

THE ROLE OF HUMAN RESOURCES TOWARDS JORDANIAN COMMERCIAL BANKS' PERFORMANCE

Z. A. F. Alkhazali

School of Business Innovation & Technopreneurship

University Malaysia Perlis, Malaysia

d_zeyad2014@yahoo.com

S. Ab. Halim

School of Business Innovation & Technopreneurship

University Malaysia Perlis, Malaysia

suberi@unimap.edu.my

A. Osman 

School of Business Innovation & Technopreneurship

University Malaysia Perlis, Malaysia

abdullahosman@unimap.edu.my

Abstract

This study aimed to identify the role of human resources in improving performance in Jordan; an empirical study on the public commercial banks in Jordan. The researcher adopted the descriptive and analytical approach to highlight the concepts of the study, and he analyzes and extract the results through a random sample of (175) member. To achieve the objectives of the study a questionnaire has been made to gather the optimum information from the study sample, and based on that the data has been collected, analyzed and tested and the hypotheses have been selected by using the SPSS. The study found a significant role for human resources in improving the performance of the commercial banks in Jordan.

Keywords: *Organizational Performance, HRM, Commercial Bank, Jordan*

INTRODUCTION

The interest in scientific research has been increased in the different countries to make further progress in this important field. Scientific research has been given importance and priority in the educational institutions as the National Human Resource Development ,research centers, studies centers at universities and other institutions that took the role to facilitate the research field that they need, and make studies and researches that are important in decision-making As a result of the great interest in scientific research in general , and the notable role of the scientific research officials and specialists in development.

Al-Hazzaama (2007) in his study *“The Practices of the Information Systems of the Human Resources Management in the Jordanian Banking Sector from the Human Resources Management’s perspective”* aimed to identify the involvement of the Jordanian banking sector in the adoption of the information systems in the field of human resources management and its impact on the performance of the activities that are related to this. Al-Hazzaama’s study has adopted the descriptive, analytical and field study approach. The study most important findings is that the Jordanian commercial banks achieved a linking process between the information systems of the human resources management with each other on one hand and with the management information systems on the other hand, as the Human Resources Information System in banks contributes in the activity of polarization, selection and appointment in the first place, especially in the field of organizing employees affairs which is highly related to the private contracts of appointment.

Another study by Abu Duala and Salhyah (2005) emphasized in a study entitled with the Assess the level of strategic planning practice in the Department of Human Resources, comparative study between the public and private sectors of Jordanian organizations. This study aim was to identify the human resource managers trends toward the practicing of strategic planning in the Department of Human Resources - A comparative study between public and private sectors of Jordanian organizations, and the percentage of achieving the process of connectivity and integration in the strategic planning process, The study was conducted on a sample of(82 organization) of both sectors, The study found a number of results was the most important of: the absence of strategic planning and the lack of integrated strategic plans of Human Resources management in the most of organizations surveyed and the lack of significant statistic differences between public and private sectors related to the binding process and integration in strategic planning and the average of the actual practice of the activities of the strategic planning and human resource elements.

A related finding by Obaddat (2003) found that most Jordanian banks are applying the process of strategic planning and apply the Human Resources management functions in a

highly degree, and there is a medium ability for banks in the process of linking the planning functions of Human Resources management and Strategic Planning as a whole. In a study (Tamilmani et al., 2009) entitled "Employees Perception Towards Service Client Hotel Industry in India an Empirical Study", The study included several dimensions, including Service Leadership, Systems Services, the Human Resources management and Customer Satisfaction. The study sample consisted of 250 of all classified hotels 3,4,5 star in four major cities in the state of Tamilnadu, India. The researchers used questionnaires to collect data and test hypotheses, The study found that the respondents feel that they are using the proper techniques to accomplish and provide better services and to understand the client's needs. And that the hotel management has a clear vision and effective way to provide a unique internally services, but most of them feel that the hotel management does not provide services to customers in a timely manner .In another study (Rushadat, 2008) entitled "Human Resource Management Practices in the Jordanian Hotel Industry", The purpose of this study wss to identify and analyze the relationship between the practices of the Human Resources management and the quality of services provided in the hotel sector of Jordan, the study also tried to develop a model to assess this relationship, this model has been divided into two parts, the first one searches in the practices of the Human Resources management and the second part interested in the quality of services provided by the hotels. The study was conducted on the classified hotels 4,5 Stars reaching the study sample 17 hotels, To achieve the objectives of the study two questionnaires have been made, the first questionnaire dedicated to human resource managers and their assistants and the second was dedicated to the customers hotels, The study found a correlation between correct practices of the Human Resources management and the customers quality service.

Statement of Problem

Through a prospective study made by a researcher at the commercial banks operating in Jordan shows that preliminary information indicates no interest in the standards development of recruitment and selection of qualified human resources that is able to carry out the tasks assigned to them, and it is known that the absence or lack of such standards may lead to malfunction and failure in continue to provide high quality services that gain the service recipient satisfaction, and all that prompted the researcher to try to identify the problem and determine the size and dimensions through the study of the role and functions of human resources in improving the performance of commercial banks in Jordan.

The Significance of the research

The significance of research stands out through the following:

- 1- This study came to define the importance of the commercial banks in Jordan as one of the important tributaries of the Jordanian national economy.
- 2- Provide a database about the reality of human resources in Jordan, which contributes to enrich the Arabic library in this regard.
- 3- Provide some scientific recommendations that could be contributed as a suggested future studies in this field.

Research Objectives

- 1- To identify the role of the human resources functions to improve the performance in the Jordanian commercial banks.
- 2- To identify the assessment level of employees (the study sample) in the Jordanian commercial banks to HR jobs.
- 3- To identify the assessment level of employees (the study sample) in the Jordanian commercial banks to the dimensions of performance.

RESEARCH METHODOLOGY

Research Design

The study has adopted the approach of descriptive research, and analytical field, so at the descriptive research behalf a detecting has been made on theoretical research and field studies In order to develop the principles in which the theoretical framework stands on, and previewing the important previous studies which include a vital source in the study. Regarding the analytical field research, a comprehensive survey has been made based on a communal data through answering a questionnaire and the use of appropriate statistical methods. The questionnaire has been developed in order to meet the survey goals.

Study Sample

The study community consisted of 12 Jordanian commercial banks that lead licensed economic activity. A simple random sampling was adopted and a comprehensive survey has been made for all study society members of workers inhuman resources middle and lower departments, the distributed questionnaires are (220), and the recovered questionnaires are (190), and (15) questionnaires were excluded for the lack of statistical analysis efficiency, bringing the number of valid questionnaires, which were subjected to statistical analysis to (175) which form a (75%)

of the total number of questionnaires that were distributed, which is longer acceptable to conduct a statistical analysis.

Statistical Methods

To answer the questions of the survey and to test the validity of the assumptions, a descriptive statistics and analytical methods has been used through Statistical Package for Social Sciences (SPSS), at the following the statistical methods that have been used:

Descriptive statistics: To describe the study sample characteristics in percentages, and to identify the estimates and perceptions of the variables of the study sample, and that includes the use of frequencies and percentages to describe the study sample. And, the use of averages and standard deviation to measure the level of variables availability, in order to give a full interpretative analysis of how respondents answer and the most appreciative factors for them.

ANOVA: Used to test hypotheses related to the statistical differences between the independent variables and the dependent variables to test the personal variables and functional effects on the respondents' perceptions regarding the participation process in the provided quality.

Variance Inflation Factor (VIF) and the permissible variance test to make sure that there is no high correlation between independent variables.

T-test: To measure the sampling unit estimates of the independent and dependent variables availability and the estimate accuracy and to test whether there are differences in individuals estimates in no more than two variables, the variables of sex and marital status.

ANALYSIS & FINDINGS

The researcher unveiled results which are related to the human resources functions role in improving the performance of Jordanian commercial banks will be shown, after the segregation in standards and the use of Statistical Package for Social Sciences(SPSS) in the analysis of different tests for the research hypotheses.

Testing of Hypothesis 1

Ho : No statistic indicator effect at the level of indicator ($\alpha=0.05$) of human resources functions role in improving Jordanian commercial banks performance from the standpoint of the Human Resources management employees.

The table 1 shows the sample responses to the questionnaire regarding human resource planning in improving the performance.

Table 1: Standard Deviation and T Test Values

No.	Article	Mean	SD	Rank	Test	Significance
1	The process of estimate manpower requirements is made by the Ministry of Human Resources Department in accordance with the annual plan for the purposes of recruitment, training and development	2.18	1.139	3	16.72	0.000
2	The determination of the number and quality for the needed workers in the future in the various departments and divisions is made by the human resources management in the ministry to determine the surplus of them.	3.04	0.908	2	21.67	0.000
3	Human resources management in the ministry uses quantitative methods to predict the needed future numbers of human resources.	3.08	0.860	1	26.34	0.000

the table show us that the average answer of the sample search to human resources planning variable was high, and this average is maximum than (3), as article No. 3 ranked first with the arithmetic average at 3.08, and came last article No. 1 ranked with a arithmetic average 2.18, and (T) values was calculated in terms of morale in terms of the statistical values, which indicates the statistical estimation, in other wards that there is significant correlation between all hypothesis Paragraphs. The hypothesis 1 is rejected and thus accepting the alternative hypothesis which states that there is a statistically effect indication at the level of indicator ($\alpha=0.05$) of human resources functions role in improving Jordanian commercial banks performance.

Testing Hypothesis 2

Ho : No statistic indicator effect at the level of indicator($\alpha=0.05$) of human resources functions role in polarization and improving Jordanian commercial banks performance.

Table 2: Standard Deviation and T Test Values

No.	Article	average	SD	Rank	Test	significance
5	Human Resources department will advertise the new vacancies to attract and select of manpower.	3.66	0.944	3	18.852	0.000
6	A prepared tests and interviews will be done by human resources in the banks when choosing new employees.	3.69	1.048	2	13.520	0.000
7	Tests will be made when choosing new employees.	3.83	1.048	1	16.005	0.000

Table 2, showed that the average answer of the sample individuals with regard to the effect of polarization was high and this average is maximum than 3, where paragraph No. 7 ranked first with a arithmetic average was 3.83, and paragraph No. 5 ranked last with a arithmetic average was 3.66, as seen in the table that the calculated (T) values were significant, which indicates that the estimate is statistically significant, that there is no significant correlation between all hypothesis paragraphs. The hypothesis is rejected and thus accepting the alternative hypothesis which states that there is a statistically effect indication at the level of indicator ($\alpha=0.05$) of human resources functions role in improving Jordanian commercial banks performance.

Testing Hypothesis 3

Ho: There is no positive indicator with statistically significant at the level of significance ($0.05= \alpha$) for compensation in enhancing the Jordanian commercial banks performance.

Table 3: The standard deviation and T Test Values

No.	Article	average	SD	Rank	Test	significance
8	A specific and clear criteria used to determine wages	3.43	1.075	3	13.058	0.000
9	The suitability of the financial compensation system with the overall standard of living and the level of prices in the market.	3.78	1.020	1	16.745	0.000
10	The bonuses Consistency paid by the bank with other banks.	3.65	1.136	2	12.744	0.000

Table 3, showed that the average answer of the sample individuals with regard to the compensations was high and this average is maximum than 3, where paragraph No. 9 ranked first with a arithmetic average was 3.73, and paragraph No. 8 ranked last with a arithmetic average was 3.43, as seen in the table that the calculated (T) values were logistical significant, which indicates that the estimate is statistically significant, that there is significant correlation between all hypothesis paragraphs.

The hypothesis is rejected and thus accepting the alternative hypothesis which states that there is a statistically effect indication at the level of indicator ($\alpha=0.05$) of human resources functions role in improving Jordanian commercial banks performance.

Testing Hypothesis 4

Ho: There is no positive indicator with statistically significant at the level of significance ($0.05 = \alpha$) for compensation in enhancing the Jordanian commercial banks performance.

Table 4: The standard deviation and T Test Values

No.	Article	average	SD	Rank	Test	significance
11	In the case of a dispute between the bank and the staff, it will be resolved through negotiations between the Bank and the Banks Association.	3.56	0.943	1	17.053	0.000
12	Taking care of staff issues, complaints at the bank.	3.43	0.892	3	13.416	0.000
13	Refusing staff to join the Banks Association concerning the use conditions.	3.46	0.893	2	18.011	0.000

Table 4, show us that the average answer of the sample individuals with regard to the functional relationships was high and this average is maximum than 3 , where paragraph No. 11 ranked first with a arithmetic average was 3.56, and paragraph No. 12 ranked last with a arithmetic average was 3.43, as seen in the table that the calculated (T) values were logistical significant, which indicates that the estimate is statistically significant, that there is significant correlation between all hypothesis paragraphs. The hypothesis is and thus accepting the alternative hypothesis which states that there is a statistically effect indication at the level of indicator ($\alpha=0.05$) of functional relationship role in improving Jordanian commercial banks performance.

CONCLUSION AND RECOMMENDATIONS

Study suggest that Human Resources management has a positive impact in improving the performance, as it interpreted 0.751 of the variance in improvement of performance in the Jordanian commercial banks. Human Resources management has a credibility impact by showing that the rate .591 of the variance in improvement that the Jordanian commercial banks workers having good morals and there is a sense of confidence and safety by employees.

Human Resources management has an impact at the speed of response as shown in the rate .733 of the variance in performance improvement as found that the Jordanian commercial banks workers takes initiative to provide service upon request and offer help and required assistance for others. Human resources planning affect in improving the performance, as the results show that the Jordanian commercial banks estimate the needs of manpower in accordance with the prepared annual plan for the purposes of recruitment , training and development , promotion and use quantitative and mathematical methods to predict the future needs of human resources.

The polarization affects improving in performance, the results show that the Jordanian commercial banks advertise vacancies to attract and the process of selection manpower, and It also used a prepared tests such as the recruitment personal knowledge test and language tests when choosing new employees. Functional relationships affect improving of performance, as the results show that there is a common interest in personnel issues and complaints, and the disputes will be resolved through negotiations with the trade unions and the ministry.

Although this paper had contributed to new body of knowledge related to HRM but several limitation occurred in this study. Among pertinent point is limited sample that only focus towards 12 Jordanian commercial banks and it is better if the banks expanded to other banks such as the government own bank, Islamic and conventional banks. Another limitation is the unit analysis only focused middle and lower management and future research should also on top management.

The recommendations that come up from this study, as the following; 1) paying attention to the findings of the study regarding the positive evaluation produced by the results of the Human Resources management functions, 2) Given functional relationships the importance it deserves, because it represents a common interest in staff issues between the Association of Banks and the banks, 3) Given employees Polarization the importance it deserves, by job advertisements in newspapers and in the media, 4) Updating plans for the purposes of recruitment, training and development and make it meets the needs of the human resources future banks.

REFERENCES

- Abbas, Suhaila Mohammed, Ali, Ali Hussein (2007). Human Resources management, 1T Dar Wael for Publishing and Distribution, Amman.
- Adlouni, Mohammad Akram(2002).The institutional work. T1, Dar IbnHazmfor publication and distribution, Amman.
- Ahazzaama, Adib(2007). The practices of the Human Resources management systemsinJordanian public and private sector organizations: An Empirical Study," (Unpublished MA Thesis), Yarmouk University, Irbid, Jordan. Bakla,Lubna,
- AtallahSaid(2004).The reality of Human Resources management planning: Unpublished MA Thesis, Yarmouk University, Irbid, Amman.
- Alleyne, Doherty, L., &Greenidge, D., (2006). Human resource management and performance in the Barbados hotel industry: Hospitably Management, p.
- Mckena, Eugen& Beech, Nick, (1995). Human Resource Management: A Concise Analysis, 2002.
- Obadiah,ShathaMahmoud((2003). The Reality ofstrategies andfunctions ofthe Human Resources management inthe Jordanianbanking sector,(Unpublished MA Thesis), Yarmouk University, Irbid, Jordan.
- Rushaidat, S., (2008). Human Resource Management practices in the Jordanian hotel Industry Unpublished Master Dissertation, Yarmouk, University Irbid, Jordan.
- Sezer, C., (2009). An analysis on Relations between Implementation of training activates and Service Business: A sample in hotels, Procedia Social and Behavioral Sciences.