

HRM Effectiveness and Job Performance: Empirical Evidence from Sudan

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Abstract: *This study examined the predictors of HRM effectiveness, namely, top management support, HR competency, management incentive system and job performance as outcome variable. The data were obtained by using a self-administered survey. Data collected were analyzed using descriptive statistics, Pearson correlations, and hypotheses were tested using hierarchical multiple regression analysis. Data were obtained from individual managers working in large organizations in Sudan. The finding indicated that top management support, HR competency and management incentive system were significant predictors for both technical and strategic effectiveness. Also Results of this study showed that the two dimensions of HRM effectiveness (technical effectiveness and strategic effectiveness) had a positive relationship with task performance and contextual performance. Based on the findings, theoretical and practical implications of the study were discussed.*

Keywords: *Top management support, HR competency, Management incentive system, Job performance, Sudan.*

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I. Introduction

Price (2011) conceptualized HRM to be strategic, integrating people management to business objectives and an attempt to manage people – not necessarily employees – for the long-term interests of the business. Biesalski and Abecker (2005) defined HRM as the strategic and target-oriented composition, regulation and development of all areas that affect human resources in a company. Senyucel (2009) saw HRM as a combination of people-centred management practices that recognize employees as assets and drivers for creating and maintaining skilful and committed workforce for achieving organizational goals. Noe, Hollenbeck, Gerhart, and Wright (2007) defined HRM as a philosophy, policy, system and practices affecting the behavior, attitudes and performance of employees. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals (Sharma & Vyas, 2012).

HRM Effectiveness measures the extent to which an organization's HRM functions deliver high-quality strategic and technical HRM activities (Huselid et al., 1997). Technical HRM effectiveness measures perceptions of how well HRM functions perform traditional personnel management activities such as recruitment and selection, training and development, performance management and compensation administration. Strategic effectiveness refers to the perception of how well the HRM function develops human skills to meet business needs including teamwork, communication, involvement, enhancing quality and developing talents to meet future business needs.

1.2 What is HRM Effectiveness?

HRM effectiveness means the success or performance level of HRM in terms of achieving intended goals of managing HR in that organization. The term effectiveness is defined as the achievement of objectives (Koontz & Weihrich, 2006). When applied to an organization, Moreover, HRM must align with the business strategy of using the maximum potential of people in achieving organizational performance (Bae & Lawler, 2000; Richard & Johnson, 2001; Collins & Clarke, 2003; Bowen & Ostroff, 2004; Chang & Huang, 2005). HRM effectiveness is thus believed to measure the achievements of traditional HR administrative functions as well as strategic HRM goals.

Huselid et al. (1997, p. 172) defined HRM effectiveness as —the delivery of high-quality technical and strategic HRM activities!. Technical HRM effectiveness involves measuring the perception of the performance of traditional HR practices, such as recruiting and selection, training and development, performance management and compensation administration (Huselid et al., 1997). Strategic effectiveness refers to how well the HR function develops a firm's employees to support business needs including facilitating communication,

involvement, teamwork, quality enhancement and developing talent to meet future business demand (Huselid et al., 1997).

1.3 Predictors of HRM Effectiveness

1.3.1 Top Management Support and HRM Effectiveness

Top management support is defined as the supportive attitude, encouragement, involvement in and commitment of top management to organization's specific decision for providing direction, assistance, resources and political support ensuring proper organizational climate for implementation.

Top management support is considered to be the positive attitude of senior management team reflecting that an organization's policies are serious and/or will be enforced diligently (Day & Schoenrade, 2000). Stanton et al. (2010) mentioned that the role of the CEO is crucial in providing HR legitimacy, leadership and resources that create distinctive HRM. Analyzing data from a sample of 549 employees, managers and HRM staff across a wide range of organizations in Australia, New Zealand, the United States, the United Kingdom and Canada, Kane et al. (1999) showed that, when top management has a low priority and short-term view of HRM issues, HRM is ineffective and this ineffectiveness can further act as a barrier to achieving a firm's competitiveness.

Thus, the researcher can hypothesize a link between HR top management support and HRM effectiveness. On the basis of these arguments, the researcher propose the following,

Hypothesis 1a: Top management support is positively related to technical HRM effectiveness.

Hypothesis 1b: Top management support is positively related to strategic HRM effectiveness.

1.3.2 HR Competency and HRM Effectiveness

Competency refers to an individual's demonstrated knowledge, skill and abilities (Ulrich, Brockbank, Yeung, & Lake, 1995). Huselid et al. (1997) identified two broad categories of HR competency, namely, professional HRM capability related with performing traditional HR tasks and business-related capability required to understand business and to implement competitive strategies. Ulrich et al. (1995) identified three categories of HR competency, namely, (1) knowledge of the business, (2) HRM functional expertise, and (3) management of change. They show that greater competencies in each domain are associated with greater perceived HRM effectiveness. Several other researchers also have advocated the importance of HR managers' field expertise, business knowledge and ability to work with line managers (Baill, 1999; Bates, 2002). Wei and Lau (2005) considered HR managers' professional ability, business ability and interpersonal ability to use HRM for achieving the firm's strategic goals. HR must possess the ability to get everyone affected by the HR system to become involved and to ensure their ongoing support and commitment Therefore, the researcher proposes the following:

Hypothesis 2a: HR competency is positively related to technical HRM effectiveness.

Hypothesis 2b: HR competency is positively related to strategic HRM effectiveness.

1.3.3 Management Incentive System and HRM Effectiveness

Kahn (1990) reported that people engage in work differently according to the benefits they received. Further, a sense of return on investment can be created through meaningful work and proper incentive system. Generally speaking, incentive are formulated to support the achievements supporting the values of the organization whether those are reaching sales goals, coming up with innovative ideas or providing the best customer service (Brown, 2011). Martins (2007) recommended developing proper job descriptions, performance criterion and reward system so that employees felt motivated and were encouraged to perform HR tasks. A manager's intelligence lies in rewarding employees by knowing their personal interests, lifestyles and what motivates each of them (Gostick & Elton, 2007). In addition, rewards that are provided to increase performance and engagement should be different, unique and flexible (Brown, 2014; Brown & Reilly, 2013). Moreover Catteeuw, Flynn, and Vonderhorst (2007) stated that honest feedback from managers will encourage employees and also will help them to develop their abilities in the weaker areas and become more involved in work. Gilbert et al. (2011a) gave evidence that providing institutional incentives can be beneficial in reducing managers' perceptions of experiencing overload for performing HR tasks. From the above discussions, it can be hypothesized that:

Hypothesis 3a: A management incentive system is positively related to technical HRM effectiveness.

Hypothesis 3b: A management incentive system is positively related to strategic HRM effectiveness.

Job Performance as Outcome of HRM Effectiveness

Early researchers stated that job performance is a multidimensional concept (Borman & Motowidlo, 1993; Dunnette & Hough, 1991). Numerous studies have concentrated on two main areas, which are task and contextual performance (e.g., Borman & Motowidlo, 1993; Bott, Svyantek, Goodman, & Bernal, 2003; Carmeli & Josman, 2006; Conway, 1999; Ferris, Witt, & Hochwarter, 2001; Guidice & Mero, 2012). Considering how

employee engagement influences different aspects of job performance is important (Rich et al., 2010). Taking that into consideration, the present study follows Borman and Motowidlo (1993) and categorizes job performance into task and contextual performance.

Task performance examines an individual’s performance on the task given (Borman & Motowidlo, 1997). Task performance is divided into two classes of behaviour: 1) performing the task directly by utilizing the raw materials and converting them into goods, and 2) servicing and maintaining the technical aspects by updating the raw materials, distributing output products, planning, importing, coordinating and supervising staff so that is functions efficiently (Motowidlo et al., 1997). Job performance includes task performance, and also contains less formal “emergent” behaviours that add to companies less directly “contextual performance” (Motowidlo et al., 1997). These behaviours do not support the technical aspects but rather support the organizational, social and psychological environment in which the technical aspect lies. More and more social and organizational functions are activated to enhance the psychological climate with in which the technical core is embedded (Motowidlo et al., 1997). According to Borman and Motowidlo (1997) contextual performance comprises five categories. These include:

1. Continuous effort of the employees to complete self-tasks with more enthusiasm and completing it successfully;
2. Taking charge of extra work activities related to the work. Suggesting new innovative ideas, taking initial steps in improving the organization, taking extra responsibility, making suggestions and developing them in their work;
3. Behaving with sportsmanship towards team members and assisting them in their work to help them finish their work;
4. Following the organization’s rules and regulations correctly by respecting authority, meeting the deadlines, and being conscious of the policies of the organization; and
5. Being clear about the objectives of the organization, supporting organizational objectives, being loyal to the company, and staying during the organisation’s hard times.

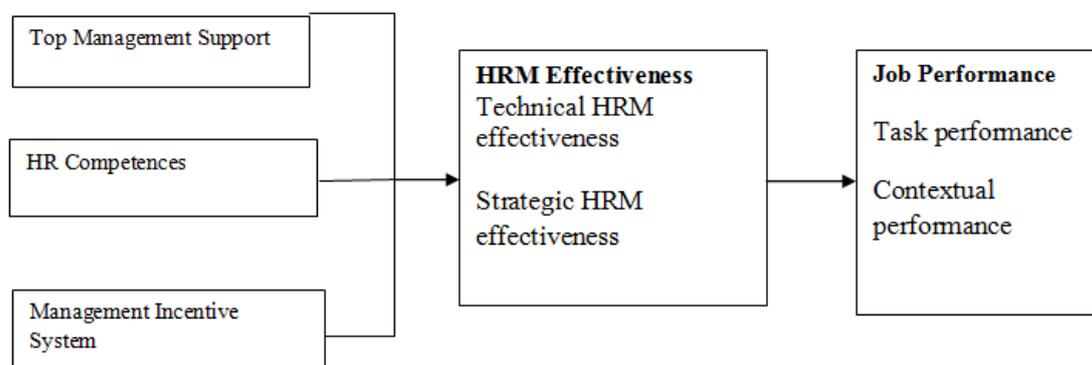
The organization relies on HR as its employees. Effective HRM strategy systematically organizes all individual HRM measures to directly influence employee attitude and behavior in a way that leads business to achieve its competitive strategy (Huang, 2002). Firm can use technical HRM activities to select high ability employees who is ability is rare by definition (Wright & McMahn, 1992) and to train employees so they have the unique skills needed. Strategic HRM activities, on other hand, help firm to ensure that its human resources are not easily imitated. From paper

Hypothesis 4.1a: A technical HRM effectiveness is positively related to task performance.

Hypothesis 4.1b: A technical HRM effectiveness is positively related to contextual performance.

Hypothesis 4.2a: A strategic HRM effectiveness is positively related to task performance.

Hypothesis 4.2b: A strategic HRM effectiveness is positively related to contextual performance.



II. Method

Participants included 103 managers working in a variety of large organizations in Sudan. The average age was 35 and 40 percent were females. Participants had been in their current job for average of three years and in their organization an average of five years. This study’s variables were measured at the individual level. Individual level refers to the fact that every participant will be considered as a single source of data (Sekaran & Bougie, 2010). Self- administered questionnaires were used for data collection. The study used quantitative methods and the data analysis includes means, standard deviations, and frequencies (Sekaran & Bougie, 2010).

2.1. Measures

This part outlines on research instruments; mainly the measures are adopted from past studies. The summary of the measures are as below:

variable	Construct	No. of Items	Source	Cronbach's Alpha
Top management support		6	Kane et al. (1999)	0.87
HR competency		5 3	Wei and Lau (2005); Han et al. (2006)	0.95 0.89
Management Incentive System		5	Gilbert et al. (2011a)	0.71.
HRM Effectiveness	Technical Effectiveness	12	Huselid et al. (1997)	0.66
	Strategic Effectiveness	7	Huselid et al. (1997)	0.75
Job Performance	Task Performance	7	Williams and Anderson (1991)	0.83
	Contextual Performance	8	Hochwarter, Kiewitz, Gundlach, and Stoner (2004)	0.82

Results

Table 1 present the mean and the standard deviation for the study variables

Constructs	Mean	Std. Deviation
Top Management Support	3.50	0.691
HR Competency	3.63	0.655
Management Incentive System	3.70	0.611
Strategic HRM Effectiveness	4.72	0.932
Technical HRM Effectiveness	4.50	0.889
Task performance	4.55	0.877
Contextual performance	4.33	0.856

Table 2 present the intercorrelations of the study variables. First technical effectiveness and strategic effectiveness were significantly related to task and contextual performance. To test the study hypotheses, multiple regression analyses were conducted.

	TE	SE	TM	HC	MS	TP	CP
1. Technical Effectiveness	1						
2. Strategic Effectiveness	.556**	1					
3. Top Management Support	.629**	.608**	1				
4. HR competence	.610**	.630**	.558**	1			
5. Management Incentive System	.560**	.548**	.496**	.501**	1		
6. Task Performance	.663**	.661**	.486**	.511**	.489**	1	
7. Contextual performance	.662**	.669**	.549**	.56	.53**	.521**	1

As predicted, top management support was positively correlated to Technical effectiveness (r=0.629, n=103, p< 0.01), and strategic effectiveness (r=0.608, n=103, p< 0.01). Furthermore competency is positively correlated to technical effectiveness (r=0.610, n=103, p< 0.01), and strategic effectiveness (r=0.630, n=103, p< 0.01), alike, management incentive system was positively correlated to technical effectiveness (r=0.560, n=103, p< 0.01), strategic effectiveness (r=0.548, n=103, p< 0.01).

With respect to technical effectiveness, strategic effectiveness and task performance, contextual performance, all intercorrelation were positive and statistically significant. As predicted technical effectiveness was positively related to task performance (r=0.663, n=103, p< 0.01) and contextual performance (r=0.662, n=103, p< 0.01). strategic effectiveness was similarly positively related to task performance (r=0.661, n=103, p< 0.01) and contextual performance (r=0.669, n=103, p< 0.01). All correlations were at moderate level and none of them is considered high (0.90 or above) (Hair et al., 2010). Hence, multicollinearity was not an issue in this research.

2.2. Predictors of HRM Effectiveness

In order to test the hypotheses for the predictors of HRM effectiveness, multiple regression analyses were conducted in which each measure of HRM effectiveness regressed simultaneously on all three predictors.

As shown in table 3 the results indicate that the predictors variables explained significant amount of the variance in technical effectiveness ($R^2 = 0.40$ $p < 0.001$) and strategic effectiveness ($R^2 = 0.38$ $p < 0.001$). With respect to study hypotheses, top management support (0.20, $p < 0.001$), HR competency (0.171, $p < 0.001$) and management incentive system (0.158, $p < 0.01$) were significant predictors of technical effectiveness. Top management support was also significant predictor of strategic management (0.168, $p < 0.001$) and HR competency (0.101, $p < 0.01$) and management incentive system approached significance (0.117, $p < 0.001$). These results provide support for H1a, H1b, H2a, H2b, H3a and H3b.

Table 3

Variables	Technical Effectiveness	Strategic Effectiveness
Top management support	0.20***	0.168***
HR Competency	0.171***	0.101**
Management incentive system	0.158**	0.117***
R2	0.40	0.38
F	9.84***	9.55***

1.8 Job Performance as Outcome of HRM Effectiveness

To test the hypotheses for the outcome of HRM effectiveness, multiple regression analyses were conducted in which each of the outcomes was regressed on technical effectiveness and strategic effectiveness. As shown in table 4 the HRM effectiveness measures explained a significant amount of variance in task performance ($R^2 = 0.37$, $p < 0.001$), contextual performance ($R^2 = 0.20$, $p < 0.010$). These results provide support for H4.1a, H4.1b, H4.2a and H4.2b.

	Task performance	Contextual Performance
Technical Effectiveness	0.26***	0.20*
Strategic Effectiveness	0.41*	0.30***
R2	0.37	0.20
F	29.18	12.64

III. Discussion

Given the importance of HRM performance of the banking sector for the economic wellbeing of a nation, this study contributes to HRM theory by examining and analyzing the HRM effectiveness in large organizations in Sudan resulting from top management support, HR competency management incentive system. As assumed in the beginning, this study added value to the theory by understanding managers' views on the relationship among top management support, HR competency management incentive system and HRM effectiveness. Apart from the theoretical contribution, several other implications can be drawn for practitioners and policy makers. The present study finds the support of HR competency, top management support and management incentive system in both technical and strategic aspects. Management should place emphasis on HR managers' competency development to assist managers in performing their HR tasks and aligning HRM strategy with business strategy to match employees with business needs. The management of the organization should focus on those practices that are more supportive of HRM effectiveness to enhance task and contextual performance.

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