

THE RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT STRATEGIES AND COMPETITIVE ADVANTAGE

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ABSTRACT

This study aims to identify the role of human resource management strategies (selection strategy, motivation, strategy, training and development strategy), to achieve competitive advantage in the state company for tire industry/Babylon. Based on the main hypothesis that, there is significant relationship between human resource management strategies and competitive advantage constructs. And for achieving the aims of the study and testing hypotheses, study adopted an empirical method and applied to a random sample (100) of managers and their assistants and heads of departments of the company, and data were collected by questionnaire, and field visits, personal interviews and some official documents, to complete the study data. Also, used a number of statistical tools for data analyzing and interpreting. The study found a set of conclusions and recommendations as follows:

The results showed that, the company has increased the attention of the importance of human resource management strategies and their role in achieving competitive advantage, which refers to the vital role of those strategies, towards improving the competitive position of the company as well. The results showed a significant positive correlation between human resource management strategies and competitive advantage that reflects a good indicator of a company's ability to achieve outstanding performance, through human resource. Finally, the study recommended to Increase and expands the concerning of "human resource management strategies" and make it a competitive strategy, and increase the competitive ability in regional and international market.

KEYWORDS: Human Resource Management, Selection Strategy, Motivation Strategy, Training and Development Strategy and Competitive Advantage

INTRODUCTION

The contemporary organizations, surviving the era of concerning in the mature of intellectual capital and knowledge and the trend towards further studies and researches, on the importance of human resources for organizations, long-term of sustaining a competitiveness and financial success of the international organizations such as" IBM, Microsoft and Google "based on its human resource, which provided its human resource all the possibilities and capabilities, which can achieve creativity and development, based on success cannot be achieved without concern to human resources.

Hence, this study highlights the intellectual dilemma which deals with, the role of human resources management strategies in achieving competitive advantage. The competitive advantage is one of the hottest topics that are still a conferencing interest, of researchers in the term of strategic. Many approaches have focused to identify the sources of competitive advantage. Although, the structural approach has dominated in the strategic linking between firms's competitiveness and external environment factors of industry structure, particularly). However, the strategic analysis

tended to emphasize the importance and the role of the internal resources of the firm, in the process of creating and possessing a sustainable competitive advantage, through an approach based on the resource-based resource VEIW, and within this framework we are trying to highlight the strategic role of resources and human resources as the key of competitive advantage, in under transition towards a knowledge-based economy.

RESEARCH METHODOLOGY

Problem of the Study

The management thought testified at the end of the last century and the beginning of this century, narrative and themes generated by the requirements of serious discussions and business environment, that has become a constant change inherent feature of her circumstances. And including the topics addressed by the current study, the role of human resource management strategies in achieving competitive advantage. The role of these strategies in achieving the competitive advantage of the organization, is to enable it to achieve its strategic objectives. The rapidly changing in the business environment, such as intensification of competition and rapid technological developments, and the constant changing in the customer preferences and which have been more complex and dynamic, that has made difficulties for the public or private organizations, to continue and succeed in the market place without consideration and attention to human resources, which are representing one of the organizational elements, to achieve the competitive advantage. Hence, the main problem of the study can be formulated as the following questions:

- What are the human resource management strategies? Is there any application of these strategies in the surveyed industrial organization?
- What is the competitive advantage? What are its dimensions? What are its priorities, competitive are adopted in the surveyed organization?
- What is the role of human resource management strategies in achieving competitive advantage?
- Is there any significant correlation between human resource management strategies and competitive advantage variables?

Significance of the Study

It can be formulated through concerns, the role of strategies of human resources management in achieving sustainable competitive advantage for the business organizations. Hence, the importance of the study is reflected in two dimensions, the first is theoretical dimension attempts of the study of framing knowledge contributions of relevance to the relationship, between human resources management strategies and competitive advantage on either practical dimension. It tries the analysis and diagnosis of the role of human resources management strategies, in achieving the competitive advantage in the surveyed industrial organization.

Objectives of the Study

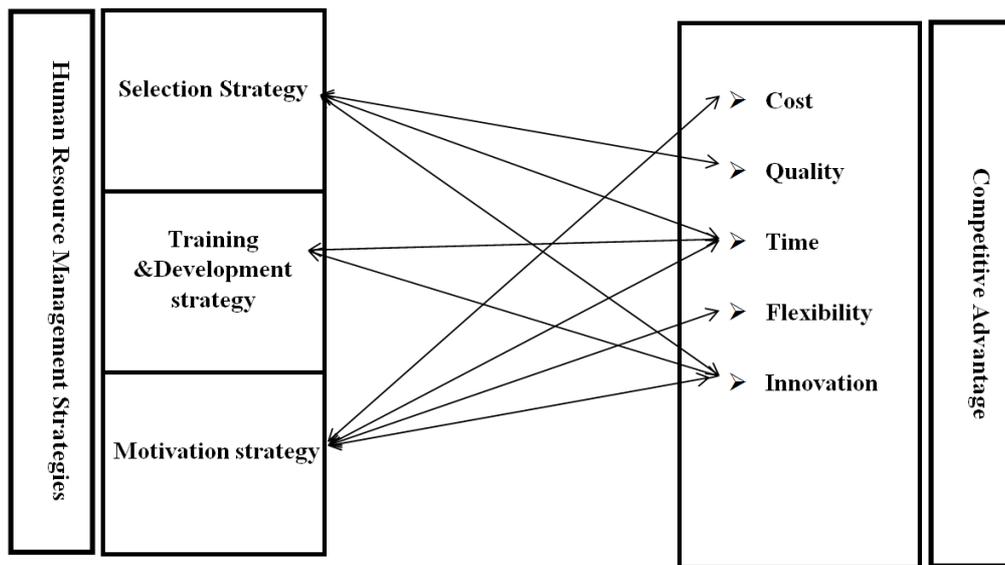
- Definition of the importance of human resource management strategies and competitive advantage, as significant factors in the success of the organizations.
- To present and discuss the knowledge and theoretical contributions, in the field of human resource management strategies and competitive advantage.

- For exam relationship between human resource management strategies and competitive advantage, in the surveyed industrial organization.
- To provide a set of conclusions and recommendations for surveys organization, based on practical results.

Hypotheses of the Study

- If the HRM function and practices in the organization are ‘strategic’ there will be a positive relationship (correlation) between SHRM and the competitive advantage constructs.
- A significant positive (correlation) will exist between the selection strategy and the competitive advantage constructs.
- A significant positive (correlation) will exist between the training and development strategy and the competitive advantage constructs.
- A significant positive (correlation) will exist between the motivation strategy and the competitive advantage constructs.

Model of the Study



The Study Design/Methodology/Approach

The study adopted an empirical approach and applied to a random sample (100) of managers and their assistants and heads of departments in the state company for tire industry/Babylon, Iraq. And data were collected by questionnaire, field visits, personal interviews and some official documents to complete the study data. Also, SPSS was used for data analyzing and interpreting.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Strategic Human Resource Management

Strategy determines the direction in which the organization is going in relation to its environment. It is the process of defining intentions, strategic intent and allocating or matching resources to opportunities and needs (resource based strategy), thus achieving a strategic fit between them. Business strategy is concerned with achieving

competitive advantage. The effective development and implementation of strategy depend on the strategic capability of the organization, which will include the ability not only to formulate strategic goals, but also to develop and implement strategic plans through the process of strategic management. Strategy is about implementation, which includes the management of change, as well as planning. The concept of strategy is not a straightforward one. There are many different theories about what it is and how it works. (Harris, 2000, Mondy, 2008). So, SHRM can be defined, it is the strategy concerned with the formulation of strategies and policies of human resources, in line with the environmental opportunities and business strategies and organizational structure in order to achieve competitive advantages mediated by the human element (Abas, 2003). Strategic (HRM) is an approach to making decisions on the intentions and plans of the organization concerning the employment relationship and its recruitment, training, development, performance management, reward and employee relations strategies, policies and practices. For the purpose of clarifying the concept of strategic human resource management felt the researcher to provide.

Human Resource Management Strategies

There are many activities undertaken by the human resources management, these activities have evolved from Basic activities practiced by this administration to more complex activities. In terms of content or application, and the reason for this complexity may be due to the challenges and rapidly changing environment faced by the organization and management of human resources and so that there are a different perspective of the researchers in identifying human resources management strategies and this is what lets to review the most important resource strategies human cited by the pioneers of human resources management as in the table (1).

Table 1: Classifications of Human Resources Management Strategies According To the View Perspectives of Scholars

The Researcher	Human Resource Management Strategies
(Stewart,2009)	Job Analysis, Selection, Training and Development, Performance Management, Wages and Incentives and Benefits Structure & Labor Relations and Personnel.
(Gomez&,Et Al,1998)	HR Planning, Job Analysis and Design, Performance Evaluation, Training and Professional Development, Motivation, Selection and Placement.
(Harris,2000)	Planning, Employment, Evaluation and Compensation, Organizational Development, Employee's Relationships, Sustaining and Empowerment of Employees.
(Mathis,2003)	Planning and Analysis of Human Resources, Compensation and Benefits, Placement, Employee's Relationships, Training and Development, Fair Employment, Health And Safety.
(Mondy,2008)	Employment, Training and Development, Compensation, Health and Safety, Employee's Relationships.

As a result, the current study depends on these three strategies (selection strategy, motivation, strategy, training and development strategy).

Selection Strategy

The selection process and getting efficient human resource in quantity and quality, which are needed for the organizations is most basic functions of human resources management. The selection describes of the mechanisms, procedures and deciding the required of human resources for organization as whole, this process establishes the strong bases for achieving effectiveness of the organization if it has to in accordance with the scientific bases, as well as the appropriate selection and placing the right person in the right place that able the organization to achieve its objectives of efficiency, productivity and profitability (Abas, 2003). And it is important to know which standards are developed and that are highly focused on efficiency or capacity, consisting of some of the behavioral characteristics, attitudes, and that cannot be easily measured. Rather than relying on luck, the organization is now using more sophisticated techniques in the

selection of candidates, the organizations have become conscious and heavily in the decision-making and select the right choice (Bartton & Gold, 2003).

Motivation Strategy

The concepts of incentives have which are developed to clarify the concept of incentives. Where, (Mathis & Jackson, 2003) defined it as revenue earned by the individual as a reward for him, as a result to achieve the performance levels exceeding the usual performance. While defines it as all the methods and factors that will urge the employees and workers to perform their duties diligently and sincerely and to encourage them to make a greater effort and care in their performance and reward them for their highly performance in the field of production and services(Kamel.1994),(Al-arabi,1997).That if the wage and salary, which is return that person obtains it as a value for the post held, the motivation is the return that person gets it as a result of excellence in performance. The previous review of the set of definitions that explained the concept of incentives, the importance of incentives emerges through:

- A significant role in attracting new individuals and retain them, and an incentive for workers to raise their productivity or performing their duties at a high level of sophistication.
- Assist in achieving the strategic goals and developing of employees and their potential capabilities, and exploit them.
- Increase the loyalty of employees of the organization and work to overcome the conflict in personnel relationships.
- Improve the physical, psychological and social situations, and thus survival of the labor force satisfying with the spirit of understanding and cooperative.
- Satisfy the needs and wants of employees.

Training and Development Strategy

Training and development strategy plays a key role in the success of organizations, it has become one of the main activities of retaining human resources management, organizations realize the training and retraining of workers to carry the current and penitential job in changing environment may determine the success or failure of the organizations (Ameri& Ghalibi,2007).

The processes of Training and development of human resources and assess its performance represent a vital activity are interlinked with each other, human resources management cannot be contributing ineffective role in achieving the objectives of the organization if the training and development needs don't base on proper planning and scientific ways. Training is the dynamic process design of the organization in acquiring its staff new knowledge, ideas, skills to meet the current and potential job requirements (Jajo, 2008).

Process of Training and Development

When training and development strategy setting should follow these steps:

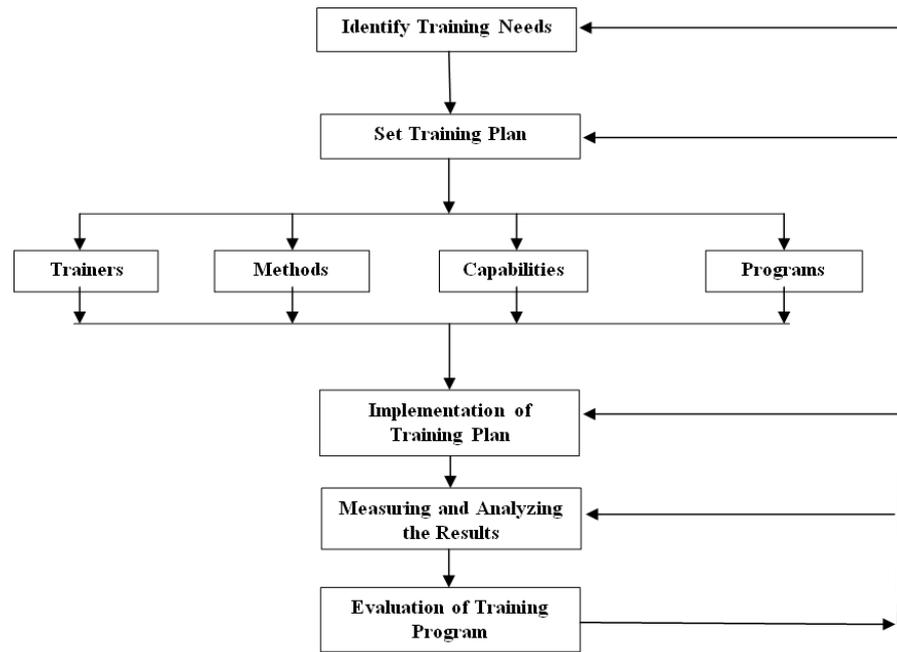


Figure 1: Steps of Training and Development Strategy

Competitive Advantages

The views of researchers have varied in identifying agreed concept of competitive advantage and the reason for this difference due to the dimensions and elements that interact with multiple and varied competitive advantage. (Lynch, 2000) defines the competitive advantage as a "seeking for something unique and different from competitors. (Al-qutb, 2002) defines it as long-term unique position, being developed by the organization's performance through it's characteristically and effectively and exploiting the internal strengths toward providing the benefits of outstanding value to its customers who are could not done by competitors.

Cost

The low-cost strategy is facing the initial facilities (or core) which is investigating the interest and effectiveness through understanding of organizations how to allocate costs to the units in order to reduce costs and achieving competitive advantage. And that competition on the basis of cost requires focus attention toward reducing all elements of costs: labor costs, resources, wastage, industrial and other costs and aims to reduce the cost per unit of the product or service (Helen & Hanger, 1990).

Quality

Quality is a factor of the critical success factors for many organizations and based to achieve competitive advantage. The firms try to meet the customer's needs and wants through producing goods and services with high quality and low cost. so the HRM practices or strategies (selection, training and development and motivation) contribute in achieving quality as a competitive advantage through shared responsibility, Commitment and rewards, quality and economic education, multiple skill training, problem solving and group process. Management of human resources encompasses not only employment, training, compensation, appraisal, maintenance, etc., but also achieving good human relations which are a prerequisite for attainment of higher quality and productivity (Kumar, 2012).

Flexibility

Many organizations are adopting the flexibility a strategic competitive advantage. The flexibility is the production system and the ability to adapt an adjustment capacity to meet changing environmental conditions and operational requirements. (Evans, 1997: 87). Flexibility is one of precedents advantage in the organization as flexibility focus on the development of the organization's ability to change the sorts of products according to the customer's needs and according to changes in market demands and called customization (Najjar, Mmajid, and Mohsen, 2009). The development of internal labor markets with attractive and clearly defined career opportunities, extensive training and above average compensation packages, including a performance based component that able organization to achieve highly performance and ability to adjust with rabidly changing of the environment

Time

Time is considered as one of the most important sources of competitive advantage in recent years. The total time that the organization needs to deliver its goods or service that satisfies the needs of the customer. Moreover, the term refers to managing time effectively so that the right time is allocated to the right activity. Effective time management allows individuals to assign specific time slots to activities as per their importance that led to increase in speed of delivery of the goods and services to the customer and speed of development of goods and services (Krajewski & Ritzman, 2003: 64).

Innovation

Innovation refers to the creation of new product, service, idea and process through the development of work and the techniques which are used to achieve different objectives focus on getting a high quality of production to meet the needs and wants of the customer. HRM influences mechanisms such as development and exploitation of intellectual capital, knowledge creation and human resource development and organizational learning that in turn facilitate innovation.

DATA ANALYSIS AND INTERPRETING

To present and discuss the test model and research hypotheses of the study in the surveyed organization.

The Results of Descriptive Test of Human Resources Management Strategies

Table 2: The Results of Descriptive Test of Human Resources Management Strategies

Human Resource Management Strategies	Mean	S.D
Selection Strategy	3.75	0.69
Training and Development Strategy	3.42	0.14
Motivation Strategy	3.95	0.16

Interpreting of the Results

The results of a descriptive test of human resource management strategies show the mean is (3.75, 3.42, 3.95) respectively more than standard mean (3), that means the surveyed organization concerned with human resources management strategies. Moreover, the surveyed organization tries to recruitment and selection the most suitable people to fulfill its available positions to achieve its objectives, i.e., analyzing the environmental changes and developments, when setting up of training and development strategy, which is concerned with implanting effective strategies to training and developing the skills, knowledge and capabilities of employees and increase their productivity, to meet the current and

future job requirements. The motivation strategy deals with the awarding of incentives to the individual worker, according to his/her outstanding performance and skills possessed by the individual worker.

The Results of Descriptive Test of Competitive Advantages

Table 3: The Results of Descriptive Test of Competitive Advantages

Competitive Advantages	Mean	S.D
Cost	3.99	0.17
Quality	4.31	0.24
Time	3.7	0.16
Flexibility	4.1	0.18
Innovation	3.84	0.14

Interpreting of the Results

The above table presents the results of a descriptive test of competitive advantages. Where the mean is (3.99, 4.31, 3.7, 4.1, 3.84) respectively more than the standard mean (3) that means the organization has a competitive advantage (cost, Quality, Time, Flexibility and Innovation) specially focus on quality and flexibility as strategic competition. The organization recruit and select talent employees, supports the training and development activities and with awarding of incentives to the individual worker according to his/her outstanding performance to increase the total productivity and reduce the total cost of production and maintaining high quality of product., completion of the production process on time, ability to respond rapidly changes in the product design, ability to meet the changes in the design of products due to changes in customer preferences and ability to provide new and advanced products.

The Results of Testing Hypotheses

The correlation coefficient (Spearman) was used to test the relationship (correlation) among the variables.

H1: If the HRM function and practices in the organization are 'strategic' there will be a positive relationship (correlation) between SHRM and the competitive advantage constructs.

H2: A significant positive (correlation) will exist between the selection strategy and the competitive advantage constructs.

H3: A significant positive (correlation) will exist between the training and development strategy and the competitive advantage constructs.

H4: A significant positive (correlation) will exist between the motivation strategy and the competitive advantage constructs.

Table 4: Test Results of the Correlation Coefficient

Human Resource Management Strategies	0.771*	Selection Strategy	Training and Development Strategy	Motivation Strategy
Competitive Advantages				
Cost		0.663*	0.886*	0.758*
Quality		0.815*	0.813*	0.654*
Time		0.652*	0.931*	0.599*
Flexibility		0.631*	0.745*	0.853*
Innovation		0.861*	0.800*	0.832*

*Correlation is significant at the 0.95 level

As presented in table (4) the correlation coefficient between human resource management strategies and Competitive advantages was (0.771) at a significant level (0.95), that means there is a significant positive correlation between the human resource strategies and the competitive advantage constructs, so (H1 is accepted). The results in table (1) showed all the correlation coefficients are a significant and positive correlation at a significant level (0.95), based on that the (H2, H3, H4) are accepted.

CONCLUSIONS

- The results showed the surveyed organization has increased its intention of the importance of human resource management strategies and their role in achieving competitive advantage, which are referring to the ability of those strategies towards improving the competitive position of the organization.
- The results showed that the resource management strategies have a vital role in achieving competitive advantage through reducing costs as directed at determining competitive prices, raising the level of quality, speed in responding to the needs and desires and tastes of customers and commitment to delivery of products on time, as well as adopt flexibility in production processes and innovation in product development.
- There is a significant positive correlation between the human resource management strategies and the competitive advantage constructs.

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