

# The Impact of Human Resource Management on the Competitiveness of Oil Companies in Iraq

Jawad Al-Frijawy<sup>a\*</sup>, Constantin Militaru<sup>b</sup>

<sup>a,b</sup>*Faculty of Engineering and Management of Technological System, University Polytechnic of Bucharest, RO-060042, Bucharest, Romania*

<sup>a</sup>*Email: [jawad\\_a85@yahoo.com](mailto:jawad_a85@yahoo.com)*

<sup>b</sup>*Email: [Prof\\_militaru@yahoo.com](mailto:Prof_militaru@yahoo.com)*

## Abstract

The performance of human resource management, getting more importance and continuation with great dynamic competition. Human resource management performance is measured through more different indicators. It guarantees continuity of human resource management, to be competitiveness in the global marketplaces. Human resource management is the key for keeping the oil companies in a market competition. Human resource management needs to implement pre-planned goals. The study aims to study the impact of human resources management to implement the competitive strategy, to increase production, plan formulation support capacity companies on the efficiency and continuation, throughout skills, behaviors, training, regulation, directing, and observation.

**Keywords:** Human Resource Management; Performance; Competitive; Implement.

## 1. Introduction

The use of the term human resources management is recent however, in the past three decades the dedicated term was generally known as personnel management. In the management literature, human resource management it is a new modern term, it has before been referred to as personal administration. The main concern was the management of salaries and benefits human resources management includes all decisions and practices that directly affect people, work to be performance effective and management organizing good and practical, these activities designed to coordinate company and the motivate [1].

---

\* Corresponding author.

Volatile market environment has contributing faced by companies. Traditional competitiveness difficult, at the competition in such advancing technology, has become less effective organizations their competitive practices. The organization constantly searching for newer sources of competitive advantage is one of most important human resource management.

Human resource management required to propel companies through challenges be rightly and appropriately encouraged to be working. As a result, it is important that the company adopts proper human resource management practices that make the best use of its employee's effort. This trend has led increased interest in the impact of practices on organizational performance [2]. Those human resources it is the most important factors in the success of the companies and organizations [3]. In the past decades, human resources management has been identified as an important of support in the competitive advantage, able to create differentiation with the contribution to the overall performance of the company [4].

The people too and abilities coupled with their ability to deploy these in the interests of the employing organization are now recognized as making a significant contribution to the organizational success and as constituting the major source of competitiveness advantages. There has been the debate by numerous researchers whether human resource management should always be positively related company's performance. Scholars argue that there is the universal set of to human resource management best practice that should maintain the organization's performance. It is, thus, important that companies truly leverage from the workforce as the competitive weapon to develop the competitiveness advantages [5].

Hence the, highlighting the contribution the human resource management strategies in Iraq's oil companies very important. Thus, Iraq holds the world's fourth-largest oil reserves. Iraq's crude oil reserves nearly 153.1 billion barrels. Confirming that it will be the estimated future years to 250 billion barrels, and the Iraq's oil reserves amount to about 11.8% of the total global reserves. The expect it will be oil production 5.6 million barrels' end of this year, the responsibility of managing human resources, a difficult task, the purpose of this paper, is how the survival, growth, and continuation of a companies or organizations in action depend on new strategies and policies. staying to global oil markets.

As per Mr. Richard Duke – HR Consultant at Duke Consulting LTD challenging times call for new thinking for human resource in oil and gas. Oil prices are declining. Stock prices are falling. Companies are downsizing. Volatility and uncertainty in the oil and gas sector is now becoming predictable. This is the current scenario that human resource has now found themselves in. Consequently, this recurring global volatility and uncertainty setting calls for human resource professionals to step up and prepare their organizations for the turbulent journey ahead. Due to the fresh challenge of financial restrictions in the sector as a result of declining oil prices there is need for human resource to re-examine their role in the oil and gas sector and look at ways of adjusting their human resource operating models and workforce/talent management strategies.

According to Mckinsey report of 2017, the war for traditional technical talent is now less fierce, while intensifying for new skill types. However, three fundamental changes are disrupting the oil and gas industry, with significant implications for industry players resource abundance, profound technological advances,

demographic shifts resource abundance or lower quantity are directly affecting the ability for offering jobs to the people actively working in the field. If we include to this factor the technological advances we can mention that the increasing demand for climate and environment protection is demanding both a shift of specialization for alternative resources and also investments in new technologies for new types of energy sources or in new and improved manners of exploitation as to secure higher environment protection.

This research was made based on the available data offered by the questionnaires filled in by professionals working in oil and gas industry in an Iraqi company.

## **2. Research Methodology**

Data collected for the studying were analyzed by the researcher, by using literature review used for collecting data from through questionnaires, random sampling method, method organizer, journal the human resource management. Therefore, it contributes to a discussion on the roles the strategic human resource management in competitiveness, the better understand and provide the reliable investigation for the research question. Recently, many oil company has been making an adjustment for increasing their competitiveness through getting performance organizational, by the researcher. As discussed, the evolution of an including new roles, opportunity, and emerging challenges faced by the oil companies, in Iraq it also discussed the rise in international activities and the consequences for future supply, benefits, as diversify their foreign assets, participate access leading to the new technology, and attain skill, expertise [6]. This must be reinforced with clear performance and metrics to create incentives for competitive, innovations [7].

The competitiveness should be suitable with the trend of new technology. Human resource management strategy should be activation decided in order to increase company's effectiveness and efficiency, in the performance of work, the required. Because of many external factors which have the possibility to influence the human resource management system, therefore, must activation role human resource management in the oil companies to be more important in the future, it meaning that the scope of human resource management strategy is not only static but dynamically grows and big. The practices of role human resource management for increased competitiveness includes; adjustment, training, promotion system. All of those practices can support to increase the oil company's competitiveness [8].

The aims of human resource management strategy – is to find means that facilitate and contribute to increase competition and attainment of oil company's objective. Preparation of human resource management strategy starts with management philosophies and essential values that highlight the importance of human resource management as a source of the competitive advantage. The following characteristics of human resources management are the most important in the developing of competitiveness advantage it is economic value, exclusivity in the work therefore, the should be important components of human resource management strategy – are management links to strategic tasks and objectives of the organization to improve performance production and establish innovation based cultures and competitiveness. The model reveals the relation established between the human resource management of and performance results. Results are implemented human resource management by labor force planning, employee's selection appropriate, training, motivating employees, this the

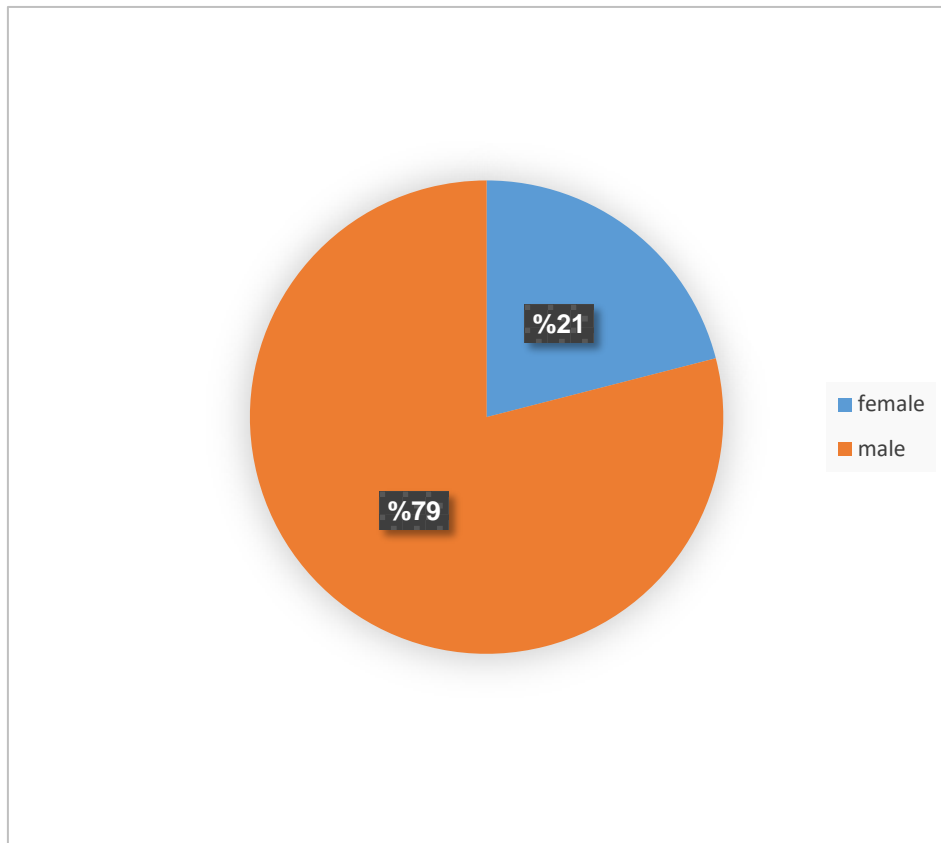
model facilitates implementation of the human resource management strategies, objectives [9].

### 3. Results and Analyses

As it can be seen in the table below the Iraqi oil and gas industry is mainly dominated by males 79%, female 21% and this is in fact a specific feature of the industry, as illustrated in figure 1.

**Table 1:** Number of participates percentage

Gender	No. of Respondents
Male	79 %
Female	21 %
Total	100 %

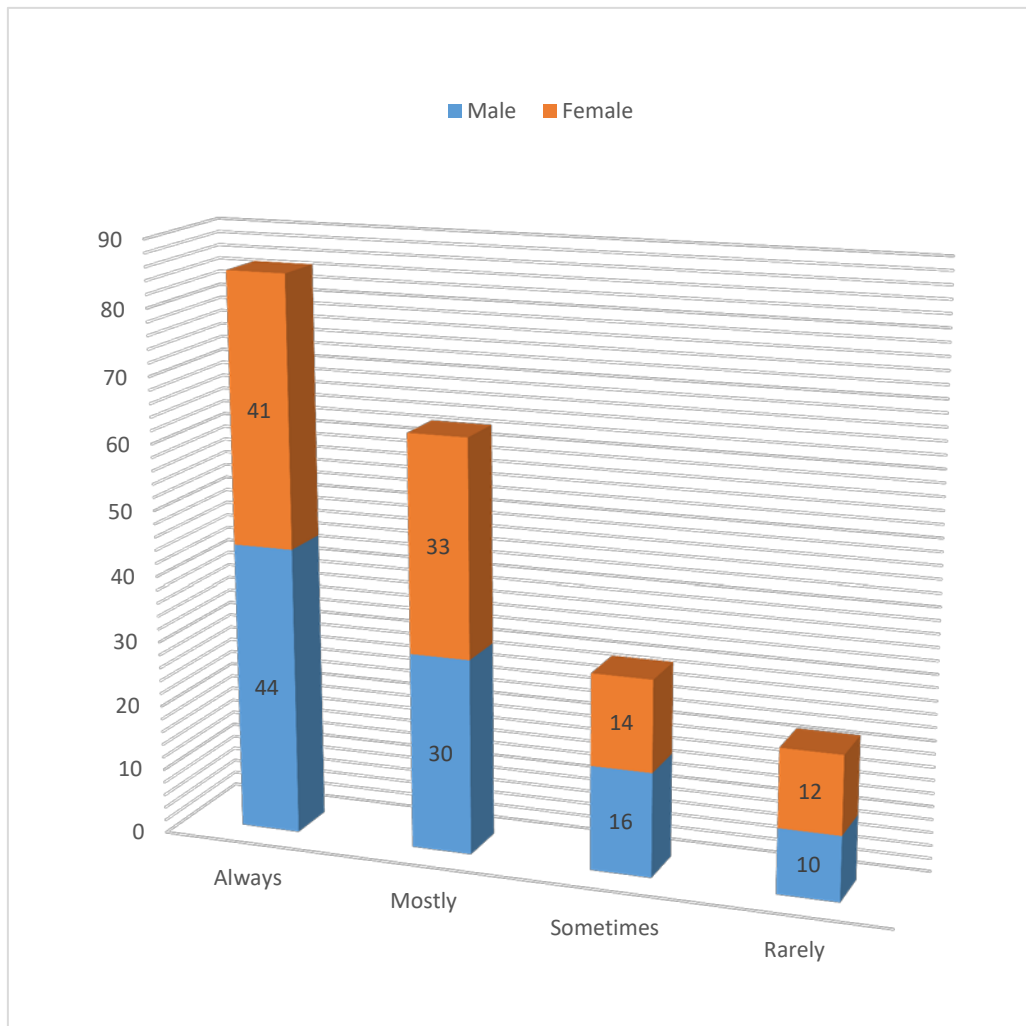


**Figure 1:** Structure of the industry by gender

As can be seen in table 2, perceive the effects and results of competitiveness strategies applied man believe more in a greater impact than women (44% vs 41%) a promising aspect regarding future implementation of strategies into the local industry as if people believe that strategies regarding competitiveness are giving results they are more open and willing to implement, as shown in figure 2.

**Table 2:** The impact of the strategies to the competitiveness (random-by gender)

	Male	Female
Always	44%	41%
Mostly	30%	33%
Sometimes	16%	14%
Rarely	10%	12%

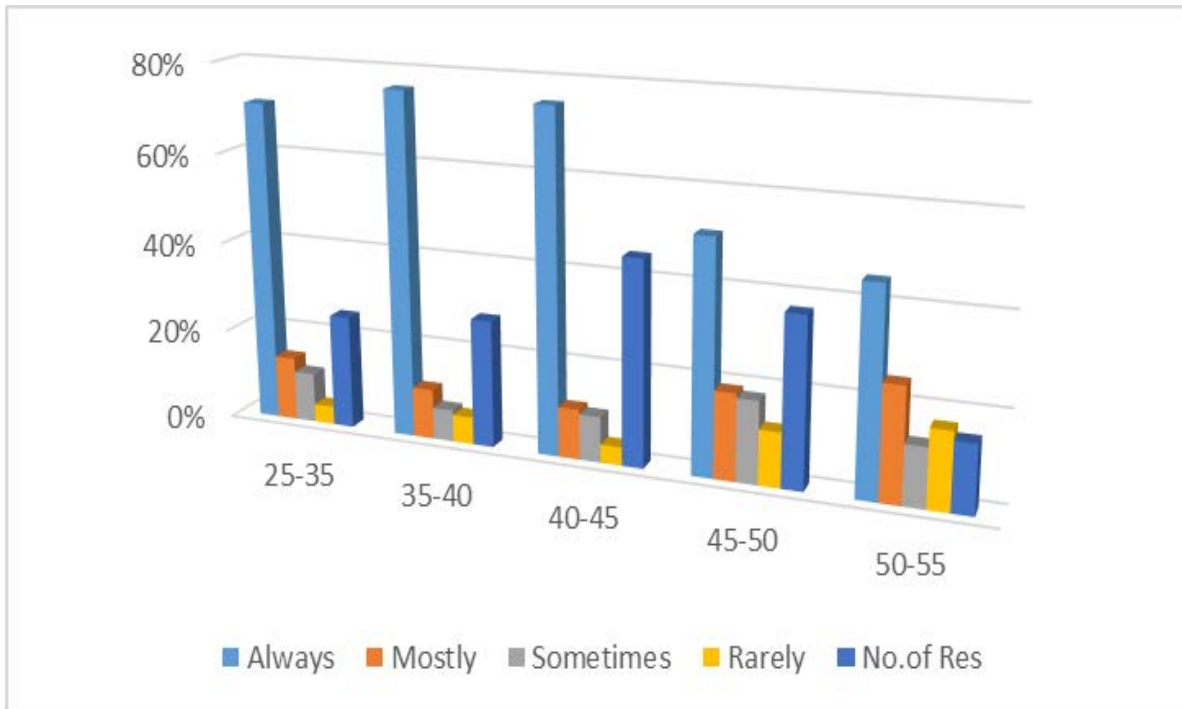


**Figure 2:** The impact of the strategies to the competitiveness (random-by gender)

As shown in table 3, if is to be analyzed according to the answer regarding competitiveness, by age group between 35-40 years is the most confident regarding the changes induced by the impact of competitiveness strategies. Between 40-45 years the confidence is slightly decreasing but the fact is that for all age group the percentage is higher than 70%, as illustrated in figure 3.

**Table 3:** The impact of the strategies to the competitiveness (regular-by age)

Age group	Always	Mostly	Sometimes	Rarely	No. of Respondents
25-35	65%	16%	12%	7%	30
35-40	73%	10%	7%	10%	25
40-45	67%	13%	12%	8%	43
45-50	71%	11%	10%	8%	35
50-55	58%	7%	10%	25%	17



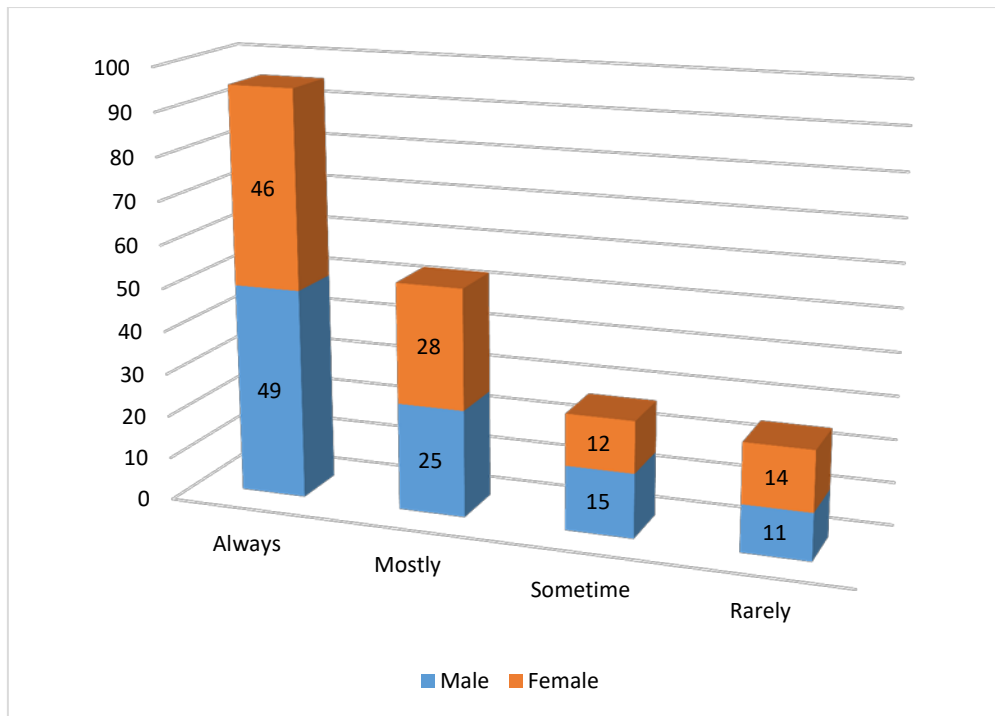
**Figure 3:** The impact of the strategies to the competitiveness (regular-by age)

As shown in table 4, in what human resource management is referred, both males and females agrees in approximate close percentage that (male 49% and female 46%) that the management of human resources.

In fact, the management is the one elaborating the strategies and if a good and experienced management is in place and has the exhaustive expertise of the human resources dynamics in the field, this will lead to a well-tailored solution and strategy for the company, as shown in figure 4.

**Table 4:** The impact the human resource management to the competitiveness (random-by gender)

	Male	Female
Always	49%	46%
Mostly	25%	28%
Sometimes	15%	12%
Rarely	11%	14%



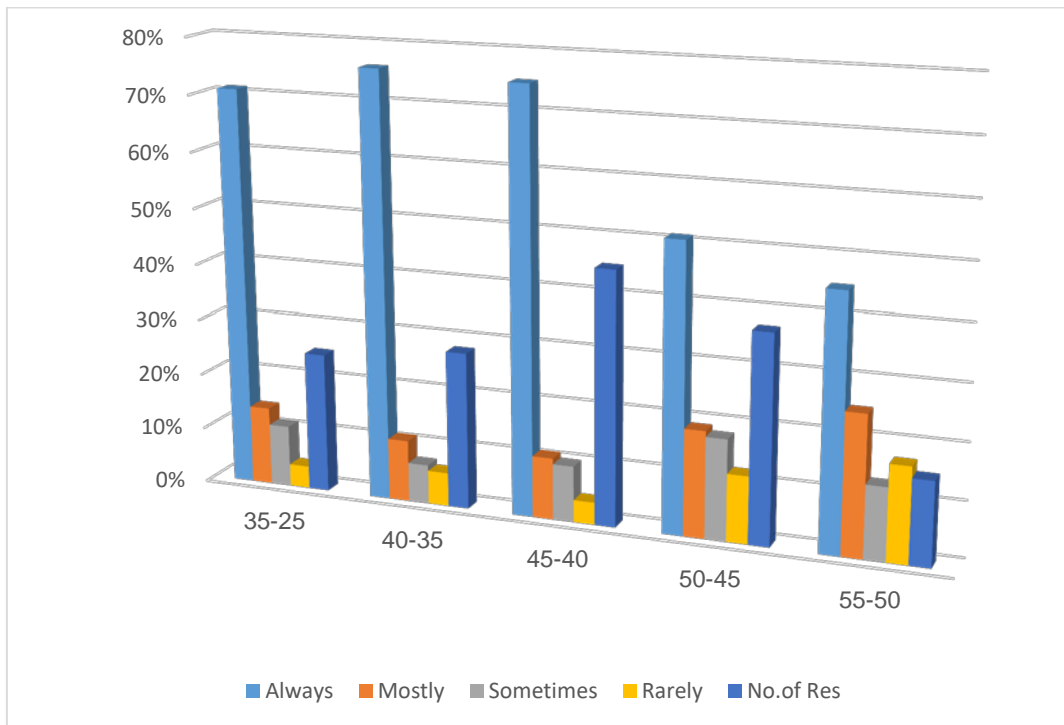
**Figure 4:** The impact of the human resource management to the competitiveness (random-by gender)

As shown in table 5, as per the age groups, it can be seen that, the trust in human resources management is higher up to 45 years old. The impact of human resource management on competitiveness is believed to be high by 71% respondents with age between 25 and 35 years old, by 76% respondents with age between 25 and 35 years old and by 75% respondents with age between 40 and 45 years old.

After 45 years old the people put less trust on the impact of a good human resource management on the competitiveness. This could happen also because the corporative structure was mostly dominated by personnel management in their formation years and the passing during years to other human resource approach was not highly assimilated by them, as illustrated in figure 5.

**Table 5:** The impact of the human resource management to the competitiveness (regular-by age)

Age group	Always	Mostly	Sometimes	Rarely	No. of Respondents
25-35	71%	14%	11%	4%	25
35-40	76%	11%	7%	6%	28
40-45	75%	11%	10%	4%	45
45-50	51%	19	18%	12%	37
50-55	45%	25%	13%	17%	15



**Figure 5:** The impact of the human resource management to the competitiveness (regular-by age)

Table 6 reveals, as per existing and forecasted production in oil and gas industry in Iraq, it is also to be seen the increasing interest in well managing of the human resources in a dynamic and growing field. as shown in figure 6.

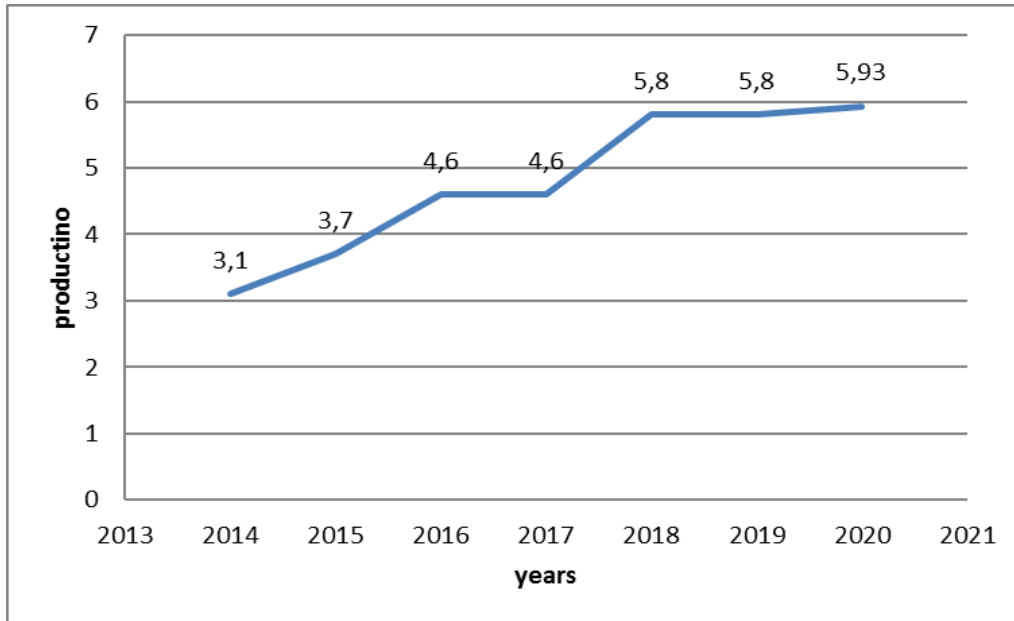
Considering also geo political situation of the country additional emphasizes will be put on:

- Closing the gaps related to the professionals and experts that moved to other countries due to the war issues.
- The age groups that suffered modification in country’s demographic.
- Increasing motivation for working in the field of young people.
- Recruitment processes improvements.
- Business transformation during periods of volatility.

**Table 6:** Actual production and expecting in Iraq

Years	Actual Production
2014	3.1 million barrel per day
2015	3.7 million barrel per day
2016	4.6 million barrel per day
2017	4.6 million barrel per day
2018	5.6 million barrel per day
2019	5.8 million barrel per day
2020	5.93 million barrel per day





**Figure 6:** Actual production and expecting in Iraq.

#### 4. Conclusion

The role of human resource management determines organization performance results and its position in the market and achieve competitive advantage. Take a good position in the market. A systematic approach towards management system is requiring in order to understanding the impact of human resource management on a competitiveness advantage. Additionally, attention most in the factors internal and external. In accordance with the obtained results, the human resource management should participate in the establishment and implementation of company strategy to achieve competitive advantage. The oil companies may gain the competition advantage by offering clients better and greater value than the ones promoted by competitors. Companies that seek to be superior over their competitors, should be offer products services at a lower price and higher quality. The competitiveness advantage can be achieving with the qualified labor force in an organization that encourages competition considering market changes, production and services quality. In order to understanding an impact in human resources management and competitiveness advantages of the oil companies.

In order to implementation their effective strategies in a market, organization should be having in mind a following:

Who are competitors?

1. What are objectives of our competitors?
2. What are strategies of our competitors?
3. What are advantages and disadvantages of our competitors?

Therefore, it's important to properly differentiate and position suggestions in order to obtain the greater

## References

- [1] J.I. Abdal, A.k. Huisn. "Human Resource Development and Its Productivity Enhancement and Achieving the Competitive Advantage in Indian Oil Corporation," *Interational Journal of Scientific Engineering and Technology Research*, vol. 03, no. 49, pp. 9917-9919, December 2014.
- [2] X. Q. W Dan. "Impact of Human Resource Management Practices on Operational Performance in Chinese Manufacturing Companies," *International Conference on Management Science & Engineering* , 2007 .
- [3] A. K. Allaraqi. "Relationship betweenSHRM and Organizatinoal Performance among IRAQI Oil Companies," *Journa l of Global Economics*, vol. 5, no. 1, 27 March 2017.
- [4] K. N. Alshuwairkh. "The Impact of strategic Human Resource Management on Organizational Performance A Case Study for Saudi Arabia Industries Corporation," *European Journal of Business and Management*, vol. 8, no. 14, 2016.
- [5] E W Waiganjo, E. Mukulu, J. Kahiri "Relationship between Strategic Human Resource Management and Firm Performance of Kenya's Coporate Organization," *International Journal of Humanities and Social Science*, vol. 2, no. 10, May 2012.
- [6] S. M. Al-Fattah. "National Oil Companies: Business Models, Challenges and Emerging Trends," *Corporate Ownership and Control* , vol. 11, no. 1, 2013 .
- [7] L. L. Melyoki. "The governance of the petroleum sector in Tanzania : Institutional arrangements and the role of the National Oil Company." *The Extractive Industries and Society*, vol. 4, pp. 180-190, January 2017.
- [8] D. Purwadi. "The Role of Japanese Human Resource Planning Practices for Increasing Industrial Competitiveness," *Procedia social and Behavioral sciences*, vol. 65, pp. 253-259, 2012.
- [9] N. Batarliene, K. Ciziuniene, K. Vaiciute, I. Sapalaite, A. Jarasuniene. "The Impact of Human Resource Management on the Competitiveness of Transport Companies," *procedia Engineering* , vol. 187, pp. 110-116, 2017.