

The Impact of Human Resource Management Strategies Practices on the Performance of Organizations SMEs Companies (A Case Study in the Eastern Province - Saudi Arabia)

Dr. Ahmed Mohammed Almatter

PhD in Business Administration, College of Business Administration, University of Lincoln,
Malaysia

Email: Am74am@hotmail.com

Abstract

This study aims to identify the impact of the practices of human resource management strategies on the performance of organizations in the Kingdom of Saudi Arabia, to identify the concepts of the study represented in human resource management strategies and the performance of organizations, by reviewing the results of specialists and practitioners by presenting a high performance presentation, and shedding light on the largest institutions and small companies in the Kingdom of Saudi Arabia in terms of their establishment and development, a statement of the factors that ensure the success and activation of the beginnings of human resources in institutions and companies in the Kingdom of Saudi Arabia, including improving their performance. The results indicated that there is a statistically significant impact of strategic human resources practices on the performance of employees within organizations and small and medium companies in the Kingdom of Saudi Arabia, and the presence of a statistically significant effect of the selection and recruitment processes on the performance of employees, and the presence of a statistically significant effect on training and development on the performance of employees. The most important recommendations concluded by the review of the reward plan in institutions and small and medium-sized companies in the Kingdom of Saudi Arabia based on the appropriate environment to reflect positively on employees, and work to link the performance of organizations with the participation of their employees, that these organizations set specific and measurable goals that can be realistically achieved through employees.

Keywords: Human Resource Strategy, Selection and Recruitment, Employee Performance, Organization Performance, Performance Appraisal.

أثر ممارسات استراتيجيات ادارة الموارد البشرية على اداء المنظمات والشركات الصغيرة والمتوسطة (دراسة حالة بالمنطقة الشرقية - المملكة العربية السعودية)

الدكتور/ أحمد محمد إبراهيم المطر

دكتوراه في إدارة الأعمال، كلية إدارة الأعمال، جامعة لينكولن، ماليزيا

Email: Am74am@hotmail.com

مخلص الدراسة:

تهدف هذه الدراسة إلى التعرف على أثر ممارسات استراتيجيات إدارة الموارد البشرية على أداء المنظمات في المملكة العربية السعودية، للتعرف على مفاهيم الدراسة المتمثلة في استراتيجيات إدارة الموارد البشرية وأداء المنظمات، من خلال مراجعة النتائج من المتخصصين والممارسين من خلال تقديم عرض عالي الأداء، وإلقاء الضوء على كبرى المؤسسات والشركات الصغيرة في المملكة العربية السعودية من حيث إنشائها وتطويرها، بيان العوامل التي تضمن نجاح وتفعيل بدايات الموارد البشرية في المؤسسات والشركات في المملكة العربية السعودية بما في ذلك تحسين أدائها. أشارت النتائج إلى وجود أثر ذي دلالة إحصائية للممارسات الاستراتيجية للموارد البشرية على أداء العاملين داخل المنظمات والشركات الصغيرة والمتوسطة في المملكة العربية السعودية، ووجود تأثير ذي دلالة إحصائية لعمليات الاختيار والتوظيف على أداء العاملين، ووجود تأثير ذي دلالة إحصائية على للتدريب والتطوير على أداء الموظفين. أهم التوصيات التي خلصت إليها مراجعة خطة المكافآت في المؤسسات والشركات الصغيرة والمتوسطة في المملكة العربية السعودية بناءً على البيئة المناسبة لتنعكس إيجاباً على الموظفين، والعمل على ربط أداء المنظمات بمشاركة موظفيها، أن تضع هذه المنظمات أهدافاً محددة وقابلة للقياس يمكن تحقيقها بشكل واقعي من خلال الموظفين، والعمل على تطوير نظام قياس الأداء لمساعدة الشركة على تحديد مستوى أدائها، والاهتمام ببيئة الأعمال للحصول على نتائج مميزة.

الكلمات المفتاحية: استراتيجية الموارد البشرية، الاختيار والتوظيف، إداء الموظفين، اداء المنظمة، تقييم الإداء.

1. Introduction

Organizations and small and medium businesses play an important role in our economy. It is estimated that there are more than 626,000 companies in the Kingdom of Saudi Arabia, which constitute a large percentage of the total Saudi companies, according to the latest survey conducted on small and medium enterprises (General Authority for Statistics). In the past few years, organizations have realized the indisputable fact that creating competitive advantage lies in people. Organizations have increasingly recognized the potential of their employees to be a source of competitive advantage. Today's competitive and rapidly changing business world, organizations, especially in the service industry, need to ensure that the maximum use of their resources is to their advantage, which is a necessity for organizational survival. Studies have shown that organizations can create and maintain a competitive position by managing irreplaceable, scarce, valuable and unique internal resources (Barney, 1991). HRM practices have the potential to create organizations that are smarter, more flexible, and more efficient than their competitors by implementing policies and practices that focus on hiring, selecting and training skilled employees and directing their best efforts to collaborate within the resource package.

HRM has now acquired academic and commercial importance and thus cannot be removed from the background or left in the hands of non-experts. Attention should be drawn to HR organizations that spend a lot of time and resources for selection. Armstrong (2009) defines human resource management (HRM) as a strategic and coherent approach to managing an organization's most valuable assets, that is, the people who work there and who contribute individually and collectively to achieving its goals. Further, human resource management practices can be defined as a set of organizational activities aimed at managing a pool of human capital and ensuring that the capital is employed to achieve organizational goals (Wright and Boswell, 2002). The adoption of certain packages of HRM practices has the potential to positively impact the performance of an organization by creating strong links or detracting from performance when certain groups of practices are inadvertently placed in the mix (Wagar and Rondeau, 2006). Finally, examining the relationship between HRM and performance also allows us to test for potential moderating effects of these other known drivers of performance in small businesses.

Delery & Doty (1996) argued that the impact of HRM on performance likely depends on the presence of one or another variable such as strategy (Youndt, Snell, Dean & Lepak, 1996, Delery & Doty, 1996).

1.1 Problem Statement

Almost all previous studies on the association of SHRM and organizational performance have used different sets of SHRM practices (Tarawneh, 2016: Bidmashipor, 2012, Armano et al., 2013, Olusi et al., 2015, Kania, 2014: Darwish, 2013). Thus, there is no standard list of SHRM practices that must be considered and measured in terms of association with organizational performance. Several empirical works have examined the impact of individual SHRM practices on performance, while others have examined the effect of packages or integration of whole SHRM practices on performance (Al-Tarawneh, 2016: Hu, 2017: Saddam and Abu Mansour, 2015: Darwish, 2013, Darwish et al., 2013, Paauwe and Boselie, 2005, Anvari, 2011). It appears that SHRM, as a system or set of practices, is certainly a better approach when researchers seek to examine the impact of these practices on company performance (He, 2017& Bidmeshgipour, 2012). However, since no strong and convincing evidence was found for the effect of SHR systems/packages or the internal fit of SHRM practices on performance, there was no evidence of an effect on performance.

(Panayotopoulou et al., 2003) claim that SHRM and performance research have consistently failed to support the effectiveness of such an argument. Previous studies mostly focus on the few recognized SHRM practices such as recruitment, selection, training, development, rewards, and performance management (Saddam and Abu Mansour, 2015 & Izadi, Mojtahedzadeh, 2013 & Guest, 2011, Paauwe and Boselie, 2005, Panayotopoulou et al., 2003).

The following research questions were formulated to guide the study to its logical conclusion.

- What are the challenges faced by organizations and small and medium-sized companies in the Kingdom of Saudi Arabia from adopting the strategy of managing human resources management?

- What is the relationship between the impact of human resource management strategies practices on the performance of organizations and small and medium-sized companies in the Kingdom of Saudi Arabia?
- How do the practices of human resource management strategies affect the growth of organizations and small and medium-sized companies in the Kingdom of Saudi Arabia?
- Do human resource management strategies practices affect the performance of employees in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia?
- Is there an impact on the performance of employees in organizations and small and medium companies in the Kingdom of Saudi Arabia on the performance of organizations?

1.2 Significance of the Study

The importance of the research is due to the importance of the role that the strategy of human resources management plays in organizations and small and medium companies in the Kingdom of Saudi Arabia - and given the importance of this strategy in the development and development of the performance of organizations, and the importance of the study is clear in that it is looking at such a topic in a commercial and financial environment that has its own privacy What distinguishes it from other organizations. The current study is important from a theoretical and practical perspective. In theory, the study will be a stepping stone for those who wish to delve a lot into the strategic planning and development of human resources. The current study will be useful to academics as it develops a framework that includes SHRM, OCB, and organizational performance practices. This would provide an avenue for more researchers as well.

For practitioners involved in developing SHRM within organizations and SMEs as it will provide them with concrete and empirical evidence regarding the role that SHRM plays in organizational performance, making it more of a strategic nature and not just a management function the theoretical underpinnings of the study rest on the resource-based view (RBV), focusing on organizations' SHRM practices to enhance overall organizational performance. In this scenario, SHRM constitutes the internal capacity of the organization which when properly aligned will result in higher performance.

1.3 Research Objectives

The main objective of this study is to know the impact of human resource management strategies practices on the performance of organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

- Recognize the concepts of the study represented in the strategies of human resource management and the performance of organizations, by reviewing the results of specialists and practitioners here by giving a high-performance presentation.
- Shed light on the major institutions and small companies in the Kingdom of Saudi Arabia in terms of their establishment and development.
- Test the study's hypotheses in terms of the relationship and correlation between the different variables
- A statement of the data that guarantees the success and activation of the beginnings of human resources in institutions and small companies in the Kingdom of Saudi Arabia, including improving their performance.

1.4 Research Hypothesis

There is no statistically significant impact of the strategic human resources practices on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia. The following sub-hypotheses are derived from it.

- There is no statistically significant effect of the recruitment and recruitment process on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.
- There is no statistically significant impact of the compensation system on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.
- There is no statistically significant effect of the training and development process on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

- There is no statistically significant effect of the process of employee participation on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

2 Theoretical Framework

2.1.1 The Concept of Human Resource Management

- Despite the prevalence of the term human resource management, the definition of the term has remained varied and elusive. So (Storey,1995), defines human resource management as: “A distinctive approach to staffing management that seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated set of cultural, structural and personnel techniques”
- The term Human Resource Management (HRM) is a strategic, integrated and coherent approach to the recruitment, development and well-being of people working in organizations. To (Boxall et al, 2007), it is the management of work and people towards desired ends. (Som, 2008) described HRM as carefully designed sets of these practices geared towards improving organizational effectiveness and thus better performance outcomes.

2.1.2 Motivation

is meant to encourage individuals and motivate them to be active in their work in order to achieve the goals of the organization, The process begins with the external influence on individuals, whereby he is offered a higher wage in order to do more work, but its success depends on internal factors related to the individual’s psychological status (Al-Saeeda, 2014). Incentives are external influences that motivate the individual and encourage him to perform better (Kafey, 2014). The interest has increased at the present time due to the importance of incentives in the performance of employees, especially in light of the interest in quality and high productivity (Wyper & Harrison, 2000).

2.1.3 Rewards

- Refers to the activity of human resources, within the framework of drawing a specific strategy by designing types of material temptations to attract, maintain and motivate human resources, and its implementation in line with the business strategy (Al-Anzi & Al-Saadi, 2014).
- Are all the rewards offered by management to employees in return for their desire to complete the various tasks and tasks in the organization, it includes many elements such as fixed wages, incentives, bonuses, earnings, etc. (Ricky, 2001).

2.1.4 Compensation

It is all that the working individual receives from financial rewards such as wages, salaries and other financial privileges such as compensation. The compensation strategy well planned by the Human Resources Department helps the growth of the organization, especially if the rewards are used optimally, and that is linked to the performance and behavior of employees (Al-Ani, 2002). Compensation, performance-based incentives, and employee benefits and services are the basic components of a compensation strategy that must be consistent with its associated strategic contexts in order to be effective (Denisi & Griffin, 2001). Also, compensation must be consistent with maximizing the profits of the organization, While not neglecting to provide incentives for workers to enable them to achieve the goal of maximizing profits (Gatibaldi, 2006), compensation plays an important role in maintaining workers through increasing salaries and the availability of supplies that attract workers from outside the organization (Al-Dulaimi, 2013), organizations today are interested in the compensation system Direct and spend for that great effort in order to evaluate the payment of efficient and effective systems, and the organizations also bring in experts and consultants in order to reach payment systems that achieve the following goals (Al-Hiti, 1999).

2.1.5 Staff participation

This strategy refers to the involvement of workers in the process of making work-related decisions, solving their problems or hearing their suggestions, as well as what ensures the discipline of workers' behavior and reinforces it with the desired directions, or guarantees their compulsory departure, for example, dismissal, whether voluntary,

By resignation, or retirement (Al-Anzi & Al-Saadi, 2007). It is a process that allows employees to exercise part of the control over the work they perform and according to the conditions in which they work in the organization. Appropriate solutions to administrative problems (Kanaan, 1998), employee participation encourages employees to participate in the decision-making process has a direct impact on the work environment. It is also considered an expression of functional integration and work efficiency.

2.1.6 The concept of employee performance

In practice, it is a multidimensional concept that has several meanings. However, in this requirement we attempt to define a performance and identify the characteristics that distinguish it. The origin of the word linguistic performance is an achievement or performance; or completes something: verb; Activity; Executing a Mission (Idris, 2003). Performance is defined in the dictionary as: a quantitative result obtained by an individual or group of individuals after exerting a certain effort; It is judged by: optimal; the good; Competence (Dictionnaire, 1970), In the light of the foregoing concepts of performance, it represents the following

- Performance is a function of all functions of the organization.
- Performance is an approach aimed at achieving a positive outcome.
- Performance is an activity that the organization works to promote.
- Performance is a measure of an organization's success or failure.
- Performance is a system that seeks to convert inputs into outputs.

Finally, it can be said that performance is the individual's ability to exert his maximum mental and physical performance in order to achieve his goals that express his desires by achieving the goals of the organization in light of the two dimensions of efficiency and effectiveness. This definition is considered complete from our point of view as it includes the two dimensions of effectiveness and efficiency.

2.1.7 Organizational performance

Conceptual definitions: Guest and (Christopher, 2012), define organizational performance as the real return or results of the organization as measured in contrast to its future outputs (or goals and objectives). (Appelbaum et al., 2003), explained that performance is an opportunity,

An incentive and an ability to participate in employees' jobs. (Schermerhom et al., 2000) argues that organizational performance is the product of the overall performance of the interaction of the organization's activities and resources to obtain qualified individuals to reach the desired results.

2.1.8 Integration between human resource management and organizational strategies

Integration between human resource management refers to the concern of human resource management in the maintenance and implementation of organizational strategies and coordination between human resource management with the strategic needs of the organization (Schuler & Jackson, Buyens, 1999) strategy alongside other senior managers; providing greater opportunity to align HR goals, strategies and practices with organizational goals and business strategy implementation. A documented human resource management strategy helps an organization establish a vision for human resource management, goals, and performance monitoring. Some empirical evidence from the study (Khatri, 1999) indicates that the full impact of human resource management practices on the performance of the organization occurs when these practices are strategically aligned and compatible with each other.

2.2 Previous Studies

2.2.1 Study (Alzoubi, 2020)

Titled: The impact of Human resource management practice on Organizational performance.

The current research studies the impact of human resource management on the performance of government institutions. The problem was to research the ability of government institutions to develop their performance by reducing expenditures, renewing products and procedures, and improving quality in order to compete and continue in the environment despite the rapidly changing economic environment, which is characterized by trends such as globalization, and the increasing demands of investors and customers, to By increasing the products in the market competition. The researcher used the quantitative research method used to analyze the current study. The sample size chosen for this study was 240 respondents. The results revealed the rejection of all hypotheses except for the fifth hypothesis which states that "decentralization is positively related to organizational performance". Thus, it was concluded that decentralization has a positive relationship with organizational performance.

2.2.2 Study (Al-Jedaiah, 2020)

Titled: The effect of strategic human resources management (SHRM) on organizational excellence.

The aim of this research was to find out the effect of the components of human resource management on organizational excellence. The study was applied to industrial organizations in the industrial city in northern Jordan. A quantitative approach was used to achieve the objectives. A questionnaire was used to collect data. The questionnaire consists of three parts: the first part is designed to collect demographic data, the second part is designed to collect information about SHRM (recruitment, training, development and career development), and the last part is designed to collect information about organizational excellence. A simple random sample of 120 enterprise managers was studied. The results showed that the data-collection tool was reliable, training was given the most attention by managers to reach excellence, followed by organizational development, then career development, and the lowest evaluation was for employment. SHRM components influence the components of organizational excellence (customer satisfaction, technology diffusion, product quality, and competitiveness) ($p < 0.05$). Recruitment was the largest contributor to organizational excellence associated with technology diffusion, product quality, and competitiveness, but customer satisfaction was affected by career development and development. The study recommended that the organization connect the SHRM strategy with other activities of the organization that lead to excellence with the focus of the recruitment process because it affects the organizations products.

2.2.3 Study (Yonca Gurol, 2016)

Titled: Strategic Human Resource Management and Firm Performance: The Mediating Role of Entrepreneurial Orientation.

The study aimed to shed light on the important role of entrepreneurial guidance in the relationship between SHRM and company performance. For this purpose a questionnaire was prepared and data was collected from companies operating in different industries in Istanbul. Data collected from the questionnaires were analyzed using SPSS and AMOS software.

The results of the analyzes indicated that the entrepreneurial orientation is the mediator in the relationship between strategic human resource management and company performance (both financial and employee performance).

2.2.4 Study (Sani, Abdulkader, 2012)

Titled: SHRM and Organizational Performance in of Organizational Climate, the study examines the impact of human resource management strategy practices on the performance of insurance companies in Nigeria.

As well as studying whether the effectiveness of human resource management strategy practices on the performance of organizations is conditioned by the workplace climate of the organizations or not. The study population consisted of (18) Nigerian operating insurance companies, and the researcher used the analysis tools (regression and correlation) to analyze the data; to this end, the researcher designed a special questionnaire. The study concluded that the practices of the organization's human resource management strategy with training; and job planning system. A clear definition of work is the main key to the practices of human resource management strategy in insurance companies operating in Nigeria, and the extent to which these practices are required for the workplace climate, the researcher found a medium relationship for this.

2.2.5 Study (Sheikh Qamar, Iqbal, 2009)

Titled: Impact of human resource management (HRM) practices on employees' retention a titled: Case study of education and banking sector in Bahawalpur

The study focused on HRM practices (related to management support, work environment and compensation) on employee retention. The study used the descriptive statistics technique to know the effect of the practices; the study was applied to a number of universities and banks in the city (Bahalpur) in Pakistan; A questionnaire was distributed for this purpose to a sample of (101) administrators in the various organizations mentioned. The study showed a positive relationship of these practices on the staff retention.

3 Research Methodology

3.1 Study Approach

The research method can be considered as the method that the researcher follows and relies on to reach in the end results related to the topic under study, as it is the organized method used to solve the research problem, in addition to the science that is concerned with how to conduct scientific research. In our study, we have relied on the descriptive-analytical approach, which is an organized description of the facts and the features of a particular group in an objective and correct manner; To identify the impact of human resource management strategies practices on the performance of organizations and small and medium-sized companies in the Eastern Province in the Kingdom of Saudi Arabia

3.2 Sources of data

3.2.1.1 Primary data

Primary data is new data collected specifically for the purpose of the research study. This data can be collected through various methods, such as interviews, observations and questionnaires (Saunders et al., 2003). For the current work, a detailed questionnaire was formulated to collect primary data while studying the impact of human resource management strategies practices on the performance of organizations and small and medium-sized companies in eastern Province, and Kingdom of Saudi Arabia. Importantly, throughout this study, a questionnaire is a set of paraphrased written questions in which employees or whatever target responders record their answers in precisely defined alternatives (Sekeran, 2003). It is an efficient and effective way to collect data when researchers know how and what to measure.

3.2.1.2 Secondary data

In addition to the data collected from the primary source, data has also been extracted from the records and publications of SMEs operating in the Eastern Province, Saudi Arabia, including their annual report, also extracted from books, magazines, the Internet, trade journals and newspapers.

3.3 Study Population

Population is the sum or set of all the elements, subjects or members that conform to a set of specifications (Polit and Hungler, 1999). The study population included all employees of (25) small and medium-sized companies in the Eastern Province of Saudi Arabia, where their number was (590). A large part of the workers in these small and medium-sized companies operating in the commercial, logistical and industrial services sector in the Eastern Province of the Kingdom of Saudi Arabia, the researcher tried to diversify the activities in an attempt to generalize the results.

3.4 Study sample

	No.	%
Distributed Questionnaires	115	100
Retrieved Questionnaires - Valid	88	77
Non-Retrieved Questionnaires - Invalid	27	23

Table (1) Respondent's Response Rate

The researcher collected the primary data for the study through a questionnaire that was specially prepared for the study by targeting a random sample of 115 employees to whom the questionnaire was distributed where a random sample was targeted.

3.5 Study tool

3.5.1 Questionnaires

Which is defined as: “a tool that contains a set of declarative questions or sentences, which the sample member is asked to answer personally and in the manner determined by the researcher according to the research objectives” answered by the sample member, and this person is named (Alyan and Ghoneim, 20001). As for (Kandilji, 2000), the questionnaire is defined as a set of different questions and inquiries related to each other. The method used in this research was to answer a set of questions included in the questionnaire designed specifically for this study. The questionnaire contained thirty-eight closed-ended questions, each of which was measured on a 'pentagonal' Likert scale, i.e. of five scores ranging from 'strongly disagree' to 'strongly agree' to indicate the rate at which members of the sample feel about factors affecting satisfaction

managers or owners, Paying attention to the administrative decision-making process within their organizations. The value (1) was given a qualitative rating of “strongly disagree” and the value (5) was given a qualitative rating “strongly agree” so that the average answers for each statement represented the degree of satisfaction of the sample members with the decision-making process. When this average rises to approach (5), the satisfaction score of managers and stakeholders is 'very high' and, conversely, as this average decreases to approach (1), the managers' satisfaction score is very low or not present.

3.5.2 Interview

The interview gives the researcher an immediate answer from the respondents who provided supplementary data to the questionnaire.

3.5.3 Note

The physical environment of the companies under study was observed.

3.6 Statistical Methods

To answer the study questions and to test and analyze its hypotheses, the researcher resorted to the statistical package for the social sciences (SPSS), in addition to using the following statistical methods:

- Caronbach Alpha: To check the stability of the scale used.
- Mean and standard deviation: In order to answer the questions of the study and find out the significance.
- One-sample t-test: to verify the nature of the relationship between the study variables.
- Chi-square test analysis.

3.7 Reliability and Validity

3.7.1 Reliability

It turned out that all values of Cronbach's alpha coefficient were above 0.70, which is the lowest acceptable value of Alpha this indicates that all alpha values are suitable for the purposes of the current study (Sekaran, 2003).

Paragraph	Stability coefficient (α)
Recruitment & Selection	0.89
Training and Development	0.90
Compensation and Incentive Systems	0.93
Staff Participation	0.89
Strategic Practices	0.95
Organization Performance	0.88
Employees Performance	0.93
Total	0.96

Table (2) Internal consistency coefficients were evaluated using Cornbrash's alpha test

Cronbach's alpha arithmetic is among the most widely used methods for internal consistency checks or searches (Galvan, 2006). This analysis of similar items within the test is calculated in total for the overall scale, considering the degree to which all items measure the same structure (Cronk, 2006), Cronbach alpha scores range from 0.00 to 1.00, with values of 0.70 or higher usually considered to indicate sufficient internal consistency reliability when a single scale is used (Galvan, 2006). Cronbach alpha of 0.96 for this study showed a sign of the reliability of the internal consistency.

3.7.2 Validity

Instrument validity is the extent to which this instrument measures what it is supposed to measure (Polit and Hungler, 1993). Content validity is the degree to which the instrument represents the factors considered. In order to verify the validity of the content, the questionnaires included a series of questions about the impact of the use of technologies and digital transformation tools on support and strategic decision-making in the Kingdom of Saudi Arabia. The correctness of the developed content was ensured by consistency in the researcher-administered questionnaire. All questionnaires were distributed to the respondents by the researcher. The questions are formulated in simple language for clarity and ease of understanding. Clear and unambiguous instructions were given to respondents to help them answer the questions. Almost all respondents completed the questionnaires in the presence of the

researcher. This was done to prevent respondents from passing the questionnaire on to others to complete on their behalf.

External validity is also guaranteed. Burns and Grove (1993) defined external validity as the generalizability of study results beyond the sample used. All persons contacted by the researcher to participate in the study completed the questionnaires without any hesitation. Furthermore, none of the people contacted by the researcher declined to participate. Therefore, the results can be generalized and in this case all SMEs in Saudi Arabia

4 Analysis of the Results

4.1 Demographic variables

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	57	64.8	64.8	64.8
	Female	31	35.2	35.2	100
	Total	88	100	100	
Age	Less than 30	8	9.1	9.1	9.1
	From 30 < 45	22	25	25	34.1
	From 45 < 60	42	47.7	47.7	81.8
	More than 60	16	18.2	18.2	100
	Total	88	100	100	
Qualification	Secondary School	13	14.8	14.8	14.8
	Higher Diploma	19	21.6	21.6	36.4
	Bachelor	40	45.5	45.5	81.8
	Master	10	11.4	11.4	93.2
	PhD/DBA	6	6.8	6.8	100
	Total	88	100	100	
Position	Director	12	13.6	13.6	13.6
	HR Manager	9	10.2	10.2	23.9
	Head of the Department	12	13.6	13.6	37.5

	Administrative	10	11.4	11.4	48.9
	Employee	45	51.1	51.1	100
	Total	88	100	100	
Experience	Less than 5 Years	17	19.3	19.3	19.3
	From 5 < 10	28	31.8	31.8	51.1
	From 10 < 15	25	28.4	28.4	79.5
	More than 15	18	20.5	20.5	100
	Total	88	100	100	

Table (3) Distribution of study sample members

4.2 Analysis of the results

4.2.1 Recruitment and selection Variable

	Mean	Std. Deviation	t Value	Arrange	importance level
The company attracts individuals who have sufficient skills and experience in the field of planning, regulation and control to occupy important management positions in the company.	5.65	1.17	21.142	3	High
The directors of the departments participate with the director of human resources in the company in the process of Recruitment and selection.	6.32	1.44	15.073	6	High
The general basis in the company for the recruitment process is the interview and tests by collecting the information of the candidates when applying for the job.	5.66	1.24	20.116	2	High
The company is not biased when hiring.	5.59	1.34	18.077	4	High

The company adopts the principle of efficiency in recruitment.	5.53	1.28	18.614	5	High
The company imposes on the candidates the availability of the ability to work within a team and encourages teamwork.	5.70	1.25	20.266	1	High
The mean and standard deviation - Recruitment and selection Variable	5.61	1.00			High

Table (4) Mean and standard deviation - Recruitment and selection Variable

From the previous table, it is clear that the arithmetic averages ranged between (5.70 - 5.32); the highest mean was for the sixth paragraph “The company imposes on the candidates the availability of the ability to work within a team and encourages teamwork” with a mean (5.70) and standard deviation (1.25). and that the lowest arithmetic mean for paragraph (2) is "The directors of the departments participate with the director of human resources in the company in the process of Recruitment and selection"; with mean (5.32) and standard deviation (1.44); As for the general average, it reached 5.61 with a standard deviation (1.00) and that the average of all paragraphs and the general average were within the high level.

4.2.2 Training and development Variable

	Mean	Std. Deviation	t Value	Arrange	importance level
Training and development needs are determined within the company based on a pre-thought-out plan.	4.00	1.75	5.981	5	Medium
The company's employees are subject to a training and development program every period.	4.40	1.62	8.116	4	Medium
The company requires new employees to undergo training and development to	4.41	1.55	8.523	3	Medium

acquire the required skills and experience.					
The company keeps pace with modern technology in the process of training and development by developing a modern training system and methodology.	4.84	1.49	11.571	1	Medium
The company empties its employees during the training period to get the best results	4.61	1.52	9.962	2	Medium
Employees are subject to an evaluation program to measure the effectiveness of the training after benefiting from it	3.83	1.58	4.911	6	Medium
The mean and standard deviation - Training and development	4.35	1.28			Medium

Table (5) Mean and standard deviation - Training and development Variable

From the previous table, it is clear that the arithmetic averages ranged between (4.38 - 4.84); As the highest average was for the tenth paragraph, "The company keeps pace with modern technology in the process of training and development by developing a modern training system and methodology", with an arithmetic mean (4.84) and standard deviation (1.49), and the lowest arithmetic mean was for the twelfth paragraph. Employees are subject to an evaluation program to measure the effectiveness of the training after benefiting from it", with an arithmetic mean (3.83) and a standard deviation (1.58); as for the general average, it was 4.35 with a standard deviation (1.28), and that the mean of all items and the general mean were within medium level.

4.2.3 Compensation, rewards and incentives Variable

	Mean	Std. Deviation	t Value	Arrange	importance level
The compensation offered by the company is commensurate with the expectations of its employees.	4.63	1.55	8.226	6	Medium

Compensation is awarded based on the merit of the employees.	4.82	1.59	10.699	1	Medium
The company uses reward and incentives as a mechanism for evaluating high performance.	4.41	1.67	7.905	5	Medium
The company constantly monitors the rewards system it offers with its counterparts from other companies.	4.48	1.71	8.111	4	Medium
The process of disbursing compensation is based on employee performance reports	4.49	1.67	8.339	2	Medium
Rewards and incentives are disbursed within the company without bias	4.49	1.55	9.032	3	Medium
The mean and standard deviation - Compensation, rewards and incentives.	4.51	1.41			Medium

Table (6) Mean and standard deviation - Compensation, rewards and incentives Variable

The previous table indicates that the arithmetic averages ranged between (4.36-4.82), as the highest average was for the fourteenth paragraph "Compensation is awarded based on the merit of the employees", with an arithmetic mean (4.82) and a standard deviation (1.59). And that the lowest arithmetic mean for the thirteenth paragraph, the compensation offered by the company is commensurate with the expectations of its employees "with a mean (4.36) and a standard deviation (1.55), while the general average was 4.51 with a standard deviation (1.41) and that the mean of all paragraphs and the general mean were in the medium.

4.2.4 Employees Participation Variable

	Mean	Std. Deviation	t Value	Arrange	importance level
Company employees participate in the decision-making process.	4.58	1.54	8.226	1	Medium

The company listens to employees for suggestions and improvements that it deems appropriate.	4.97	1.52	10.699	5	Medium
The company's management respects other views.	4.74	1.57	7.905	2	Medium
Employee suggestions contribute to the decision-making process to improve their satisfaction with the company.	4.90	1.57	8.111	4	Medium
Employees' suggestions contribute to the decision-making process in improving the company's performance.	4.84	1.48	8.339	3	Medium
The mean and standard deviation - Employees Participation	4.79	1.32			Medium

Table (7) Mean and standard deviation - Employees Participation Variable

From the previous table, it is clear that the arithmetic averages ranged between (4.97-4.58); the highest average was for the twentieth paragraph "The company listens to employees for suggestions and improvements that it deems appropriate" with a mean (4.97) and a standard deviation (1.52). And that the lowest arithmetic mean was for the nineteenth paragraph "Company employees participate in the decision-making process" with an arithmetic mean (4.58) and a standard deviation (1.54); As for the general average, it reached (4.79) with a standard deviation of (1.32) and that the average of all paragraphs and the general average were within the medium level.

4.2.5 Second axis - Performance

4.2.6 Company performance

	Mean	Std. Deviation	t Value	Arrange	importance level
Employee satisfaction is the focus of the	5.93	1.10	24.965	3	High

company's attention.					
The company's departments are linked to each other with respect and appreciation.	5.50	1.58	14.815	6	High
There has been an improvement in the company's market share in the last period of time.	6.15	0.89	33.138	1	High
The company currently occupies a better societal position than before.	5.89	1.10	24.663	4	High
The company sets realistic goals that its employees can achieve.	5.76	1.34	19.345	5	High
The company has the ability to retain its employees.	6.03	1.22	23.383	2	High
The company applies quality standards to its services and products.	5.31	1.57	13.503	7	High
Customer satisfaction is the company's main concern.	5.17	1.42	14.379	8	High
The mean and standard deviation - Company performance	5.69	0.95			High

Table (8) Mean and standard deviation - Company performance Variable

From the previous table, it is clear that the arithmetic averages ranged between (6.15-3.17); the highest average was for paragraph number twenty-six "There has been an improvement in the company's market share in the last period of time", with a mean (6.15) and a standard deviation (0.89). And that the lowest arithmetic mean for paragraph number thirty-one "Customer satisfaction is the company's main concern." With an arithmetic mean (3.17) and a standard deviation (1.42); as for the general average, it reached (5.69) with a standard deviation of (0.95) and that the average of all paragraphs and the general average were within the high level.

4.2.7 Employee performance

	Mean	Std. Deviation	t Value	Arrange	importance level
The employees' satisfaction with the company was reflected in the increase in their performance.	5.24	1.25	16.797	5	High
The senior management feels satisfied with the performance of its employees.	5.55	1.27	18.836	2	High
The results of performance evaluation in the company showed that the performance of its employees improved.	5.45	1.33	17.317	3	High
The employees within the company were empowered to take the right decision in a timely manner	5.10	1.30	15.219	6	High
The company's senior management respects the opinions and suggestions of its employees and pays attention to them.	4.95	1.56	11.751	7	Medium
The company has recently noticed a remarkable development in communication and communication skills among its employees.	5.59	1.27	19.110	1	High
The performance of the employees is in line with the strategic objectives of the company.	5.28	1.41	15.243	4	High
The mean and standard deviation - Employee performance	4.65	0.99			Medium

Table (9) Mean and standard deviation - Employee performance Variable

From the previous table, it is clear that the arithmetic averages ranged between (5.59-4.95); Whereas, the highest average was for paragraph No. thirty-seven, "The company has recently

noticed a remarkable development in communication and communication skills among its employees.", with an arithmetic mean (5.59) and a standard deviation (1.27). And that the lowest arithmetic average for paragraph number thirty-six "The company's senior management respects the opinions and suggestions of its employees and pays attention to them." with mean (4.95) and standard deviation (1.56); As for the general average, it reached 4.65 with a standard deviation (0.99) and that the average of all paragraphs and the general average were within the medium level.

4.3 Hypothesis test

4.3.1 H0: There is no statistically significant impact of strategic human resource practices on organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

To answer this hypothesis, the Standardized Direct Effect (SDE) and the value of the statistical coefficient (t) were extracted, the results of which appear in the following table:

	Chi2	GFI	CFI	RMSEA	Direct Effect	"t"	Sig*
The impact of human resource management practices on employee performance.	0.00	1	1	0.00	0.84	10.24	0.00

Table (10) Direct normative impact factor and the value of the statistical coefficient (t) for the impact of strategy practices on the performance of employees in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia

It is clear that the value of SDE was (0.84), and that its statistical value (t) was (10.24), which is a function at the level of 0.05 or less; This indicates the acceptance of the alternative hypothesis, which indicates the existence of a statistically significant impact of the strategic practices of human resources on organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0 < 0.05$)

4.3.1.1 H01-1: There is no statistically significant effect of the Recruitment and Selection process on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

To answer this hypothesis, the SDE coefficient and the value of the statistical coefficient (t) were extracted, the results of which appear in the following table:

	Chi2	GFI	CFI	RMSEA	Direct Effect	"t"	Sig*
The effect of Recruitment and Selection on the performance of employees	0.00	1	1	0.00	0.39	2.5	0.01

Table (11) SDE coefficient and the value of the statistical coefficient (t) for the effect of Recruitment and Selection on the performance of workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia

It is clear that the value of SDE was (0.39), and that the value of the statistical (t) was (2.5), which is a function at the level of 0.05 or less; This indicates the acceptance of the alternative hypothesis, which indicates the existence of a statistically significant effect of the effect of polarization and recruitment on the performance of workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia, at the level of significance ($0.05 > 0$).

4.3.1.2 H02-1: There is no statistically significant effect of the compensation system on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

To answer this hypothesis, the SDE coefficient and the value of the statistical coefficient (t) were extracted, the results of which appear in the following table:

	Chi2	GFI	CFI	RMSEA	Direct Effect	"t"	Sig*
The effect of	0.00	1	1	0.00	0.02	0.36	0.84

compensation and incentives on employee performance							
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Table (12) SDE coefficient and the value of the statistical coefficient (t) for the effect of compensation and incentives on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia

It is clear that the value of SDE was (0.02), and that its statistical value (t) was (0.36), which is not a function at the level of 0.05 or less; This indicates the acceptance of the null hypothesis, which indicates that there is no statistically significant effect of the effect of compensation on the performance of workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0.05 > 0$).

4.3.1.3 HO3–1: There is no statistically significant effect of the training and development process on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

To answer this hypothesis, the SDE coefficient and the value of the statistical coefficient (t) were extracted, the results of which appear in the following table.

	Chi2	GFI	CFI	RMSEA	Direct Effect	"t"	Sig*
The effect of training and development on employee performance	0.00	1	1	0.00	0.25	1.99	0.05

Table (13) The SDE coefficient and the value of the statistical coefficient (t) for the impact of training and development on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia

It is clear that the value of SDE was (0.25), and that its statistical value (t) was (1.99), which is a function at the level of 0.05 or less; This indicates the acceptance of the alternative hypothesis, which indicates the existence of a statistically significant effect of the effect of training and development on the performance of workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0.05 > 0$).

4.3.1.4 HO4–1: There is no statistically significant effect of the process of employee participation on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.

To answer this hypothesis, the SDE coefficient and the value of the statistical coefficient (t) were extracted, the results of which appear in the following table.

	Chi2	GFI	CFI	RMSEA	Direct Effect	"t"	Sig*
The effect of employee participation on employee performance	0.00	1	1	0.00	0.50	4.19	0.00

Table (14) SDE coefficient and the value of the statistical coefficient (t) for the impact of employees' participation on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia

It is clear that the value of SDE was (0.50), and that its statistical value (t) was (4.19), which is a function at the level of 0.05 or less; This indicates the acceptance of the alternative hypothesis, which indicates the existence of a statistically significant effect of the impact of the participation of employees on the performance of workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0.05 > 0$).

5 Results and Recommendations

5.1 Results

The results can be summarized in the following points:

- There is a statistically significant impact of the strategic practices of human resources on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0.05 > 0$).
- There is a statistically significant effect of the process of polarization and appointment on the performance of workers within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0.05 > 0$). This result is consistent with the study (Khera, 2010), which discussed the impact of the Recruitment and Selection process on the performance of employees.
- There is no statistically significant effect of compensation systems on the performance of employees within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia at the level of significance ($0.05 > 0$), and this result does not agree at all with what was stated in the study of (Shahzad, 2008), (Khera, 2010), and both studies showed that the compensation system has a positive impact on the performance of employees.

5.2 Recommendations

The study recommended the following:

- Reviewing the compensation plan in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia based on the appropriate environment to reflect the positivity of employees.
- Working on linking the performance of organizations and small and medium-sized companies in the Kingdom of Saudi Arabia with the participation of their employees.
- The necessity for the performance of organizations and small and medium-sized companies in the Kingdom of Saudi Arabia to contribute to their compensation systems through the performance of employees. To take compensation systems adequately as a tool to improve the performance of employees and thus the performance of organizations

- Working on amending compensation systems in line with the expectations of workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.
- The need to involve administrators in the practice of recruitment and appointment with the Director of Human Resources.
- The necessity of increasing the opportunity for workers in organizations and small and medium-sized companies in the Kingdom of Saudi Arabia to participate in the decision-making process.
- Those organizations and small and medium-sized companies in the Kingdom of Saudi Arabia set specific, measurable goals that can be realistically achieved through employees.
- Highlighting and making awareness leaflets about the need to enhance the interest of organizations and small and medium-sized companies in the Kingdom of Saudi Arabia on the importance of applying international quality standards during the training and development process.
- Working on developing a performance measurement system to help the company identify its level of performance.
- More activation of human resource management practices within organizations and small and medium-sized companies in the Kingdom of Saudi Arabia.
- Paying attention to the business environment to obtain outstanding results.
- The need for organizations and small and medium-sized companies in the Kingdom of Saudi Arabia to provide equal and fair opportunities for all workers in promotion and training.

5.3 Suggestions

Due to the limited time and the large number of small and medium organizations and companies in the Kingdom of Saudi Arabia, especially in the eastern region, and also due to the different activities of the researcher, it was difficult for the researcher to cover all these companies in the time period granted to him, so the researcher recommends conducting more studies on organizations and small and medium companies in The Kingdom of Saudi Arabia and to address

the impact of quality, institutional excellence, organizational culture, strengthening and increasing competitiveness, sustainability ... etc.

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