2008). Not just only those, many other theoreticians have argued that HRM practice are potential source of sustainable competitive advantage for organization (e.g., Barney, 1991; Dyer 1993; Wright & McMahan, 1992).

## 1.2 Background of the Study

Human resource management (HRM) is a vital function in organizations (Hustled, 1999; Celery & Doty, 2005; Abdul humid, 1999; Schuler, 2000, Guthrie, 2001; Singh, 2003; Leda & hancy, 2004). Wood and wall (2002) defined it as a term used to represent that part of organizations activities concerned with the recruitment, development and management of employees and management accenting practices. According to Jackson and Schuler 2002; Haslinda, 2009) Human resource management (HRM) is an umbrella term that encompasses (a) specific human resource practice such as recruitment, selection, and appraisal; (b) formal human resource policies, which direct and partially constrain the development of specific practices, and (c) overreaching human resource philosophies, with specify the values of an organization policy and practices.

Once these HR practices will be implemented properly in organization especial Sudan National Oil Company(SNOC), will solve the problems which associated with poor human resource practices in return will enhance high organization performance as was notified in the study conducted by (Huselid, 1995; Chang and Huang, 2003; Khatri, 2000; Park, Mitsuhashi, Fey and Bjorkman, 2003) for that case, the situation will fulfill the objective of the study.

One of the issues that must be settled in the effort to understand how HR practices impact performance is to theorize the means through which this relationship occurs, in essence



specifying the intervening variables between the measures of HR practices and the measure of firm performance. Increase the performance of the organizational is the most challenging topic in a business today, because the competition among companies, both in marketplace and labor market during the rapidly changing environment, all the organizations are searching a way to enhance their performance and competitiveness, so Human recourse management practice is one of the important factors that help to increase the performance of the organization. Although past research has documented that there exists a positive relationship between HRM practices and organizational performance, however, there is a gap explaining how HRM practices contribute to performance, that is to say, what goes on in the “black box” of the firm performance (e.g., Kalleberg & Moody, 1994; Harel & Tzafrir, 1999, Patricia Ordo'n'ez, 2003).

### **1.3 Problem Statement of the Study**

The Sudan National Oil Company (SNOC) was totally controlled by the government of Sudan since 1989. Oil industry is one of the most important sectors that contribute significantly to the economy of the country. However, this sector has consistently been run along orthodoxical lines and has been strictly managed and controlled by the government, especially after the American oil companies such as (Chevron) decided to pull out of Sudan 1997. It will be established in the current study that Sudanese management system that run the (SNOC) is very different from similar management practices in the west. In the western management hierarchy, decentralized management structures with clear authority and responsibility and relatively free communication are

recognized traits. In the case of the Sudan, in organizations such as the (SNOC) show of loyalty and respect to superiors are noticeable practices. The more connections with superiors an employee of (SNOC) had, the more secure their job used to be. A similar practice does exist in the HR department of the company. All the above practices may entirely be discretionary and the HR department may reward an employee if their personal relation with the high hierarchy is merely excellent.

The important situation existed in relation to rewards and compensation systems and labour relations, which are subjected to legislation in the case of Sudan's organizations, which so controlled by the government. Because of the control system, it will be difficult to manage employee productivity. This study attempts to address the problem of evaluating effectiveness of HR practices in Sudan's oil companies such problems are ineffectiveness of lack of long term planning, lack of frequently training, rewards and compensation don't link with performance and poor employer and employee labour relations which enhance poor performance, thus, these are driving forces for writing this study and to help (SNOC) to eradicate these problems in ordered to improve performance.

## **1.4 Research Questions**

The following questions are posed to address the research problem.

1. Is there a relationship between HRplanning and organizational performance?
2. Is there a relationship between staffing processes and organizational performance?
3. Is there a relationship between training and development practices and organizational performance?
4. Is there a relationship between reward and compensation system and organizational performance?
5. Is there a relationship between employee and labour relations practices organizational performance?

## **1.5Research Objectives**

The overall objective of this study is to examine the relationship between human resource management practices and organizational performance in (SNOC). The specific objective in this study is:

1. To examining the relationship between human resource (HR) planning and organizational performance.
2. To identify the relationship between staffing Processes and organizational performance.

3. To describe the relationship between training and development practices and organizational performance.
4. To show the relationship between reward and compensation system and organizational performance.
5. To look into the relationship between employee and labor relations practices organizational performance

### **1.6 Significance of the Study**

The aim of every organization in any global firm is to increase organization performance, and human resource management practices play an important role for that. So this study aims for several reasons. First, the study contributes a new direction in research on organizational performance in (SNOG) by opening up a door on the importance of human resource practices on organizational performance. It is resulting in the increasing of the Knowledge, especially, by portraying the relationship between the HR practices and organizational performance. Second, findings provide team leaders, human resource specialists and managers with foundation to create the right condition and implement effective Human resource practices which will facilitate organizational performance especially Sudanese Oil Company.

## **1.7 Definitions of Key Terms**

For clarity and understanding of the important terms in the study, the following conceptual and operational definitions were provided:

### **1.7.1 Human Resource Management**

Human resource management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, benefits employee motivation, communication, administration, safety, wellness and training.

HRM can be best described as: 'all activities aiming to attract, to keep up the standards of, to develop and to effectively utilize human capital' (van Loo & de Grip, 2003). The term human resource management (HRM) has relatively adopted in business organizations in place of personnel management. HRM can be defined as "the management of activities under taken to attract, develop, motivate, and maintain a high performing workforce within the organization" (Harvey & Bowin, 1996).

## **1.7.2 Human Resource Management Practices**

HRM practices represent the policies, procedures, systems, and activities used to shape, monitor, and direct attention of people within the organization.

HRM practices have been defined in many ways. Schuler and Jackson (1987) defined HRM practices as organizational activities that are directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. Some of the practices are:

### **1.7.2.1 Human Resource Planning**

This is the process of ensuring organization has right employees with right skills, knowledge, and attitude in right places at the right times (Mello, 2006).

According to (Mejia, Balkin, & Cardy, 2009) is the process an organization uses to ensure that it has the right amount and the right kinds of people to deliver a particular level of output or service in the future.

### **1.7.2.2 Staffing Processes**

Staffing, the process of recruiting applicants and selecting prospective employees, remains a key strategic area for human resources management (Mello, 2006).

Staffing is the function by which managers build an organization through requirement and selection and development of individuals as capable employees (McFarland).

### **1.7.2.3 Training and Development**

Training planned intervention that is designed to enhance the determinants of individual job performance (Chiaburu & Tekleab 2005).

(Rao, 2000), defined the training as a planned programme designed to improve performance and bring about measurable changes in knowledge, skills, attitude and social behavior of employees.

### **1.7.2.4 Reward and Compensation Systems**

Compensation—all forms of financial returns and tangible benefits that employees receive as part of an employment relationship (Bernardin, 2010).

According to (Mello, 2006) compensation a key strategic area for organization impacts an employer's ability to attract applicants, retain employees, and ensure optimal levels of performance from employees in meeting the organization's strategic objectives.

#### **1.7.2.5 Employee and Labor Relations**

Employee Labor relation, "a relationship between management and employee or among employees and their organization, that characterizes and grows out of employment (Rao, 2000)

#### **1.7.3 Performance**

Performance is defined as the record of outcomes produced on a specified job function or activity during a specified time period (Bernardin & Russell 1993).

Laitinen (2002) defined performance as the ability of an object to produce results in a dimension determined a priori, in relations to a target.

#### **1.7.4 Organizational Performance (OP)**

According to Swanson (2000), organizational performance is the valued productive output of a system in the form of goods or services.



## **1.8 Organization of the Study**

The Present study arranged into chapters as follows: chapter 1 discusses introduction of the study, background of the study, problem statement, research questions, research objectives, significance of the study, definitions of terms, and organization of all the study. Chapter 2 provides the theoretical framework of the research and cites previously conducted research in this field. Chapter 3 describes the research design and methodology, the techniques used for the information and the data collection, and analysis of the date. Chapter 4 presses the results of the data collected and analyses in the light of the theoretical framework of the study. Chapter 5 is concerned with the summary of the findings, their implications, and provides for further research.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is devoted to the literature on human resource management (HRM) practices. This chapter begins with a review on organizational performance, second concept of HRM, the importance of HRM, and the resource-based view of the company. An overview of previous studies on the researches that has been done in human resource management practices son organizational performance is also discussed. Finally, a theoretical framework and hypotheses are presented to show the relationships between the study variables.

#### **2.2 Organizational Performance**

Organizations are increasingly competing in the global marketplace, so making knowledge on how to improve their performance is the key to be success for any organization. Khandekar and Sharma (2005) defined the Performance as the outcome that indicate or reflect the organization's efficiencies or inefficiencies in terms of corporate image, competencies and financial performance. Also, Laitinen (2002) defined performance as the ability of an object to produce results in a dimension determined a priori, in relations to a target. So the most important goal of any organization is to achieve higher performance or maximization of wealth for the shareholders (Paul &

Anantharaman. 2003). However, achieving the organization's goal, like profits, will clearly depend on the extent of which its organizational performance is reached. According to Swanson (2000), organizational performance is the valued productive output of a system in the form of goods or services. An organizational performance is a function of the organization's ability to acquire, develop, and use physical, goals with an acceptable outlay of a resource while ensuring sustainability over the long term. Good performance means the work done effectively and remains relevant to the stakeholders.

### **2.3 Human Resource Management**

The concept that people are the organization's key source of sustained competitive advantage continues to be an overriding theme in the research literature and a lever for HR practitioners (Grattan, 2000; Rao, Ganesh & Sriram, 2010). It is not surprising, therefore, that the link between HRM practices and organizational performance has attracted considerable attention over the past decade (Huselid, 1995; Pfeffer, 1998). The extent to which such a link has been 'proved' to exist in general, and in particular which, specific HRM practices lead to high performance continues to be debated. Human resource management (HRM) practices are being increasingly treated as dependent rather than independent variables. Whereas in the past researchers focused almost exclusively on how changes in HRM practices affect organizational performance, researchers are now beginning to ask how organizational performance shape HRM practices (e.g., (HR) planning, staffing processes, training and development, reward and compensation systems, and employee and labour relations).

Human resource management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human resource management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

The term "human resource management" has been commonly used for the last ten to fifteen years. Prior to that, the field was generally known as "personnel management". Dessler (1991) had made no differentiation between personnel management and HRM and saw that the latter as a modern expanded version of traditional personnel management due to technological change in the work environment and a shift in societal values. Although the roots of human resource management might be relatively clear historically, the term itself and the meaning of human resource management has been the subject of fierce debate amongst practitioners, academics and commentators since its emergence in the early 1990s (Legge, 2001).

These human resource management practices as people centered strategies and states that people centered strategies are important source of competitive advantage, as they cannot be easily limited. There are authors that write the relationship between human resource management practices and organizational outcomes such as productivity and employees'

retention. Porter (2001) showed through multiple regression analysis, that human resource management were significantly associated with variation performance.

To conclude, HRM increases organization productivity, employee engagement, work-orientation, goal commitment through HRM practices such as training, recruitment, compensation, performance evaluation, promotion; which help the organization to increase its performance.

### **2.3.1 The Importance of HR as A Source of Competitive Advantage**

In recent years, human resources have been recognized as an important source of sustained competitive advantage. Much of the human resources and theoretical and empirical work has been grounded in the resource-based view of the company.

Resources have been defined as “the tangible and intangible assets a company uses to choose and implement its strategies” (Barney, 2001). This broad definition includes human, organizational, financial and physical resources. Barney (1991) and Teece, Pisano and Shuen (1997) have outlined a framework for determining if a resource can be considered a source of sustained competitive advantage. The key elements of this framework require resources to be valuable, rare, inimitable and non-substitutable. Technology, natural resources and economies of scale can create value, RBV argued that these sources of value are increasingly available to almost anyone anywhere and they are easy to copy, whilst human resources which is defined as “the pool of employees under the companies control in a direct employment relationship” (Wright & McMahan, 1992)

can provide the company with a source of competitive advantage with respect to its competitors.

The first of these criteria is the value added to the company's production processes, the contribution made by each employee having its effect on the results obtained by the organization as a whole. Also, since employees are not all the same, their characteristics are in limited supply in the market. In addition, these human resources are difficult to imitate. Since it is not easy to identify the exact source of the competitive advantage and reproduce the basic conditions necessary for it to occur. Finally, this human resources is not easily replaced; though short-term substitutes may be found, it is unlikely that they will result in a sustainable competitive advantage like the one provided by human resources.

Companies may not obtain the maximum utility from their employees because the employees are not contributing to their fullest potential. Through the effects of their HRM practices could maximize the knowledge, skills, and abilities of employees. The focus of the overall body of research, then, is to examine the contributions of HRM policies and practices to the performance of the companies.

## **2.4 Human Resource Management and Organizational Performance**

The desire of human resource (HR) practitioners to demonstrate the value of what they do for the rest of the organization has a long history. Drucker (1954) referred to “personnel” managers as constantly worrying about “their inability to prove that they are making a contribution to the enterprise”. This has been echoed by Tom Stewart, who described HR leaders as being “unable to describe their contribution to value added except in trendy, unquantifiable and wannabe terms (Stewart, 1996). In response to these longstanding and repeated criticisms that HR does not add value to organizations, the past 10 years has seen a burgeoning of research attempting to demonstrate that progressive HR practices result in higher organizational performance.

Human resource in organizations is an important variable to sustain in competition, and HRM practices can play an important role in organizational performance (Boselie & Dietz, 2003; Boselie, Dietz, & Boon, 2005; Boselie & paauwe, 2000; Michie, Conway, & Sheehan, 2003) . It became to be seen a key to developing and improving organizational performance (Bowen & Ostroff, 2004; Bowen & Ostroff, 2000).

Lee and Lee (2007) covered some of HRM practices and their impacts on the organizational performance, which includes tem work, performance appraisals, compensation, training and development, HR planning, and employees’ security that have a strong impact and improve the organizational performance by improving the quality of product, increasing employee’s productivity and organizational flexibility.

Many empirical studies have shown that the organization which use HRM practices effectively tend to demonstrate higher levels of financial performance than organization that do not (Becker & Huselid, 2006, Liu, Hall, & Kitchen, 2006).

Previous studies have examined the relationship between human resource management (HRM) practices and organizational performance, the underlying assumption is that organizational performance influenced by Human resource practices ,the assumption has been supported by evidence of previous studies (Huselid,1995; Chang & Huang,2003; Khatri,2000, Park, Mitsuhashi, Fey, Bjorkman, (2003) Guest (1997) further indicates that good fit between HRM practices within the context of the organization will lead to superior performance

There is a growing body of work on HR practices and organizational performance (e.g., Li, Zhao, & Liu, 2006; Sanchez, Jimenez, Carnicer, & Perez, 2007; Lin & Chen, 2007) which showed an important linkage between HR practices and organizational performance. In addition to that Brower, Schoorman and Tan (2000) stated that effective managers do not work in isolation from their subordinates, instead they would prefer to work with their subordinates, and the nature of the relationship between the manager and subordinate has been acknowledged as complex, interactive, and exist reciprocity in the dyad.



Certainly, this existing part from this study suggests a positive relationship between HR and performance. However, contrary to Huselid and Becker's (2000) claim, this body of work tends to lack sufficient methodological rigor to demonstrate that the relationship is actually causal in the sense that HR practices, when instituted, lead to higher performance. Little, if any, research has utilized rigorous designs to test the hypothesis that employing progressive HRM systems actually results in higher organizational performance in a causal sense.

The following sections, will discuss specific human resource management practices such as human resource (HR) planning, staffing processes, training and development, reward and compensation systems, employee and labour relations, to explain the relationship between HRM and organizational performance. A number of researchers examining the relationship between HRM and company performance have taken a micro approach, investigating single HRM practices such as staffing, training, goal-setting, compensation, and the effects of those practices on organizational level.

#### **2.4.1 Human Resource Planning and Organizational Performance**

Human resource planning has traditionally been used by organizations to ensure that the right person is in the right job at the right time. Under past conditions of relative environmental certainty and stability, human resource planning focused on the short term and was dictated largely by line management concerns. Increasing environmental instability, demographic shifts, changes in technology, and heightened international

competition are changing the need for and the nature of human resource planning in leading organizations. Planning is increasingly the product of the interaction between line management and planners. In addition, organizations are realizing that in order to adequately address human resource concerns, they must develop long-term as well as short term solutions. As human resource planners involve themselves in more programs to serve the needs of the business, and even influence the direction of the business, they face new and increased responsibilities and challenges.

Human resource planning, which is one of the main functions of HRM field, is a process investigating supply and demand of current and future labor organization need to predict supply of labor to match with demand condition in the coming years. HR planning is defined as the procedure by which an organization ensures that it has the right number and kinds of human resources at the right place and at the right time (Decenzo & Robbins, 1999). Human Resource Planning (HRP) process reviews human resources requirements to ensure that the organization has the required number of employees, with the necessary skills, to meet its goals, also known as employment planning.

Research studies have indicated that HR planning has a positive influence on organizational performance. Huang (2000) showed in his study of Taiwanese firms that companies that performed better than others were more likely to formulate their HR policies through explicit and formal planning procedures and tend to look at long term

issues. Ahmad and Khalil (2007) compared the HR planning of two banks of Bangladesh- Dutch Bangla Bank Ltd. and Agrani Bank. They observed that neither of the banks had any written HR planning

HRP is a proactive process, which both anticipates and influences an organization's future by systematically forecasting the demand for and supply of employees under changing conditions, and developing plans and activities to satisfy these needs. Aswathappa (2008) argued that an organization should have better HR plans to motivate its employees. Sound HR planning can enhance job satisfaction of the employees by providing opportunities for the employees to participate in planning their own careers (Weeratunga, 2003).

Human resource planning also looks at broader issues relating to the ways in which people are employed and developed in order to improve organizational performance.

Thus it is hypothesized that:

H1: There is a positive relationship between Human resource planning and organizational performance.

#### **2.4.2 Staffing Processes and Organizational Performance**

Staffing is a process of searching for new people, selecting employees, and assigning the new hires to particular jobs in an organization (Schneider & Schmitt, 1986). Staffing is very important and should be implemented carefully to get right people for right places to

help bring growth to the organization through increasing in employee's productivity. An organization needs to take into consideration the fitness of potential employees into an organizational culture (Pfeffer, 1998); otherwise, demoralization in a workplace and disgruntled and low productive employees will lead an organization to troubles. Socialization of doing works of an organization to new employees. When it's done successfully, it constitutes enormously loyal employees when are committed to the organization (Schuler & MacMillan 1984). Few questions are proposed by Ulrich (1987) to understand staffing activity: How are potential employees recruited and socialized? What is a career path? What are processes of succession planning with an organization?

The recruitment and selection process determines the decisions as to which candidates will get employment offers. The aim of this practice is to improve the fit between employees and the organization, teams, and work requirements, and thus, to create a better work environment (Tzafrir, 2006). Sophisticated recruitment and selection system can ensure a better fit between the individual's abilities and the organization's requirement (Fernandez, 1992). Hunter and Schmidt (1982) concluded that employment stability could be achieved through a selection procedure based on ability. Katou and Budhwar (2007) in a study on the Greek manufacturing firms found that recruitment and selection was positively related to all organizational performance variables such as effectiveness, efficiency, innovation, and quality. Terpstra and Rozell (1993) found that there exists a significant positive relationship between organizations' use of human resource staffing practices and both annual profit and profit growth among companies from different industries. Likewise, specific HRM practices related to selection and

tenure seem to influence firm performance by shaping employee behaviors and attitudes—for instance, by maximizing organizational commitment (Arthur, 1994).

Thus, it is hypothesized that:

H2: There is a positive relationship between staffing processes and organizational performance.

### **2.4.3 Training and Development and Organizational Performance**

Training and development practice involves ensuring that current employees as well as new recruits are trained so that they can not only perform their tasks of professional expertise and product knowledge. Training and development has been one of the most common HRM that have been identified in most studies that have been done on HRM practices and organizational performance.

The purposes of training are to improve current skill of workers to correct skill deficits (Gomer-Mejia, et al., 2004). Training can influence performance in two ways: first, training improves relevant skill and abilities; second, training increases employees' satisfaction with their current jobs and workplace (Harel & Tzafir, 1999; Wright & Boswell, 2002). Barringer et al. (2005) had compared between the rapid growth organizations and the slow growth organizations. They found the rapidly growth organization used training and development program to achieve their objectives and to improve the knowledge skills and ability of their employees more than slow growth

organizations, for that reason training and employees development are found most in the fast growth organizations.

Previous studies have indicated that training and development has a positive influence on organizational performance. Russell, Terborg and powers (1985) have shown a strong positive relation between employees training and organizational performance, past researchers have found evidence on the impact of training on productivity and where employees and employers were able to share the benefits from training (Conti, 2005; Dearden, Lorraine, Reed & van Reenen, 2006; Ballot, Gerard, Fakhfakh, & Taymaz, 2006).

Training and development program increase the employee knowledge, skills and ability (KSA), which lead to increase employee productivity, satisfaction and commitment which reduce the employee turnover and increase organizational performance (Huselid, 1995). Training and developing internally can help the organization to reduce the risk and cost of selecting, hiring and internalizing people from external labor markets, which enhance the employee productivity and increasing the performance of the organization. It also the good way to enhance and modify knowledge, skills, ability and attitude toward learning experience to achieve effective performance through work Productivity (Buckley & Caple, 2004).

According to Drummond (2000), training provides clear criteria to an individual to perform well in a given task and subsequently contributes to the organizational performance. On the other hand, Robert, Alan, Compton and McCarthy (1999) were of the opinion that effective training would not only equip employee with most of the knowledge and skills needed to accomplish jobs, it would also help to achieve overall organization objectives by contributing to the satisfaction and productivity of employee.

As a result training is considered as an important factor which associated with better organizational performance (Tharenou & Burke, 2002). Good planning and providing training is important to improve employee skills, and should be backed up by appropriate investment (Ashton & Felstead, 2001).

Thus it is hypothesized that:

H3: There is a positive relationship between training & development practices and organizational performance.

#### **2.4.4 Reward and Compensation Systems and Organizational Performance**

Compensation refers to all types of pay or rewards going to employees and arising from their employment (Dessler, 2008). Rewards and compensation systems motivate employees to give their maximum efforts towards assigned work. Compensation systems deliver other objectives such as legal compliance, labour cost control, perceived fairness towards employees and enhancement of employee performance to achieve high level of

productivity and customer satisfaction (Maire & Nick, 2002). Financial compensation refers to benefits and recognition given to employees by the company (e.g. salary bonus, incentive schemes and recognition) and non-financial rewards (e.g. type of level, accident and health benefits, yearly level and performance appraisal) is recognized as an important function that may attract, retain and motivate good employees to support organizational strategy and goals (Henderson, 2000; Noe, Hollenbeck, Gerhart & Wright, 2004). Compensation is very much important for employees because it is one of the main reasons for which people work. Employees' living status in the society, satisfaction, loyalty, and productivity are also influenced by the compensation (Aswathappa, 2008). It also can be defined as the system of rewards, which an employee receives in return for organizational performance (Harvey & Bowin, 1996). There, are three kind of compensation plan: First is base-compensation (fixed pay to employees). Second is pay incentives (bonuses and profit sharing). Third is indirect compensation (health insurance, vocation, unemployment compensation) (Gomer-Mejia, et al., 2004). Commonly, compensation is based on two categories: financial incentives and non-financial incentives. The purpose of compensation offering is to motivate employees to work harder and help an organization to achieve goals.

Performance based compensation prevailing the human resource management practices of the organization that used to evaluate and reward employees work (Collins & Clark 2003). Compensation based on performance can motivate employees, and employees may perceive it as a management mechanism to control their behavior (Ahmad & Schroeder



2003). As such compensation systems play an important role to increase organizational performance (Dreher & Dougherty 2005). A pay for employees performance improve productivity and enhance the quality, and reduces turnover, absenteeism, and accident rates (Jyothi & Venkatesh, 2006). There is an acceptance that the compensation on the basis of performance has a positive impact on employees and organizational performance (Brown, Sturman & Simmering 2003; Cardon & Stevens 2004). To be effective, compensation based on performance can motivate employees. In turn it can positively increase organizational performance (Lawler & Rhode 1976; Ahmad & Schroeder 2003). Many empirical studies on performance related pay and organization performance has generally found a positive relationship (Singh 2005; Wimbush 2005).

Paul and Anantharaman (2003) found that incentives and compensation in directly impact on organizational performance. Thorley-Hill and Stevens (2001) examined 161 publicly traded firms from 1991 through 1998 and found that incentive compensation was related positively to organizational performance. In addition Singh (2004) also found the important of compensation to perceived organizational and market performance in Indian firms. Sanyal (2001) in a study of 37 US firms operating in China found that merit-based pay contributed to higher productivity levels. High compensation contingent on organizational performance, this comprises higher than average compensation and performance related reward. These should send the message to employees that they should be rewarded for superior performance. This means that the organization needs to

reward employees at a rate that is comparably higher than the market in order to attract and retain high-quality employees.

Thus, it is hypothesized that:

H4: There is a positive relationship between reward & compensation systems and organizational performance.

#### **2.4.5 Employee and Labor Relations and Organizational Performance**

The term employee relation describes the relationship that exists between employees at the work place. An employee relation' is a modern term alternatively used for former 'industrial relations' in present times. A move from manufacturing sector to service sector along with increased number of white collar jobs in place of blue collars and trends of individual protection and rewards have narrowed the scope of collective efforts(bargaining) and consequently lent the introduction of employee relations term (Daniels, 2006). Labor relations are a broad field encompassing all the myriad interchanges between employers and employees. While labor relations are most often used to discuss this exchange as it pertains to unionized employees, it may also refer to non-union employees as well. Labor relations are dictated in a large part by the government of a nation and the various regulations it provides to industry regarding the treatment of employees.

The association between employee relations and enterprise performance has received justifiably much attention from researchers. Indeed, it is one of the most important issues

in industrial relations and economics in general. In this section review briefly the main theoretical arguments and empirical findings on the link between employee relations and performance.

The impact of employee relations on performance has received much attention. Theory predicts that employee relations will impact on efficiency as well as productivity, yet researchers in this area assume usually a production process that is fully efficient. Labor relations are the role played by human resource in the relationship between the organization and any bargaining unit of an employee organized labor group (Steven and Brenda, 2003). Labor is not only an indispensable part of the production process, it occupies also a unique position in that process. Because labor is animate, the links between labor and performance are complicated, involving a large array of psychological, economic and sociological factors.

Hence, it is hypothesized that:

H5: There is a positive relationship between employee and labor relations and organizational performance.

## **2.5 Framework of the Study**

Based on the literature review and research problem, the following research frame work has been developed. This model focuses on the drivers that could have effect on the organizational performance on (SNOC),the independent variables are the predictors to human resource practices namely (1) HR planning, (2) staffing processes, (3) Training

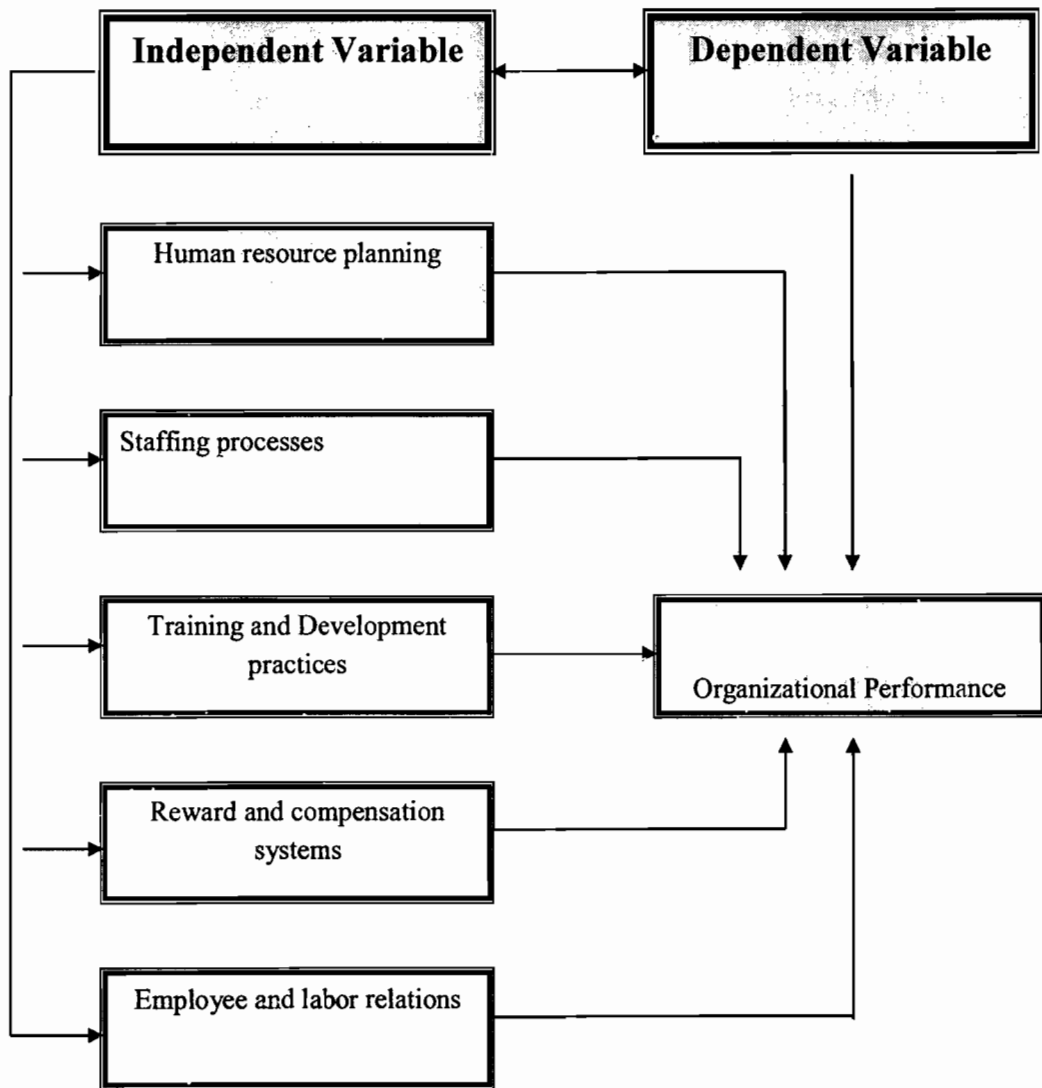
and development practices, (4) reward and compensation system, (5) employee and labour relations. On the other hand, organizational performance is the dependent variable.

### **2.5.1 Independent Variable**

Independent variable, as it is the variable manipulated by the researcher, thereby causing an effect or change on the dependent variable (Khan, 2010). In this study, the researcher selects the following as independent variables: (1) HR planning, (2) staffing processes, (3) Training and development practices, (4) reward and compensation system, (5) employee and labor relations. On the other hand, organizational performance is the dependent variable.

### **2.5.2 Dependent Variable**

According to (Khan, 2010), the dependent variable is a measured, predicted, or otherwise monitored by the researcher; expected to be affected by a manipulation of the independent variable. In this research, the researcher chooses organizational performance as the dependent variable.



**Figure 2.1: Research Framework**

## **2.6 Conclusion**

In this chapter, the researcher had aimed to provide an overview of the literature regarding human resource management practices and organizational performance. The literature review indicates that human resource management practices are linked to the five of the individuals. five and HRM practices were included to study the influence of each HRM practice on organizational performance , instead of using HRM practices as a whole or using some specific HRM practices as used in previous studies: Human resource planning, staffing processes, training and development, reward and compensation systems, and employee and labour relations. The HRM practices were included based on a thorough literature review, and based on their impact on organizational performance and from the literature review, a research framework was developed.

## **CHAPTER 3**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

The present chapter provides an outline of the research methodology employed in the investigation of the relationship between Human Resource Management (HRM) Practice and organizational performance amongst the workers in an organization. This chapter outlines the research design, population, sampling frame, measurement, data collection and administration and data analysis procedures (technique) that are important in this study.

#### **3.2 Research Design**

This research had used the quantitative research design. This approach was considered suitable in achieving the research objectives as the study was based in Sudan. The purpose of the research is to focusing on human resource management (HRM) practices and organizational performance, and the influence of human resource management Practices on organizational performance. There were several hypotheses developed that needed to be tested. The hypotheses were developed based on the research questions that the study sought to answer and also on the objectives set for this study.

Five HRM practices that were included as independent variables in this study were human resource planning, staffing processes ,training and development, reward and compensation systems, employee and labor relations . Organizational performance was the dependent variable included in this study.

### **3.3 Type of Study**

This study was a quantitative type of research. As a quantitative research, this study aimed to determine the relationship between the independent variable and the dependent variable which had been identified.

### **3.4 Sources of Data**

The sources of data for this research were in the form of both primary and secondary data. Primary data were collected from the individuals specified in the specified organizations. The respondents were defined by the researcher .While secondary data were gathered from Sudan Oil National Company' records, (SNOC), websites and other intranet sources.

### **3.5 Unit of Analysis**

The unit of analysis was the individual employee in the (SNOC); therefore, data was collected from each individual in the company that was studied. Every response from the employees was treated as an individual data source (Sekaran, 2003).



### **3.6 Population Frame**

The population terms of this study covered all the four employees' cadres, with the focus of human resource department, Management department, Tender department, and IT department across the company.

### **3.7 Sample and Sampling Technique**

For this research, researcher had chosen to use simple random sampling. According to Sekaran (2003), simple random sampling provides least biases and offers the most generalizability. Before that, researcher had already identified the Sudanese oil company records and found that the population of the company an approximately were 153 from head quarter where the study was conducted. From that value, the sample size was drawn by referring to the table of sample size recommended by Sekaran (2003). According to the table, if population is equals 153, the appropriate sample size would be 100.

### **3.8 Measurement**

#### **3.8.1 Human Resource Management Practices**

HRM practices were measured with a 25-item scale consisting of statements about five HRM practices. Five HRM practices were included in the study. These HRM practices were obtained from other studies which showed significant effectiveness/anticipated significant effectiveness of these practices on organizational performance.

The items used in the study were adapted from different studies (Khan, 2010; Absar, Azim, Balasundaram & Akhter, 2010; Abdullah, Ahsan, Shah Alam, 2009). The measures of HRM practices are as follows: Human Resource Planning (5 items), staffing process (5 items), training and development (5 items), reward and compensation systems(5 items), and employee & labor relations (5 items). Each human Resource practice was measured by several items using a five point Likert scale, “1=strongly disagree, 5=strongly agree). The distribution of variable for HRM practices is illustrated in Table3.1

**Table 3.1**

**Distribution of variables for HRM practices**

Concepts	Operational Definition	Items	Source	Scale	Cronbach's Alpha ( $\alpha$ )
HR Planning	The process to make plan by organizations to ensure that the right person is in the right job at the right time.	<p>A large number of people an involved in HR planning in the organization?</p> <p>Structured and standardized interviews have been use in the organization?</p> <p>Favoritism is not evident in any HR planning made in this organization.</p> <p>The human resource planning focuses the employees of all levels.</p> <p>The human resource planning considers long term and short term requirement.</p>	Absar;Azim; Balasundaram &Akhter (2010).	A five point Likert scale, “1=strongly disagree, 5=strongly agree).	.796

Staffing Process	Process of The recruitment and selection system employed by organization which is valid and reliable	<p>Is staffing process in the organization considers qualification.</p> <p>Is staffing process based on favoritism?</p> <p>Is staffing process considering procedure?</p> <p>The focus of staffing in your organization is for problem solving skills.</p> <p>The focus of staffing in your organization is for manual and physical skills.</p>	Khan, (2010).	A five point Likert scale, "1=strongly disagree, 5=strongly agree).	.785
Training & Development	The process of systematically developing expertise in individuals for the purpose of improving performance	<p>This organization has provided you with training opportunities enabling you to extant your range of skills, knowledge and abilities?</p> <p>The company gives opportunity to discuss training requirements with employees?</p> <p>The training which is provided by the organization, leads to the highproductivity?</p> <p>Is training system based on seniority?</p> <p>Extensive training program are provided for employees in your organization</p>	Khan, (2010).	A five point Likert scale, "1=strongly disagree, 5=strongly agree).	.802

Reward and Compensation Systems	It's all forms of financial returns and tangible services and employees receive benefits under an employment relationship	<p>The organization is committed to a merit pay system. Pay incentives are created to provide significant amount of employees an employee's total of earning of the company.</p> <p>There is fair system of providing reward and compensation.</p> <p>Reward and compensation focuses the employees of all levels of organization.</p> <p>The reward which is provided influences the employees' high performance</p>	Khan, (2010).	A five point Likert scale, "1=strongly disagree, 5=strongly agree).	.794
Employee & labor relations	Process of Analyzing, developing, implementing/ administering, and evaluating the workplace relationship between employer and employee. in order to maintain relations and working conditions that	<p>Employees have a rational and fair complaint-resolution procedure.</p> <p>Employees are involved in official participation processes such as quality improvement teams, problem resolving groups, or suggestion systems.</p> <p>Employees</p>	Khan, (2010).	A five point Likert scale, "1=strongly disagree, 5=strongly agree).	.826

	<p>balance employer and employee needs and right in support of the organization's strategic goals , objectives, and values.</p>	<p>frequently (at least once a year) complete an attitude survey.</p> <p>Employees are given the chance to suggest improvements in the way things are done.</p> <p>Organization has sprit collective bargaining and willingness to resort of voluntary negotiations.</p>			
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### 3.8.2 Organizational Performance

Organizational Performance was measured with (5 items) from the scale developed by Khan, (2010). Respondents answered their level of agreement on a 5-point scale ranging from, “1=strongly disagree, 5=strongly agree).The Cronbach alpha for Organizational Performance was very high at .823. The distribution of variable for HRM practices is illustrated in Table 3.2

Table 3.2

#### Organizational Performance Measures

Dependent Variable (Organizational Performance)	Operational Definition	Items	Source	Scale	Cronbach's Alpha ( $\alpha$ )
Organizational Performance	The ability of the organizations to achieve their goals	The employees commit to the purpose and goals of the organization. The organization performance information is communicated to employees. Top management is accessible to employees The organization accepts that not all new innovations succeed. The organizational has positive attitude toward change?	Khan, (2010).	A five point Likert scale, “1=strongly disagree, 5=strongly agree).	.823

### **3.9 Data Collection and Administration**

In this study, data for the research was collected using the close-ended questions. According to Sekaran (2003), the questionnaire is an efficient data collection method because it provides opportunity for researcher to administer personally, mail to the respondent or even by distributing using electronic devices. Therefore, the information can be easily analyzed and compared. Besides, the findings from this survey could be generalized to the other population of interest.

### **3.10 Data Analysis Techniques**

The statistical analysis of the data was conducted using the computer software program Statistical Package for the Social Sciences (SPSS) version 11.5. The relationship between the independent and dependent variables was determined by using the Pearson Correlation coefficient.

### **3.11 Reliability**

Reliability test was used to test the appropriateness of questionnaire to measure the variables. The Cronbach's Alpha testing was used as it is the most well accepted reliability test tool applied by social researchers. Sekaran (2005) mentioned that if reliability coefficient is close 1.0, the appropriateness of questionnaire to measure the variables is better. However, generally, the reliabilities which are less than .60 are considered to poor, and those in the .70 range, are acceptable, and over .80 classify as good (Sekaran).

In order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis were carried out. The scale model suggested by Davies (1997) used to describe the relationship between the independent variables and the dependent variable, are as shown below:

1. 0.7 and above – very strong relationship,
2. 0.50 to 0.69 – strong relationship,
3. 0.30 to 0.49 – moderate relationship,
4. 0.10 to 0.29 – low relationships and
5. 0.01 to 0.09 – very low relationship.

Multiple Regression Analysis it was conducted to exam which among the five independent variables is the most important variables in explaining organizational performance. According to Sekaran (2005), the correlation coefficient,  $R$ , will indicate the strength of relationship between two variables and it will also show how much of the variance in the dependent variable will explain when several independent variables are theorized to simultaneously influence it. Besides that the square of multiple,  $R^2$  is the amount of variance which will explain the dependent variable by the predictors and this is known as Multiple Regression. In the event of  $R^2$  value, the  $F$  statistics and its significant level are known; the result can then be interpreted.



### **3.12 Conclusion**

This chapter had discussed the research method proposed for the study. It includes the discussion of research design, type of study, source of data, unit of Analysis, population frame, and sample and sampling techniques, measurement, instrumentation, data collections and administration, and data analysis techniques. The next chapter will discuss the result and finding.

## CHAPTER 4

### FINDINGS

#### 4.1 Introduction

This chapter outlines the results of data analysis obtained from data collected from respondents. The main purpose of this study is examining the relationship between human resource management practices and organizational performance. This study aims to achieve the research objectives as well as answers the research questions highlighted in chapter one. In addition this study intends to verify the hypotheses listed in chapter two. This chapter is divided into seven parts which includes; overview of data collected, profile of respondents, reliability analysis (goodness of measure), descriptive analysis, major findings, summary of the findings, and conclusion.

#### 4.2 Overview of Data Collected

##### 4.2.1 Response Rate

A total of 100 sets of questionnaires were distributed to respondents and fortunately 100% were returned to researcher.

**Table 4.1**

##### Response Rate

	<b>Total</b>	<b>%</b>
Questionnaires distributed	100	100
Collected questionnaires	100	100

### 4.3 The Respondents' Profile

This section presents the finding about the respondents' profile in terms of their gender, age, marital status, occupation, working experience, and qualification. The data are shown in frequencies and percentages in table 4.2.

**Table 4.2 Respondents' profile**

Demographic	Categories	Frequency (n)	Percentage (%)
Gender	Male	80	80.0
	Female	20	20.0
Age Group	20-29 years old	39	39.0
	30-39 years old	33	33.0
	40-29 years old	18	18.0
	50 years old & above	10	10.0
Marital Status	Single	44	44.0
	Married	48	48.0
	Divorced	8	8.0
Occupation/ job title	Professional/technical	32	32.0
	Managerial/administrative	29	29.0
	Service	25	25.0
	Production	14	14.0
Working experience	1-5 years	47	47.0
	6-10 years	32	32.0
	11-15 years	13	13.0
	16& above	8	8.0

Qualification	High school	15	15.0
	University degree	42	42.0
	Master	37	37.0
	Others certificates	6	6.0

The study indicates that 80% of the respondents are male while the remaining of 20% with 20 respondents is female. In term of age 39.0 % of the respondents whose age is between 20-29 years old, 33.0% between 30-39 years old, and 18.0% of the respondents were between 40-49 years old. A few 10.0% of them were between 50 years old & above. Based on the study respondents 44.0 % were still single, respondents 48.0% are married and respondents 8.0 % are divorced. It means majority of the respondents are married. 32.0 % of the respondents are in professional/technical department, followed by 29.0% in managerial/administrative department, 25.0 % in Service department, and the remaining of 14.0% respondents in production department. For work experience, majority of the respondents 47.0% had worked between 1-5 years, followed by 6-10 years of experience 32.0%, 11-15 years 13.0%, and 16 & above 8.0%. This study also indicates that majority of the respondents 42.0% were university degree 15.0 % finish high school, 37.0 % finish the master, and some 6.0 % of them have others certificates.

#### 4.4. Reliability Analysis

Data for this research were gathered through a set of questionnaires, which forms the primary source of data collection. Thus it is essential to verify the appropriateness of this instrument used for measurement. According to George & Mallery (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. According to Sekaran (2005), the closer the reliability coefficient gets to 1.0, the better it is, and those values .80 are considered as good. That value in the .70 is considered as acceptable and those reliability values less than .60 is considered to be poor.

**Table 4.3**

#### **Reliability Analysis**

<b>Variables</b>	<b>No. of Items</b>	<b>Items Dropped</b>	<b>Cronbach's Alpha</b>
<u>HR Practices:</u>			
HR Planning	5	-	0.811
Staffing processes	5	2	0.677
Training and development	5	-	0.879
Reward and compensation systems	5	1	0.800
Employee and labor relations	5	1	0.802
Organizational performance	5	-	0.804

Table 4.3 shows the Cronbach's Alpha value for independent variables, HRM practices namely HR Planning, staffing processes, training and development, Reward and compensation systems and employee and labor relations, and dependent variable,

organizational performance. The values range from 0.677 to 0.879 and are all most above 0.8 which is considered as good.

#### 4.5 Descriptive Analysis

Descriptive analysis such as means and standard deviation were obtained for the interval-scaled independent and dependent variables. The means and standard deviations for all variables used in this study are as recorded in Table 4.4

**Table 4.4**

#### **Descriptive Statistics of All Variables in the Study**

Variable	Mean	Std. Deviation
<u>HR Practices:</u>		
HR Planning	2.444	0.863
Staffing processes	3.490	0.816
Training and development	2.262	0.905
Reward and compensation systems	2.492	0.922
Employee and labor relations	2.180	0.860
Organizational performance	2.380	0.859

All variables were evaluated based on a 5-point scale. Table 4.4, presents that HR Planning had an average score of 2.444 with a standard deviation of 0.863; staffing processes had an average score of 3.490 with a standard deviation of 0.816; Training and development had an average score of 2.262 with a standard deviation of 0.905; reward and compensation systems had an average score of 2.492 with a standard deviation of 0.922;

employee and labor relations had an average score of 2.180 with a standard deviation of 0.860. The results also showed that organizational performance had an average score of 2.380 and a standard deviation of 0.859.

## **4.6 Major Findings**

The results of Pearson Correlation Analysis and Multiple Regression Analysis are presented in the following section.

### **4.6.1 Pearson Correlation Coefficient**

According to Sekaran (2003), in research project that includes several variables, beyond knowing the means and standard deviation of the dependent and independent variables, the researcher would often like to know how one variable is related to another. Inter correlations analysis indicates the nature, direction and significance of the bivariate relationship of the variables used in the study. Theoretically, there could be a perfect positive correlation between two variables, which is represented by 1.0 (plus 1), or a perfect negative correlation which would -1.0 (minus 1). While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence).

Davis (1997) proposed the rules of thumb that need to be used in interpreting the R-value obtained from inter correlation analysis as in Table 4.5 below.

**Table 4.5****Interpreting the R-value for Inter correlations**

R-value	Relationship
Above 0.70	Very strong relationship
0.50- 0.69	Strong relationship
0.30- 0.49	Moderate relationship
0.10- 0.29	Low relationship
0.01- 0.09	Very low relationship

The correlation matrix between dependent variable and independent variables a exhibited in Table 4.6 below. The finding from this analysis is then compared against the hypotheses developed in study

**Table 4.6****Pearson Inter-correlation Matrix Result**

Variables	Training & development	staffing processes	Reward & compensation systems	Employee & labour relations	HR planning	organizational performance
T&D	1	-.057	.846(**)	.796(**)	.807(**)	.841(**)
ST		1	-.044	.051	.069	.028
R&CS			1	.823(**)	.787(**)	.786(**)
E&LR				1	.790(**)	.857(**)
HRP					1	.817(**)
OP						1

\*\*Correlation is significant at  $p < .01$  level (2-tailed).

HRP: Human Resource Planning

ST: Staffing Processes



T & D: Training and Development

R & CS: Reward and Compensation Systems

E & LR: Employee and Labor Relation

OP: Organizational Performance

**H1:** There is relationship between HRM practices and organizational performance.

**Hypothesis 1:** There is a relationship between Human Resource Planning and Organization Performance

The relationship between Human resource planning is tested against organizational performance by using Inter-correlation analysis. The results indicate that there is a significant, positive relationship between the two variables ( $r=.817$ ,  $n=100$ ,  $p<.01$ ). The relationship between the variables is significant with very strong correlation. Also, the regression analysis result shown in Table 4.7 indicates a significant relations between Human resource planning and organizational performance with the Beta value, ( $\beta= .222$ ,  $p=.010$ ), Thus, H1 is accepted.

**Hypothesis 2:** There is relationship between staffing processes and organizational performance

Inter-correlation analysis has been used to test the relationship between staffing process and organizational performance at 0.01 confidence level. From Table 4.6, it can be seen that there is no significant relationship between these two variables ( $r=.028$ ,  $n=100$ ,  $p>0.05$ ) at this confidence level. In addition to the inter-correlation analysis, regression analysis has been carried out to test the relationship between these two variables as

further confirmation of the results. Results of the regression analysis ( $\beta = .008$ ,  $p = .854$ ) too confirmed the results presented by the inter-correlation analysis as no significant relationship between the variables. Table 4.7 shows the results of the regression analysis. Thus, H2 is rejected.

**Hypothesis 3:** There is a relationship between Training and Development Practices and Organizational Performance

Inter-correlation analysis carried out to test the relationship between the training and development practices and the organizational performance shows a significant positive relationship ( $r = .841$ ,  $n = 100$ ,  $p < .01$ ) between them. Even the regression analysis results presented in Table 4.7 show a strong positive relationship ( $\beta = .354$ ,  $p = .000$ ) confirming the results of the inter-correlation results. Hence H3 is accepted.

**Hypothesis 4:** There is a relationship between Reward and Compensation Systems and Organization Performance

The relationship between Reward and Compensation Systems and Organizational performance has been using inter-correlation analysis. The results of the inter-correlation analysis indicate that there is a significant relationship ( $r = .786$ ,  $n = 100$ ,  $p > 0.05$ ) between the two variables. But, the regression analysis result shown in Table 4.7 indicates otherwise with the Beta value, ( $\beta = -.050$ ,  $p = .598$ ). Hence H 4 is rejected.

**Hypothesis 1-5:** There is a relationship between Employee and Labour Relations and Organizational Performance

The relationship of Employee and Labour Relations against Organizational Performance has been tested using inter-correlation analysis. The results indicate that there is a significant positive relationship between the two variables ( $r=.857$ ,  $n=100$ ,  $p<.01$ ). A second test has been carried out on the same variables using regression analysis. Table 4.7 shows the results of the regression analysis. The regression analysis results indicate a significant relationship between Employee and Labour Relations and Organizational Performance with the Beta value, ( $\beta=.440$ ,  $p=.000$ ) Hence H 5 is accepted.

#### **4.6.2 Multiple Regression Analysis (MRA)**

From the table below, it shows sufficient explanation or the variance. The Multiple Regression Analysis (MRA) treated the dimension of dependent variables and independent variables separately. This is a way to recognize whether there is significant relationship between independent variables and dependent variables or not. The model sufficiently explained the variance or coefficient of determination or the R Squared in the effect of control variables relations. Five independent variables that are recognized in this research are human resource planning, staffing processes, training and development, reward and compensation systems, employee and labor relations. The Table 4.7below shows the results of MRA.

**Table 4.7**

**Results of Multiple Regression Analysis (MRA)**

Variables	Standardized Coefficients Beta	Sig
HR Planning	.222 **	.010
Staffing processes	.008 *	.854
Training & development	.354**	.000
Reward & compensation systems	-.050 *	.598
Employee & labor relations	.440 **	.000
F Value	83.955	
R	.904	
R Square	.817	
Adjusted R Square	.807	

\*p<.05, \*\*<.01

Refer to the Table 4.7, the Multiple R shows a substantial correlation between the five independent of predictor variables and dependent variable which is organizational performance (R=.904). The R-square value identifies the portion of the variance accounted by the independent variable that is approximately 81.7% of the variance in the organizational performance is accounted for by HR Planning, staffing processes, training & development , Reward & compensation systems and Employee & labor relations. This value indicates that the five factors explained organization performance by 81.7%. This indicates that the model is satisfactorily robust.

The Adjusted R Square is considered a better population estimate and is useful when comparing the R Square values between models with different number of independent variables. The value of Adjusted R Square obtained is 0.807, illustrate that 80.7% changes of dependent variable which is organizational performance can be explained by

the five independent variables which are HR Planning, staffing processes, training & development, Reward & compensation systems and Employee & labor relations. The other 19.3% are explained by other factors.

The results also show that three independent variables are significantly correlated to organizational performance with coefficient alpha  $<.0001$

The beta (B) value for HR planning (B=.222), staffing processes (B=.008), training & development (B=.354), reward & compensation systems (B=-.050) and Employee & labor relations (B=.440), explain the significance of the five independent variables to organizational performance.

#### 4.7 Summary of Findings

Table 4.8 below shows the summary of hypotheses.

**Table 4.8**

##### Summary of hypotheses

The Hypotheses	Decision
H 1 There is relationship between Human resource planning and organization performance	Accepted
H 2 There is relationship between staffing processes and organization performance	Rejected
H 3 There is relationship between training & development Practices and Organization performance	Accepted
H 4 There is relationship between reward & compensation systems and Organization performance	Rejected
H 5 There is relationship between employee & labour relations and Organization performance	Accepted

#### **4.8 Conclusion**

This chapter had presented the results of the statistical analyses of the hypotheses, and the finding collected from the respondents. The correlation analyses were used to test for the relationships among the variables of interest provided in the study. From the above findings, correlation analysis concludes that all five independent variables are significantly related to organizational performance. However, the results from multiple regression analysis (MRA) indicated that only HR planning, training & development, and employee & labour relations are significantly related to organizational performance. The next chapter will discuss the recommendation and conclusion for the study.

## CHAPTER 5

### DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

#### 5.1 Introduction

In this chapter, the finding of the study will be further discussed and recommendations for future research are also suggested.

#### 5.2 Discussion

The purpose of this study is to explain the influence of HRM practices on organizational performance, by using five independent variables namely human resource (HR) planning, staffing processes, training and development, reward and compensation systems, employee and labour relations with the dependent variable organizational performance.

In the following discussion, results of each objective are reviewed and compared with previous literature

**Objective 1: To examining the relationship between human resource (HR) planning and organizational performance.**

The study shows that there is a positive relationship between HR planning with organizational performance, as the result obtained in the study of (Abdullah, Ahsan & Shah Alam, 2009) which also indicated HR planning is significant on organizational performance, planning is considered as an important factor to increase the organizational performance, human resource planning focused on the short term and was dictated largely by line management concerns. Increasing environmental instability, demographic

shifts, changes in technology, and heightened international competition are changing the need for and the nature of human resource planning in leading organizations.

**Objective 2: To identify the relationship between staffing Processes and organizational performance.**

This study found there is a positive relationship between staffing processes (recruitment & selection) and organizational performance. It showed that effective staffing process will lead the organization to get the right employees with higher qualification, that lead to increase the quality of the product which improve the organizational performance. Delany and Huselid (1996) established that practicing an effective recruitment and selection process has positive relationship with organizational performance. Researchers have found a positive and statistically significant association between use of recruitment and selection procedure and profits (Terpstra & Rozell, 1993), and employee' productivity (Huselid, 1995; Koch & McGrath, 1996)

**Objective 3: To describe the relationship between training and development practices and organizational performance.**

With regards to training and development relationships, this study is in line with many previous researchers. Training and development is the good way to enhance and modify knowledge, skill, ability and attitude learning experience to achieve effective performance through work productivity (Caple & Buckley, 2004). According to Drummond (2000), training provides clear to an individual to perform well in a given task and subsequently contributes to the organizational performance. Drucker (1995) explained that training is a good way to enhance human productivity. On the other hand, Robert, Alan, Compton and McCarthy (1999) found that effective training would not



only provide employee with most of the skills and knowledge needed to accomplish jobs, it would also help to achieve overall organization objectives by increase employees satisfaction and productivity.

As a result training is considered as an important factor which associated with better organizational performance (Tharenou & Burke, 2002). Training facilitates the development of employees' capabilities (Lado & Wilson, 1994) and ensures that the employees have the basic skills to perform their work effectively (Keep, 1999). Good planning and providing training is important to improve employee skills, and should be backed up by appropriate investment (Keep, 1999; Ashton & Felstead, 2001).

**Objective 4: To show the relationship between reward and compensation system and organizational performance.**

In terms of reward & compensation systems and organizational performance, this finding is consistent with previous researchers such as Lawler and (1976), Ahmad and Schroeder (2003) where they found that reward & compensation that is based on performance can motivate employees, and employees may perceive it as a management mechanism to control their behavior. As such reward & compensation systems ply an important role to increase organization performance (Dreher & Dougherty 2005). Competency-based pay and rewards for employees' performance improve productivity and enhance the quality, and reduces turnover, absenteeism, and accident rates in the organization, thereby making strong contribution toward organizational performance. (Jyothi & Venkatesh, 2006), Chiu et al., (2002) stated that compensation and rewards significantly affects organizational outcome. There is an acceptance that the compensation on the basis of performance has a positive impact on employees and organizational performance (Brown, Sturman

&Simmering 2003; Cardon & Stevens 2004). Many empirical studies on performance-related pay and organization performance have generally found a positive relationship (Singh 2005; Wimbush 2005).

**Objective 4: To look into the relationship between employee and labor relations practices organizational performance**

Also this study found is a positive relationship between employee and labor relations and organizational performance, this finding is consistent with previous researchers such as, Daniels, 2006. A move from manufacturing sector to service sector along with increased number of white collar jobs in place of blue collars and trends of individual protection and rewards have narrowed the scope of collective efforts (bargaining) and consequently lent the introduction of employee relations term .The term employee relation describes the relationship that exists between employees at the work place. An employee relation' is a modern term alternatively used for former 'industrial relations' in present times.

**5.3 Conclusion**

The five objectives in this study have been achieved whereby the results had shown that HRM practices including human resource planning, staffing processes, training and development, reward and compensation systems, employee and labor relations are influencing the organization performance. HRM practices explained the variance in organizational performance by 81.7% (R Square) which indicates that the model is satisfactorily robust.However, researcher hope that more research' will be conducted in the future in order to gain a whole understanding of HRM practices as other drivers may also contribute to HRM practices in Sudan National Oil Company. Among all the five variables of HRM practices, employee & labour relations are found to be the strong

independent variables that influencing the organization performance in the context of Sudan National Oil Company (SNOC), Therefore, Sudan National oil Company (SNOC). Should be focus on enhancing its employee & labour relations activities as it brings a great impact in enhancing the organization performance.

#### **5.4 Limitations of the Study**

This study has certain limitations. Firstly, data has been collected only from one organization. This is a clear limitation with respect to the generalization of the findings. Secondly, time also is one of the limitations while completing the projects paper, the study was conducted within the limitations of time, i.e., one semester (three months) the researcher does not have sufficient time in conducting the research. Thirdly, the data were gathered using a questionnaire. A series of interviews may have provided other information not explored in the study. As a result, this can affects the outcomes of this research indirectly.

#### **5.5 Recommendation for Future Research**

Despite the above limitations, the study makes significant contribution about understanding and implementation of HRM practice in one of the most important sector affecting Sudan's economy. Future research may include large scale sample in other Sudanese companies to statistically validate the results of present study. This study had provided only a small portion of idea regarding organizational performance in the context of Sudan National oil Company (SNOC). Hence, it would be beneficial for future research to consider the following suggestion:

- To expand the study into other industries to enhance the consistency of results.
- To include other HRM practices such as quality of work life and delegation of responsibilities so that this will increase the accuracy of understanding the drivers that could impact the organizational performance.
- To include other performance measure such as organizational innovation.
- To consider other process variables such as commitment, satisfaction, empowerment in the relationship between HRM practices and organizational performance/innovation.

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**APPENDIX A**



**UNIVERSITI UTARA MALAYSIA  
COLLEGE OF BUSINESS  
Questionnaire**

Dear Sir/Madam

Survey Questionnaire on  
**(Human resource management practices and organizational  
performance: a study in Sudan)**

I am doing a survey research as part fulfillment of a Masters' programme in Universiti Utara Malaysia (UUM), a public university, located in Malaysia.

I would like to invite you to participate in this research. All information given by you in my questionnaire will be treated in the strictest confidence and will be used for Academic purposes only. Thank you.

Abu bakr Ali Abd.Ellatif Ali

Graduate School of Business

Universiti Utara Malaysia

06010 Sintok, Kedah

Malaysia

**Part I: Respondent's Background**

Kindly, tick (☐) whichever particular is applicable

**Gender:** 1. Male ☐ 2. Female ☐

**Age:** 1. (20 - 29) ☐ 2. (30 - 39) ☐

3. (40 - 49) ☐ 4. (50 & above) ☐

**Marital status:**

1. Single ☐ 2. Married ☐ 3. divorced ☐

**Occupation:**

1. Professional/Technical ☐ 2. Managerial/Administrative ☐  
3. Service ☐ 4. Production ☐

**Working experience:**

1. (1-5) years ☐ 2. (6-10) years ☐  
3. (11-15) years ☐ 4. (16 & above) years ☐

**Qualification:**

1. High School Certificate ☐ 2. University degree ☐  
3. Masters ☐ 4. Others; specify: \_\_\_\_\_

## Part II: Respondent's Views on Human Resource Management Practices

The legend for this section is follows:

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

For each of the following statement, please circle the relevant number on its right-hand side which represents your choice based on the above legend:

### 1. Human resource planning (HR Planning)

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1. A large number of people are involved in HR planning in my organization	1	2	3	4	5
2. Structured and standardized interviews have been use in my organization	1	2	3	4	5
3. Favoritism is not evident in any Human resource planning made in this organization	1	2	3	4	5
4. The human resource planning focuses the employees of all levels.	1	2	3	4	5
5. The human resource planning considers long term and short term requirement.	1	2	3	4	5

### 2. Staffing processes

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

6. Staffing process in the organization considers qualification	1	2	3	4	5
7. Staffing process is based on favoritism	1	2	3	4	5
8. Staffing process considering procedure	1	2	3	4	5
9. The focus of staffing in my organization is for problem solving skills.	1	2	3	4	5
10. The focus of staffing in my organization is for manual and physical skills.	1	2	3	4	5

### 3. Training and development

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

11. This organization has provided me with training opportunities that enable me to extant my range of skills, knowledge and abilities?	1	2	3	4	5
12. The organization gives opportunity to discuss training requirements with employees	1	2	3	4	5
13. The training which is provided by the organization, leads to the high productivity	1	2	3	4	5
14. The training system based on seniority	1	2	3	4	5
15. Extensive training program are provided for employees in my organization.	1	2	3	4	5

### 4. Reward and compensation systems

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

16. The organization is committed to a merit pay system.	1	2	3	4	5
17. Pay incentives are created to provide significant amount of employees an employee's total of earning of the organization.	1	2	3	4	5
18. There is fair system of providing reward and compensation.	1	2	3	4	5
19. Reward and compensation focuses the employees of all levels of organization	1	2	3	4	5
20. The reward which is provided influences the employees' high performance.	1	2	3	4	5

### 5. Employee and labor relations

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

21. Employees have a rational and fair complaint-resolution procedure.	1	2	3	4	5
22. Employees are involved in official participation processes such as quality.	1	2	3	4	5
23. Employees frequently (at least once a year) complete an attitude survey.	1	2	3	4	5
24. Employees are given the chance to suggest improvements in the way things are done.	1	2	3	4	5
25. Organization has sprit collective bargaining and willingness to resort of voluntary negotiations.	1	2	3	4	5

### Part III: Respondent's Views on organizational performance

The legend for this section is follows:

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

For each of the following statement, please circle the relevant number on its right-hand side which represents your choice based on the above legend:

#### Organizational performance:

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

26. The employees commit to the purpose and goals of the organization.	1	2	3	4	5
27. The organization performance information is communicated to employees.	1	2	3	4	5
28. Top management is accessible to employees.	1	2	3	4	5
29. The organization accepts that not all new innovations succeed	1	2	3	4	5
30. The organizational has positive attitude toward change	1	2	3	4	5

Thank you so much for taking part in this survey

And Best regards

Abu bakr Ali AbdEllatif Ali  
Masters of Human Resource Management Candidate  
Graduate School of Business

Universiti Utara Malaysia (UUM)

06010 Sintok, Kedah  
Malaysia



## APPENNDIX B

### Reliability of HR planning

#### Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded (a)	0	.0
	Total	100	100.0

aListwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of items
.8111	5

#### Item Statistics

		Mean	Std. Deviation	N
1	P1	2.1600	.9819	100
2	P2	2.3800	1.1788	100
3	P3	2.3400	1.1301	100
4	P4	2.5100	1.2268	100
5	P5	2.8300	1.1896	100

#### Scale Statistics

Mean	Variance	Std. Deviation	N
12.2200	18.6582	4.3195	5

#### Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
P1	10.0600	13.1681	.6352	.7676
P2	9.8400	12.1358	.6250	.7663
P3	9.8800	12.8137	.5645	.7846
P4	9.7100	11.7433	.6434	.7604
P5	9.3900	12.6645	.5407	.7926

## Reliability of staffing process

### Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded (a)	0	.0
	Total	100	100.0

aListwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of items
.6777	3

### Item Statistics

	Mean	Std. Deviation	N
1 S6	3.0000	.8165	100
2 S7	3.9800	.8406	100
3 S10	4.3100	.8372	100

### Scale Statistics

Mean	Variance	Std. Deviation	N
11.2900	3.7837	1.9452	3

### Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S6	8.2900	1.6221	.7188	.2645
S7	7.3100	1.5696	.7157	.2574
S10	6.9800	2.6663	.1524	.9698

## Reliability of Training & Development

### Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded (a)	0	.0
	Total	100	100.0

aListwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of items
.8791	5

### Item Statistics

		Mean	Std. Deviation	N
1	T11	2.3400	1.0845	100
2	T12	2.0500	1.1839	100
3	T13	2.3900	1.1091	100
4	T14	2.0600	1.0619	100
5	T15	2.4700	1.0679	100

### Scale Statistics

Mean	Variance	Std. Deviation	N
11.3100	20.4787	4.5253	5

### Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
T11	8.9700	13.4435	.7367	.8474
T12	9.2600	12.4166	.7983	.8314
T13	8.9200	13.7511	.6683	.8635
T14	9.2500	13.7652	.7089	.8540
T15	8.8400	14.1358	.6478	.8678

## Reliability of Reward & Compensation Systems

### Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded (a)	0	.0
	Total	100	100.0

aListwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of items
.8005	4

### Item Statistics

		Mean	Std. Deviation	N
1	R16	2.5400	1.1229	100
2	R17	2.5400	1.1842	100
3	R18	2.4300	1.1743	100
4	R19	2.4600	1.1842	100

### Scale Statistics

Mean	Variance	Std. Deviation	N
9.9700	13.6254	3.6913	4

### Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
R16	7.4300	8.7728	.5399	.7847
R17	7.4300	8.0860	.6143	.7501
R18	7.5400	8.2105	.5997	.7572
R19	7.5100	7.6262	.7028	.7049

## Reliability of Employee & Labor Relation

### Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded (a)	0	.0
	Total	100	100.0

aListwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of items
.8025	4

### Item Statistics

		Mean	Std. Deviation	N
1	E21	2.0900	1.1900	100
2	E22	2.4300	.9562	100
3	E23	2.1100	1.1182	100
4	E24	2.0900	1.0645	100

### Scale Statistics

Mean	Variance	Std. Deviation	N
8.7200	11.8400	3.4409	4

### Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
E21	6.6300	6.4577	.6558	.7340
E22	6.2900	8.1676	.5047	.8022
E23	6.6100	7.0282	.6007	.7608
E24	6.6300	6.7405	.7175	.7032

## Reliability of Organizational Performance

### Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded (a)	0	.0
Total		100	100.0

aListwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of items
.8045	5

### Item Statistics

	Mean	Std. Deviation	N
1 OP26	2.7300	1.1446	100
2 OP27	2.2200	1.1598	100
3 OP28	2.1300	1.1160	100
4 OP29	2.4700	1.1499	100
5 OP30	2.3500	1.1667	100

### Scale Statistics

Mean	Variance	Std. Deviation	N
11.9000	18.4747	4.2982	5

### Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
OP26	9.1700	13.0516	.4973	.7945
OP27	9.6800	12.0582	.6296	.7540
OP28	9.7700	12.5425	.5929	.7658
OP29	9.4300	12.6718	.5473	.7797
OP30	9.5500	11.6843	.6807	.7373

## Frequencies

### Statistics

N	Valid	100
	Missing	0

### GENDER

		Freque y	Percent	Valid Percent	Cumulative Percent
Valid	male	80	80.0	80.0	80.0
	female	20	20.0	20.0	100.0
Total		100	100.0	100.0	

### AGE

		Freque y	Percent	Valid Percent	Cumulative Percent
Valid	20-29	39	39.0	39.0	39.0
	30-39	33	33.0	33.0	72.0
	40-49	18	18.0	18.0	90.0
	50 & above	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

### MATRIAL

		Freque y	Percent	Valid Percent	Cumulative Percent
Valid	single	44	44.0	44.0	44.0
	marrie d	48	48.0	48.0	92.0
	divorc ed	8	8.0	8.0	100.0
	Total	100	100.0	100.0	

### OCCUPATI

		Freque y	Percent	Valid Percent	Cumulative Percent
Valid	professional/t echnical	32	32.0	32.0	32.0
	managerial/a dministrative	29	29.0	29.0	61.0
	service	25	25.0	25.0	86.0
	production	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

**W.EXPER**

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	1-5	47	47.0	47.0	47.0
	6-10	32	32.0	32.0	79.0
	11-15	13	13.0	13.0	92.0
	16&abo ve	8	8.0	8.0	100.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>	

**QUALIFIC**

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	high school certificate	15	15.0	15.0	15.0
	university degree	42	42.0	42.0	57.0
	master	37	37.0	37.0	94.0
	others; specify	6	6.0	6.0	100.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>	

**Correlations**

**DESCRIPTIVE STATISTICS**

	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
TRAIN	2.2620	.90507	100
VARSTAF F	3.4900	.81643	100
VARREW AR	2.4925	.92281	100
VARER	2.1800	.86023	100
PLAN	2.4440	.86390	100
ORGANIZ	2.3800	.85965	100



## Correlations

		TRAIN	VARSTAF F	VARREW AR	VARER	PLAN	ORGAN IZ
TRAIN	Pearson Correlation	1	-.057	.846(**)	.796(**)	.807(**)	.841(**)
	Sig. (2-tailed)	.	.576	.000	.000	.000	.000
	N	100	100	100	100	100	100
VARSTAFF	Pearson Correlation	-.057	1	-.044	.051	.069	.028
	Sig. (2-tailed)	.576	.	.666	.613	.493	.778
	N	100	100	100	100	100	100
VARREWAR	Pearson Correlation	.846(**)	-.044	1	.823(**)	.787(**)	.786(**)
	Sig. (2-tailed)	.000	.666	.	.000	.000	.000
	N	100	100	100	100	100	100
VARER	Pearson Correlation	.796(**)	.051	.823(**)	1	.790(**)	.857(**)
	Sig. (2-tailed)	.000	.613	.000	.	.000	.000
	N	100	100	100	100	100	100
PLAN	Pearson Correlation	.807(**)	.069	.787(**)	.790(**)	1	.817(**)
	Sig. (2-tailed)	.000	.493	.000	.000	.	.000
	N	100	100	100	100	100	100
ORGANIZ	Pearson Correlation	.841(**)	.028	.786(**)	.857(**)	.817(**)	1
	Sig. (2-tailed)	.000	.778	.000	.000	.000	.
	N	100	100	100	100	100	100

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

## Regression

### Variables Entered/Removed (b)

Model	Variables Entered	Variables Removed	Method
1	TRAIN, VARSTAFF, VARER, PLAN, VARREWAR(a)		Enter

a All requested variables entered.

b Dependent Variable: ORGANIZ

**Model Summary (b)**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904(a)	.817	.807	.37736

a Predictors: (Constant), TRAIN, VARSTAFF, VARER, PLAN, VARREWAR  
 b Dependent Variable: ORGANIZ

**ANOVA (b)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.775	5	11.955	83.955	.000(a)
	Residual	13.385	94	.142		
	Total	73.160	99			

a Predictors: (Constant), TRAIN, VARSTAFF, VARER, PLAN, VARREWAR  
 b Dependent Variable: ORGANIZ

**Coefficients (a)**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	.206	.201		1.023	.309
	VARSTAFF	.009	.048	.008	.185	.854
	VARREWAR	-.047	.089	-.050	-.530	.598
	VARER	.440	.087	.440	5.053	.000
	PLAN	.221	.084	.222	2.631	.010
	TRAIN	.337	.090	.354	3.759	.000

a Dependent Variable: ORGANIZ

### Residuals Statistics (a)

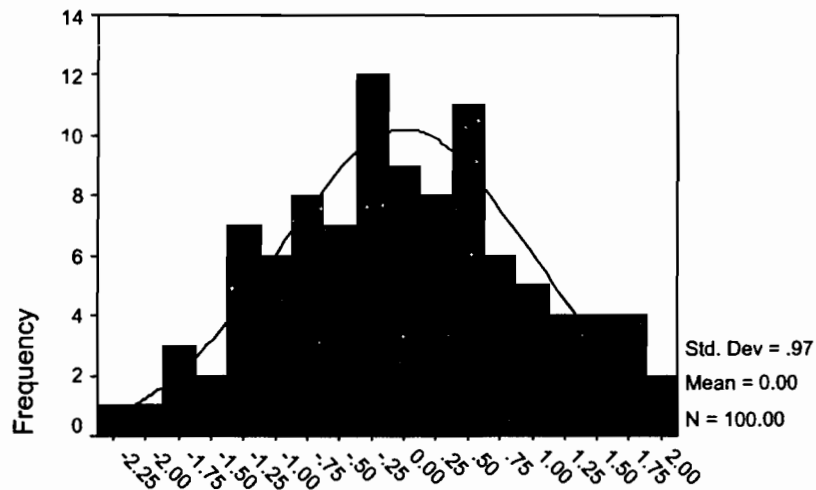
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.4526	4.6008	2.3800	.77704	100
Residual	-.8060	.7636	.0000	.36770	100
Std. Predicted Value	-1.194	2.858	.000	1.000	100
Std. Residual	-2.136	2.024	.000	.974	100

a Dependent Variable: ORGANIZ

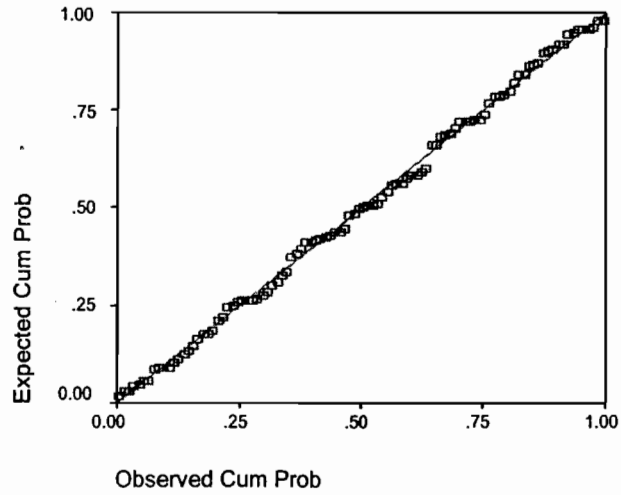
### Charts

#### Histogram

Dependent Variable: ORGANIZ



Normal P-P Plot of Regression Standardized Res:  
Dependent Variable: ORGANIZ



Scatterplot

Dependent Variable: ORGANIZ

