

# Sustainable HRM Practice and Organisational Excellence: An Empirical Analysis<sup>#</sup>

Stephen Aro-Gordon<sup>1\*</sup> and Fatima Yaqoob Mohamed Al-Raeesi<sup>2</sup>

<sup>1</sup>Adjunct Faculty, SDMIMD, Mysuru, India and Assistant Professor, Department of Business and Accounting, Muscat College, Bousher Street, Bousher, Sultanate of Oman

<sup>2</sup>Department of Business and Accounting, Muscat College, Bousher Street, Bousher, Sultanate of Oman

## Abstract

The paper rethinks the role of sustainable human resource management practices in achieving corporate excellence, using the case of Oman, an emerging Arab Gulf economy currently pursuing an economic diversification strategy tagged Oman Vision 2040. The paper is based on the survey data collected from 212 workers and managers working in the nation's capital city, Muscat, between December 2020 and February 2021. The respondents were randomly surveyed across Oman Vision 2040's priority economic diversification agenda sectors: investment management, infrastructure, energy, banking, and telecommunication. The analysis includes 22 data points covering essential HRM practices, including recruitment, compensation, motivation, organisational training, and learning and development. The IBM Statistical Package for Social Sciences (SPSS) was used for the data analysis. Descriptive statistics and hypothesis testing of Karl Pearson's  $r$  correlation, emphasising the  $p$ -value  $< 0.01$  interpreted to be highly significant at a 1% significance level, are presented. Adopting HRM as a strategic partner in a business model significantly impact organisational excellence, especially concerning staff training and appraisal system. However, while country-specific factors might influence the HRM practice in the domestic context, the expected association between Omani strategic HRM factors, such as labour laws, expatriate workforce, and foreign education and organisational excellence, may not be supported by the current empirical evidence. The research also found a weak correlation between job performance and employee appraisal systems. This paper used survey data from human beings, workers and HRM managers, whose responses might be open to distortions; further research is required to confirm these results using multiple data sources. The need to encourage creativity and innovation in job performance through continuous on-the-job training and development leveraging technology and data analytics applications is acknowledged. The implications for rethinking SHRM practices and policies towards developing a new intrapreneurial, well-motivated, adaptive, and trained workforce are documented. Human capital's adequacy and quality have been widely recognised as critical to any organisation's value-creation goal. Still, research to date is somewhat inconclusive on what the priority HRM practices should be in the contemporary fast-paced, technology-driven business environment. This research makes a theoretical and empirical contribution to scholarly discussions on the role of SHRM practices in modern organisations. It also adds value to SHRM research and practice. The present research may be the first Oman-specific SHRM study with empirical perspectives from the Covid-19 pandemic.

**Keywords:** Covid-19 Era, International Business, Oman Vision 2040, Organisational Excellence, Sustainable Human Resource Management (SHRM)

\*Email: [stephen@muscatcollege.edu.om](mailto:stephen@muscatcollege.edu.om)

<sup>#</sup>This is the modified version of the paper presented in the 9th International HR Conference on "Talent Management and Leadership Challenges in the New Normal Business" organised by SDMIMD, Mysuru on 16-17 December, 2021.

## 1. Introduction

Sustainable Human Resource Management (SHRM) is about managing the people working in an organisation with a life-long view of the business goals and objectives. The HR departments are responsible for overseeing the workers' recruitment plan, training sessions, evaluating employee job performance, and organising rewards, compensation management, promotions, and benefits, among other people-oriented activities. From its legacy roles set mid-twentieth-century, transaction-based human relations movement, the HRM profession has moved on to assume entrepreneurial orientation, strategic positions in international business, mergers and acquisitions, talent development and diversity, and inclusion (Rutherford et al., 2003; Zehir et al., 2016; Collings et al., 2019; Rao and Al-Battashi, 2019). Losing talent and competitiveness is one of the corporate leader's major concerns worldwide with a growing international perspective of HRM (Drucker, 1954; Drucker and Zahra, 2003). Added to this are that many chief learning officers have trouble justifying their annual training budgets because the traditional educational system has been unable to meet their organisations' unique talent development needs (Moldoveanu and Narayandas, 2019). Dysfunctional talent selection, retention and offboarding processes in many organisations, along with the 'dearth of HR talent', are documented (Hindle, 2008, p. 104, Spain, 2020; Dachner and Makarius, 2021).

The Covid-19 era has upended how we work, network, and collaborates through social events and seminars. Using the data sourced through its Teams platform, Microsoft (2021) indicates that 46 per cent of the global workforce are planning to move because they can now work remotely; remote job postings on LinkedIn have increased five times since the Covid-19 pandemic started; weekly meeting time has more than doubled for MS Teams users since February 2020, and 40.6 billion increase in emails were delivered in February 2021 compared to February 2020. Microsoft also suggests that silos interactions are trending up while workplace bonds are declining in distant relationships but increasing for close ones. The cost of employee turnover is as high as \$600 billion in 2018 and \$800

billion by 2020; one-third of workers who leave their jobs have been attributed to the twin reasons of unsupportive management and a lack of development opportunities (Rogers, 2021). Furthermore, on-the-job learning and onboarding have become challenging to accomplish in the increasingly virtual environment due to increased autonomy. Winning new clients has also become challenging without in-person meetings, although remote working has improved communications and inclusive meetings and talents (CFA Institute, 2021; Burkhardt, 2021).

The CFA Institute (2021) alludes to the imperatives for HRM's proactiveness and clarity in the emerging work environment, such as knowing when and why people are needed in-person in the office, what is meant by "hybrid working" versus "flexible working"? Talent talents have observed the increased need for exploring the benefits of virtual collaboration without compromising the flexibility and desirable empowerment of workers. The need for managers to show empathy and adjust to the new informality that the covid-19 pandemic era might have brought is also acknowledged. In contrast, there has been recognition for virtual learning fatigue, leading to calls for new approaches to training and development.

The question at the crux of the scholarly discussion about strategic HRM practice and organisational excellence is this: Is there a significant relationship between HRM practice and institutional excellence to warrant the view in the progressive schools of thought that HRM should be seen as a strategic business partner for sustainable corporate performance? (McGregor, 1960; Kaplan, 1998; Hashemy et al., 2016; Huselid and Becker, 2011). Does SHRM practice have any significant impact on employee performance? Is there any significant nexus between employee job performance and organisational excellence, or perhaps, institutional excellence might be attributable to other factors? In the Omani context, what factor(s) has/have a significant bearing on SHRM practice, employee performance, and corporate excellence?

In sum, while the idea of management as a human activity and the organisation as a social institution to be

studied has long been established (Drucker, 1954), few research papers have addressed SHRM practices in a country-specific context. The need for country-specific studies have found justification in the multiplicity of people-related issues (onboarding, compensation, off boarding, among others.) across the world and how this might impact international business engaging expatriate talents (Kittler, 2010; Nischith, 2012; Cook, 2020; Groysberg et al., 2021; Dachner and Makarius, 2021). This study, therefore, aims to evaluate the extent to which (i) HRM practice, (ii) worker's job performance, and (iii) Omani strategic HRM factors, have any impact on corporate excellence.

The remainder of the paper is organised as follows: Section 2 discusses the literature and develops the hypotheses and the conceptual framework for the study. The research methodology, including the definitions for the HRM variables that we investigated, is outlined in section 3. Section 4 presents the research results and discussion. The conclusion, limitations, and scope for future HRM research are presented in Section 5.

## 2. Literature Review and Hypotheses Development

### 2.1 Theoretical Aspects

Coherent policies and practices can reinforce each other to help achieve organisational goals through guiding principles and procedures (Gill and Meyer, 2011; Morris and Snell, 2010). HR theories explain how human behaviours and organisational structures can positively or negatively affect employee performance. The theory of motivation by Abraham Maslow (1943), dealing with how to motivate employees to increase their performance, is the overarching guiding philosophy for the present study. Human resource theories have two aims: (i) more efficient and effective job performance and (ii) increased motivation or commitment in workers (Bhatt and Reddy, 2011).

The idea of Human Resources Management (HRM) has undergone significant changes through the way it is seen as a frontier in the evolving industry. The investigation of human resources is full of controversy

about its beginnings, such as discussing proposals and contemporary management implications. Drucker (1954) initiated the term "human resources" in his primary work "management practice" and focused on its use as an ability to supervise tasks, administer supervisors, and coordinate individuals in their work. Human resource management practices and organisational performance. It is widely accepted that the hierarchical presentation depends at any rate and to a limited extent on employee behaviour. These practices or behaviours can constitute a source and primary source of competitive advantage. SHRM practices thus affect a company's organisational performance through employee development and behaviour. Strategic HRM practices determine the type of employee chosen, the skills and motivations that the employee possesses, the opportunities, incentives, new techniques and designs that the worker may adopt to do the job well (Huselid and Becker, 2011). HRM includes all managerial decisions and practices that affect an employee in an organisation (Bhatt and Reddy, 2011). HRM strategy is understood as a system, plans, policy, and techniques that can affect people who work in an organisation; it also embraces all decisions and practices that affect the organisations' workers. (Goyal and Ahson, 2008).

### 2.2 SHRM Practice and Corporate Excellence

HR activities include recruitment, retention, persuasion, motivation, compensation, and reward processes to achieve organisational excellence (Hashemy et al., 2016). Peters and Waterman (2004) highlight the critical success factors that show the American management excellence to combat evident Japanese management superiority in the manufacturing sector. Porter (1998) is associated with the economics of corporate strategy and creating a framework for how firms could achieve excellence. Still, the role of HRM was not given much prominence, perhaps due to the author's background in engineering. His idea of the 'differentiation' strategy would resonate with Maslow (1943)'s workers' motivational principles, including the later people-oriented theories (e.g., Theory X and Y) of McGregor (1960), Townsend (1970), and Waterman et al., (1980).

Labour relations, performance appraisal, mentoring, and training and development - altering and improving employee behaviour, skills, experiences, and attitudes – is a crucial element of HRM role in ensuring overall effectiveness and job satisfaction of the workers, including the expatriates of global organisations (Kittler, 2010). A related aspect is seeing HRM as a strategic partner towards developing innovative intellectual capital in the larger context of a knowledge-based economy as envisioned by Oman (Dalwai and Mohammadi, 2020). A growing body of research has acknowledged the gaps in soft skills, leading to the renewed emphasis on ‘lifelong learning’ (Boser, 2019; Moldoveanu and Narayandas, 2019).

Labour relations vary across nations and corporations in terms of the relative strength of union versus management relationships and the degree of industrial democracy. Expatriates need to be trained in local customs, cultures, and business practices to help maintain social networks and monitor competition.

Job performance can be enhanced by mentoring - a relationship between two people in which one offers advice and guidance to help the other develop in a particular area (Hindle, 2008; Johnson and Ridley; Lewis, 2000).

**H1:** HRM practice has a significant impact on organisational excellence

### 2.3 Worker’s job performance and organisational excellence

Long before contemporary thinkers like Kim and Mauborgne (2020) started discussing the importance of “humanness” and “exercise of fair process” as essential elements of corporate excellence, Maslow (1943) gave the world the sense that every person can be a king and therefore must be treated like a king so that everyone can live up to their full potentialities (Hindle, 2008, p. 267). McGregor (1960) developed Theory X and Theory Y management styles and how leadership style could motivate or demotivate desired employee job performance.

Theory X is an authoritarian style manifested in ‘toxic leadership,’ ‘over engineering people management’ (Cappeli, 2020), and ‘unsupportive management’ (Rogers, 2021), among other attributes, is predominated by the underlying belief that management must counteract the inherent human tendency to avoid work. In a survey of 22,000 soldiers in the US Army, Spain (2020) observes that 20% of them reported serving under a toxic leader, a discovery of which has led to improvements in the approach to talent management.

Conversely, Theory Y is a participative management style that assumes that workers will exercise self-respect, self-direction, and self-control to achieve institutional excellence. In essence, Theory Y believes that people will work well without prodding. Supporting the Theory Y idea, Townsend (1970) tries to establish a nexus between a firm’s economic performance and how corporate managers handle their employees, advocating that the organisations diffuse responsibility if they want to get the best out of their workers. Kaplan (1998) underscores the need to build motivational policy and culture around a range of virtues: integrity rather than dishonesty, diversity, or uniqueness rather than blind uniformity, simplicity rather than complexity, self-sufficiency rather than dependency, to mention a few. Creating a workplace environment of trust, relaxation, and inspiring people’s commitment and voluntary cooperation, as well as recognising people for their intellectual and emotional worth, go some way to enhancing the prospects of institutional excellence (Kim and Mauborgne, 2020). Notably, it is the Theory Y type of people management style that aligns with the emerging kind of workforce that will be dominated (75%) by the Millennials (born in 1980-1996) who are desirous of inclusive workplace culture, flexible workplace employers, engagement, autonomy, excellent compensation with a sense of worthwhile business purpose (Mankins et al., 2021).

Another crucial element in job performance research is the role of competitive compensation management, executive compensation, salary, allowances, performance-linked incentives, and other benefits (Gardner et al., 2004; Sengupta and Sengupta, 2009). It is conceded that compensation management variations

will apply according to industry, geography, company size and other underlying organisation's specific needs and circumstances. For example, CEO compensation is higher in the Americas than in the rest of the world when long-term incentives such as options, performance-linked cash awards, etc., are considered; long-term incentives are not predominant for Asian businesses (Lash et al., 2020). Groysberg et al. (2021) has observed that robust compensation practice helps to align people's behaviour to the company's strategy and leads to better performance. While benchmarking to keep up with the peers have resulted in a "race to the top", a poorly managed compensation system can leave a devastating impact on the organisation in terms of loss of key talent and decline in shareholder's return (Groysberg et al., 2021). In this regard, different tax systems, labour laws, corporate reporting systems, among other issues, can make compensation a challenging HRM area in the international context.

Concerns have often been expressed that the emerging technology-enabled future will lead to massive job loss. We see new technologies replacing many human jobs, such as language translation, disease diagnosis, and customer services. However, the latest research suggests that automated work can put people to better use with a positive impact on a firm's profitability, better workforce attraction, retention, and diversity (Saliola and Islam, 2021; Jesuthasan and Boureau, 2021; Kantrowitz, 2021). It has been argued (Wilson and Daugherty, 2021) that the technology's more significant effect will complement, not replace, human capabilities. For example, AI will be used to reinvent business operating models, rethink the organisation, redefine jobs, and learn new skills towards creating an intelligent enterprise partnered with humans (Knickrehm, 2021).

In sum, HRM practice is based on attracting, motivating, and retaining the employee to ensure the survival and continuity of the organisation (Bacon, 2001; Dessler, 2013). Staff training and performance evaluation encourage the employee to improve work performance towards enhancing organisational performance (Batt, 2002; Gardner 2004). Associating HRM competency with the level of employee performance, there have

been calls for HR transformation to persuade employees to change their working strategies and techniques in the increasingly data-driven world of business (Boselie and Paauwe, 2005; Goyal and Ahson, 2008).

**H2:** Worker's job performance has a significant impact on corporate excellence

## 2.4 Omani Strategic HRM Factors and Corporate Excellence

There is sparse literature on Oman-specific people management factors in driving institutional excellence. However, one area of research interest has been the issue of employability skills development for the post-covid-19 pandemic world (Mankins et al., 2021). In this regard, it was earlier noted that Oman has seemingly keyed into the idea of intellectual capital in the larger context of a knowledge-based economy as envisioned by Oman Vision 2040 (Dalwai and Mohammadi, 2020). To this end, using data from the Omani National Centre for Statistics and Information (NCSI), Vasagan (2019) observes a shortage of skills across management dimensions, especially in the problem-solving/critical thinking domain of accounting and finance, Information Technology (IT), soft skills such as time management. Overall, only 3.5% of the workforce has been skilled compared to 68% in the UK, 75% in Germany, 80% in Japan, 96% in South Korea, and 52% in the USA. This poses a considerable challenge and opportunities for advances in higher education and training towards attaining the right mix of human capital quality to achieve the country's economic diversification agenda Vision 2040. Hence the idea of e-HRM, covering all possible integration and application of IT to HRM practice, has also been of academic research interest in the Omani context (Rao and Al-Battashi, 2019).

Similarly, few studies have investigated international HRM in the Arab Gulf States from an institutional perspective. In this regard, the present research has benefited from Haak-Saheem et al. (2017)'s views from the HR departments of the selected Omani institutions. The study found that that the main factors affecting HRM include religion (Islam), public assistance laws (civil service), the workforce of expatriates, and social elites (Omanis studying abroad). The

researchers concluded by emphasising the need for more observational studies and research to consider the relevant issues.

**H3:** Oman-specific HRM factors have a significant relationship with organisational excellence

### 2.5 Conceptual aspects

The people-centred attributes – shared values, skills, style, staff, and strategy – form part of the McKinsey 7S Framework developed as a tool for achieving institutional excellence. In essence, people drive organisational structure and systems interrelated, as shown in Figure 1.

From a synthesis of the above literature review (notably, Kittler, 2010), Figure 2 presents the underlying research framework for the present empirical enquiry on HRM practice and corporate excellence in the Omani context.

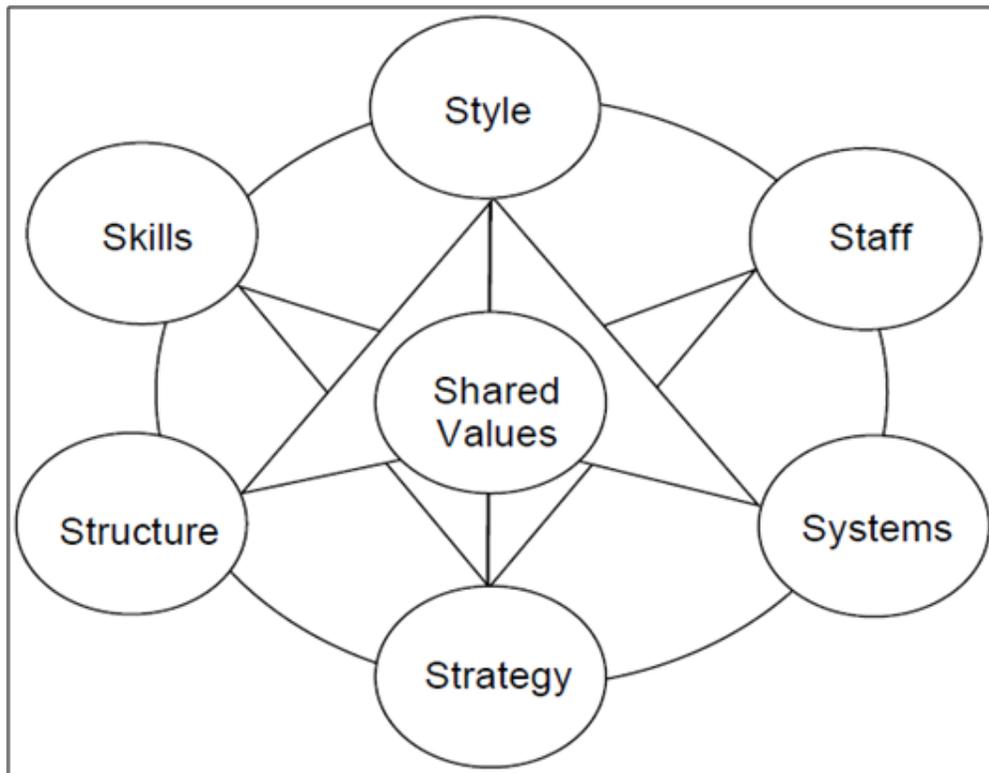
## 3. Methodology

### 3.1 Research Design

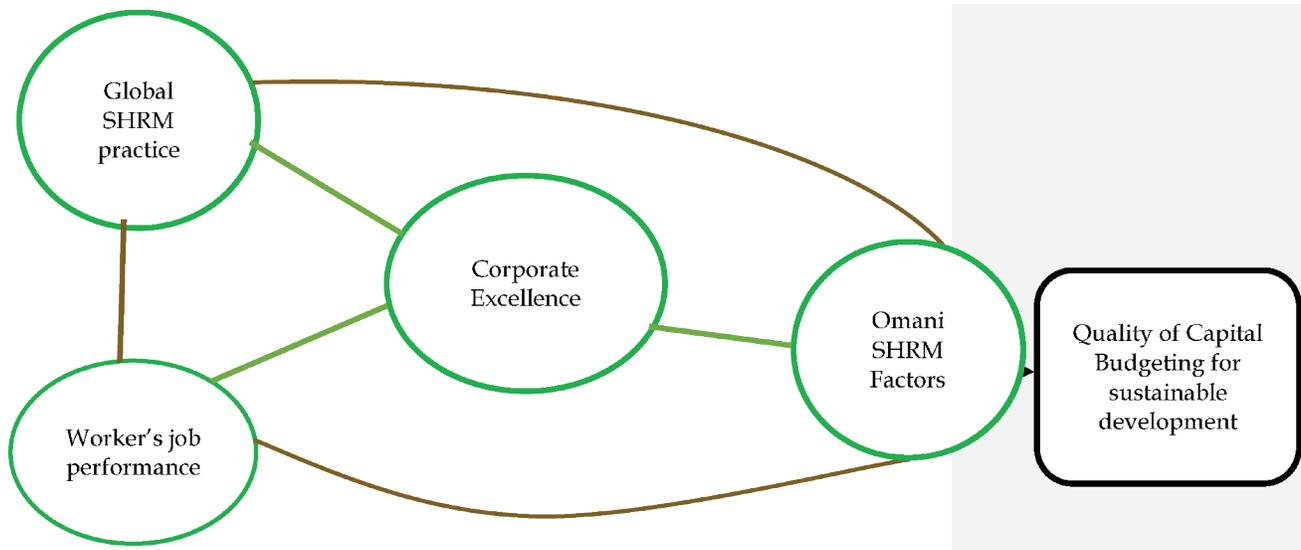
Bearing in the correlational posture of the research, the present study has adopted an analytical approach in dealing with the research questions and testing the related hypothesis (Sidhu, 2006; Kothari and Garg, 2014).

### 3.2 Population Study and Sampling

The study population represents all the workers and managers in Oman. The study area is Muscat, the capital of the Sultanate of Oman, the country's commercial nerve centre, where many of the major corporates are headquartered. Muscat is also the most populous region in the Sultanate.



**Figure 1.** McKinsey 7S framework.  
Source: Waterman *et al.* (1980)



**Figure 2.** A research framework for an enquiry on SHRM practice and corporate excellence in the Omani context. Source: Adapted from Kittler (2010)

### 3.3 Data collection

The primary and secondary sources of data are relied upon for this study. The primary data includes questionnaires to collect information from the samples. The research objectives of this study guided the questionnaire. Secondary data was obtained from Oman National Centre for Statistics and Information (NCSI) and other refereed articles, corporate websites, and management books.

Following the study's conceptual framework (Figure 2.2), the research relied on primary and secondary data. Primary data were gathered from questionnaires administered virtually between December 2020 and February 2021. Responses were analysed from 212 workers and managers across various economic sectors of Oman in line with Oman Vision 2040 priority sectors, including telecommunications investment, energy, logistics, and banking sectors. The sample size is considered adequate, given the law of large numbers says that groups of 100 or more do the best tests and that diversity of responders contributes to good data. (Borman, 2018, pp. 28 and 68). The respondents provided qualitative inputs through a structured questionnaire administered virtually rather than in-person due to Covid-19 pandemic restrictions.

Data entry followed standard protocols; for example, missing values were at a minimal level and were discovered, missing values were substituted with mode values (Kothari and Garg, 2004).

### 3.4 Data Analysis

The IBM SPSS V23 was used for the statistical data analysis, including the descriptive and hypothesis testing of Karl Pearson's  $r$  correlation, emphasising the  $p$ -value  $< 0.01$  interpreted to be highly significant at a 1% significance level. Proper coding, editing, tabulation, quality control, and data standardisation protocols were followed (Kothari and Garg, 2014; Borman, 2018). Cronbach alpha coefficient tests were deployed for content and criterion reliability, validity, practicability, and accuracy.

The dependent variable for the present study is organisational excellence. HRM practice, job performance and Omani-specific HRM factors were the investigated dependent variables. The Pearson's correlation coefficient,  $r$ , was obtained by considering the pairs of values ( $X_i$ ) corresponding to the various indicators, given the Product-Moment formula.

$$r = \frac{N \sum XY - (\sum X)(\sum Y)}{\sqrt{[n \sum X^2 - (\sum X)^2][N \sum Y^2 - (\sum Y)^2]}}$$

The ratio,  $r$ , lies between -1 and +1, reflecting negative and positive linear correlations. A correlation coefficient that is greater than zero indicates a positive relationship, while a less than zero signifies a negative relationship (Spiegel and Stephens, 2011)

### 3.5 Definition of Overarching Terms, Dependent and Independent Study Variables

- i. Organisational/corporate excellence is the overarching, singular dependent variable for this study, denoting the achievement of outstanding results for all stakeholders, including sustainability concerns. It embraces all the critical elements of how organisations can stay ahead of the competition, creating and sustaining superior performance. The indicators include HRM business strategy linkage with the overall goal; top management seeing the workers as the firm's most valuable assets; inclusive training and development; an effective performance appraisal system (Waterman et al., 1980; Porter, 1998; Peters and Waterman, 2004).
- ii. Worker's job performance – This is an individual-level (human element) variable that indicates or helps the person deliver well on their job. The indicators include aspects of motivation, maintaining work (economic)-life (personal) balance; adaptability; presence/absence of positive work environment; job value, etc. (Maslow, 1943; McGregor, 1960; Townsend, 1970; Kaplan, 1998; Orduna, 2021).
- iii. Sustainable HRM practice is constituted by the people/talent management strategy, policies and procedures usually developed and operationalised by a distinct HRM department/unit. The indicators include workers' awareness of overall corporate design, recruitment, skills and capacity development, motivation, compensation management, promotion of innovative work practices (Bhatt and Reddy, 2011; Gardner et al. 2004; Gao et al., 2008; Morris and Snell, 2010; Rutherford et al., 2003; Gill and Meyer, 2011; Huselid and Becker, 2011).
- iv. Omani strategic HRM factors – This aspect was designed to provide the empirical context to the study by investigating the specific factors thought to be domestic HRM practice peculiarities, such as religion, labour laws and regulations, the proportion

of the expatriate workforce, etc. (Kittler, 2010; Nischith, 2012; Rutherford et al., 2003; Alkhazali et al., 2020)

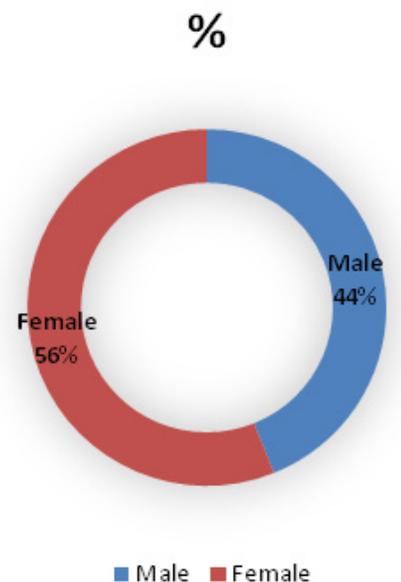
## 4. Research Results and Discussion

### 4.1 Respondents' Profile

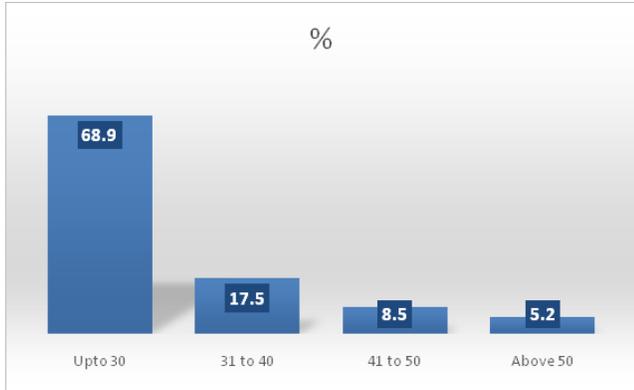
Figures 3 to 8 present the gender, age, marital status, educational levels, working experience, and primary employment sectors. Most (56%) of the respondents are female workers and managers compared to the male respondents.

The respondents' age profile (Figure 4) indicates that the majority (68.9%) of the respondents are below the age of 30 years, with below four years of working experience (57%) (see Figure 8). Given the country's median age of 30.6 years (<https://www.worldometers.info/world-population/oman-population/>), these indicators portray the tremendous training and capacity development opportunities for the emerging youthful generation of the workforce in Oman.

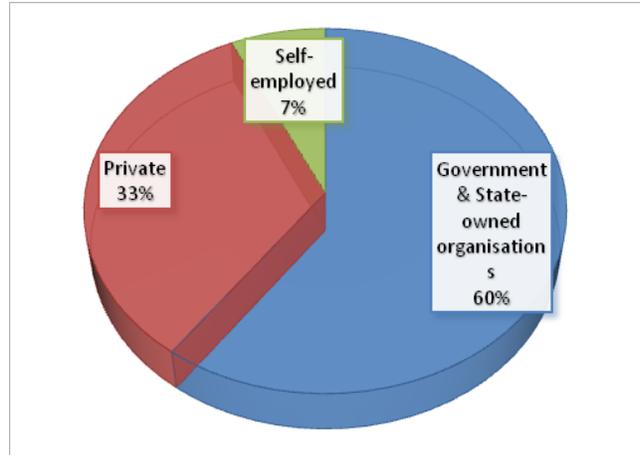
As shown in Figure 5, a majority (59%) of the current Omani workforce are married.



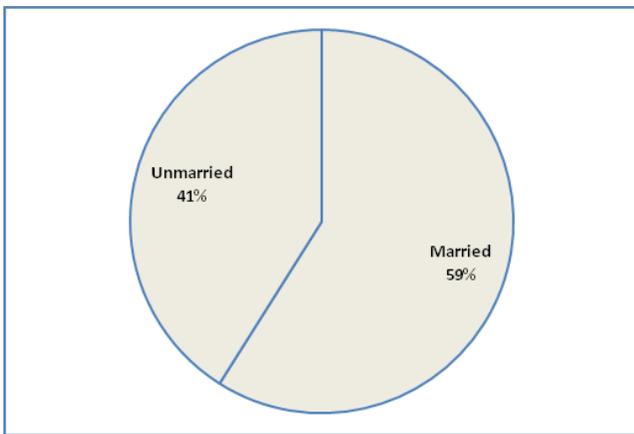
**Figure 3.** Gender profile of the respondents.  
Source: Oman HRM field survey, 2020-21



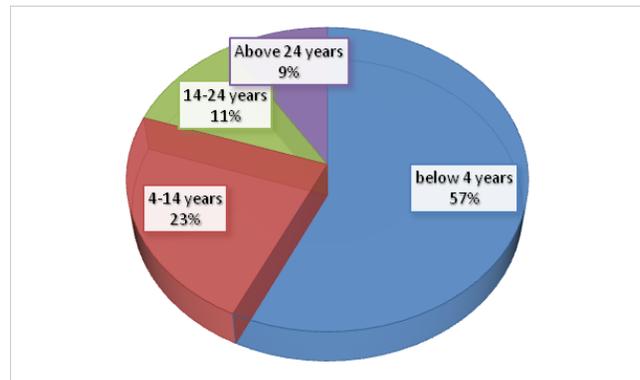
**Figure 4.** Age profile of the respondents.  
Source: Oman HRM field survey, 2020-21



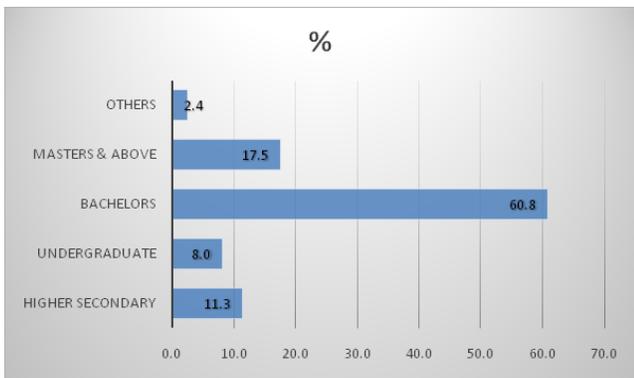
**Figure 7.** Respondents' sectors of employment.  
Source: Oman HRM field survey, 2020-21



**Figure 5.** Respondents' marital status.  
Source: Oman HRM field survey, 2020-21



**Figure 8.** Respondents' working experience profile.  
Source: Oman HRM field survey, 2020-21



**Figure 6.** Respondents' educational levels.  
Source: Oman HRM field survey, 2020-21

Figure 6 indicates that most respondents are well educated to the bachelor's degree level (60.8%) and some up to the Master's and above (17.5%). This suggests that an appreciable section of the target respondents presumably understand the enquiries surrounding HRM practice and their implications for organisational excellence in their respective sectors.

Lastly, as shown in Figure 7 displaying the respondents' sectors of employment, most (60%) of the work in the public sector, while 40% are employed in the private sector, including self-employment; the current indicators thus align with the prior representations in Vasagan (2019) and Oman's National Centre for Statistics and Information (NCSI) (2020).

## 4.2 Descriptive Analysis

Table 1 presents the descriptive statistics, emphasising the Skewness and Kurtosis of the empirical dataset. Given that a normal distribution has Skewness = 0, the average skewness of -1.40371 indicates that the data is moderately left-skewed. Similarly, given that a standard normal distribution has Kurtosis = 3.0, the average Kurtosis of 1.611 suggests that the present dataset is flatter (less extreme) than a normal distribution, that is, platykurtic, which implies the relative stability and dependability of our data, especially so for the Omani contextual data group which has Kurtosis of 1.9113.

## 4.3 Empirical Results and Discussion

### 4.3.1 HRM Practice and Organisational Excellence

Table 2 shows the correlations between sustainable HRM practice and organisational excellence across various indicators, including their respective p-values. The results showing a correlation coefficient ( $r$ ) greater than .500 suggests that the relationship between HR practices relating to recruitment, skill development, staff motivation and seeing the HR department as a strategic partner and achieving organisational excellence, with  $p$ -value  $< 0.01$  is highly significant at 1% level of significance. Specifically, the current evidence points to the substantial impact of staff motivation and the HR department as a strategic business partner on staff training and appraisal system. Furthermore, the findings suggest a significant correlation between staff motivation and the quality of the staff appraisal system. Moreover, the premium attached to seeing workers as an organisation's most assets relative to recruitment practices is underscored by the current findings, thus validating what we know about the relative strength of the Theory Y management approach relative to the principles of corporate excellence (Porter, 1998; Peters and Waterman, 2004; Boser, 2019; Moldoveanu and Narayandas, 2019)

**Table 1.** Descriptive statistics

|                        | Sustainable HRM practice | Worker's job performance | Omani strategic HRM factors | Organisational excellence |
|------------------------|--------------------------|--------------------------|-----------------------------|---------------------------|
| N Valid                | 212                      | 212                      | 212                         | 212                       |
| Missing                | 0                        | 0                        | 0                           | 0                         |
| Median                 | 5.00                     | 5.00                     | 5.00                        | 5.00                      |
| Mode                   | 5                        | 5                        | 5                           | 5                         |
| Skewness               | -1.410                   | -1.4352                  | -1.452                      | -1.3175                   |
| Std. Error of Skewness | .167                     | .167                     | .167                        | .167                      |
| Kurtosis               | 1.4415                   | 1.7917                   | 1.9113                      | 1.2995                    |
| Std. Error of Skewness | 3.333                    | 3.333                    | 3.333                       | 3.333                     |
| Range                  | 4                        | 4                        | 4                           | 4                         |
| Minimum                | 1.1                      | 1.1                      | 1.1                         | 1.1                       |
| Maximum                | 5                        | 5                        | 5                           | 5                         |
| Percentile 25          | 4.00                     | 4.00                     | 4.00                        | 4.00                      |
| 50                     | 5.00                     | 5.00                     | 5.00                        | 5.00                      |
| 75                     | 5.00                     | 5.00                     | 5.00                        | 5.00                      |

**Table 2.** Karl Pearson's correlations between sustainable HRM practice and organisational excellence

| Sustainable HRM practice                 | Organisational excellence           |  |  |  |
|--|-------------------------------------|--|--|--|
|  | Workers are seen as the most asset. | Existence of a separate HR Department with qualified staff | Significance of staff training and development | Importance of current staff appraisal system |
| Employee awareness of corporate strategy | .457**                              | .447**   | .422**   | .405**                                       |
| HRM as a strategic partner               | .427**                              | .536**   | .528**   | .554**                                       |
| Recruitment quality                      | .505**                              | .476**   | .581**   | .475**                                       |
| Skill development                        | .489**                              | .404**   | .489**   | .329**                                       |
| Staff motivation/job commitment          | .439**                              | .536**   | .449**   | .509**                                       |
| Staff creativity/innovation              | .462**                              | .479**   | .471**   | .454**                                       |

\*\*p value < 0.01 Highly significant at 1% level of significance (2-tailed)

### 4.3.2 Worker's job performance and organisational excellence

The extent to which an employee's job performance contributes to corporate excellence is debated in scholarly circles. One of the objectives of this research study is to shed further light on this subject matter from the Omani empirical perspective. The survey enquiries included, among others, how the skills and capabilities of workers and managers, their strategic perception of their job roles, and willingness to adapt to the emerging nature of the job could have a bearing on long-term organisational performance. The current study's correlation coefficients between employee job performance and organisational excellence are given along with their respective p-values in Table 3. Contrary to prior knowledge (Haak-Saheem et al., 2017, among others), there is no significant interaction between creating work-life balance, having a positive work environment and aspects of organisational excellence, hence validating the need for continuous HRM research from the international, country-specific perspective (Kittler, 2010; Schuler and Jackson, 2005). However, from the respective coefficient  $r$  greater than .500, there is evidence, at  $p$ -value < 0.01 highly significant 1% level of significance, that ensuring awareness of the strategic nature of job roles and workers' skills development may affect the prospects of attaining corporate excellence, especially in terms of shared values and inclusive training and appraisal system.

### 4.3.3 Omani strategic HRM factors and organisational excellence

The importance of country-specific HRM research appears to be well established in the reviewed HRM domain knowledge, where differences in religion, culture, labour laws, compensation systems and proportion of the expatriate workforce have been noted for sustainable international business (Weisbaum, 1984; Schuler and Jackson, 2005; Kittler, 2010; Nischith, 2012; Sengupta and Sengupta, 2009). Consequently, the present study has drawn perspectives from Oman, a strategically located, emerging market Arab Gulf economy with about 2.2 million workers, 78 per cent expatriates as of 2019 (National Centre for Statistics and Information, 2020). The country's current population is 5,293,233 as of December 11, 2021, growing at 2.65% yearly and expected to be about 7 million by 2050 (<https://www.worldometers.info/world-population/oman-population/>).

Table 4 presents the results of the correlations between Omani Strategic HRM factors and organisational excellence across various indicators, including their respective p-values in the Omani context. The evidence showing  $r$  greater than .500 at 1% level of significance revalidates extant knowledge on the critical role of a robust HRM strategy and compensation management practice in achieving institutional excellence manifested in retention of the well-trained, agile, and adaptive

**Table 3.** Karl Pearson's correlations between employee job performance and organisational excellence

| Worker's job performance   | Organisational excellence           |  |  |  |
|--|-------------------------------------|--|--|--|
|  | Workers are seen as the most asset. | Existence of a separate HR Department with qualified staff | Significance of staff training and development | Importance of current staff appraisal system |
| Work-life balance  | .465**                              | .484**   | .492**   | .387**                                       |
| Managers use HRM best practices/ create a good working environment | .473**                              | .399**   | .459**   | .398**                                       |
| The job role is seen as strategic                                  | .445**                              | .503**   | .510**   | .483**                                       |
| Significance of skill/ capability                                  | .510**                              | .395**   | .457**   | .407**                                       |
| Significance of adaptability                                       | .451**                              | .435**   | .406**   | .319**                                       |

\*\* p value < 0.01 Highly significant at 1% level of significance (2-tailed)

**Table 4.** Karl Pearson's correlations between Omani strategic HRM factors and organisational excellence

| Omani Strategic HRM factors  | Organisational excellence                    |  |  |  |
|------------------------------|--|--|--|--|
|                              | Workers are seen as the most critical asset. | Existence of a separate HR Department with qualified staff | Significance of staff training and development | Importance of current staff appraisal system |
| Religion/Islamic culture     | .431**                                       | .381**   | .441**   | .354**                                       |
| Labour law and regulations   | .289**                                       | .350**   | .363**   | .362**                                       |
| Expatriate workforce         | .392**                                       | .363**   | .375**   | .354**                                       |
| Foreign education            | .387**                                       | .413**   | .376**   | .367**                                       |
| Salary/compensation/benefits | .365**                                       | .401**   | .524**   | .394**                                       |

\*\*p value < 0.01 Highly significant at 1% level of significance (2-tailed)

workforce (Sengupta and Sengupta, 2009; Kittler, 2010; Gao and Clarke, 2008; Drucker and Zahra, 2003; Rutherford et al., 2003; Collins et al., 2019; Gardener et al., 2004). It is noteworthy that despite the country's sizable (86% -[https://en.wikipedia.org/wiki/Islam\\_by\\_country](https://en.wikipedia.org/wiki/Islam_by_country)) Muslim population, the current result at Pearson's  $r$  less than .500 at  $p$ -value < 0.01 highly significant 1% level of significance, shows no significant association between religion and corporate excellence.

While country-specific factors might be influential in shaping the HRM practice in the domestic context (as reflected in section D below), the empirical evidence for the expected association between the remaining Omani strategic HRM factors, such as labour laws, expatriate workforce, and foreign education and organisational excellence, appears to be weak. The current results may reflect Oman's unique, peaceful, liberal culture

and openness to the outside world while remaining committed to her fundamental Islamic traditions and culture. This seems to validate recent views about the work environment's future direction (CFA Institute, 2021; Saliola and Islam, 2021).

#### 4.4 Reliability

Cronbach's Alpha is 0.83 which suggests acceptable data reliability. The research has followed the standard principles of the code of conduct for research integrity, including objectivity, independence, and duty of care to all who voluntarily participated in the survey.

### 5. Conclusion

While the nature of work is changing rapidly, the Covid-19 pandemic era has taught us that "work is what you do, not where you go" (CFI Institute, 2021). Talent management also needs to change with the 'disruptive'

occurrences in the increasingly digital, automated, people-centric, global business environment. The workplace of the future will be driven not by the traditional activities of oil and agriculture but by people, brains, and digital intelligence operating in a more inclusive intelligent enterprise (Knickerem, 2021; Wilson and Daugherty, 2021; De Cremer and Kasparov, 2021; Kantrowitz, 2021; Jesuthasan and Boudreau, 2021; Saliola and Islam, 2021; Orduna, 2021) The HR function needs to tech-up with artificial intelligence and machine learning if it is to be effective and efficient. The hybrid new world of work can enable organisations to improve corporate performance, attract and retain talent, make workers more productive and enhance workers' prospects of leading more fulfilling lives by developing "mindset, skillset and toolset" (CFI Institute, 2021, p. 16). Three human development policy and practice implications are apposite from the current findings:

- i. Human capital investment: Government policies should focus on human capital investment through an inclusive education system-wellness benefits and resiliency training, and access to affordable internet. Given the covid-19 pandemic, it is imperative to attach a higher value to employees' well-being; this idea should permeate HRM, including recruitment, creating a positive work-life balance, and generally seeing the HR department as a business partner creating an intelligent organisation. HR managers need to constantly identify skills that are most important for the data-and technology-enabled future and train or recruit people who will be comfortable with the new normal.
- ii. Intentional learning: Workers should embrace the idea of "intentional learning" (Moldoveanu and Narayandas, 2019) by actively checking to determine the portfolio of skills they need to stay current while creating value for their organisations. There is a need to bridge the gap in staff awareness of the corporate vision, mission, and objectives leveraging the roles of both internal and external stakeholders. Reforming higher education and training ecosystem, especially in employability mindset, skillset, and toolset, is required to work well in the increasingly digital technology-infused global workplace. Chief Human Resources Officers

(CHROS) and Chief Learning Officers (CLOs) should become more aware of the emergence of 'personal learning clouds' (Moldoveanu and Narayandas, 2019) and embrace technology and upgrade training programmes to equip their workers with the best skills.

- iii. Performance appraisal and compensation management reforms: Reforming the compensation system in a manner that ensures a sustainable, competitive linkage with corporate strategy. This can be achieved by maintaining the right balance between attracting and retaining talent while providing optimal liquidity. The current finding in the Omani context also calls for greater nexus between the performance appraisal system and job performance.

## 6. Present Limitations and Scope for Future Research

This project has not covered all aspects of HRM practice, for example, succession planning and offboarding, due to time and resource constraints. We have adopted an analytical, correlational approach to a realm of homo sapiens that empirical sceptics may view as non-linear, unpredictable, and plagued with much confirmation bias (Taleb, 2010). Further research is required to confirm the current results using several data sources. Similarly, it is emphasised that a high correlation coefficient does not necessarily imply a direct dependence of the variables (Spiegel and Stephens, 2011); if the relationship is curvilinear, ordinary  $r$  will give a lower indication of functionality than can be obtained by other measures (Sidhu, 2006). While we have current empirical evidence that sustainable HRM practice and employee job performance could be combined to deliver long-term superior organisational excellence, future research may extend the scope of analysis to advance the knowledge of the McKinsey 7S model (Waterman et al., 1980) in Oman and elsewhere. Establishing the practical nature of further interrelationships between (i) worker's job performance and HRM practice; (ii) between HRM and worker's job performance; and (iii) between Omani strategic HRM factors and workers'

job performance are aspects that could be of interest to SHRM researchers.

## 7. Endnotes

This is a revised and updated version of the paper titled “Achieving corporate excellence through sustainable HRM practices: An empirical analysis” presented by the authors at the 9<sup>th</sup> International Conference on Talent Management and Leadership Challenges in the New Normal Business, held virtually and hosted by the SDM Institute for Management Development, Mysore, India, on 16-17 December 2021.

**Funding:** This study received no specific financial support.

**Competing Interests:** The authors declare that there are no conflicts of interest regarding the publication of this paper.

## 8. References

- Alkhezali, Z., Abu-Rumman, A., Khdour, N., and Al-Daoud, K. (2020). Empowerment, HRM practices and organisational performance: A case study of Jordanian commercial banks. *Entrepreneurship and Sustainability Issues*, 7(4): 2991. [https://doi.org/10.9770/jesi.2020.7.4\(28\)PMCid:PMC2983660](https://doi.org/10.9770/jesi.2020.7.4(28)PMCid:PMC2983660)
- Bhatt, P., and Reddy, S. (2011). HRM practices and its impact on performance-Exploratory Literature Review in the context of Indian SMEs. *Global Journal of Research in Management*. 1(2): 87-73
- Batt, R. (2002). Managing customer services: Human resource practices quit rates and sales growth. *Academy of Management Journal*. 45(3): 587-597. <https://doi.org/10.5465/3069383>
- Bratton, J., and Gold, J. (2017). *Human resource management: theory and practice*. Palgrave. <https://doi.org/10.1057/978-1-137-58668-1>
- Borman, D. (2018). *Statistics 101*. Simon and Schuster, Inc.
- Boselie, P., and Paauwe, J. (2005). Human resource function competencies in European companies. *Personnel Review*. 25(1): 7-24.
- Bacon, N. (2001). Competitive advantage through human resource management: best practices or core competencies? *Human Relations*. 54(3): 361-372. <https://doi.org/10.1177/0018726701543005>
- Boser, U. (2019). Learning is a learned organisation: Here is how to get better at it. *Harvard Business Review Special issue*. 33-36.
- Burkhardt, C. (2021, March-April). In practice: We are seeing talent emerge in unlikely places. Interview in *Harvard Business Review*. pp. 20-21.
- Cappeli, P. (2020, September-October). Stop over engineering people management. *Harvard Business Review*. pp. 56-63.
- CFA Institute (2021). *The future of work in investment management: The context of careers*. CFA Institute.
- Collings, D. G., Wood, G. T., and Szamosi, L. T., editors. (2019). *Human Resource Management A critical approach*. 2nd ed. Routledge. <https://doi.org/10.4324/9781315299556>
- Dachner, A. M., and Makarius, E. E. (2021, March-April). Turn departing employees into loyal alumni. *Harvard Business Review*. pp. 88-97.
- Dalwai, T., and Mohammadi, S. S. (2020). Intellectual capital and corporate governance: An evaluation of Oman’s financial sector companies. *Journal of Intellectual Capital*. 21(6): 1125-1152. <https://doi.org/10.1108/JIC-09-2018-0151>
- De Cremer, D., and Kasparov, G. (2021, Winter). AI should augment human intelligence, not replace it. *Harvard Business Review Special Issue*. Winter 2021: 97-100.
- Dessler, G. (2013). *Fundamentals of human resource management*. Pearson.
- Drucker, P. (1954). *The practice of management*. Harper.
- Drucker, P., and Zahra, S. A. (2003). An Interview with Peter Drucker. *The Academy of Management Executive* (1993-2005). 9-12. <https://doi.org/10.5465/ame.2003.10954665>
- Gardner, D. G., Van Dyne, L., and Pierce, J. L. (2004). The effects of pay level on organization-based self-esteem and performance: A field study. *Journal of occupational and organizational psychology*. 77(3): 307-322. <https://doi.org/10.1348/0963179041752646>
- Gao, F., Li, M., and Clarke, S. (2008). Knowledge, management, and knowledge management in business operations. *Journal of Knowledge Management*. 12: 3-17. <https://doi.org/10.1108/13673270810859479>
- Gill, C., and Meyer, D. (2011). The role and impact of HRM policy. *International Journal of Organizational Analysis*. 19(1): 5-28. <https://doi.org/10.1108/19348831111121286>
- Goyal, D. P., and Ahson, S. I. (2008). Data mining techniques for better decisions in human resource management systems. *International Journal of Business Information*

- Systems. 3(5): 464-481. <https://doi.org/10.1504/IJBIS.2008.018597>
- Groysberg, B., Abbott, S., Marino, M. R., and Aksoy, M. (2021). Compensation packages that drive performance: Principles for designing executive pay. *Harvard Business Review*, January-February 2021: 102-111.
- Haak-Saheem, W., Festing, M., and Darwish, T. K. (2017). International human resource management in the Arab Gulf States-an institutional perspective. *The International Journal of Human Resource Management*. 28(18): 2684-2712. <https://doi.org/10.1080/09585192.2016.1234502>
- Hashemy, S. H., Yousefi, M., Soodi, S., and Omidi, B. (2016). Explaining human resource empowerment pattern and organizational excellence among employees of emergency of Guilan's University hospitals. *Procedia-Social and Behavioral Sciences*. 230: 6-13. <https://doi.org/10.1016/j.sbspro.2016.09.002>
- Hindle, T. (2008). Guide to management ideas and gurus. *The Economist*.
- Huselid, M. A., and Becker, B. (2011). Bridging micro and macro domains: Workforce differentiation and strategic human resource management *Journal of Management* 37(2): 421-28. <https://doi.org/10.1177/0149206310373400>
- Jesuthasan, R., and Boudreau, J. (2021, Winter). What we often get wrong about automation. *Harvard Business Review Special Issue*. 106-109.
- Johnson, W. B., and Ridley, C. R. (2008). *The elements of mentoring*. Palgrave Macmillan.
- Kantrowitz, A. (2021, Winter). How Amazon automated work and put its people to better use. *Harvard Business Review Special Issue*. 104-106.
- Kaplan, A. (1998). *Maslow on Management*. John Wiley and Sons.
- Kim, W. C., and Mauborgne, R. (2020). *Blue ocean shift: beyond competing*. Macmillan.
- Kittler, M. G., editor (2010). *International Business*. Pearson Education Limited. pp. 532-563.
- Knickrehm, M. (2021, Winter). How will AI change work? Here are five schools of thought. *Harvard Business Review Special Issue*. pp. 94-96.
- Kothari, C. R., and Garg, G. (2014) *Research methodology: Methods and techniques*. 3rd ed. New Age International Publishers.
- Lash, A. R., Choi, J., and Lum, M. (2020). 2020 top 250 report. FW Cook. Retrieved from: <https://www.fwcook.com/content/documents/publications/10-21-20%20FWC%202020%20Top%20250%20FINAL.pdf>
- Lewis, G. (2000). *The mentoring manager: Strategies for fostering talent and spreading knowledge*. Prentice-Hall.
- Mankins, M., Garton, E., and Schwartz, D. (2021, September-October). Future-proofing your organisation: Prepare your team to stay ahead in the post-pandemic world. *Harvard Business Review*. 42-48.
- McGregor, D. (1960). *The human side of enterprise*. McGraw-Hill.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*. 50(4): 370. <https://doi.org/10.1037/h0054346>
- Microsoft Inc. (2021, March). Work trend index: The next great disruption is hybrid work- Are we ready. Retrieved from: <https://www.microsoft.com/en-us/worklab/work-trend-index>
- Moldoveanu, M., and Narayandas, D. (2019 March-April). The future of leadership development. *Harvard Business Review*. 40-48.
- Morris, S., and Snell, S. (2010). The evolution of HR strategy: adaptations to increasing global complexity. *The SAGE handbook of human resource management*. pp. 84-99. <https://doi.org/10.4135/9780857021496.n6>
- National Centre for Statistics and Information (NCSI) (2020). *Statistical Yearbook 2020*. NCSI.
- Nischith, S. (2012). *International Business*. Mysore Book House.
- Orduna, N. (2021, Winter). Why robots won't steal your job. *Harvard Business Review Special Issue*. pp. 100-104.
- Peters, T., and Waterman, R. H. (2004). *In search of excellence: Lessons from America's best-run companies*. Profile Books.
- Porter, M. (1998). *Competitive advantage: Creating and sustaining superior performance*. Free Press.
- Rao, V., and Al-Battashi, N. (2019). E-HRM advantage and value creation: An empirical study of SMEs in Oman, In Al-Mawali, N. R., Al Lawati, A. M., and Anada, S. editors. *Diversification of Oman Economy for Sustainable Development: Strategic Issues and Imperatives*. College of Banking and Financial Studies, Oman. pp. 181-187.
- Rogers, M. (2021, Special Issue Fall). A better way to develop and retain top talent. *Harvard Business Review*. pp. 47-49.
- Rutherford, M. W., Buller, P. F., and McMullen, P. R. (2003). Human resource management problems over the life cycle of small to medium-sized firms. *Human Resource Management: Published in Cooperation with the School of Business Administration, The University of Michigan and in alliance with the Society of Human*

- Resources Management. 42(4): 321-335. <https://doi.org/10.1002/hrm.10093>
- Saliola, F., and Islam, A. M. (2021, Winter). How to harness the digital transformation of the covid-era. *Harvard Business Review Special Issue*. pp. 109-111.
- Schuler, R. S., and Jackson, S. E. (2005). A quarter-century review of human resource management in the US: The growth in importance of the international perspective. *Management Revue, Socio-Economic Studies*, Nomos VerlagsgesellschaftmbH and Co. KG. 16(1): 11-35. <https://doi.org/10.5771/0935-9915-2005-1-11>
- Sengupta, N. and Sengupta, M. (2009). *Compensation management*. Excel Books.
- Sidhu, K. S. (2006). *Methodology of research in education*. Sterling Publishers Private Limited.
- Spain, E. (2020, November-December). Reinventing the leader selection process: The US Army's new approach to managing talent. *Harvard Business Review*. pp. 78-85.
- Spiegel, M. J., and Stephens, L. J. (2011). *Schaum's outline of statistics, 4th ed.* McGraw-Hill Education.
- Taleb, N. N. (2010). *The black swan: The impact of the highly improbable*. Penguin Books.
- Townsend, R. (1970). *Up the organisation: How to stop the corporation from stifling people and strangling profits*. Coronet.
- Vasagan, V. T. (2019). Employment and skills of obsolescence pro-growth of Oman's economy: A dyadic analysis. In, Al-Mawali, N. R., Al Lawati, A. M., and Anada, S., editors. *Diversification of Oman Economy for Sustainable Development: Strategic Issues and Imperatives*. College of Banking and Financial Studies, Oman. pp. 165-180.
- Waterman, R. H., Peters, T. J., and Phillips, J. R. (1980). Structure is not organization. *Business Horizons*. 23(3): 14-26. [https://doi.org/10.1016/0007-6813\(80\)90027-0](https://doi.org/10.1016/0007-6813(80)90027-0)
- Weisbaum, E. (1984, Spring). Selected readings in the area of foreign and international law. *The International Lawyer*. 18(2): 465-481. American Bar Association.
- Wilson, H. J., and Daugherty, P. R. (2021, Winter). Collaborative intelligence: Humans and AI are joining forces. *Harvard Business Review Special Issue*. pp. 84-92.
- Zehir, C., Gurol, Y., Karaboga, T., and Kole, M. (2016). Strategic human resource management and firm performance: the mediating role of entrepreneurial orientation. *Procedia-Social and Behavioral Sciences*. 235: 372-381. <https://doi.org/10.1016/j.sbspro.2016.11.045>