

**Role of Strategic Human Resources Management on SMEs'
Performance in Iraq**

By

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ABSTRACT

The survival and success of any firm rely solely on its ability to integrate the right personnel at the right time and at the right place. Human resource management has been recognized by professionals as an important factor responsible for the competitiveness of firms and it assists firms to determine the key human resources management functional areas that are responsible for elevating the status of an organization. Acceptance and practices of human resources management in an organization present a number of role changes and bring new challenges to the professionals in this discipline. That is, the more establish the strategic roles or functions of HR, the more the expectation to partner with top management to achieve business success. However, there have been many criticisms to whether Strategic Human Resources can directly contribute to the performance of SMEs. This study hereby used a quantitative method of research to determine the role of SHRM in Iraq SMEs. In this research, 87 respondents were investigated within the SMEs industries in Baghdad, Iraq, which represents 94.56 % of the distributed questionnaire. Statistical Package for Social Sciences version 16 (SPSS 16.0) was used to analyze the collected data in this research. The overall findings of this research revealed that SHRM practices are vital to the performance of SMEs in Iraq. The finding further indicates that SHRM components: alignment, line manager, training, compensation, performance appraisal and employee participation are significant to SMEs performance. Based on this, the study concludes that factors such as alignment, line manager, training, compensation, performance appraisal and employee participation are very crucial in predicting SMEs performance particularly in Iraq. These findings are useful for managers to make better decision in relation to Human Recourse Management.

Keywords: Strategic Human Resources Management, Training and Development, Compensation, SMEs' performance

ABSTRAK

Kejayaan dan kesinambungan mana-mana firma bergantung semata-mata kepada keupayaan untuk menggabungkan keupayaan kakitangan pada masa dan tempat yang betul. Pengurusan sumber manusia telah diiktiraf oleh profesional sebagai faktor penting yang menyumbang kepada daya saing firma-firma dan ia membantu firma-firma untuk menentukan bidang-bidang pengurusan sumber-sumber manusia utama berfungsi yang bertanggungjawab untuk mengangkat status sesebuah organisasi. Penerimaan dan amalan-amalan pengurusan sumber manusia dalam sesebuah organisasi membawa kepada beberapa perubahan peranan dan membuka cabaran baru kepada para profesional dalam bidang ini. Kemantapan peranan strategik atau fungsi pengurusan manusia meningkatkan harapan untuk bekerjasama dengan pengurusan atasan untuk mencapai kejayaan perniagaan. Walau bagaimanapun, terdapat banyak kritikan sama ada Pengurusan Strategik Sumber Manusia boleh terus menyumbang secara lansung kepada prestasi PKS. Kajian ini menggunakan kaedah penyelidikan kuantitatif untuk menentukan peranan Pengurusan Strategik Sumber Manusia (SHRM) PKS di Iraq. Dalam kajian ini, 87 responden yang terlibat dalam industri PKS di Baghdad, Iraq telah di kaji dimewakili 93.4% daripada soal selidik yang diedarkan. Pakej Statistik untuk versi Sains Sosial 16 (SPSS 16.0) digunakan untuk menganalisis data yang dikumpul dalam kajian ini. Pada keseluruhannya, kajian ini menunjukkan bahawa amalan SHRM sangat penting kepada prestasi PKS di Iraq. Dapatan kajian menunjukkan bahawa SHRM komponen SHRM seperti : penjajaran, pengurus bahagian, latihan, pampasan, penilaian prestasi dan penyertaan pekerja adalah penting kepada prestasi PKS. Berdasarkan ini, kajian ini menyimpulkan bahawa faktor-faktor seperti: penjajaran, pengurus talian, latihan, pampasan, penilaian prestasi dan penyertaan pekerja yang sangat penting dalam meramalkan prestasi PKS terutamanya di Iraq. Dapatan kajian ini berguna kepada pengurus dalam membuat keputusan terutamanya berkaitan dengan isu pergurusan sumber manusia.

Keywords: pengurusan Sumber Manusia Strategik, Latihan dan Pembangunan, Pampasan, prestasi PKS.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

The survival and success of any firm solely rely on its ability to integrate the right personnel at the right time and at the right place. Human resource management has been recognized by professionals as an important factor responsible for the competitiveness of firms and it assists firms to determine the key human resources management functional areas that is responsible for elevating the status of organizations. Acceptance and practices of human resources management in an organization result in a number of role changes and provide new challenges to the professionals in this discipline. That is, the more establish the strategic roles for HR functions, the more the expectation to partner with top management to achieve business success.

There have been many questions as to whether human resources practices can directly contribute to the implementation of the strategic objectives of small and medium enterprises (SMEs) and improve their performance (Oladipupo & Abdulkadir, 2010). However, the establishment of Strategic Human Resources Management (SHRM) practices in (1990) had laid more emphasis on the strategic alignment of HRM practices with firm's objectives, devolvement of responsibilities to line managers, training and development in organizations, compensation and reward systems, employee participation in decision making, performance appraisal and the value added by all these practices to the performance of organizations.

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