THE IMPACT OF HUMAN RESOURCE MANAGEMENT ON THE PERFORMANCE OF GOVERNMENT INSTITUTIONS IN THE SULTANATE OF OMAN

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The Impact of Human Resource Management on the Performance of Government Institutions in the Sultanate of Oman

Saud AL MARHOobi1, Tarik ATAN2

Abstract

Increasing water demand, acute water shortage, and climate change have led to significant water insecurity in the Sultanate of Oman suggesting the need for government policies, through the Ministry of Regional Municipalities and Water Resources, to ensure efficient water supply and consumption. Such policies can be implemented by developing government institutions’ human resources. Therefore, this study aims to (1) examine human resource management (HRM) theories, such as training, knowledge management, and employee motivation and (2) determine whether these theories are employed in Oman’s public institutions and assess their impact on such institutions’ performance. This study utilised secondary data from existing sources of information and primary data collected through questionnaires. The findings show that the relationship between HRM practices and organisational performance is partially mediated by HRM outcomes, and that employee incentives, training, and job security are positively associated with the performance of the government institutions, while selective hiring and decentralisation are not.

Keywords: training, incentive, selective hiring, job security, decentralisation, organisational performance.

Introduction

Human resource is a very critical component of organizational performance that cannot be overlooked. Many studies aver that the foundation of any organizational success is based on how productive the human resource aspect of the organization

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1 Cyprus International University, Institute of Graduate Studies & Research, Lefkosa, NORTHERN CYPRUS. E-mail: saudmarhoobi@gmail.com
2 Cyprus International University, Institute of Graduate Studies & Research, Lefkosa, NORTHERN CYPRUS. E-mail: tatan@ciu.edu.tr
is. Thus, many organizations that seek to anchor their performance on a pedestal of successful performance must focus on improving the general performance of its human resource portfolio.

Based on the significance of human resources in the general performance of an organization, many scholars such as Reiche (2007) have postulated several theoretical precincts that can be used to improve the general performance of organization through improved productivity of the human resource. The significance of the human resource in the performance of organizations can as well be viewed through the immense investments that have been committed to the improvement of human resource in various organizations.

This study furthers the idea of the significance of human resource in the pursuance of organizational goals. The focus of the study will be confined to the operations of government institutions.

Ministry of Regional Municipalities and Water Resources employs skilled and semi-skilled individuals in field and administrative posts. The ministry’s purpose is to constantly manage and improve municipal and water services, and ensure a sound environment, and its objectives are to develop efficient and sustainable mechanisms and tools for municipal and water services, to preserve the environment and public health, to invest in modern technologies, and to enhance private sector investment in municipal and water facilities and services.

Mangi, Shah, and Ghumro (2012) suggest that, to ensure effective institutional management, employees should be matched to their respective positions based on their level of expertise. HRM practices can help ensure the implementation of better management strategies for water production and supply in Oman, an arid nation. The ministry needs water experts to ensure that adequate water has been desalinised and sufficient ground water tapped from aquifers, but it has not been successful in optimising water provision to the public. Laxity among civil servants is often tolerated within government institutions, and thus, negative reinforcement HRM measures should be utilised when employees do not perform their duties satisfactorily.

The spread of globalisation in recent years has interlinked various economies to facilitate international trade through technological developments and communication, and has intensified competition in national and international markets, which has further motivated organisations to recruit and retain a highly-skilled and diverse workforce, on which they depend for their competitive advantage. In other words, they rely heavily on the quality of their HR and HRM (Reiche, 2007). HRM includes concepts such as HR planning, human capital management, selective hiring, employee training, development compensation management, employee performance, worker relations, healthcare, employee satisfaction, and providing employee services. It also includes policies and practices to increase organisational performance, employee commitment, and work quality (Gbolahan, 2012).
Omani organisations can implement various HRM practices to achieve their goals (Sami, 2010), but only a few government institutions have shown interest. National institutions, such as domestic labour laws, policymaking, learning and professional institutions, trade unions, government organisations and institutions, skilled organisations, and employment markets, affect or motivate the development of HRM practices (Barbara, 2015). HRM practices have been a key factor in Oman’s economic growth for over a decade, but the Omani government bureaucracy has tended to recognise only the elite as capable of leadership positions, although rational external selection processes are present (Richard, 2011). HRM practices involve employing people, developing their skills, managing, sustaining, and recompensing them in line with their work, and providing logistic necessities to promote the goals of the business, management, and society. These aspects are the key variances in the areas of employment and staffing, training and development, employee performance, career development, and employee involvement (Pandey & Priya, 2014). In addition, standardising HRM systems across countries may not be possible due to variations in strategies, rules, regulations, and principles. HRM practices are typically embedded in social values, which govern general conventions and views, upon which governments are dependent (Sahar, 2012).

Research Rationale

While several studies have recognised the role of HRM in organisational productivity, there is limited understanding of the different HRM dimensions and variables that significantly impact organisational performance (Wright et al., 2005). To assess the effect of HRM on organisational performance, it is important to evaluate the variables and relationships that affect the performance of HRM practices (Alcazar, Fernandez, & Gardey, 2005). Existing literature on the linkage between HRM and organisational performance through intermediate factors is limited (Gerhart, 2005). Thus, studying the impact of HRM practices on organisational performance in the developing countries is important, since the variables can differ (Mohamad, Lo, & La, 2009). Moreover, while related studies have been conducted in the United States and the United Kingdom, few have focused on Oman (Guest, Michie, Conway, & Sheehan, 2003). Therefore, this study aims to fill this gap in the literature by investigating the factors that affect HRM and its relationship with organisational performance in Oman.

Objectives

- This study aims to examine the impact of HRM practices on government institutions’ performance. Specifically, it aims to assess the impact of HRM practices on the performance of public institutions in Oman’
- Identify the HRM variables that influence the performance of public institutions in Oman, and
- Recommend HRM strategies that enhance the performance of public institutions in Oman.

**Literature review**

**HRM and organizational performance**

The resource-based view of organisations claims that, to sustain competitive advantage, organisations must generate resources in a way that is inimitable, unique, valuable, and non-substitutable (Gbolahan, 2012). According to Barney (1991), HR can help sustain a competitive advantage over time. The RBV of organisations, a theoretical paradigm in strategic management that comprises human, organisational, financial, and material aspects, presumes a firm’s resources and characteristics are more critical to sustained competitive advantage than market structure and competitors’ behaviour. Barney (1991) argues that failure to develop employees’ potential prevents organisations from achieving maximum utility, as HRM practices can maximise workers’ skills, knowledge, and capabilities (Gbolahan, 2012).

Vlachos (2009) observed that HRM practices have a positive impact on overall organisational performance, sales, and growth. Employee training, compensation, and selective hiring are predictors of perceived market share growth, and incentives, which are linked to all measures of firm growth, are the strongest predictors of sales growth. Meanwhile, employee training was positively associated with all measures of firm growth but is more greatly correlated with overall organisational performance. In contrast, decentralisation does not significantly contribute to market share but is an important predictor of firm growth, while job security is not a critical predictor of organisational performance.

Abu-Jarad, Yusof, and Nikbin (2010) detected a positive relationship between a cohesive organisational culture and organisational performance, that is, widely shared values enhance organisational performance across the three Es: economy, efficiency, and effectiveness. Finally, Trivedi and Raval (2015) find that resource utilisation efficiency, employee satisfaction, innovation, and product and service quality, among other factors, are positively related to organisational performance, and that organisational citizenship behaviours not only mediate the effects of rewards and performance appraisal but also impact organisational performance.
HRM as a Unique Source of Sustained Competitive Advantage

The causal link between HRM systems and organisation provides sustained strategic competitive advantage by facilitating the development of firm-specific competencies (Caliskan, 2010; Saha and Gregar 2012). Tacit knowledge, strategic HR practices, explicit knowledge combination, and human resource behaviour are closely linked with sustained competitive advantage.

Velmurugan and Akhilesh (2013) define strategic HRM as the process of linking human resources to clearly defined strategic goals for the organisation’s future-oriented competitiveness. They identify shared vision, flexible work environment, and positive reinforcement as three elements of HR initiatives that significantly influence organisational performance. HRM derives its theoretical significance from the RBV, which treats human capital as an asset for strategic and competitive advantage.

HRM Practices

Incentives. Prasnikar, Ferligoj A, Cirman A, and Valentincic (1999) and Abdullah, Ahsan, and Alam (2014), among other researchers, found a strong significant association between management incentives and risk-taking, that is, incentives positively impact organisational performance.

Employee Training. According to Lamba and Choudhary (2013), employee training should be consistent and strategically focused. Many firms concentrate on building a long-term commitment to retaining their workforce, which increases employee knowledge and skills. Orientation, job, safety, promotional, refresher and remedial training are some of the training types associated with improved organisational performance.

Selective Hiring. Vlachos (2009) stated that selective hiring can ensure that the right person with the required abilities, knowledge, qualifying characteristics, and skills is placed in the right position and can adapt to the organisation’s culture and environment. Arachchige and Robertson (2015) consider selective hiring as one of the best HRM practices because such practices, in combination with compensation, have the largest impact on performance. Selective hiring is important since it improves an organisation’s financial strength, productivity, managerial support, and competitive advantage.

Decentralisation and Self-managed Teams. To achieve organisational goals, employees need to work as a coherent team and engage in shared decision making and several joint initiatives. Mutembei and Tirimba (2014) find that self-managed teams and decentralised decision making are the basic principles of designing an organisation effectively and this finding has helped public organisations enhance their performance by implementing better HRM policies.
Methodology

The study employed interpretive paradigm. Quantitative data was obtained from the staff members of the Ministry of Regional Municipalities and Water Resources. 240 staff members, sampled randomly from the targeted population were selected for a survey using structured questionnaires. The inclusion criteria for the selected respondents were the staff members who have been in the ministry for more than five years as permanent employees. The selected staff members were permanent and pensionable. However, the study excluded staff members who had stayed for less than five years in the ministry. Moreover, the temporary employees were excluded from the study. The responses in from the questionnaires were collated and analysed through the SPSS statistical software.

Research Hypotheses

Based on the literature review, employee incentives, employee training, selective hiring, job security, and decentralisation, were identified as independent variables from among the various HRM practices and are hypothesised to affect organisational performance, as follows.

H1: Employee incentives are positively associated with organisational performance.
H2: Employee training is positively associated with organisational performance.
H3: Selective hiring is positively associated with organisational performance.
H4: Job security is positively associated with organisational performance.
H5: Decentralisation is positively associated with organisational performance.

Research Mode

![Theoretical research model](image)

*Figure 1: Theoretical research model*
Reliability and Validity

A pilot test was undertaken a week before the planned date of the study to evaluate the validity and reliability of the data collection tool. 24 questionnaires were submitted to certain respondents randomly picked from the population target. The outcome was evaluated through the Cronbach’s alpha test for reliability. The Cronbach’s alpha value for the scale is .875 and indicates good internal consistency of the scale items, while the significant value obtained by the sigma (two-tailed; 0.000 < 0.05) indicates that the items are valid. The results show that the Cronbach’s alpha of employee incentives, employee training, decentralisation and self-managed teams, and organisational performance was more than 0.6, while that of selective hiring and job security was less than 0.6, indicating poor reliability. The overall Cronbach’s alpha of 0.909 indicates good reliability of the items.

Findings

Table 1: Reliability and validation of the study domains

<table>
<thead>
<tr>
<th>Item</th>
<th>Cronbach’s alpha (Pilot study N = 30)</th>
<th>Cronbach’s alpha (study N = 240)</th>
<th>Correlation coefficient for validation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee incentives</td>
<td>0.6</td>
<td>0.68</td>
<td></td>
</tr>
<tr>
<td>Employee training</td>
<td>0.858</td>
<td>0.803</td>
<td></td>
</tr>
<tr>
<td>Selective hiring</td>
<td>0.546</td>
<td>0.53</td>
<td></td>
</tr>
<tr>
<td>Job security</td>
<td>0.305</td>
<td>0.477</td>
<td></td>
</tr>
<tr>
<td>Decentralisation and self-managed teams</td>
<td>0.895</td>
<td>0.812</td>
<td></td>
</tr>
<tr>
<td>Organisational performance</td>
<td>0.787</td>
<td>0.764</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>0.909</td>
<td>0.875</td>
<td></td>
</tr>
</tbody>
</table>

Demographic Characteristics

Majority of the respondents were males (73%). Moreover, (55%) were males aged 26–35 years while (37%) were above 36 years. (79.7%) of the female respondents were aged between 26–35 years. The male respondents who were aged 26–35 accounted for (45.5%). Furthermore, (52%) of the respondents had a B.Sc. degree, (21%) had a B.A. degree, (13%) had a Ph.D. (61%) of the respondents had over 6 years of experience, (38.8%), had over 10 years of experience while (29.7%) of the female respondents had worked for 3 to 5 years. (47.2%) of the male respondents had worked for over 10 years. Further, about 32.8% of the female
respondents had worked for 1 to 2 years, while 37.5% of the male respondents had worked for over 10 years. In summary, a majority of the ministry employees had over 10 years of experience.

**Employee Incentives**

All employee incentive items have a positive statistical significance. The statement ‘Incentives boost your performance’ has the highest mean value at (3.4), with a standard deviation of (1.3), while ‘Rewarding employees reduces turnover’ has the lowest mean value at (2.85), with a standard deviation of (1.45).

![Employee incentives](image)

*Figure 2: Employee incentives*

**Employee Training**

All employee training items are moderately statistically significant. The statement ‘Training is a motivation for you to achieve more’ has the highest mean value at (4.08), with a standard deviation of (1.052), and ‘You are offered opportunities for professional growth in your organisation’ had the lowest mean value at (3.14), with a standard deviation of (1.18).
Selective Hiring

All selective hiring items are moderately statistically significant. The statement ‘Hiring employees with specialised skills is important’ had the highest mean value at 3.96, with a standard deviation of 1.05, while ‘The organisation selects personnel that fit its culture’ had the lowest mean value at 3.18, with a standard deviation of 1.077.
Job Security

Most job security items are positively statistically significant. The statement ‘Focusing on job security in the organisation is important’ had the highest mean value at (3.87), with a standard deviation of (1.107), while ‘Employees who perform modestly do not get fired’ had the lowest mean value at (3.49), with a standard deviation of (1.146).

![Figure 5: Importance of job security](image)

Decentralisation and Self-Managed Teams

The decentralisation items are moderately statistically significant. The statement ‘Teams perform various tasks’ has the highest mean value at (3.69), with a standard deviation of (1.013), while ‘Personnel are encouraged and rewarded for being team players’ has the lowest mean value at (2.96), with a standard deviation of (1.327).

![Figure 6: Decentralisation](image)
Organisational Performance

Among the organisational performance items, the statement ‘In the organisation, I perceive that company performance is associated with achieving a higher sales revenue than the competitors’ has the highest mean value at (3.42), with a standard deviation of (0.991), while ‘In the organisation, I perceive organisational performance according to the increasing rate of market share compared to its competitors’ as the lowest mean value at (3.0), with a standard deviation of (1.041).

![Organisational Performance](image)

\textit{Figure 7: Organisational Performance}

HM practices and organizational operational performance

To test the association between HRM practices and government institutions’ performance in Oman, the Pearson correlation-coefficients test was applied to the data. The correlation is an indicator of the relationship between two quantitative continuous variables, and the Pearson’s correlation coefficient (r) is a measure of the strength of the association between the two variables. Table (2) presents the results of the Pearson’s correlation coefficient test. It shows that employee incentives (H1; r = 0.363**, p < .01), employee training (H2; r = 0.406**, p < .01), selective hiring (H3; r = 0.462**, p < .01), job security (H4; r = 0.381 **, p < .01), and decentralisation and self-managed teams (H5; r = 0.573**, p < .01) have a significant relationship with organisational performance.
Table 2: Correlation coefficients of the HRM domains

<table>
<thead>
<tr>
<th>HRM practice</th>
<th>Organisational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee incentives</td>
<td>Pearson correlation .363**</td>
</tr>
<tr>
<td></td>
<td>Sigma (2-tailed) .000</td>
</tr>
<tr>
<td>Employee training</td>
<td>Pearson correlation .406**</td>
</tr>
<tr>
<td></td>
<td>Sigma (2-tailed) .000</td>
</tr>
<tr>
<td>Selective hiring</td>
<td>Pearson correlation .462**</td>
</tr>
<tr>
<td></td>
<td>Sigma (2-tailed) .000</td>
</tr>
<tr>
<td>Job security</td>
<td>Pearson correlation .381**</td>
</tr>
<tr>
<td></td>
<td>Sigma (2-tailed) .000</td>
</tr>
<tr>
<td>Decentralisation and self-managed</td>
<td>Pearson correlation .573**</td>
</tr>
<tr>
<td>teams</td>
<td>Sigma (2-tailed) .000</td>
</tr>
</tbody>
</table>

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

HRM dimensions and influence on performance of government institutions

To identify HRM variables or dimensions impacting government institutions’ performance in Oman, regression analysis was performed using the data. The five HRM practices were introduced separately into the regression equations as independent variables, with organisational performance as the dependent variable as follow:

Employee incentives, employee training, selective hiring, job security, and decentralisation and self-managed teams have significant relationships with organisational performance, with p (0.000 < 0.05) as shown on tables 3, 4, 5, 6 and 7:

Table 3: Results of regressing employee incentives on organisational performance

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardised coefficient</th>
<th>Standardised coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>B</td>
<td>Std. error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.327</td>
<td>.162</td>
<td>14.366</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Employee incentives</td>
<td>.310</td>
<td>.052</td>
<td>.363</td>
<td>6.001</td>
</tr>
</tbody>
</table>
Table 4: Results of regressing employee training on organisational performance

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardised coefficients</th>
<th>Standardised coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>1.955</td>
<td>.196</td>
<td>9.984</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Employee training</td>
<td>.363</td>
<td>.053</td>
<td>.406</td>
<td>6.844</td>
</tr>
</tbody>
</table>

Table 5: Regressing selective hiring on organisational performance

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>1.418</td>
<td>.234</td>
<td>6.073</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Selective hiring</td>
<td>.509</td>
<td>.063</td>
<td>.462</td>
<td>8.027</td>
</tr>
</tbody>
</table>

Table 6: Results of regressing job security on organisational performance

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardised coefficient</th>
<th>Standardised coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>2.074</td>
<td>.192</td>
<td>10.811</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Job security</td>
<td>.322</td>
<td>.051</td>
<td>.381</td>
<td>6.357</td>
</tr>
</tbody>
</table>

Table 7: Results of regressing decentralisation and self-managed teams on organisational performance

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardised coefficient</th>
<th>Standardised coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>1.755</td>
<td>.145</td>
<td>12.082</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Decentralisation and self-managed teams</td>
<td>.462</td>
<td>.043</td>
<td>.573</td>
<td>10.786</td>
</tr>
</tbody>
</table>
Multiple Regression

The five HRM practices were included in the regression equations as independent variables, with organisational performance as the dependent variable. Tables 8 presents the results of the multiple regressions, which show that incentives (H1), training (H2), and job security (H4) do not significantly predict organisational performance, while selective hiring (H3) and decentralisation (H5) significantly predict and are directly and positively associate with organisational performance.

Table 8: Results of regressing employee incentives, employee training, selective hiring, and decentralisation and self-managed teams on organisational performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Standardised coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>B</td>
<td>Std. error</td>
<td>Beta</td>
</tr>
<tr>
<td></td>
<td>0.587</td>
<td>0.231</td>
<td>2.544</td>
<td>0.012</td>
</tr>
<tr>
<td>Employee incentives</td>
<td>0.085</td>
<td>0.056</td>
<td>0.099</td>
<td>1.516</td>
</tr>
<tr>
<td>Employee training</td>
<td>0.025</td>
<td>0.062</td>
<td>0.028</td>
<td>0.403</td>
</tr>
<tr>
<td>Selective hiring</td>
<td>0.29</td>
<td>0.064</td>
<td>0.264</td>
<td>4.564</td>
</tr>
<tr>
<td>Job security</td>
<td>0.061</td>
<td>0.049</td>
<td>0.073</td>
<td>1.251</td>
</tr>
<tr>
<td>Decentralisation and self-managed teams</td>
<td>0.324</td>
<td>0.048</td>
<td>0.401</td>
<td>6.781</td>
</tr>
</tbody>
</table>

Dependent variable: Organisational performance

Discussion

One of the critical aspects of organizational improvement is the motivation factor. Employees within an organization ought to be sufficiently motivated to improve their commitment and productivity at the workplace. This is in resonance with the assertions of Vlachos (2009) who revealed that organizations that seek to improve their performance in terms of their mandate must heavily invest in their employees. It is critical that these employees are given sufficient motivation to enable them to execute the mandate of the organization. The finding of this study gives credence to the dispositions of Abu-Jarad, Yusof, & Nikbin (2010) who indicated that the human resource rubric of an organization must be focused on the human resource first. This is to say that any operational methodology of an
organization that seeks to optimize the operations of an entity such as the water Ministry discussed herein must first focus on improving the human resource status in the organization (Gbolahan, 2012). The improvement of the human resource operations could be in form of remuneration, improved conditions of working and the general development of an operational rubric that focuses on improving the productivity of the human resource capital in the organization.

In terms of the employee incentives, this study reveals that it is prudent that the employees are awarded several incentives to help in motivating them. This amplifies the revelations by Silva (n.d) that employee incentives directly affect organisational performance. AlQudah, Osman & Safizal (2014) discussed this within the theory of motivation where he evaluates the performance of organization where the employees are given incentives as opposed to organizations with limited incentives. Based on the motivation theory, there is sufficient evidence that employees who are given incentives at the workplace in various forms have a higher work drive thus improving their productivity at the workplace. Gbolahan’s (2012) furthers these findings by noting that findings that incentives are positively related to organisational performance as they improve commitment and employee mobility.

The concept of employee mobility as related to incentives and operational performance is critical in management. Abu-Jarad, Yusof & Nikbin (2010) noted that the employees who are offered incentives at the workplace tend to be very satisfied at the workplace and thus they are retained within the organization thus improving stability. In addition, good incentives tend to attract talented and well skilled employees thus enhancing the chances of the organization to operate successfully in implementing its mandate performance: (1) Training significantly affect organisational performance, consistent with Gbolahan’s (2012) conclusion; (2) Likewise, selective hiring and decentralisation are directly and positively related to organisational performance, are the strongest predictors of organisational performance, consistent with Gbolahan’s (2012) conclusion that selective hiring is positively associated with performance, and Vlachos’ (2009) conclusion that decentralisation is significantly related to organisational growth; (3) Job security also affects organisational performance, which contrasts with Vlachos’ (2009) finding that job security is not an important predictor of organisational performance improvement; (4) The study’s other findings are consistent with Gbolahan’s (2012) and Katou’s (2008) that through HRM practices, organisations can increase employee skills, knowledge, and capabilities, which positively affects organisational performance; (5) Decentralisation, selective hiring, training, and job security, in descending order, are the most important aspects of HRM practices; (6) Human resources are a source of competitive advantage. How an organisation implements its
HRM significantly impacts organisational performance, a finding that coincides with the RBV (Gbolahan, 2012, p. 45) in the aspect of business competitiveness; (7) Finally, by linking HRM with organisational strategy, organisations can obtain better operational results, which leads to better organisational performance.

**Conclusion**

This study aimed to investigate the impact of HRM practices on a government institution in Oman, and further, to identify the major HRM variables that impact organisational performance. The research also sought to determine whether the HRM recommendations or strategies under review improve the performance of the institution. HRM influences employee skills, abilities, attitudes, behaviours, and knowledge, and consequently, organisational performance. When the HRM practices, such as employee training, appraisal, and career opportunities, align with organisational strategy, the employees become aware of the organisation’s expectations for behaviour and work, and may perform according to those expectations.

By collecting primary data from the employees of a government organisation using a Likert scale survey questionnaire, the study provides first-hand employee information and views regarding HRM practices and their impact on organisational performance. In addition, the study’s operational model and findings support the idea that HRM practices directly affect HRM outcomes, and consequently, organisational performance. Further, the findings reveal that employee incentives, employee training, and job security are positively associated with organisational performance, but selective hiring and decentralisation are not.

Some limitations of the study are the small sample of 240 employees from an organisation and the focus on certain HRM practices, namely employee incentives, employee training, selective hiring, job security, and decentralisation and self-managed teams. Therefore, further studies can address these issues and supplement this present study’s results by using a much larger sample obtained from several organisations and sectors and examining a comprehensive list of HRM practices.

Finally, based on the results, the study recommends that Organisations enhance the value of employee incentives for improving performance and establish a new employee rewards system, provide employees opportunities to obtain high-level professional certification, enhance employees’ understanding of cultural dimensions by offering workshops and orientation events, and distribute authority among different organisational branches.
References


