Competency- Based Human Resources Management and Organizational Performance: Riyadh Bank Case Study

إدارة الموارد البشرية المبنية على أساس الجدارة والأداء التنظيمي

دراسة حالة بنك الرياض

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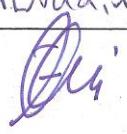
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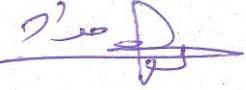
ACKNOWLEDGMENT

First of all, I thank my God, for letting me through all the difficulties during my study. I will keep on trusting you for my future. Thank you!

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DEDICATION

To all those who provided me with love, hope and help…

To all those who support my way to knowledge…

To My great husband and sweet children.

To my beautiful family, beloved mother, brothers and sisters.

& To all those who sacrificed their rights to achieve this work…

TABLE OF CONTENT

Subjects   **Page**

LIST OF TABLES

Subjects	**Page**

LIST OF FIGURES

Subjects   **Page**

LIST OF APPENDICES

Subjects **Page**

إدارة الموارد البشرية المبنية على أساس الجدارة والأداء التنظيمي دراسة حالة بنك الرياض

اعداد

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الملخص باللغة العربية

هدفت هذه الدراسة الى تحديد أثر تطبيق ادارة الموارد البشرية المبني على أساس الجدارة والقدرة على الاداء التنظيمي، وذلك من حيث تطبيقه على العملاء والموظفين والعمليات وسير العمل وبناء الميزات التنافسية وأثر تطبيق كل منها على الاداء التنظيمي. ولتحقيق اهداف الدراسة وجمع المعلومات والبيانات اللازمة لصياغة الفرضيات ومناقشة النتائج فقد تم تطوير استبانة، حيث تم توزيع 90 استبانة على عينة الدراسة المكونة من موظفي الإدارة الوسطى لدى الفرع المركزي في بنك الرياض والبالغ عددهم 112 موظف، هذا وقد تم استرجاع 84 استبانةً وتحليلها من خلال نظام التحليل الإحصائي SPSS.

وقد خلصت النتائج إلى أن هنالك أثرٌ إيجابي للإدارة المبنية على أساس الجدارة في إدارة الموارد البشرية على الأداء المؤسسي في بنك الرياض، وقد وجدت الدراسة أيضاً أن الأبعاد الخمسة لجدارات إدارة الموارد البشرية (المعرفة التجارية، وتكنولوجيا المعلومات، وجودة حياة العمل – الأسرة، والإدارة الاستراتيجية وأداء الموظفين) تؤثر على أداء المؤسسة. وأخيراً أوصت الدراسة بتعميق تطبيق مفهوم الإدارة المبنية على أساس الجدارة في إدارة الموارد البشرية وتوظيف مدراء أكفاء ذوي مهارات عالية بهدف زيادة أدائهم وبالتالي زيادة أداء موظفيهم.

الكلمات المفتاحية: ادارة الموارد البشرية، ادارة الموارد البشرية القائمة على أساس الجدارة، الأداء التنظيمي.

Competency- Based Human Resources Management and Organizational Performance: Riyadh Bank case study

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ABSTRACT

this study aim to determine the effect of implementing competency based Human resource management on organizational performance. in more details it aims to determine the effect clients and customer focus on organization's performance, determine the effect of employee's focus on organization's performance, determine the effect of focusing on operations and work flow on organization's performance, and to determine the effect of focusing on building competitive advantage on organization's performance. To achieve such objectives 90 employees from the middle-level management at Riyad Bank - Central Branch was contacted as a sample of the study through questionnaire, 84 questionnaire were returned and valid to be analyzed. SPSS system was used to analyze the collected data.

The results showed a correlation and positive effect of implementing competency-based HRM on organization performance in Riyad Bank. Also, it found that five dimensions of HR competencies (business knowledge, information technology, and quality of working life – family, strategic management and employee performance) have effective impacts on organization's performance. Also, the results recommended to develop the implementation of competency-based HRM, and employ managers with developed competency skills, in order to increase both their own personal performance as well as that of the teams they lead.

Keywords: HRM,   Human   resource   management, Human   resource competency, Organizational performance.

Chapter One: Introduction

1.1 Introduction

According to Herzberg (2005), the issue of retaining highly qualified employees is, from a managerial perspective, more important than ever before. Furthermore, the issue of motivating, keeping, and sustaining employees is considered to be a smart strategy for maintaining organizational performance and carving out a place in the market for the long run, as it invests in the valuable resource of human capital.

Thus, human resource nowadays respected as one of the major important resource for any organization, On the other hand employee performance considered as a measure of this success, that why human resource management is importance to the organizations, as employees importance to an organization has been known for a long time in playing a pivotal role in creating and maintaining a competitive advantage for their organizations if they will selected managed and trained, and that are the functions of human resource management (Armstrong, 2010).

As effective management is very essential key in the success of any organizations, researchers take in account Human Resources Management (HRM) in their studies, and realize its strong relation with organizational performance in general and employee performance in specific. In an aim to accomplish the objectives of organization, organizations need to lead the employees' behavior in positive way through human resource management system which deliberately improved to support this behavior (Eleyan, 2010).

Nowadays, with all technological development and revaluation world witness, a scatter of strategic thinking is appeared and become demand in the market, human resource

management department in organization should reach maturity to fit with this modern thinking, thus a new concept of human resource management emerged which is the competency based HRM.

the lack of researches that measure the effect of HRM competency on the organization's performance in addition to the require of a new researches that aims to cover the banking branch in this area, this study come to measure the effect of implementing competency- based human resources management on organizational performance at Riyad Bank in Saudi Arabia Kingdom.

1.2 Problem Statement

Many researchers as (Setyaningdyah, Kertahadi & Thoyib, 2013; Eleyan, 2010) studied if linkage between HR and organizational performance is occurred, those studies found that there were many factors affect the performance of the organizations, human resource management was one of the most important among those factors.

It's worth to mention that despite the number and extensive of research that investigate in this area but Lately, Human Resource Management get more attention especially from top managers, since employees is constitutes a part of the strategic planning of the organization, where this attention has been shifted and affected by the strategic thought that recently scattered among organizations in the market, and change their view of the human resource management by being careful to link it with organizations strategy to assure more success and survive (Armstrong, 2010).

As soon as, human resource taken from a strategic perspective, the competency-based HRM concept is appear as a developed concept driven from the traditional HRM, the major outcome of moving to the HR competence is that make the managers able to observe the competence's effect on the human perception in individuals way, this can

help the organization in long term, thus this make the HRM competence superior concept, and make it necessary to give more attention to investigate in this area, where it still lake the needed enrichment especially in developing countries and among some sectors (Houtzagers, 1999).

The problem of this study is clear through its trying to investigate on Human resource competency and its relation with organizational performance, especially as most previous researches were concentrating on traditional human resource management and ignored the strategic part of human resource management that become more appropriate to modern organizations, add to that the need of such studies in banking sector and specifically in Saudi Arabia, where banks play a major role in supporting its economy.

Thus, according to what mentioned above the problem of the current study represented in finding answers for the following research questions:

Main question:

Q1: What is the Effect of implementing competency-based HRM on organization's performance?

Sub question:

Q1: What is the Effect of implementing clients focus on organization's performance?

Q2: What is the Effect of implementing employee's focus on organization's performance?

Q3: What is the Effect of focusing on operations and work flow on organization's performance?

Q4: What is the Effect of focusing on building competitive advantage on organization's performance?

1.3 Research Objectives

The main objective for this study represent by determining the effect of implementing competency-based HRM on organizational performance, and from this main objective the following sub objectives are raised.

1- Determine the level of implementing competency based HRM on Riyadh bank.

2- Determine the level of organizational performance on Riyadh bank.

3- Determine the effect of customers focus on organization's performance.

4- Determine the effect of employee's focus on organization's performance.

5- Determine the effect of focusing on operations on organization's performance.

6- Determine the effect of focusing on building competitive advantage) on organization's performance.

1.4 Significant of the Research

As the organization lives in dynamic changes and global competition environment thus, it must urged business to excel their performance by correcting their organizational needs, both internally and externally. One of the challenges faced organizations is its seek to survive for the long run in dynamic environment is its ability to manage human resources efficiently. In general, human resource management (HRM) aims to improve organizational performance through the investment in human resources as they considered the rich capital for any organization (Lippert & Swiercz, 2005).

Recently, management in general and human resource in particular witness a dramatic change, where merger of strategic though appeared in all area of management and become need to survive and compete in the market, competency based HRM is the new vision of human resource management where strategic though is merged with it. Thus, the important of this research stem from the important of this point. Most of the

Moreover, its important stem from the point that most previous studies have concentrated on the strategy of traditional human resource management (HRM) system and its influence on organizational performance, less research pay attention to this new field, especially in Arab countries.

Moreover, banking sector is one of the most pivotal sectors that contribute to Saudi economy, thus its will give good recommendations and statistics to bank decision maker. Add to that the fact that most studies focused on other sectors than bank.

1.5 Research Hypothesis

Main hypothesis:

H_o1: There is no a significant effect of level (0.05 $\geq$a) of implementing competency-based HRM on organizational performance.

Sub hypothesis:

H_o 1: There is no significant effect of the level (0.05 $\geq$a) of focusing on clients and customer on organizational performance.

H_o 2: There is no significant effect of the level (0.05 $\geq$a) of focusing on employees on organizational performance.

H_o 3: There is no statistical effect of the level (0.05 $\geq$a) of implementing operations and work flow on organizational performance.

H_o 4: There is no significant effect of the level (0.05 $\geq$a) of building competitive advantage on organizational performance.

1.6 Scope of the Research

This research study and measure the effect of implementing competency- based human resources management on organizational performance, they estimated the competency based on different factors which effect on the employees' performance. Employees from the middle management level at Riyadh Bank Central Branch in Saudi Arabia Kingdome as comprehensive inventory style used as the subject of the case study, this research will submitted by the end of 2015.

1.7 Limitations

The major limitation that the case study researchers face is inability to generalize the results to the wider population. McLeod (2008) stated that as "a case study deals with only one person/event/group, we can never be sure whether conclusions drawn from this particular case apply elsewhere". The results of the study are not generalizable because there is no evidence as to whether the case that have been investigated is representative of the wider body of "similar" instances". In addition, the amount of time that would be consumed in replicating the study limits its ability to be tested elsewhere. Also, Limitations include the limited sample size which considered no large to the limit that can lead to more generalization.

Moreover, dealing with human being's and their views and emotions and how to manage that in collecting data and avoiding bias, lead the researcher to other limitations while collecting data from mangers at Riyad Bank- Central Branch in Saudi Arabia. Also, the sample consisted of several mangers' types and levels, thus researcher face some difficulties in collecting data and getting the approval from those mangers to give data through questionnaire.

1.8 Operational Definition of the Study Main Concept

Human resource management: the practices needed by managers to effectively use employees in their management job. It includes recruiting, screening, training, rewarding, and appraising.

Human resource competency is a concept driven from human resource, and it represent by human resource management from a strategic perspective, HRM competency involved on set of values to be used for all HR processes which aim to achieve a company's strategic goals.

Organizational performance: each returns, results and outcomes, starting from operations, marketing, human resources, and customer satisfaction.

Client and customer focus: identifying new business opportunities, reduce missed opportunities, reducing customer defection, creating customer loyalty, improve customer service, improve organization appearance, and reduce costs, increase revenue, and decrease rework marketing.

Employee's focus: employee's working performance inside the organizations aiming to accomplish their goals and therefore it shows the importance of accepting their responsibilities of the job description.

Building competitive advantage: is one factor that an organization is able to create a state of defense against competitors and includes a feature that allows an organization to distinguish itself from its competitors.

Focus on operations and work flow: systematic process of matching the internal and external source of individuals with job opening expected in the organization over a

quantified period, In addition, examining and classifying the need for and availability of human resources So that the organization can meet its objectives.

1.9 Study Model

Figure 1.1 below show the study proposed mode, Competency based HRM represent study independent variable with its sub-dimensions and organizational performance represent study dependent variable.

Independent variable (CBHRM)

Client and Customer focus

Employee's focus

Building Competitive advantage

Focus on operations

Dependent variable

Organizational performance
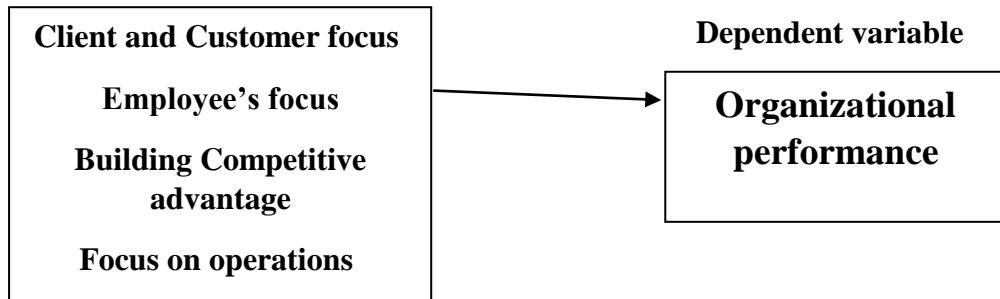
Figure 1. 1: Study proposed model

Chapter Two: Literature Review

2.1 Introduction

It is important to note that human resource can be regarded as one of the vital assets, which has been recognized and contributed to the development and achievement of business organizations. In association with HRM, organizational change in certain environmental conditions can affect changes in the effectiveness of organization. People are element with critical importance to all organizations, as they are the ones who plan, design, implement, and sustain an organization's life. Also, no overestimate if they considered as the most important asset in any organization, as their contributions to the organization as a resource are highly unpredictable, unique, and have potential for further development (Swedan, 2014).

Thus, effective management and utilization of these unique assets becomes critical. It is worth mentioning that Human Resources Management (HRM) has recently occupied a large amount of attention in studies, due to its connection with much organizational performance measurement, such as employee performance, competitive advantages.

Furthermore, the basic evidence of the human resource management (HRM) research is that when a company's human resource (HR) practices are consistent with each other and with the organizational performance and, its competence and performance would be improved (Draganidis & Mentzas, 2006).

Therefore, the organization lives in dynamic changes and global competition so the organization must urged business to excel their performance by correcting their organizational needs, both internally and externally. One of the challenges faced organizations is to survive the dynamic environment is the ability to accomplish human

resources efficiently. In general, human resource management (HRM) aims to improve organizational performance through the establishment of dependable human resources to maximize performance and improve satisfaction among the individuals in the organization. Thus, it is associated to the ability of managers to accomplish and choose the best choice of various activities in the organization. In order to do so, an organization must be able to utilize resources available, counting optimizing human performance. Furthermore, human resource management, of competencies are used in many sides reaching from individual functions such as recruitment and performance management to organizational performance. Human resource competencies are a set of characteristics contributing to the effective human resource performance that allows an organization to carry out its business in a competitive market. Though, many human resource managers are not invited to the strategic planning table because they have failed to exhibition the required competencies (Lippert & Swiercz, 2005).

On other hand, Most of the previous studies have concentrated on the strategy of an operational human resource management (HRM) system and its influence on organizational performance (Way & Johnson, 2005). Less research attention has been paid to the issues that Measure the Effect of Implementing of such a system. Arguably, an organization with high HRM competency would be more efficiency in attracting, retaining, developing, and motivating its employees, which in turn produces an organizational performance (Wei & Lau, 2005).

This literature review started with an expanded explanation of human resource management; including the definition of human resource management, the human resource competency, and the function and components human resource management. This followed by a brief overview of organizational performance, which is then

followed by a discussion of the concepts surrounding the dimension of organizational performance of employees and its dimensions. The relationship between competence human resource management organizational performances throughout the previous studies then explored in detail.

2.2 Human Resource Management Concept

Actually, the importance of individuals in organizations is vast since the people plan, design, implement, support, and may end an organizations life. Human capital often mentions to the characteristics and abilities that individuals carry to an organization such as loyalty, etc. Thus, their contributions to the organization, as a resource is highly unpredictable, unique and has possible for advance growth, despite the fact that human resource management is now mostly synonymous with what was once described as personnel management (which can be considered another name for it), but human resource management is credited with confirming the importance of treating people as a key resource. Management of this resource receives attention from top managers, as people are a part of the strategic planning of the institution, leading to HRM giving the subject more attention in organizations (Armstrong, 2010).

With time passing, HR management (HRM) has shifted its focus from knowledge sharing and strategic workforce analysis, to a more significant contribution to the strategic management of organizations (Lippert & Swiercz, 2005).

HRM can be defined as the practices needed by managers to effectively use employees in their management job. It includes recruiting, screening, and training, rewarding, and appraising (Alzraiee, 2007). Al- Sahryra & Al-Graeb (2010) defined HRM as administration and the development of plans for the future of the organisation through employee selection and appointment within conditions. In addition, it involves training

the employees to develop their skills in the performance of their jobs and evaluate their performance through the achievements they make. HRM must provide moral and material incentives to reward these achievements, in order to motivate employees to work and increase their productivity. HRM can also design policies and programs that help the organisation to achieve its objectives.

Schuller (2000) argued that HRM could be regarded as a group of united strategies with a political and philosophical underpinning. He anticipated four characteristics that are found in a significant version of HRM: a specific group of beliefs and expectations, a strategic thrust informing decisions about people management, the central involvement of line managers, and reliance upon a set of levers to characterize the employee relationship.

Further, Human resources management can be defined as the practices and regulates you need to carry out the individuals or personal characteristics of your management job. This practice includes recruiting, selection, training, rewarding and appraising, these concepts are too significant for managers, and the following are some errors that take place in a company that may not use the human resources management instruments (Dessler, 2008).

Moreover, HRM is known as a strategic, integrated, and coherent recruitment approach and a good development for people who work in organizations. It is the distinctive approach for the management of labor, which seeks to achieve competitive advantage through strategic deployment of a capable and committed workforce. It uses the full range of employee, cultural, and structural techniques, and includes human resource management policies, which are designed to maximize organizational integration, the

commitment of staff, the quality of work, and flexibility (Hsun Chuang, Jer Chen & Wen Chuang, 2013).

Gilley, Eggland & Gilley (2002) define Human resource management (HRM) as an activities and responsibilities useful in maximizing employees' performance in the organization, it is a dynamic and developing practice used by managers through organization to enhance productivity, quality, and effectiveness. In other words, Human resources management is concerned with all characteristics of how individuals are engaged and managing in organization (Armstrong, 2012).

The role of human resources management is to allow the organization to accomplish its purposes by taking creativities and providing and support on all materials linking to its employees. As well as HRM can play a main part in the making an environment that allows people to make the best use of their dimensions and to realize their possible to the benefit of both the organization and themselves (Armstrong, 2006, p.54).

2.2.1 Competency Based Human Resource Management

Boyatzis & Ratti (2009) argued that the concept of competency-based HR has developed from a new method to become a common practice. Thus, Competency-based human resource management developed popular in the 1970s, mainly because it obtainable employers a new way of important and measuring those hard-to-measure characters, or "soft skills", that so frequently create the difference between superior performers and the respite of the crowd for example, creativity, flexibility, drive for accomplishment, etc. Competencies also provides important structure blocks for ensuring that all of the persons procedures in the organization could be fully combined.

Furthermore, competency can be defined as ability or capability, or set of associated but different sets of behavior organized under an underlying concept called "intent"

(Boyatzis & Ratti, 2009). In addition, it can be considered as a combination of tacit and explicit knowledge, behavior and skills that drives an individual for potential effectiveness in task performance (Draganidis & Mentzas, 2006).

According to Wei & Lau (2005), HRM competency refers to the ability of the HR function in developing and implementing an effective HRM that is involved to achieve a company's strategic goals. It generally contains HR professional ability, business-related ability, and interpersonal ability (Wei & Lau, 2005). These abilities allow HR practitioners to achieve their work duties, and to link and coordinate with both top management and other line functions (Long & Ismail, 2011). Not only do they help to develop and implement a value-enhancing HR strategy for companies, they also play an essential role in business strategic making processes (Dutton & Ashford, 1993). For example, with high competency in HRM, the HR practitioners can persuade the top management to pay attention to some critical HR issues, provide appreciated information and visions on HR-related business issues, and work carefully with line managers to resolve workforce problems (Wei & Lau, 2005). They also help in developing explicit human capital and generate tacit organizational knowledge. In brief, HRM competency can improve organizational efficiency (Long & Ismail, 2011).

Competency sometimes thought of as existence show a situation and context in achievement that might be differ in the next time an individual has to act. In difficulties, competent individuals may react to a situation following behaviors they have previously found to succeed. To be competent a person would need to be able to understand the situation in the context and to have a range of possible actions to take and have qualified in the possible actions in the repertoire, if this is relevant. Regardless of training, competency would grow through skill and the degree of an individual to learn

and adapt (Raven & Stephenson, 2001). According to Gangani, McLean & Braden (2006) a competency can be defined in terms of groups; competency and definition; and an established behavior. The concept of competency is also related to a growing range of human resource-related activities - competency-based performance management, competency-based methods to developing people, and competency-based approaches to developing organizations.

Thus, competency management seems to be connected to HRM, and strategic management, on the one hand, and to assessment. While the strategic management discourses the identification of the human resources growth plan to continuously exploit the competitive advantage built on the company's exclusive culture, capabilities and business objectives, HRM is typically related to consistent the company's strategic objectives with the development of the employees. In order to track the human growth, each company needs to define and plan a certain model that imitates the decided HRM program for strategic parts such as recruitment, skill gap analysis, job development plans, training efforts, self-organized learning, and learning management, self-assessment, motivation (Dubois, Rothwell, Stern & Kemp, 2004).

2.2.1.1 Advantages of Competency-Based HR System

Competency-organized human resource system has four advantages (Draganidis & Mentzas, 2006): issam.hinnawi@yahoo.com

- Reduced communication, training, and administration time. Managers must acquire only one set of competencies and definitions for each position. It takes less training time to connect each new subsystem or plan because the competencies understood, and main concepts, such as focusing on performance and organizing performance into competencies.

- Subsystems validate one another. Information from different sources can be associated. Data from one element can be used to authorize the efficiency of the others. For example, performance appraisal scores can easily be used to authorize the effectiveness of a selection or training subsystem.

- Subsystems reinforce one another. The use of one subsystem maintenances and reinforces the use of others. Using the descriptions and score scales successfully in one subsystem repeats managers the position of using them in other activities. For example, effectively using a performance organization system organized about competencies would reinforce using a selection system organized around competencies.

The whole system and each subsystem can be validated by content-oriented validation strategy (that is, the subsystem can be linked to defined job requirements).

2.2.2 Human Resource Competence Dimensions

The competence of human resource could be achieved through the good management of its functions, according to Lepak, Taylor, Tekleab, Marrone, & Cohen (2007), HRM functions are concerned with the management and development of people in organizations. Moreover, Welbourne (2008) found that the function of human resources is to permit the organization to attain its objectives by taking creativities and giving direction and support on all matters relating to its employees. He argued that the HR function could play a primary role in the establishment of an environment that allows people to make the best use of their abilities and to understand their potential to the benefit of both the organization and themselves. The HR function provides the guidance and services that enable organizations to get things done, about people. As mentioned above, Human Resource Management includes everything related to the process of acquiring the resource and its use, development and maintenance afterwards. The most

important functions exercised by the human resources are used to manage the following:

2.2.2.1 Structure and Business Flow Chart (Planning)

Mondy (2008) defined human resource structure and business flow as it is systematic process of matching the internal and external source of individuals with job opening expected in the organization over a quantified period (Mondy, 2008). In addition, Human resource (HR human resource structure and business flow process of examining and classifying the need for and availability of human resources So that the organization can meet its objectives (Mathis & Jackson, 2004).

Furthermore, Companies need to expect supply work to equal with demand ailment in the future. Without HR planning, the actual competence of some companies to survive is in risk, human resource requirements of a company are recognized and plans are complete for satisfying those requirements and without these arrangements, companies will not be able to respond to work changeability (Armstrong, 2006).

The major aim of human resource planning in any organization is to charm and retain people the organizations required with the right skills, experiences and capabilities. The HR planning process should expect the problems of overcapacity or shortfalls of people. It should develop a trained and flexible workforce, thus impacting the organization's ability to acclimatize to an unsure and changing environment. Finally, the department should decrease dependence on external recruitment when key skills are in short supply by more effectively retaining employees (perhaps by designing employee development strategies), and improve the use of people by presenting more flexible systems of work (Eleyan, 2010).

The most important steps of HR Planning are demand forecasting (forecasting future people needs), supply forecasting (forecasting the future availability of people), and drawing up plans to match supply with demand (Eleyan, 2010).

2.2.2.2 Recruitment

In order for organizations to be effective, they need to attract the best employees through the essential activity of recruitment (Darrag, Mohamed & Abdel Aziz, 2010). However, in practice, this is not as simple as it is sounds (Juhdi, Pa'wan, Hansaram, & Othman, 2011). Recruitment and selection, according to Wheelen & Hunger (2013), forms a core part of the central activities underlying human resource management: namely, the acquisition, development, and reward of workers. It frequently forms an important part of the work of human resource managers or designated specialists within organizations. According to Dessler (2008) recruitment is a responsibility that is attached with HRM, however it cannot be done without the relationship and assistance of other departments, particularly departments announcing for the job. Additionally, the general aim of the recruitment and selection process should be to obtain, at minimum cost, the number and quality of employees vital to satisfy the human resource needs of the company (Armstrong, 2006). Moreover, recruitment aims to get the right number of capable workers to meet the human resource needs of organizations (Fong, Ooi, Tan, Lee, & Chong, 2011). Consequently, various staffing methods are used to achieve this purpose.

Recruitment methods can be either internal or external (DeCenzo & Robbins, 2013) but most companies tend to emphasize three external methods: advertising, online recruitment, and the use of employment agencies. Each of these has been created to increase the possibility of recruiting gifted employees (Armstrong, 2006).

The most important thing when choosing or selecting the person for the job is the efficiency. The interviewer must share the person specification, and then through the interview and testing one can determine the efficiency of the person and thus determine whether they meet the requirements of the job (Armstrong, 2010).

2.2.2.3 Training and Performance Development

Due to the many challenges employees face in the work environment as underappreciated assets, organizations need to participate in the training and performance development of their human capital to improve their capacities and abilities (Edwards, 2011). Training and performance development is an attempt to improve the current and future performance of employees by improving their basic skills. Training is the effort made by the organisation to facilitate the learning process for its staff. The knowledge that is on offer is work-related, particularly focused on the skills or behaviour of employees. Therefore, it represents an education activity of a special type, in order to improve the performance of the individual in the role they occupy. This is a means of staff development for the organisation (El-Ghalayini, 2013). According to Alzraiee (2007), the training and development program consists of five steps, which are as follows:

1. Needs Analysis: Identify the skills needed to improve performance and productivity. Then staff can have training in accordance with their education levels, experience, skills, and personality, and develop specific goals for the training process.

2. Instruction Design: Set targets to be taught through training, and select appropriate methods to achieve them. The sequence and organisation of content must also be designed. To ensure the quality and effectiveness of training, training should be directed toward the goal.

3. Validation: Verify that the training will achieve the desired objectives to ensure effectiveness.

4. Implementation: After completing the training, a workshop must be organised to focuses on presenting the knowledge gained from it.

5. Evaluation and Follow-up: The immediate reaction of the trained employees should be assessed. The success of the training should be tested in the workplace, including the changes in employee behaviour and production that have followed after the process.

On other hand, training can affect performance in two ways: first, training improves applicable skills and abilities; second, training increases employees' satisfaction with their current jobs and work (Fong et al., 2011). Pfeffer mentioned that the aim of training is to build competencies of employees (Pfeffer, 1998). Competencies are also used in development centres, which help participants, build up their understanding of the competencies they require now and in the future. By using this, they can plan their own self-directed learning programmes (Armstrong, 2010).

2.2.2.4 Performance Monitoring and Evaluation

Employee performance is evaluated against job competency responsibilities as well as purposes (Draganidis & Mentzas, 2006). Nowadays, performance is not only realized as "what" (objectives) an employee accomplishes but also viewed as "how" (competencies determined) the job is carried out. A lot of company use competency-based models as a part of their employee development centers. The objective here is to evaluate individuals' strengths and weaknesses so that future development is recognized. The competency, as a measurement instrument, identifies developmental factors relevant to performance in the job. The performance management procedure becomes stronger

when workers are appraised on both objectives (what) and behavioral performance (how), discussed to as the "mixed model". The "mixed model" delivers a shared understanding of what will be observed and measured, and confirms an understanding of how the work becomes done in addition to what is done (Ozcelik & Ferman, 2006).

Furthermore, Human resource professionals are usually responsible for developing and administering performance appraisal systems. Many of these provide a basis for pay, promotion, and disciplinary action. The performance appraisal information is essential for employee development, since knowledge of results is necessary to motivate and guide performance improvements (El-Ghalayini, 2013). The aim of managing organizational performance is to increase organizational effectiveness by obtaining better performance from people by getting them to work well together. Organizational effectiveness can also be helped by improving organizational processes (such as the formulation and implementation of strategy and the achievement of high quality customer service), and facilitating the management of change (Armstrong, 2010). In performance appraisals, competencies are used to ensure that performance reviews do not simply focus on outcomes, but also consider the behavioral aspects of how the work is carried out (which determines those outcomes). Performance reviews are used to inform personal improvement, development plans, and other learning and development initiatives (Armstrong, 2010).

2.2.2.5 Rewarding and Motivation

Contributions made to an organisation by employees and employee accomplishments should be recognized and reciprocated in some system of reward (Rudge, 2011). A reward system is described as "a package/systems that contain rewards and benefits, such as holiday leave, medical benefits, transport payments, and performance bonuses" (Lim & Ling, 2012, P. 101). Reward systems usually serve numerous purposes, such as

attracting, retaining, and motivating employees (Armstrong, 2010). In addition, researchers such as (Ozcelik & Ferman, 2006). Argued that reward systems have a positive influence on employee performance. However, rewarding employees should be focused on one or more factors, such as performance, experience, qualification, and seniority (Lim & Ling, 2012).

Reward systems also indicate what the company's standards are and form employee behaviour. Studies on knowledge workers have showed that they tend to have a high need for autonomy, significant motivations for accomplishment, stronger individuality and affiliation with a profession than a company, and an inordinate sense of self-direction. These characteristics make them likely to attack the controlling imposition of views, rules, and structures (Yap, Bove & Beverland, 2009). Furthermore, Competency offers a link between competency ratings and reward. As in the performance-management process, a mixed model approach to reward is required. The important characteristics of how a job is performed are ignored when organizations deliberate on pay for results only. On the other hand, organizations may not adequately evaluate results if they only focus on pay just for the use of competencies. Beginning rewards for establish competencies, which is, what is achieved and how it is completed, delivers equality and equity and distinguishes between superior and regular performers.

2.3 Organizational Performance

Organizational performance concept is very broad, where it can be defined as each returns, results and outcomes, starting from operations, marketing, human resources, customer satisfaction, etc. also these concept has been explained and processed in different ways. So either it can be summarized as the achievement of organization increase and growth in productivity, employee productivity or operational productivity.

Or it can be defined as employee efficiency, financial performance (return on investment, return on asset), employee turnover, market share, economic performance, customer satisfaction level, profitability, and so forth (Salah, 2010).

Furthermore, organizational performance refers to how well an organization meets its financial goals and market criteria (Li et al., 2006). According to Niknia (2007) the organizational performance can be measured from both financial and non-financial criteria, and the measures of financial goals include profit, return on investment, sales growth, business performance, and organization effectiveness.

Arguably, organizational performance considered as repeated and frequent topic in the majority of management branches (strategic management, financial management, risk management….and so on. it attract the attention of academic scholars and practicing managers (Eleyan, 2010).

According to Salah (2010) organizational performance includes the real outcomes of an organization as measured against its intended purposes and aims. Where organizational performance include three determined filed of organization outcomes, as follow: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.).

Finally, organizational performance is related to the ideas of effectiveness and efficiency. Because that any organization seek to produce the right things by utilizing the fewest possible inputs, then such organization guarantee powerful and strong organizational performance (Li et al., 2006). Usually organization seeks to perform well in different areas: First, they seek to perform well financially, which require to achieve best return on their investment, also they must add as much value as possible in their

production process. Second, they seek to perform well in terms of the market. Which means they should achieve as much market share as they can and they should be producing a product that is in demand and at a price that enable them to compete strongly on the market. Third, they seek to perform well in terms of creating value for their shareholders. So, that requires making money that can be distributed in the form of dividends. They also need to have their stock price rise at a reasonable pace (Gong & Yan, 2015).

2.3.1 Organizational Performance Measurement

Performance measurement is a repeated process that must be replicated on a continuing basis (State Services Commission (SSC), 2009). Moreover, a performance measurement system supplies an effective manner for organizations committed to social effect to gather and benefit from information concerning their plans and procedures. Additionally, performance measurement lets for-profit organizations to gather information that assist them in identifying possible improvements to their business patterns. By working on the knowledge supplied by this information, an organization can finally increase its financial performance. Performance measurement can also assist turn presumption into well-understood facts and demonstrate the means to improvements that result to more efficient business patterns (Wolk, Dholakia & Kreitz, 2009).

Thus, performance measurement is important concept related to performance, where it's defined as the continuing monitoring and reporting of plan achievements, especially advance toward pre-founded ends. It is generally carried on through plan or agency management. Performance measures may also deal the kind or stage of plan actions carried on (process), the directly products and services delivered by a plan (outputs),

and/or the consequences of those products and services (outcomes) (James, Ng'ang'a & Nyongesa, 2012).

As well as, the measures of non-financial criteria are innovation performance and market share, quality improvement, innovativeness and resource planning (Organizational performance of the non-financial criteria will be used in this research). Moreover, Wolk et al. (2009) argued on some other measures that are related to organizational financial performance which may include return on investment, market share, and profit margin on sales, growth of return on investment, growth of sales, and growth of market share to measure organizational performance.

Division (2009) studied the possibility of using measures such as lead time, inventory turnover, product return, sales level, cost reduction and meeting customers' requirements to measure the operational performance, and found that this measures could be used to measure the operational performance with highly quality. In conclusion, many previous studies tried to address the effects of SCM on organizational performance. For instance, (Ariff et al., 2014) found that the adoption of SCM lead to achieve higher organizational performance characterized in sales increase, organization-wide coordination and supply chain integration. Moreover (Gong & Yan, 2015) proved that operational and organizational performance dimensions include innovation and research and development performance.

Furthermore, a performance measurement system makes up a cycle that consists of four major stages of activity, which are according to (James et al., 2012), see figure (2.1):

1. Measures refer to tracking performance utilizing selected indicators.
2. Report refers to communication performance internally and externally.

3. Learn refer to drawing out knowledge from information, describe chances for improvement, and make information-driven decisions.

4. Improve refer to implementation decisions to improve activities and operations.
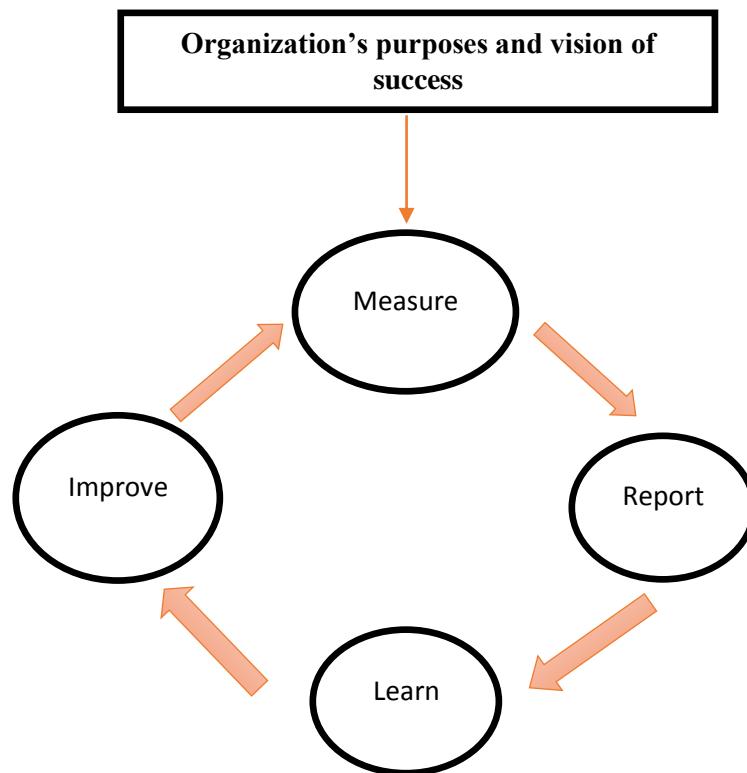
Figure 2. 1: The Performance Measurement Cycle. (Source: James et al., 2012).

A review on organizational performance measure concerned to risk proposing that the financial and non-financial performance would do as build of organizational performance for the companies. Financial performance includes annual operating expenditure, cash flow impact, accountability, securing external, international research grants and income generation. The non-financial measures include good governance, reputation, academic performance, effect on international ranking, talent management and readiness of successors of company's human resource, and effect of risks on persistence of business operation (Ariff et al., 2014).

Usually, organization performance measures are classified into financial performance and efficiency performance. Financial indicators are mutual measures in performance-associated studies, including return on assets, return on investment, return on shareholders, and return on sales, as well as sale (growth) and stock share returns. Efficiency indicators are those associated to the non-financial productivity of the organization (Liang, You & Liu, 2010).

Furthermore, several indicators of performance measurements are mentioned in the literature including: financial performance, profitable and benefits, efficiency performance, productivity (Gong & Yan, 2015; Liang et al., 2010; Division, 2009; Smith, Mossialos & Papanicolas, 2008).

- Financial performance refer to find out a reliable and several stream of revenue sources to assure that an organization will be capable to be for long time to come, which consists of cost, sale, risk, compliance, income, information, asset and revenue growth (James et al., 2012).

- Profitable and benefits refer to the values from the market and the customer (Gong and Yan, 2015).

- Efficiency performance refer to the unit cost to deliver a product and service or product (inputs) divided by outputs or consequences, which is an dimension of a reproducibility and face/content validity, team capacity, assurance, empathy and resource utilization (Division, 2009).

- Productivity relate to the extent to which the resources applied through the company system are applied efficiently to effectiveness, which includes acceptability, quality, feasibility, and reliability, as well as sensitivity to change, predictive validity and error rate (Smith et al., 2008).

2.3.2 Organizational Performance Dimensions

As mentioned above to explain the construct of organizational performance, it natural to start by defining organizational performance. Then it requires discussing the measurement which closely related to organizational performance (Niknia, 2007). Finally it is considered as important issue to examine the dimensionality of the construct of organizational performance in detail. This dimensionality arises out according to Li et al. (2006) include: customer relations, employee's performance, employee's loyalty, internal and external operation, and competitive advantage. So these dimensions explained as follow:

- **Customer relations**: Customer relationship consists of all the ways that will be used for the purpose of controlling and managing customer complaints, creating long-term relationships with consumers and to improve consumer satisfaction. Also customer relationship management is considered as an important component and procedures, which is used and is among the most stable benefits. Nowadays the development of customization and customer expectations lead to a period that customer relationship management is vital to the survival of the company. Beneficial relationships with partners of the supply chain, including customers are essential to run successful process and applications. But close relationships with customer organizations allows to differentiate their products from competitors, preserve customer loyalty and this value is protected largely to consumers (Li et al., 2006).

  Customer relationship goals can be mentioned as follows: Identifying new business opportunities, reduce missed opportunities, reducing customer defection, creating customer loyalty, improve customer service, improve organization appearance, reduce costs, increase revenue, and decrease rework

marketing (Niknia, 2007). In addition, Moberg, Cutler, Gross & Speh (2002) argued that the good relationships with customers are needed for successful implementation of plans, and close customer relationship allows an organization to differentiate its products from the competitors, and sustain customer loyalty. Thus, the ultimate objective of customer relations is to deliver products to the satisfaction of end customers. Customer relevancy then becomes a key strategic commitment of leading corporations, where close customer relationship allows companies to be more responsive in fulfilling customers' demand and improving customer satisfaction, by proactively seeking customers' needs and requirements. The ability to build close relationship with customers will bring companies into a lasting competitive edge.

- **Employees performance**: the traditional definition of employee performance is that it is a function of capability, times motivation. In other word employee performance according to (Salah, 2010, P.16) can be defined as "employee's functional behavior inside the organizations in order to achieve their objectives and consequently it shows the importance of recognizing the duties and responsibilities of the job description, which let the workers know their duties, responsibilities and their own rights".

Furthermore, employee performance considered as set of administrative behaviors and processes which explain how the employee act his task with best quality of performance, perfect implementation, technical experience of the job, communicational interact with other organization employees, and the commitment toward the laws and regulations which manage, arrange and organize his task and responsibilities (Eleyan, 2010).

employee performance represent one of the most significant concepts which comprise both goals and the needed resources and necessary means to be obtained or realized, so because of such importance, the recent years characterize with a continues research and studies to eliminate any obstacles and problems refer to the job performance. Also organization management today obviously seek to improve employee performance by different way just like: the participation of employees in decision-making, updating quality sessions, creating incentives for individual and group efforts and create means that concentrate on achieve goals and objective (Franca, Jones, Richards & Carlson, 2010).

Arguably, employee performance can be defined as group of employee's activities by perform their jobs and responsibilities, which must be done by them according to job position and title, where the best performance depend on getting the previous work correctly.

- **Competitive advantage**: is one factor that an organization is able to create a state of defense against competitors and includes a feature that allows an organization to distinguish itself from its competitors (Li et al., 2006). The concept of competitive advantage is directly related to desired value of the customer. Where competitive advantage includes set of capabilities and factors that always demonstrated better performance of company than competitors.

 in other words, competitive advantage is factors or a combination of factors that led to very successful organization than other organizations in a competitive environment and competitors cannot easily imitate it, therefore, to achieve a competitive advantage, an organization must also pay attention to their external position and through the optimum use and configuration of its internal

capabilities (Mehri & Hosseini, 2005). Also, many organizations struggle in justifying the cost of quality within their supply chain, and then several companies decline to see the cost related with varying quality levels from their suppliers. To generate a quality product, which is one of the competitive advantages, organizations need refer all features of the supply chain, with singular processes and supplier choice (Franca et al., 2010).

Employee's loyalty: generally, employee loyalty can be defined in terms of a practice, where particular attitudes lead to particular behaviors. in ancient time, when the organization choose and hired an employee, then these employee was believed that job mean life and organization managers predict their unlimited loyalty to the organization. Nowadays all organizations have been witnessed great development and changes in the workforce and business environment, especially with the emergence of globalization and when the employees start to witnessed restructuring, organization relocations and downsizing, so the old perception and image of loyalty has completely changed (Mehta et al., 2010).

 In other word in the past employees though when they were choose and hired by organization then they would be with these organization until they retired. But since 1980s because organization witnessed increase profits, employee's perceptions of lifetime employment were destroyed by corporate downsizing, company relocations to other states or countries and static wages. Such issues and aspects increase the significant of employee loyalty concept and leads the organization seeking to make effort which achieve high level of Loyalty (Mehri & Hosseini, 2005).

Employee loyalty include internal dimension and external dimension, where the internal dimension represent with the emotional component and it consist of

feelings of caring, of affiliation and of commitment. From other hand the external dimension according to (Mehta et al., 2010, P.98) is "to do with the way loyalty manifests itself". So, external dimension include the behaviors that view the emotional component.

2.4 The Effect of Implementing Competency-Based Human Resources Management on Organizational Performance

HRM is often seen as a function within an organization that focuses on the activities of retention, management, and provision of direction for the people who work in the organization (Long & Ismail, 2011). HRM has in recent years been positively linked to creating high level of job satisfaction and motivation amongst workers, as well as improving their wellbeing in organizations. It has enabled the explanation of the mechanism for the positive relationship between human resource management and organizational performance, thus several organization have made utmost efforts to successfully implement HR strategies, policies, and practices in organizations via oriented support using web-technology-based channels (which is known as electronic human resource management) (Eleyan, 2010).

Furthermore, organizational performance concept is very broad, where it can be defined as each returns, results and outcomes, starting from operations, marketing, human resources, customer satisfaction, etc. Also, this concept has been explained and processed in different ways. So either it can be summarized as the achievement of organization increase and growth in productivity whether employee productivity or operational productivity. Or it can be defined as employee efficiency, financial performance (return on investment, return on asset), employee turnover, market share, economic performance, customer satisfaction level, profitability, and so forth (Salah, 2010). Thus, proceeding from the great importance of these two concepts and their roles

in achieving greater operational efficiency and effectiveness in organizations, many previous studies embarked on studying both of them. In his study, Firooz (2012) aimed to investigate and explain the Relationship between Human Resource Competency Dimensions and Organizational Performance. The research concluded Based on exploratory factor analysis and confirmatory factor analysis; six factors have most effect on the HR competencies. Also, based on standard estimation model" HR competencies. In addition, the roles that the custodians of human resources to effectively perform the tasks and activities have to do, are include strategic partner, functional export, Employee Advocate, human capital developer.

Moreover, Setyaningdyah et al. (2013), entitled The Effects of Human Resource Competence, Organizational Commitment and Transactional Leadership on Work Discipline, Job Satisfaction and Employee's Performance. Focused on examine and explain the effects human resource (HR) competence, organizational commitment (OC), transactional leadership on employee "work discipline and performance. The study concluded that indicated HR competence and OC significantly influence work discipline. Further, it was also found that there were significant effects of OC, transactional leadership on employee's work discipline and employee's performance.

As well, Eleyan (2010) study aimed to assess the impact of certain human resource management practices on the operational, non-financial, and financial performance of manufacturing firms in Gaza Strip. The study concluded that that human resource planning; compensation policies, performance appraisal, and training and development have a positive correlation with business performance. Multiple regression analysis indicated that compensation policies, performance appraisal, training, and development

have a significant effect on operational performance. The results demonstrate that compensation policies are the strongest predictor for the business performance.

On the other hand, Çalişkan (2010) studied if linkage between HR and organizational performance will enables the HR managers to design programmers that will bring for better operational results to attain higher organizational performance. The researcher depended on review academic research regarding the impact of strategic human resource management practices on organizational performance. The findings of this study show that the causal linkage between HR and organizational performance will enable the HR managers to design programmers that will bring forth better operational results to attain higher organizational performance. The focus of the HR management should be to understand organizational performance processes and design HR practices that influence process and outcome variables.

Moreover, Chang & Huang (2005) concerned about the relationships between strategic human resource management and the firm performance. In other words, the researcher aimed to measure and investigates the effect of human resource management on the firm performance (organizational performance), to achieve the aims of the research and to collect the information needed, the researcher designed a survey and distributed it on 235 Taiwanese firms and hierarchical regression analysis was performed. The study concluded that there are significant relationship between strategic human resource management and firm performance and its quality.

However, Lisa & Pike (2004, P.28), entitled "human resource management and business performance measurement", focused on determining the relationship between human resource management and business performance, also this research investigate the change of human resource function into human resource management and its effect on

the business performance. The researcher depended on previous studies and a review of the literature on human resource management and organizational performance. The study concluded that while links are not disputed by researchers using different approaches, the ability to formalize and establish definitive casual links also is not possible, in addition to that the research concluded that the techniques and resource-based approach of intellectual capital may provide the key quantifying the links but it's so important to note that its not be possible to clearly separate human resource management from other management actions.

As well, Ngo, Jiang & Loi (2013) aimed to examine and investigate the effect of human resource management competency on firm performance. Two different respondents from each firm provided information about organizational characteristics, human resource management policy, practices and firm performance; they also depended on previous studies and a review of the literature on HRM and organizational performance. The study concluded that human resource management competency has a significant and positive effect on firm performance. Such an effect is found to be mediated by the achievement of external fit.

According to Cania (2014) human resources need to be managed in effective way to arrive to the targeted performance of the organization, and It is significant to manage strategically the human resources and to adapt its strategy with organizational strategy, Cania focused on the impact of the strategic management of human resource in achieving organizational performance. Where the study findings include that: Organizations are seeking to build as much competitive in the market, reaching to manage their human resources in achieving organizational performance required. Some of the goals are cost reduction, achieving sales levels, increasing the number of

customers, increasing the market percentage, increasing product quality, innovative products, improve productivity, where Human resources are playing vital and significant role in achieving these performance indicators.

Furthermore, Pandey & Guha (2014) concluded from their study that Human resource management play vital role in meeting the challenges of the changing environment, nationally and globally, by developing and sustaining the new competencies. Further, it has always nurtured processes and systems that help in competence building which makes creative impacts at the workplaces. Alignment of HR policy, strategies and action plans with organizational strategies, structures and processes has led to sustained improvements in people competency and motivation, which in result cause positive effect in the organizational performance.

Furthermore, the main goal of Gautam's (2015) research was to explore the extent of strategic integration between business strategy and human resource policies and their effect on organizational performance of public listed firms in Nepal and by depending on questionnaire distributed to 105 publicly listed individual organizations as a unit of analysis and secondary source of information used to verify the performance result of perceptual measurement, where results showed that around half of the organizations are doing business without business strategy and just one-fourth organizations formulate explicit HR strategy in order to support business strategies. Among the respondent organizations, few organizations meet the requirement of high strategic integrating organizations that were performing better than organizations that were low integrating.

Many studies and research attempt to investigate examine and determine the relationship between human resource management (HRM) and organizational performance. It that seems most of them concentrate more on determining the effect of HRM in supporting and enhancing the business performance (organizational performance, firm's performance). Many also concentrate on studying the strategic integration of HRM for organizational performance. Besides linking HRM competency to firm performance, some also identified the effect of HRM competence and other variables such as organizational commitment and transactional leadership on workplace performance. Thus, this research is closed to the previous study in their seeking through human resource area and its relation to organizational performance, but it distinguished by its seek to investigate this relationship by concentrating on the strategic part of human resource management that represented by competency based HRM area in human resource and addressing other dimensions for organizational performance (customer relations, employee performance, employee loyalty, and competitive advantage), in an important sector represented by the banks sector.

Chapter 3: Research Methodology

3.1 Introduction

This chapter draw attention to the methodology that used within this research. The first section highlighted the research design and the chosen approach for this research. The basics of the population and sampling procedures of the study then explained, in addition to brief on the research instruments (represented by the questionnaires). The sources of the collected data mentioned, and data collection and analysis procedures described. In addition, the reliability and validity concept explained, and finally, a summary provided at the end of the chapter.

3.2 Research Design

This research is regarded as descriptive research, since it is concerned with causal relationships. Descriptive research offers information about the population being studied. However, it can only answer the "who, what, when, where and how" of a position, not what revealed it. Therefore, descriptive research is utilized when the aim is to offer as actual and accurate a description as possible. It gives the number of times something happens, or its frequency; this lends itself to statistical computation, such as specifying the average number of occurrences or central tendencies (Lee & Soyray, 1995).

In this study, a quantitative method was employed to collect data, where this method was represented by distributing a questionnaire. According to Greasley (2008), quantitative research can be described as involving a collection of numerical data and as presenting a view of the relationship between theory and research as a deductive and objectivist conception of social reality, with a preference for a mutual science approach. Quantitative approaches are usually used to quantify the problem by way of generating

numerical data, or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviors, and other defined variables. Generally, quantitative research uses measurable data to formulate facts and uncover patterns. Quantitative data collection methods are much more structured than qualitative data collection methods. Quantitative approaches are irrevocably different from qualitative methods, as they concentrate on relationships among variables (Lee & Soyray, 1995). In addition, they are formulated around the aggregation of data, with the majority taking numerical values. Additionally, researchers are less concerned with laying importance on in-depth descriptive phenomena, and they seldom study it directly as they abstract themselves from the real world (Naslund, 2002).

The quantitative approach basically provides a wealth of facts about phenomena and involves statistical analysis (Ticehurst & Veal, 2000). This approach uses statistical evidence to build conclusions by testing a hypothesis. This method also contributes to an understanding of the experiences and situations of research participants, and contributes when research is confirmatory rather than exploratory i.e. this is a frequently researched topic, and numerical data from earlier research is available. This research is trying to measure a trend and orientation (almost impossible with qualitative research) and there is no ambiguity about the concepts and variables being measured, and there is only one way to measure each concept and variable, so the concept and variable are being measured on a ratio or ordinal scale (Naslund, 2002). Moreover, quantitative researchers believe there is an objective reality, which can be measured. "Objective" here means that the researcher is not relying on their own perceptions of an event. Instead, the researcher is attempting to gather "facts", which may be separate from people's feeling or perceptions about the facts. These facts are often conceptualized as "causes" and "effects." When you ask research questions or pose hypotheses with words

in them such as "cause," "effect," "difference between," and "predicts," you are operating under assumptions consistent with quantitative methods. The overall goal of quantitative research is to develop generalizations that enable the researcher to better predict, explain, and understand some phenomena based on certain factors. The research process and related procedures are very important for quantitative methods. Research should be consistently and objectively conducted, without bias or error, through order of information in an arbitrator arrangement, the commitment to complete objectivity, and in the correct use of information commonly utilized as part of a sound scientific method. This is vital in order to be regarded as valid (accurate) and reliable (consistent) (Rubin & Babbie, 2010).

3.3 Case Study

According to Voss, Tsikriktsis & Frohlich (2002), a case study is "a history of a past or current phenomenon, drawn from multiple sources of evidence. It can include data from direct observation and systematic interviewing as well as from public and private archives. In fact, any fact relevant to the stream of events describing the phenomenon is a potential datum in a case study, since context is important" P. 197.

Using case studies has become very common in social research, particularly with small-scale research projects. Moreover, Denscombe (2003, P.32) claimed that the main feature of the case study method is that it focuses "on just one instance of the thing that is to be investigated". This was exactly what was intended in the current study. Choosing a case study strategy allowed for the use of a variety of methods, each of which provided important data. The feature of a case study is that it allows for deeper penetration into the core of the matter, although, it is often hard to generalise based on one single case and to provide general conclusions (Jong & van der Voordt, 2002).

In addition, Denscombe (2003) indicated that "the decision to use a case study approach is a strategic decision that relates to the scale and scope of an investigation, and it does not, at least in principle, dictate which method or methods must be used. Indeed, a strength of the case study approach is just this – that it allows for the use of a variety of methods depending on the circumstances and the specific needs of the situation" P. 32.

Furthermore, the aim of the case study is to explore a case, an event, a process, an activity, or one or more individuals in depth. The case or cases are limited by time and activity, and researchers gather detailed information utilizing a variety of data collection processes throughout a sustained period of time (Creswell, 2003). This study using both quantitative methods case study methodology in order to allow the researcher to study complex phenomena within their contexts. It also ensures that the issue or case is not researched through one lens, but rather through a variety of lenses which allows for multiple facets of the phenomenon to be exposed and understood.

In this study, a random sample of employees from the middle management level at Riyad Bank Central Branch used as the subject of the case study for a variety of reasons. The Table below shows study sample details where totally 90 questionnaires were distributed and 84 returned and analyzed.

Table 3. 1: Study Sample Details

no	Job title	Number of distributed questionnaires	Returned
1	Manager	38	36
2	Vice Manager	13	12
3	Supervisor	29	26
4	Vice supervisor	10	10
	Total	90	84

3.4 Data Collection Procedures

The collection of sufficient data relied on two main sources, which can be highlighted as follows:

3.4.1 Primary Sources

The primary source for data for this research represented mainly by the questionnaire, which have been designed and attuned to the study's goals and objectives. A detailed description provided here for both tools in term of their contents, chosen reasons, and other necessary details.

3.4.2 Secondary Sources

The researcher relied on scientific books, previous studies, and research published in scientific periodicals and journals that deal with the research concepts. This data was used to build the study's theoretical section and detailed background, as well as specifying the measurements of the questionnaire (Adams & Cox, 2008).

Questionnaires: can be defined as simple tools for gathering and recording information about a specific issue of interest. They essentially consist of lists of questions, accompanied by clear instructions and space for the provision of answers or

administrative details. Typically, questionnaires must have a specific purpose or aim that is related to the objectives of the research, and it is necessary to be clear from the outset how a questionnaire results utilized. Additionally, participants must be aware of the objectives of the research wherever possible, and should be told how and when they received feedback on the results (Adams & Cox, 2008).

Structured questionnaires are always connected with quantitative research. In other words, questionnaires are associated with research that is focused on numbers (how many? how often? how satisfied?). Understood thusly, questionnaires can be used in a variety of survey situations (Greasley, 2008).

According to Phellas, Bloch & Seale (2011), questionnaires are generally used:

- To gather real information, with the aim of using this information to classify people and their conditions and circumstances.
- To collect direct and clear information relating to people's behaviour.
- To look at the main attitudes and opinions of a group of people relating to a particular issue or case.
- To determine the satisfaction levels of customers with a product or service.
- To collect basic information which can then be exploited over time to test changes.

In terms of best practice, questionnaires should not be used to investigate, discuss, and explore complex issues in great depth, or to explore 'difficult' or potentially controversial issues. It should also not be used as an 'easy' option that requires little time or effort, which is a common misconception (Greasley, 2008).

For this research, a self-administered questionnaire was designed in accordance with the study goals and variables. It designed after thoroughly reviewing the content of a number of previous studies and articles, paying particular Effect of Implementing Competency- Based Human Resources Management on Organizational Performance. The questionnaire was distributed to the mangers in total, (90) questionnaires was distributed. 84 questionnaires of them filled and completed by manager and sent on time. The questionnaire was sent in hard copies with total (51) questions in it. The questionnaire contained tow section; first, a cover page to inform the reader about the study's aims and scope, and the three section contained two parts; part one for the personal information page that contains the demographic expression of the study sample with total (6) questions (including the participants' gender, age, degree, level of management and experiences). The second contained of (34) statements that measure the top management competency based HRM implementation impact including (Their Clients and Customers, Employees, Operations and Work Flow, and Building Competitive Advantage), the last section contained (17) statements that measure Organizational Vulnerability.

3.5 Methods of Analysis

After gathering the data from the study sample, the researcher used the statistical package for social sciences (SPSS) to analyse the data collected from the questionnaires. The statistical tests that were used in this research presented below, alongside an explanatory brief about each one derived from (Walliman & Baiche, 2001).

- Frequency: represents the number of times a repeating event occurs per unit of time. It is also referred to as temporal frequency, which focuses on the contrast

between spatial frequency and angular frequency. It is usually used to demonstrate the demographic characteristics of the respondents.

- Measures of central tendency: is a central value or a typical value for a probability distribution. It is used occasionally and is called upon sometimes as an average or as the center of the distribution. The most common measures of central tendency are the arithmetic mean, the median, the mode, and standard deviation. A central tendency can be calculated for a limit set of values or for a theoretical distribution, like a normal distribution. Central tendency mean and standard deviations were used in this research to give an indication about the respondents' attitude and agreement regarding the statements of the questionnaire (whether positive or negative).

- Cronbach's alpha: can be defined as a coefficient of internal consistency. It is usually used as an estimate of the reliability of a researchers test for a sample of study.

- Multiple and simple regression: to assess the Effect of Implementing Competency- Based Human Resources Management on Organizational Performance.

- Skew and Kurtosis Test: to test how usually the distribution of our study variables is.

- Correlation matrix: to measure relations between study independents variables (competency based HRM).

3.6 Reliability and Validity

When evaluating or formulating a specific instrument, reliability and validity are two of the most important aspects to be considered (Sekaran, 2003). Reliability and validity are

the statistical criteria used to assess whether the research provides a good measure or not (Walliman & Baiche, 2001).

Generally, Creswell (2003) defined reliability as an examination of the stability or consistency of responses. It is further defined as increasing the consistency and reliability of the research, as documenting all procedures, and as setting up detailed procedures. Reliability also refers to the dependability of a measurement instrument, that is, the extent to which the instrument yields the same results on repeated trials. Moreover, reliability is concerned with the consistency of the particular instrument. There are three fundamental methods that are accepted for assessing the reliability of a measurement scale: test-retest, internal consistency, and alternative forms. A Cronbach alpha value was calculated to assess the questionnaire's internal consistency, which should exceed 0.60 to be acceptable according to (Sekaran, 2004). The current study reliability showed a value of (0.95) for the entire questionnaire which reflect excellent rate and mean that our tool is consistent. Just because previous related studies have been peer reviewed and published in prestigious journals, or by respected academic presses, does not mean that they are perfect or that they have no flaws. Therefore, even when reviewing published research, it is necessary to reflect on its validity and reliability (Utne, 2000). The next table present the scale reliability for each factors of competency-based human resources management.

Table 3. 2: Reliability of competency- based human resources management

Name	N of Items	Reliability
Focusing on client	8	0.92
Focusing on employee	13	.893
Focusing on opeartion	7	.862
Focusing on competitive advantage	13	.931
Performance	17	.920
Overall items	58	.958

3.7 Respondent Demographic

The study sample included 84 participants; 70 of them are male, 14 are female. Table (3.3) shows the socio-demographic characteristics of the participants. In addition, the distribution of the level of management for them are as follow: 36 managers which represent 42.9% of sample, 26 supervisor which represent (31%) of the total sample, (14.3%) of sample which 12 vice managers and (11.9%) were 10 vice supervisor. Most of the participants' age were 30 to 40 (about 39 or 46.4% of them), 6-10 years of experience at Riyad bank (more approximately 35 or 41.7%% of them) and 6-8 years of experience at their current position (more approximately 30 or 35.7%% of them). Moreover, the distribution of the educational attainment for them are as follows; 55 (65.5%) have a bachelor's degree, 20 (23.8%) have a master's degree, 7 (8.3%) have a Diploma and 2 (2.4%) have a PhD.

The table below (3.3) represent the Socio-demographic characteristics of the participants and the distribution ratios for each character.

Table 3. 3: Socio-demographic characteristics of the participants (N= 84).

Variable	N	(%)
Gender		
Male	70	(83.3%)
Female	14	(16.7%)
Level of management		
Manager	36	(42.9%)
Vice Manager	12	(14.3%)
Supervisor	26	(31%)
Vice Supervisor	10	(11.9%)
Age		
Less than 30	24	(28.6%)
From 30-40	39	(46.4%)
65 and above	21	(25%)
Degree		
Diploma	7	(8.3%)
Bachelors	55	(65.5%)
Masters	20	(23.8%)
PhD	2	(2.3%)
Years of experience at Riyadh Bank		
5 years or less	22	(26.2%)
6- 10 years	35	(41.7%)
More than 10	27	(32.1%)
Years of experience at their current position		
5 year or less	53	(63.1%)
6-8 year	30	(35.7%)
More than 9 years	1	(1.2%)

Chapter 4: Data Analysis and Results

This section introduced the analysis of the data collected through questionnaires and analysed using the SPSS system, with an explanation of the results and discussion. The following tests were utilized:

1- Frequency analysis, which presents participant's demographics and characteristics.

2- Descriptive analysis, which presents the mean and standard deviation for all the variables and their statements.

3- Skew and Kurtosis Test: to test how usually the distribution of our study variables is.

4- Correlation matrix: to measure relations between study independents variables.

5- Testing the hypothesis of the study by multiple and simple regression, and presenting their results.

4.1 Descriptive Statistics

This section presented a descriptive analysis that shows the sample's views and agreement with the statements on measuring the effect of implementing competency-based human resources management on organizational performance considering Riyad Bank. The following section present each dimension of implementing competency-based HRM, with its accompanying statements' mean and standard deviation, which used later on to explain the sample agreement and satisfaction regarding the dimensions and their statements.

This study used a five likert scale for rating the frequency of statements on the observed implementing competency-based HRM in managers. This scale is divided into levels according to questionnaire weights, according to (Sekaran & Bougie, 2013):

- 1 to 2.33 - low agreement

- 2.34 to 3.66 – medium agreement

- 3.67 to 5 - high agreement

4.1.1 Competency-based HRM

In this section, the participants' level of agreement with the following statements about implementing competency-based HRM in Riyad Bank explored. This dimension has been divided into sub-dimensions: their clients and customer, employees' performance, operations and work flow and building competitive advantage.

4.1.1.1 Clients and Customer focus

This first sub-dimension represents their clients and customer, which refer to the participants' level of agreement with the following statements about their clients and customer. Table (4.1) shows the participants' agreement regarding their clients and customer statements.

Table 4. 1: Mean and standard deviation for clients and customer focus Dimension

Statement	Mean	SD	The level
1. Made the management able to distinguish client needs and requirements	4.20	0.79	high
2. Able to follow up client's complaints	3.88	0.65	high
3. Consider client's feedback to develop new services	3.89	0.81	high
4. Able to gain more clients while maintaining existing ones	3.89	0.82	high
5. Enable the management to spends efforts to define client's needs and requirements	3.69	0.76	high
6. Try to match customer's ambitions about?	3.46	0.75	Medium
7. Make plans to gain client loyalty	3.71	0.70	high
8. Try to provide client with after sale services	3.55	0.77	Medium
Total Mean and Standard Deviation	3.79	0.61	high

In the above table (4.1), it appears that the general mean of all statement related to their clients and customer is (3.79), which reflects high agreement. Moreover, the standard deviation value is (0.61), which is normal and reflects convergence on the response of the sample. The highest mean is (4.20) for statement number 1 "Made the management able to distinguish client needs and requirements" which reflects high agreement, while the lowest mean was (3.46) for statement number 6 "Try to match customer's ambitions about?" which reflects medium agreement. In general, the sample attitude toward the statements was positive; thus the participants were agreeing there is a strong relationship with customers and clients in Riyad Bank, which enhanced HR competency, and participants have a positive attitude towards that.

4.1.1.2 Employees Performance

This second sub-dimension represents employee's performance, which refer to the participants' level of agreement with the following statements about employee's performance. Table (4.2) shows the participants' agreement regarding employee's performance statements.

Table 4. 2: Mean and standard deviation for Employees performance focus Dimension

Statement	Mean	SD	The level
1. Make the bank works more in developing its employees	3.90	0.48	high
2. Employees are permitted to express their opinions and constructive criticism	3.89	0.52	high
3. Employees are permitted to develop their work methodologies	3.88	0.55	high
4. Employees are supported enough to meet the needs of their customers	3.87	0.82	high
5. Ability to form working groups to design services for new plans (plans for new services?)	3.79	0.81	high
6. Type of training programs target to improve employees' efficiency & effectiveness	3.89	0.73	high
7. Training programs target to improve work group attitude following planned efforts	3.75	0.64	high

	Mean	Std. Dev.	Level
8. Training programs provide employees with the needed skills required to adapt their competencies	3.62	0.69	Medium
9. Motives are designed on the base of employees competency map their achievements	3.95	0.64	high
10. Motives are awarded to distinguish performance no matter what is the level	3.75	0.62	high
11. Providing competency based financial awards plans increase employee loyalty.	4.00	0.78	high
12. Job security helps employee to develop creative thinking within his/ her job	4.01	0.91	high
13. Competency base awarding encourages employee to compete for the benefit of organization.	4.01	0.77	high
Total Mean and Standard Deviation	3.87	0.46	high

In the above table (4.2), it appears that the general mean of all statement related to employees performance is (3.87), which reflects high agreement. Moreover, the standard deviation value is (0.46), which is normal and reflects convergence on the response of the sample. The highest mean is (4.01) for statements number 12 and 13 "Job security helps employee to develop creative thinking within his/ her job" and "Competency base awarding encourages employee to compete for the benefit of organization" respectively, which reflects high agreement, while the lowest mean was (3.62) for statement number 8 "Training programs provide employees with the needed skills required to adapt their competencies" which reflects medium agreement. In general, the sample attitude toward the statements was positive; thus the participants were agreeing there is a strong improvement of employee performance in Riyad Bank, which enhanced HR competency, and participants have a positive attitude towards that.

4.1.1.3 Operations and Work Flow

This third sub-dimension represents operations and work flow, which refer to the participants' level of agreement with the following statements about operations and work flow. Table (4.3) shows the participants' agreement regarding operations and work flow's statements.

Table 4. 3: Mean and standard deviation for focusing on Operations and Work Flow Dimension

Statement	Mean	SD	The level
1. Competency-based HRM plans keep pace with RB organizational performance	3.93	0.53	high
2. Following competency maps insure employee best practices	3.80	0.58	high
3. Hierarchy is compatible with its competency based HRM plans	3.80	0.60	high
4. Competency- based HRM reflects RB activities	4.05	0.66	high
5. Competency based HRM plans implemented within are enough to minimize RB time losses	3.96	0.69	high
6. Competency based HRM plans implemented within are enough to upgrade RB operations	3.85	0.53	high
7. Competency based HRM plans are enough to increase vertical line group productivity	3.73	0.59	high
Total Mean and Standard Deviation	3.87	0.44	high

In the above table (4.3), it appears that the general mean of all statement related to operations and work flow is (3.87), which reflects a high agreement. Moreover, the standard deviation value is (0.44), which is normal and reflects convergence on the response of the sample. The highest mean is (4.05) for statement number 4 "Competency- based HRM reflects RB activities", which reflects high agreement, while the lowest mean was (3.73) for statement number 7 "Competency based HRM plans are enough to increase vertical line group productivity" which reflects high agreement. In general, the sample attitude toward the statements was positive; thus the participants were agreeing there is a strong improvement of indoor bank operations and work flow in Riyad Bank, which enhanced HR competency, and participants have a positive attitude towards that.

4.1.1.4 Building Competitive Advantage

This final sub-dimension represents building competitive advantage, which refer to the participants' level of agreement with the following statements about building competitive advantage. Table (4.4) shows the participants' agreement regarding building competitive advantage's statements.

Table 4. 4: Mean and standard deviation for Building Competitive Advantage Dimension

Statement	Mean	SD	The level
1. Market changes	3.75	0.60	high
2. Marketing strategic plans	3.64	0.63	Medium
3. RB plans of exceeding similar corporates' service plans.	3.86	0.60	high
4. RB ambitions considering it as a-strategic tool for continuous success	3.82	0.64	high
5. Ability to provide methods to continue international development	3.80	0.80	high
6. Competency- Based Dictionary designed clear enough to define employee role in organizational development	3.96	3.67	high
7. Competency- Based HRM accurately measures employee performance	4.07	0.56	high
8. Competency- Based HRM accurately measures group performance	3.96	0.63	high
9. Competency- Based HRM accurately measures level performance	3.65	0.65	Medium
10. Competency- Based HRM accurately measures gaps between RB and competitors.	3.62	0.64	Medium
11. RB Competency- Based HRM reflects organizational pattern (which kind of patterns?).	3.67	0.59	high
12. Competency-Based HRM plans enabled RB to smartly invest its human capital abilities and capabilities	3.64	0.61	Medium
13. Competency matrix helps organization effectively reaching Total Quality Management	3.58	0.63	Medium
Total Mean and Standard Deviation	3.77	0.47	high

In the above table (4.4), it appears that the general mean of all statement related to building competitive advantage is (3.77), which reflects a high agreement. Moreover, the standard deviation value is (0.47), which is normal and reflects convergence on the response of the sample. The highest mean is (4.07) for statement number 7 "Competency- Based HRM accurately measures employee performance", which reflects high agreement, while the lowest mean was (3.58) for statement number 13 "Competency matrix helps organization effectively reaching Total Quality Management" which reflects medium agreement. In general, the sample attitude toward the statements was positive; thus the participants were agreeing there is a strong

capability of building competitive advantage in Riyad Bank, which enhanced HR competency, and participants have a positive attitude towards that.

4.1.1.5 Organizational Performance

This second dimension represents organizational performance, which refer to the participants' level of agreement with the following statements about organizational performance. Table (4.5) shows the participants' agreement regarding organizational performance statements.

Table 4. 5: Mean and standard deviation for Organizational performance Dimension

Statement	Mean	SD	The level
1. Increase RB employee productivity	4.05	0.56	high
2. Increase RB market share	3.82	0.70	high
3. Increase RB competitiveness	3.98	0.54	high
4. Decrease RB services costs	3.94	0.59	high
5. Increase RB profits	3.59	0.58	Medium
6. Increase RB employees' performance	3.85	0.63	high
7. Increase financial resources	3.77	0.67	high
8. Increase quality employment	3.70	0.66	high
9. Provide the level of excellence in customer service	3.55	0.65	Medium
10. Effective monitoring in front desk level	3.60	0.66	Medium
11. Improve RB operations efficiency	3.60	0.64	Medium
12. Increase employees' satisfaction	3.64	0.59	Medium
13. Increase customers' satisfaction	3.82	0.50	high
14. Raise RB level of earnings	3.69	0.60	high
15. Increase RB development opportunities	3.56	0.59	Medium
16. Decreases RB domestic conflicts and hassles	3.76	0.55	high
17. Time savings	4.06	0.39	high
Total Mean and Standard Deviation	3.78	0.40	high

In the above table (4.5), it appears that the general mean of all statement related to organizational performance is (3.78), which reflects a high agreement. Moreover, the standard deviation value is (0.40), which is normal and reflects convergence on the response of the sample. The highest mean is (4.06) for statement number 17 "Time savings", which reflects high agreement, while the lowest mean was (3.55) for statement number 9 "the level of excellence in customer service" which reflects

medium agreement. In general, the sample attitude toward the statements was positive; thus the participants were agreeing organizational performance is strong in Riyad Bank, and Participants have a positive attitude towards that.

4.2 Skewness and Kurtosis

Before testing the hypothesis, it's important to do some test for the study variables, first, In order to know the Shape of the distribution if it different from usual, a Skewness and Kurtosis was run, table 4.6 below shows all the values related to this test, by dividing Statics value in the on standard error value for each Skewness and Kurtosis, then the Skewness and Kurtosis value is appeared, this values tell us how is our distribution, and if it differ from usual, it's worth to say that if the value is under 5 it considered acceptable.

Table 4. 6: Skew and Kurtosis test

Skewness			Kurtosis		
Statistic	Std. Error	Skewnes s Value	Statistic	Std. Error	Kurtosis Value
-.465-	.263	-1,786	.066	.520	0.127
-.831-	.263	-3.159	.720	.520	1.385
-.771-	.263	-2.931	.561	.520	1.079
-.488-	.263	-1.855	.209	.520	0.402
-.332-	.263	-1.262	2.576	.520	4.953
-1.226-	.263	-4.66	1.381	.520	2.655

4.3 Correlation Matrix

Also, a test for the correlation between study variables is done in order to know the multiple correlation between study independent variables (competency based HRM) and dependent variable, where a correlation matrix test was run to avoid the Multi-collinearity and what appeared that every dimension independent from other one as it has correlation values less than 1, the table below (4.7) show the correlation matrix which show the correlation between the independent variables (competency based HRM), as table shows that the correlation was between focusing on bank operation and focusing on employee which was (.687) where the lowest correlation was between performance and focusing on employee which was (.365) as table shows the all correlations values between independent variables are less than 1 which means there is no Multi-collinearity occurred (Rebonato & Jäckel, 2011).

Table 4. 7: Variance inflation factor VIF

	performance	Focusing on client	Focusing on employee	Focusing on operation	Focusing on competitive advantage
Performance	1.000	.400	.365	.463	.564
Focusing on client	.400	1.000	.499	.390	.478
Focusing on employee	.365	.499	1.000	.687	.416
Focusing on operation	.463	.390	.687	1.000	.646
Focusing on competitive advantage	.564	.478	.416	.646	1.000

4.4 Testing Hypothesis

4.4.1 Main Hypothesis

First Hypothesis (H_o1): There is no significant effect of the level ($0.05 \leq a$) of implementing competency-based HRM on organization's performance.

To test this hypothesis, a multiple regression test was used. Table (4.8) shows the obtained results of the independent variables (implementing competency-based HRM) that were used in the model. The R value (0. 595[a]) refers to the correlation between the independent variables (implementing competency-based HRM) and the dependent variable (organizational performance). The R square indicates a 32.1% change or variance in the organization's performance can be expressed by the implementing competency-based HRM, and the other remaining percentage (67.9%) is expressed by other factors.

Table 4. 8: Correlation and Variance for for effect of competency-based HRM and organization's performance

Model	R	R Square	Adjusted R Square
1	.595[a]	.354	.321

[a.] *Predictors: (Constant), implementing competency-based HRM*

According to table (4.9) below the result of multiple regression test, the first null hypothesis H_01 is rejected, which means that a there is statistical effect on the level ($0.05 \leq a$) of implementing competency-based HRM on organization's performance. The sigma overall value is (0.000) which is below (0.05) the significant level, and according to the Beta value, the type of this effect is positive. This means that any improvement in implementing competency-based HRM aspects will improve organization performance, as table present the focusing on competitive advantage factor has the biggest effect on organizational performance.

When a look taken at each variable in the multiple test its appears that competitive advantages only has significant effect which mean that when variables taken together to Assis their effect on performance only competitive advantages keep its effects, while other variables loss it, not like simple regression that viewed in coming pages its appears that each variable has significant effect on performance when it tested separately. But what is important in this test that the overall value of sigma is significant which mean that their overall significant effect of human resource competency on performance.

Table 4. 9: Coefficients for effect of competency-based HRM and organization's performance

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	**Std. Error**	**Beta**		
1	**(Constant)**	1.602	0.355		4.510	0.000
Focusing on client		.091	.073	.139	1.236	.220
Focusing on employee		.042	.115	.049	.361	.719
Focusing on operation		.103	.134	.115	.770	.444
Focusing on competitive advantage		.338	.107	.403	3.170	.002

a. *Dependent Variable: organization's performance*

4.4.2 Sub Hypothesis:

First Hypothesis (H₀a): There is no significant effect of the level (0.05 ≤ a) of clients and customer focus on organization's performance

To test this hypothesis, a simple regression test was used. Table (4.10) shows the obtained results of the independent variables (customer focus) that were used in the model. The R value (0.400[a]) refers to the correlation between the independent variables (customer focus) and the dependent variable (organizational performance). The R

square indicates that 16% change or variance in the organization's performance that can be expressed by their clients and customer, and the other remaining percentage (84%) which is expressed by other factors.

Table 4. 10: Correlation and Variance for effect of customer focus on Orgnizational perfomance

Model	R	R Square	Adjusted R Square
1	0.400[a]	0.160	0.150

[a.] *Predictors: (Constant), their clients and customer*

According to table (4.11) below, this null hypothesis H_0a is rejected, which means that there is statistical effect of the level ($0.05 \leq a$) of their clients and customer on organization's performance. The sigma value is (0.000) which is below (0.05) significant level, and according to the Beta value, the type of this effect is positive. This means that any improvement in their clients and customer will improve organization performance.

Table 4. 11: Coefficients for effect of customer focus and organizational performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.793	0.254	0.400	11.018	0.000
organization's performance	0.262	0.066		3.957	0.000

[a.] *Dependent Variable: organization's performance*

Second Hypothesis (H_0b): There is no significant effect on the level ($0.05 \leq a$) of focusing on employee performance on organization's performance

To test this hypothesis, a simple regression test was used. Table (4.12) shows the obtained results of the independent variables (Focusing on employee) that were used in the model. The R value (0.365[a]) refers to the correlation between the independent variables (focusing on employee) and the dependent variable (organization's

performance). The R square indicates that 13.3% change or variance in the organization's performance that can be expressed by employee performance, and the other remaining percentage (86.7%) is expressed by other factors.

Table 4. 12: Correlation and Variance for focsuing on employee and orgnizational eperfomance

Model	R	R Square	Adjusted R Square
1	0.365[a]	0.133	0.122

[a.] *Predictors: (Constant), employee performance*

According to table (4.13) below, null hypothesis H_0b is rejected, which means that there is statistical effect of the level ($0.05 \leq a$) of employee performance on organization's performance. The sigma value is (0.000) which is below (0.05) significant level, and according to the Beta value, the type of this effect is positive. This means that any improvement in employee performance will improve organization performance.

Table 4. 13: Coefficients for employee performance and organization's performance

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.575	0.343	0.365	7.501	0.000
organization's performance	0.312	0.088		3.546	0.000

    a. *Dependent Variable: organization's performance*

Third Hypothesis (H_0c): There is no significant effect on the level ($0.05 \leq a$) of implementing operations and work flow on organization's performance

To test this hypothesis, a simple regression test was used. Table (4.14) shows the obtained results of the independent variables (operation and work flow) that were used in the model. The R value (0.463^a) refers to the correlation between the independent variables (operations and work flow) and the dependent variable (organization's

performance). The R square indicates that 21.5% change or variance in the organization's performance that can be expressed by operations and work flow, and the other remaining percentage (78.5%) is expressed by other factors.

Table 4. 14: Correlation and Variance for effect of operation and work flow on orgnizational perfomance

Model	R	R Square	Adjusted R Square
1	0.463[a]	0.215	0.205

[a.] *Predictors: (Constant), operations and work flow*

According to table (4.15) below, the null hypothesis H_0c is rejected, which means that there is statistical effect of the level $(0.05 \leq a)$ of operations and work flow on organization's performance. The sigma value is (0.000) which is below (0.05) significant level, and according to the Beta value, the type of this effect is positive. This means that any improvement in operations and work flow will improve organization performance.

Table 4. 15: Coefficients for effect of operations and work flow and organizational performance

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.179	0.343		6.375	0.000
organization's performance	0.415	0.088	0.463	4.733	0.000

[a.] *Dependent Variable: organization's performance*

Forth Hypothesis (H_0d): There is no significant effect of the level $(0.05 \leq a)$ of focusing on building competitive advantage on organization's performance

To test this hypothesis, a simple regression test was used. Table (4.16) shows the obtained results of the independent variables (competitive advantages) that were used in the model. The R value (0.564[a]) refers to the correlation between the independent variables (competitive advantages) and the dependent variable (organization's

performance). The R square indicates that 31.8% change or variance in the organization's performance can be expressed by building competitive advantage, and the other remaining percentage (68.2%) is expressed by other factors.

Table 4. 16: Correlation and Variance for effect of competitive advantges and organizational perfomance

Model	R	R Square	Adjusted R Square
1	0.564[a]	0.318	0.205

a. *Predictors: (Constant), building competitive advantage*

According to table (4.17) above, the null hypothesis H_0d is rejected, which means that there is statistical effect of the level $(0.05 \leq a)$ of building competitive advantage on organization's performance. The sigma value is (0.000) which is below (0.05).

Table 4. 17: Coefficients for effect of building competitive advantage on organizational performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.000	0.291		6.876	0.000
organization's performance	0.473	0.077	0.564	4.184	0.000

a. *Dependent Variable: organization's performance*

Significant level, and according to the Beta value, this effect has a positive impact. This means that any improvement in building competitive advantage will improve organization performance.

Chapter Five: Discussions and Conclusion

5.1. Discussion of Result with Previous Studies

The discussion of results aroused from the research results, research questions and compared against the background of previous research covered in the literature review. Therein, it found the answer to the main study question and confirmed the consequences of these findings.

What is the Effect of implementing competency-based HRM on organization's performance?

After reviewing the hypothesis testing results, the main finding has been confirmed; there is statistical effect on the level $(0.05 \leq a)$ of implementing competency-based HRM on organization's performance. This means that implementing competency-based HRM has a positive effect on an organization's performance.

The analysis showed a correlation and positive effect of implementing competency-based HRM on organization performance in Riyad Bank, and this effect has been confirmed by many of the previous studies. Firooz (2012) found that there are five factors of HR competencies (business knowledge, information technology, quality of working life – family, strategic management and employee performance) have most effect on organization's performance. Similarly, Setyaningdyah et al. (2013) indicated that work discipline was significantly influenced by human resource competence and organizational commitment. Further, it was also found that there were significant effects between organizational commitment, transactional leadership and employee's work discipline with employee's performance. Moreover, Eleyan (2010) found that there is an effective of human resource management on the organizational performance, it was also found that several organization have made utmost efforts to successfully implement HR

strategies, policies, and practices in organizations via oriented support using web-technology-based channels (which is known as electronic human resource management). Moreover, strategic management in general and human resource strategic management in particular are cognizant of the essential to know how they can assemble human resource management systems and practices, with the purpose of improving a competitive advantage for the company. This issue can be examined with the assist of concepts such as internal fit, external fit, and organizational flexibility (Pablos & Lytras, 2008). In addition, Çalişkan (2010) found that there is a positive statistical relation effected of adoption of human resource practices on the business performance. The causative linkage between human resource and organizational performance will modify the human resource managers to plan programmes that will contribute away better operational outcomes to achieve higher organizational performance. Otherwise, Klett (2010) concluded that the exact evaluation of the organization's strategic management lets managers to discover fields to be develop, to plan career development programs, and to measure development effectiveness against a well-defined group of systems of measurement and goals. All these tasks belong to a higher resolution property based on quality management that concerns the organizational part of the company's services. Its aim to assure the evaluation of the effect of those services. The tasks of the quality management concerning the educational and training services should be instantly interlaced with the strategic management of the organization. On the other hand, April Chang & Chun Huang (2005) indicated that the results failed to support the "universalistic" strategic human resource management perspective. Only the interaction between an innovative product market strategy and strategic human resource management exerts a significant effect on firm performance. Furthermore, Gautam's (2015) showed that around half of the organizations are doing business without business

strategy and just one-fourth organizations formulate explicit HR strategy in order to support business strategies. Among the respondent organizations, few organizations meet the requirement of high strategic integrating organizations that were performing better than organizations that were low integrating. As well, Ngo et al. (2013) concluded that human resource management competency has a significant and positive effect on firm performance. Such an effect is found to be mediated by the achievement of external fit.

Stepwise regression test was conducted, the test's results showed that the competitive advantage is the most effective factor in relate to organization's performance as it assesses the finances of an organisation's business focusing mainly its principally to produce additional returns on capital and links the business strategy with fundamental finance and capital markets, for a longer period of time.

5.2 Conclusion

Human Resources Management (HRM) has recently occupied a large amount of attention in studies, due to its connection with much organizational performance measurement, such as employee performance, competitive advantages. HRM in supporting and enhancing the business performance (organizational performance, firm's performance). Competency management connected to HRM to created Human resource competency, Human resource competencies are a set of characteristics contributing to the effective human resource performance that allows an organization to carry out it's business in a competitive market. Given this importance, this study measures the effect of implementing competency-based human resources management on organizational performance considering Riyad Bank.

Most of the previous studies have concentrated on the strategy of an operational human resource management (HRM) system and its influence on organizational performance. Less research attention has been paid to the issues that Measure the Effect of Implementing of such a system. Thus, it is worth to shed the light on this issue as it plays an important role in attracting, retaining, developing, and motivating its employees, which in turn produces an organizational performance, and in order to achieve the required goals of this sector in Riyadh.

In this case study research, a quantitative method was employed to collect data, where this method was represented by distributing a questionnaire, as well as relying on secondary data collection through scientific books, previous studies, and research published in scientific periodicals and journals that deal with the research concepts, so as to develop a full picture of how the effect of implementing competency-based human resources management on organizational performance considering Riyad Bank. Thus, the research framework is based on a theoretical framework and includes two main dimensions: implementing competency-based human resources management (their clients and customer, employees, operations and work flow and building competitive advantage), and organizational performance.

Furthermore, the results of this study describe the effective of implementing competency-based HRM and organizational performance as observed through the four dimensions. Through the analysis the effective of implementing competency-based HRM on the organizational performance, it was shown that there is statistical effect on the level ($0.05 \leq a$) of implementing competency-based HRM on organization's performance. It was also found that their clients and customer, employees, operations

and work flow and building competitive advantage have a significant and a positive influence on organization's performance.

The results from the current study suggested that there was a strong level of implementing competency-based HRM among managers in Riyad Bank. However, all the implementing competency-based HRM had an impact on organizations' performance. Also, expressing emotions in a positive way may encourage the employees to focus on their work and this will increase their performance. In addition, HR competence is a critical source of performance; it is also remarkable to observe the competence on the human perception of individuals because they directly tell to specific characteristic of competencies. In other words, an organization with high HRM competency would be more efficiency in attracting, retaining, developing, and motivating its employees, which in turn produces an organizational performance. Therefore, this study could support the managers and stakeholders at petrochemical companies by making them aware of the importance of implementing competency-based HRM to Riyad Bank, and informing them about the results of this study. The findings indicate ways in which the ability to build close effective of customers on increasing the employee's performance, will be bring companies into a lasting competitive edge, therefore, achieving the purposes of Riyad Bank and better results in relation to achieve competitive advantage . Where the Riyad Bank could achieve this by paying more attention to the issue of implementing competency-based HRM and how the good use of it from managers could have positive effect on their organization performance.

Finally, it is an organization's competitive advantage that lets it to produce additional returns for its owners. Without a competitive advantage, an organization has restricted

economic cause to exist, its competitive advantage is its reason of life. Without it, the organization will decline.

5.3 Recommendations

According to the study's results and findings, the following recommendations can be made:

1. Riyad Bank must actively develop the implementing of competency-based HRM, and employ managers with developed competency skills, in order to increase both their own personal performance as well as that of the teams they lead.

2. Riyadh Bank must always be aware of implementing competency-based HRM strategies that they follow, to keep effective employees and to create and sustain high performing teams.

3. Competency-based HRM in Riyadh Bank must try to match customer's ambition about.

4. Riyadh Bank must apply several training programs to provide employees with the needed skills required to adopt their competencies.

5. Riyadh Bank must apply programs which accurately compare cases (Benchmarking) between Riyadh Bank and other competitors.

6. Riyadh Bank must apply programs which enables Riyadh Bank to smartly invest in its human capital abilities and capabilities.

7. Riyadh Bank must increase competency based HRM plans in order to increase vertical line group productivity.

8. Riyadh Bank should activate implementing competency based HRM for effectively reaching Total Quality Management.

9. Riyadh Bank should activate implementing competency based HRM to meet the level of excellence in customer service.

10. Riyadh Bank should creating a sustainable competitive advantage may be the most important single attribute on which each organization must place its most focus to achieve superior performance.

5.4 Further Research Recommendations

This study used a sample of employees from the middle management level at Riyadh Bank Central Branch as comprehensive inventory style. As a result it might not be appropriate to generalize the findings to other banks. Therefore, further research is necessary to achieve more diversified samples thus reaching better generalizability. Also, future research could concentrate on studying the impact of implementing competency based HRM dimensions distinctively on organizational performance, where deeper results for each dimension could be identified.

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Appendix A

Appendix A Survey to Study and Measure the Effect of Implementing Competency- Based Human Resources Management on Organizational Performance:

At Riyad Bank / Riyad Branch

Dear Sir/ Madam,

This survey data will be collected for research work and has no other purposes. Please make sure that the information collected from you would be kept confidential.

Please answer the required information freely with the most suitable answer that you think is most appropriate.

<u>Many thanks for your cooperation and time</u>.

Demographic Data

1- Gender

    Male ☐   Female ☐

2- Age

Less than 30 ☐   From 30 – 40 ☐   More than 40 ☐

3- Degree

    Diploma ☐   Bachelor ☐   Master ☐   PhD ☐

4- Level of management

    Manager ☐   Vice Manager ☐   Supervisor ☐   Vice Supervisor ☐

5- Experience at Riyad Bank

    1 - 5 years ☐   6 – 10 years ☐   More than 10 years ☐

6- Experience at your current position

    5 years or less ☐   6 – 8 years ☐   More than 9 years ☐

Please tick ✓ for the most appropriate answer, from Highly Agree to Highly Disagree:

❖ **First:** Measuring top management competency based HRM implementation impact: (Their Clients & Customers, Employees, Operations and Work Flow, and Building Competitive Advantage)

A. Focusing on Clients:

Competency-Based HRM…

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
1	Made the management able to distinguish client needs and requirements					
2	Able to follow up client's complaints					
3	Consider client's feedback to develop new services					
4	Able to gain more clients while maintaining existing ones					
5	Enable the management to spends efforts to define client's needs and requirements					
6	Try to match customer's ambitions about?					
7	Make plans to gain client loyalty					
8	Try to provide client with after sale services					

B. Focusing on Employees:

(Training, Developing and Motivating):

Effect of implementing Competency- Based HRM…

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
1	Make the bank works more in developing its employees					
2	Employees are permitted to express their opinions and constructive criticism					
3	Employees are permitted to develop their work methodologies					
4	Employees are supported enough to meet the needs of their customers					
5	Ability to form working groups to design services for new plans (plans for new services?)					
6	Type of training programs target to improve employees' efficiency & effectiveness					
7	Training programs target to improve work group attitude following planned efforts					
8	Training programs provide employees with the needed skills required to adapt their competencies					

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
9	Motives are designed on the base of employees competency map their achievements					
10	Motives are awarded to distinguish performance no matter what is the level					
11	Providing competency based financial awards plans increase employee loyalty.					
12	Job security helps employee to develop creative thinking within his/ her job					
13	Competency base awarding encourages employee to compete for the benefit of organization.					

C. Focusing on Indoor Bank operations and work flow:

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
1	Competency-based HRM plans keep pace with RB organizational performance					
2	Following competency maps insure employee best practices					
3	Hierarchy is compatible with its competency based HRM plans					
4	Competency- based HRM reflects RB activities					
5	Competency based HRM plans implemented within are enough to minimize RB time losses					
6	Competency based HRM plans implemented within are enough to upgrade RB operations					
7	Competency based HRM plans are enough to increase vertical line group productivity					

D. Focusing on RB Building Competitive Advantage:

Competency- Based HRM was designed to meet…..

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
1	Market changes					
2	Marketing strategic plans					
3	RB plans of exceeding similar corporates' service plans.					
4	RB ambitions considering it as a-strategic tool for continuous success					
5	Ability to provide methods to continue international development					
6	Competency- Based Dictionary designed clear enough to define employee role in organizational development					
7	Competency- Based HRM accurately measures employee performance					
8	Competency- Based HRM accurately measures group performance					
9	Competency- Based HRM accurately measures level performance					
10	Competency- Based HRM accurately measures gaps between RB and competitors.					
11	RB Competency- Based HRM reflects					

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
	organizational pattern (which kind of patterns?).					
12	Competency-Based HRM plans enabled RB to smartly invest its human capital abilities and capabilities					
13	Competency matrix helps organization effectively reaching Total Quality Management					

❖ **Second:** Measuring Organizational perfomance:
  Implementing Competency Based HRM led to…

	Topic	Highly Agree	Agree	Neutral	Disagree	Highly Disagree
1	Increase RB employee productivity					
2	Increase RB market share					
3	Increase RB competitiveness					
4	Decrease RB services costs					
5	Increase RB profits					
6	Increase RB employees' performance					
7	Increase financial resources					
8	Increase quality employment					
9	Provide the level of excellence in customer service					
10	Effective monitoring in front desk level					
11	Improve RB operations efficiency					
12	Increase employees' satisfaction					

13	Increase customers' satisfaction					
14	Raise RB level of earnings					
15	Increase RB development opportunities					
16	Decreases RB domestic conflicts and hassles					
17	Time savings					

Thank you very much for your assistance and time

Appendix B

Appendix B Panel of Experts and Validation Committee

Name	Position	Specialization	Place of Work
Laith Al Rabie	Professor	Business Administration	Middle East University
Kamel Al Mugrabi	Professor	Business Administration	Middle East University
Haitham Al Zuaabi	Professor	Business Administration	Middle East University
Ali Abas	Associate Professor	Business Administration	Middle East University
Murad Al Etani	Associate Professor	Business Administration	Middle East University