



The Role of Human Resource Management Functions in Improving Organizational Performance at AL-MARAI For Food Products Company in KSA

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Abstract

This research investigates the critical relationship between human resource management (HRM) functions and organizational performance improvement within the context of AL-MARAI Food Products Company. The study aims to identify the reality of human resource management and its role in improving organizational performance levels in the company. In an era where human capital is paramount, this research explores how effective HRM practices drive organizational success. The study problem represented in main question: What is the relationship of human resource management functions to raising the efficiency of organizational performance at AL-MARAI Food Products Company? Utilizing a descriptive analytical approach, the study examines the impact of specific HRM functions, including selection and appointment, and compensation, on organizational performance. The research tests several hypotheses to determine the influence of HRM practices on organizational outcomes. Significant findings include a demonstrated positive relationship between key HRM functions such as selection and appointment, compensation and organizational performance. Key findings reveal a positive correlation between these HRM functions and organizational performance indicators. Based on these findings, the study offers recommendations for optimizing HRM practices, with a focus on areas such as incentive timing and training program evaluation. The study concludes with actionable recommendations for enhancing HRM practices within the company and broader implications for leveraging HRM to achieve strategic organizational goals. The potential role of artificial intelligence in advancing HRM practices also highlighted for future research. Further research directions, the study recommend integrating artificial intelligence science into HRM practices in order to improve organizational performance at AL-MARAI food Products Company.

Keywords: Human Resource Management, Organizational Performance, HRM Functions, AL-MARAI Food Products Company.

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Introduction:

In today's dynamic business landscape, human resources are no longer just a supporting function; they are the driving force behind organizational success. Companies are increasingly recognizing that optimal utilization of machinery, equipment, materials, and capital hinges on effective human resource management. This shift has led to a growing emphasis on developing managers with advanced analytical, planning, and policy-making skills. Improving organizational performance has become a central focus for both practitioners and researchers, as it is crucial for operational efficiency and productivity. The concept of organizational performance has evolved into a modern management philosophy that integrates essential administrative tools with innovative efforts and specialized technical skills, driving continuous

improvement and development. AL-MARAI Food Products Company, a company based in Sudan, having achieved widespread success in local markets, is now striving to expand its market share and gain a competitive edge in global markets, transitioning from a local to an international player. Central to this ambition is a strong focus on its human resources.

Study Questions:

Despite AL-MARAI Food Products Company's efforts to develop and qualify its human resources to achieve high levels of performance, the company's organizational performance levels remain below aspirations and expectations. This discrepancy suggests a potential weakness in the impact of human resource management functions. Therefore, this study seeks to investigate the relationship between human resource management functions and organizational performance improvements within AL-MARAI Food Products Company. Specifically, the research addresses the following key questions: What is the relationship between HRM functions and organizational performance improvement? How does the application of selection and appointment criteria affect organizational performance? What is the impact of employee training on organizational performance? Is there a relationship between human resource planning and organizational performance? To what extent do wage and reward policies influence organizational performance? Finally, does human resource promotion play a role in enhancing organizational performance levels within AL-MARAI Food Products Company?

Significance of the Study:

This study holds significant value by offering multifaceted benefits to various stakeholders. Firstly, it addresses a gap in academic resources, providing much-needed research in this area. Secondly, it serves as a valuable reference for researchers and individuals interested in the field of human resource management and organizational performance. Thirdly, the study contributes to filling a scholarly void by exploring the relationship between HRM functions and organizational performance improvements. Furthermore, it offers practical assistance to decision-makers within AL-MARAI Food Products Company, providing insights that can inform strategic decisions. Finally, the research enriches the broader body of knowledge in this field, contributing to the advancement of management science.

Study Objectives:

This study aims to achieve several objectives related to human resource management and improving organizational performance. Firstly, it seeks to investigate the relationship between human resource management functions and organizational performance at AL-MARAI Food Products Company. Secondly, the research aims to elucidate the role of human resource functions in influencing organizational performance improvement within the company. Thirdly, it endeavors to clarify the impact of recruitment and selection on organizational performance. Fourthly, the study intends to highlight the role of training in organizational performance. Fifthly, it aims to explore the current state of wage and reward policies and their role in organizational performance. Finally, the research seeks to determine the effect of employee motivation on organizational performance at AL-MARAI Food Products Company."

Study Hypotheses

This study operates under the overarching hypothesis that a statistically significant relationship exists between human resource management functions and improving organizational performance at AL-MARAI Food Industries Company. This main hypothesis is further delineated into the following sub-hypotheses: Firstly, a statistically significant relationship exists between selection and appointment, and organizational performance at AL-MARAI Food Products Company. Secondly, a statistically significant relationship exists between employee training and organizational performance at AL-MARAI Food Products Company. Thirdly, a statistically significant relationship exists between employee motivation and organizational performance. Fourthly, a statistically significant relationship exists between promotion and organizational performance. Fifthly, a statistically significant relationship exists between wages and rewards, and organizational performance.

Previous studies:

Previous research has consistently explored the multifaceted role of human resource management (HRM) within various organizational contexts. These studies have examined HRM's impact on a range of organizational outcomes, including performance, innovation, and employee well-being.

- **HRM in the Context of Globalization and Organizational Change**

In an era marked by globalization and rapid technological advancements, organizations face increasing pressure to adapt and remain competitive. HRM plays a crucial role in facilitating organizational change and enabling organizations to respond effectively to external challenges. Abu Jarad (2011) examined HRM's role in addressing globalization challenges within Gaza Strip NGOs, focusing on the application of HRM strategies. The study revealed key findings, including insufficient funding for employee training and inadequate HRM strategies, such as HR planning, recruitment, and performance evaluation, to effectively respond to globalization. This highlights the importance of aligning HRM practices with broader organizational goals and ensuring that employees are equipped with the skills and knowledge necessary to navigate a changing environment.

- **HRM Auditing and Strategic Objectives**

To ensure the effectiveness and efficiency of HRM practices, organizations must implement mechanisms for evaluating their HRM functions. Adam (2013) studied the impact of human resource auditing on achieving the strategic objectives of business organizations, with a focus on DAL Dairy Factory. This research aimed to develop a framework for evaluating HRM effectiveness and efficiency, highlighting HR auditing's importance as a modern management concept. Adam's study addressed the problem of human capital loss and increased costs due to the absence of HR auditing, ultimately finding a statistically significant positive relationship between HR auditing and achieving strategic objectives. This underscores the significance of HRM auditing as a tool for ensuring accountability and maximizing the contribution of HRM to organizational success.

- **HRM and Productivity**

HRM practices have a direct impact on employee productivity, which in turn affects overall organizational performance. Al-Mubarak (2005) investigated the impact of human resource development management on productivity in Sudanese sugar factories. Al-Mubarak's research focused on human development, welfare, production continuity, and formal/informal work organizations, emphasizing job structures, training, and employee services. The study recommended considering the sugar industry's importance for food security and addressing its technological and administrative challenges. This research highlights the link between HRM practices and productivity within a specific industry context.

- **HRM, Creativity, and Innovation**

In today's knowledge-driven economy, creativity and innovation are essential for organizational success. HRM practices can play a vital role in fostering a culture of innovation and promoting employee creativity. Haroun (2015) studied the impact of HRM on creativity and innovation. This research aimed to measure the effect of HRM practices on creativity and innovation, considering competencies as a mediating variable, within Sudanese banks. Haroun's key findings indicated that certain HRM dimensions, including compensation, recruitment, empowerment, and HR planning, positively affect innovation, while compensation, recruitment, and training positively affect creativity, with HRM practices overall positively affecting competencies. This research demonstrates the crucial role of HRM in driving innovation and creativity within organizations. The studies discussed above draw upon various theoretical frameworks to explain the relationship between HRM and organizational outcomes. These frameworks include the resource-based view of the firm, which emphasizes the importance of human capital as a source of competitive advantage, and social exchange theory, which highlights the role of employee-employer relationships in shaping employee attitudes and behaviors.

- **Study contribution**

These studies collectively underscore the significant and varied impact of HRM functions and practices on organizational outcomes across different sectors and contexts. While previous research has provided valuable insights into the HRM-performance link, this study contributes to the existing literature by examining the specific context of DAL Food Products Company in Sudan. This research aims to build upon previous findings and provide further evidence of the importance of HRM in driving organizational performance.

Theoretical Framework:

Human Resource Management Functions:

Human resource management (HRM) involves the strategic utilization of an organization's workforce, encompassing activities like workforce planning, selection, performance evaluation, training, and compensation. HRM supports organizational functions by providing qualified personnel and fostering a productive environment. Effective coordination between HRM and other departments is essential for organizational effectiveness. The growing importance of HRM stems from factors such as industrial expansion, rising education levels, government intervention in labor relations, and the emergence of labor unions. These factors have necessitated specialized HRM practices to address employee needs, ensure legal compliance, and manage relationships with labor organizations. Key HRM functions include human resource planning, which involves strategic forecasting of workforce needs; recruitment, which focuses on attracting qualified candidates; selection and appointment, which aims to match individuals with appropriate roles; and training and development, which enhances employee skills and prepares them for future responsibilities. These functions are crucial for organizational efficiency, employee growth, and achieving strategic objectives.

Improving Organizational Performance:

Organizational performance is a central concept in management and organizational studies, representing the culmination of an organization's efforts and its effectiveness in achieving its objectives. While seemingly straightforward, the concept of organizational performance is complex and multifaceted, with various definitions and interpretations reflecting the diverse perspectives of researchers and practitioners. At its core, organizational performance is defined as the extent to which an organization achieves its objectives. However, this definition provides only a starting point. A more nuanced understanding requires considering the various dimensions of performance, including:

Efficiency: This refers to the organization's ability to utilize its resources effectively, minimizing waste and maximizing output. Efficiency is often expressed as the ratio of inputs to outputs.

Effectiveness: This focuses on the degree to which the organization achieves its goals and objectives. Effectiveness is concerned with "doing the right things."

Productivity: This is a measure of output per unit of input, reflecting the organization's ability to transform resources into goods or services.

Several scholars and organizations have offered definitions of organizational performance that highlight different aspects. Some definitions emphasize the unique characteristics that differentiate an organization from others, focusing on the key elements that are used to evaluate the organization's success. These elements can include financial and non-financial measures, tangible and intangible assets, and various aspects of the organization's operations. Other definitions, such as that provided by Chris Ashton, define organizational performance as the accomplishment of organizational goals using resources efficiently and effectively. This definition underscores the importance of both efficiency (optimizing resource use) and effectiveness (achieving desired outcomes). Organizations such as UNESCO and the United Nations have also contributed to the understanding of organizational performance by focusing on the development of indicators and methodologies for assessing and analyzing performance. Organizational performance is of paramount importance for several reasons. It serves as a common thread that connects all efforts made by management and employees. It is a critical factor in organizational success and sustainability. It provides a

basis for evaluating organizational effectiveness and identifying areas for improvement. It influences stakeholder perceptions and confidence in the organization. Despite the extensive research on organizational performance, there is no single, universally accepted definition. This is due to several factors, including the diverse measures and criteria used by organizations to assess performance, which are often influenced by their specific goals and strategic orientations, and the dynamic nature of organizations and their environments, which can make it challenging to establish fixed and unchanging performance metrics. Organizational performance encompasses multiple dimensions, reflecting the interconnectedness of various organizational levels and functions. These dimensions are categorized as follows:

Dimensions of Organizational Performance by Department



Organizational performance is influenced by a wide range of internal and external factors. Internal factors may include leadership, organizational culture, organizational structure, human resource management, and technology. External factors may include economic conditions, competition, government regulations, and social and cultural factors. Several key elements contribute to organizational performance. These elements represent the dimensions of organizational performance, which are Strategy and Objectives, Organizational Structure, Measurement and Management. In general, organizational performance is a complex and multifaceted concept that is critical for organizational success. It involves a range of dimensions, influenced by various internal and external factors, and characterized by key elements such as strategy, structure, measurement, and management.

Analysis and Results:

Research Methodology and Data Sources:

This study employed a descriptive analytical approach, complemented by the historical method and case study methodology. Data gathered from both primary and secondary sources. Primary data collected through questionnaires, while secondary data obtained from books, references, periodicals, and publications.

Table 1 represents the distribution of respondents by gender. As shown in the table, the majority of the respondents were male (77.3%), while 22.7% were female.

Table 1: Distribution of Respondents by Gender

Gender	Frequency	percent %
Male	116	77.3
Female	34	22.7
Total	150	100%

Source: Prepared by the researcher from field study data, 2025.

Figure 1: Educational Level

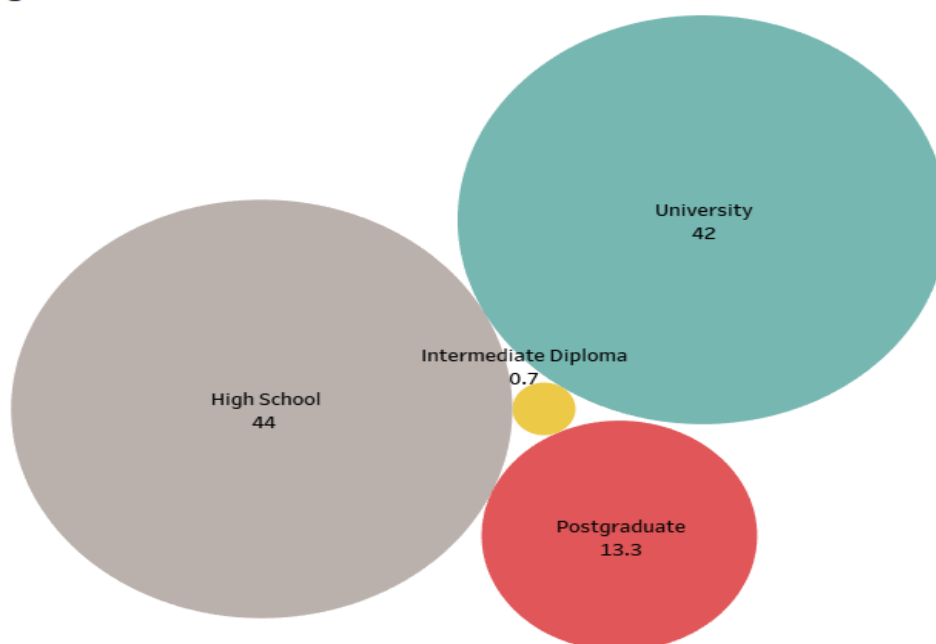


Figure 1 illustrates the distribution of respondents by educational qualification. The data indicates that 44% of the respondents held a secondary level education, 42% were university graduates, 13.3% had postgraduate qualifications and 0.7% held an intermediate diploma.

Figure 2 : Level of Experience

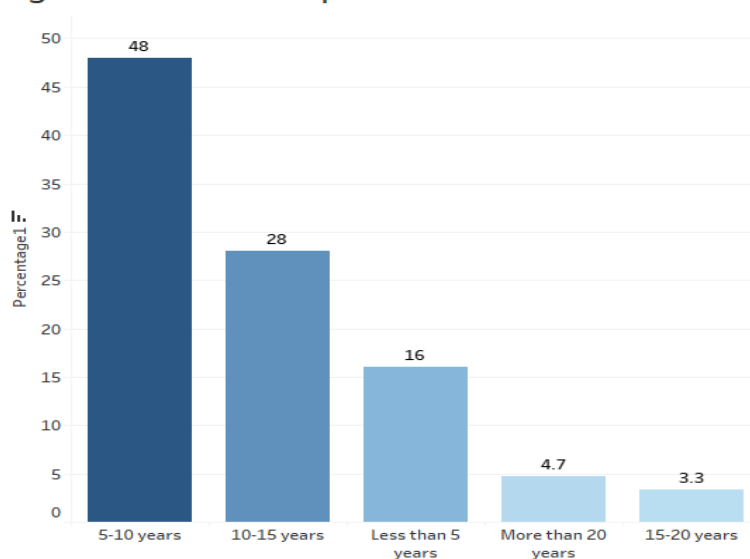


Figure 2 represents the distribution of respondents by years of experience.

The largest group of respondents (48%) had between 5 and 10 years of experience, followed by those who had 10 to 15 years of experience (28%), then those with less than 5 years of experience (16%), 20 years or more (4.7%) of experience and the minimum percentage of respondents had 15 to 20 years (3.3%).

Table (2): Distribution of Responses on Selection and Appointment

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Recruitment is based on competencies	16.70%	22%	11.30%	6.70%	43.30%
The right person is placed in the right position	30%	20%	4%	2.70%	43.30%
The company hires workers on time	18.70%	19.30%	13.30%	4.70%	44%
Workforce is allocated by specialization	67.30%	23.30%	6.70%	1.30%	1.30%

Source: Prepared by the researcher from field study data, 2025.

In table (2), the data reveals a notable polarization of opinions regarding selection and appointment practices. A substantial proportion of respondents (43.3%) strongly disagreed with the statements that the company relies on competencies in its appointment system and that the right person placed in the right position. This suggests a perceived weakness in aligning employee skills and qualifications with job requirements. Conversely, a significant majority (67.3%) strongly agreed that human resources distributed in the organization to utilize different specializations. This indicates a positive perception of the company's efforts in leveraging the diverse skills within its workforce. Overall, the findings highlight a potential area for improvement in the company's selection and appointment processes. Addressing the concerns raised by the respondents could lead to enhanced employee satisfaction and improved organizational effectiveness.

Table (3): Distribution of Responses on Employee Motivation

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The company is concerned with employee motivation.	11.30%	29.30%	18.70%	4%	36.70%
The company has a clear policy for motivating employees.	9.30%	20.70%	18.70%	5.30%	46%
The company pays attention to the timing of incentives for employees.	10.70%	22%	16%	6%	45.30%
The motivation process is objective.	61.30%	16%	16.70%	4.70%	1.30%

Source: Prepared by the researcher from field study data, 2025.

Table (3) shows that the responses indicate mixed perceptions regarding employee motivation. While a large segment of respondents (61.3%) strongly agreed that the motivation process is objective, there are concerns about the company's overall approach to motivation. A significant percentage of respondents expressed disagreement or strong disagreement with statements about the company's concern for employee motivation, the clarity of its motivation policy, and its attention to the timing of incentives. This

suggests that while employees perceive the motivation process as fair, they feel that the company's motivation strategies may be lacking in other aspects. These findings underscore the importance of a comprehensive and well-executed motivation strategy. Organizations should not only ensure fairness in the motivation process but also focus on creating clear policies, demonstrating concern for employee motivation, and delivering timely incentives to maximize their impact.

In table (4), the data reveals a predominantly negative perception of the organization's performance across various dimensions. A substantial majority of respondents expressed disagreement or strong disagreement with statements related to product quality, cost-effectiveness, value enhancement, and the use of international standards. Specifically, a large proportion of respondents disagreed that the company distinguished by the quality of its products (57.3%), achieves the greatest amount of production at the lowest cost (55.3%), and works to increase the value of the final product (59.3%). This suggests significant concerns about the company's operational efficiency, product quality, and market competitiveness. While a smaller percentage disagreed with the company's use of international standards (60%), it still represents a majority. These findings indicate a critical need for the organization to address the perceived shortcomings in its performance. Focusing on improving product quality, enhancing cost-effectiveness, adding value to products, and adhering to international standards could contribute to increased competitiveness and overall success.

Table (4): Distribution of Responses on Organizational Performance

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The company is distinguished by the quality of its products in the markets.	0%	4%	10.70%	57.30%	28%
The company achieves the greatest amount of production at the lowest cost.	0%	4.70%	20%	55.30%	20%
The company works to increase the value of the final product.	6%	2%	7.30%	59.30%	25.30%
The company uses international standards as a measure of its success.	11.30%	3.30%	15.30%	60%	10.30%

Source: Prepared by the researcher from field study data, 2025.

Summary of Results:

The results of this study highlight key areas of both strength and weakness within the organization. While employees generally perceive fairness in the motivation process and acknowledge the effective utilization of diverse skills, there are significant concerns regarding selection and appointment practices, the strategic implementation of employee motivation, and overall organizational performance. These findings underscore the importance of targeted interventions to enhance HRM practices and improve organizational outcomes.

Discussion:

The findings of this study contribute to a deeper understanding of the relationship between HRM functions and organizational performance. The research highlights the importance of effective HRM practices in enhancing organizational outcomes within AL-MARAI Food Products Company. The results align with the resource-based view of the firm, which posits that human capital is a valuable resource that can provide organizations with a competitive advantage. The study's findings emphasize the significance of HRM functions such as selection and appointment, training, and motivation in developing and leveraging human

capital to achieve organizational goals. By ensuring that the right people are in the right roles, providing opportunities for skill development and fostering a motivating work environment, organizations can harness the full potential of their employees and drive performance improvements. Furthermore, the study's findings also resonate with social exchange theory, which focuses on the reciprocal relationship between employers and employees. This theory suggests that employees are more likely to be engaged and productive when they perceive that their organization values their contributions and treats them fairly. The study's results underscore the importance of fair compensation practices, timely incentives, and opportunities for career growth in fostering positive employee-employer relationships and enhancing organizational performance. When employees feel valued and supported, they are more likely to be motivated to contribute to the organization's success. In light of the study's findings, it is evident that HRM practices play a critical role in shaping organizational performance. By strategically managing their human resources, organizations can create a high-performing workforce that drives innovation, productivity, and overall success.

Key Points of Improvement Made:

- **Explicitly Connects Findings to Theories:** The revised discussion directly links the study's findings to the resource-based view and social exchange theory, providing a theoretical grounding for the results.
- **Explains the Relevance of Theories:** It explains how each theory helps to interpret the findings. For example, it clarifies how the resource-based view explains the importance of HRM in developing human capital.
- **Enhances Analytical Depth:** The discussion goes beyond simply summarizing the results; it provides a more in-depth analysis of their implications through the lens of established theories.

Conclusion:

This study examined the impact of human resource management functions on organizational performance within AL-MARAI Food Products Company. The findings highlight the importance of aligning HRM practices with organizational objectives to enhance outcomes. Specifically, the research underscores the need for organizations to manage strategically HRM functions such as selection, motivation, and training to optimize employee performance and achieve sustainable organizational success.

Recommendations:

The findings of this study highlight several key areas where improvements made to enhance human resource management practices and overall organizational performance. In light of these findings, the following recommendations are put forth. Firstly, it is crucial to emphasize the importance of careful timing in the delivery of employee incentives. The effectiveness of motivational tools significantly influenced by when they administered, and organizations should strive to align incentive distribution with performance milestones and recognize employee contributions promptly. Secondly, there should be a consistent evaluation of training programs to ensure they remain aligned with developmental needs. Such evaluations would facilitate the identification of areas for improvement and ensure that training initiatives effectively support the evolving demands of the organization and its employees. Thirdly, organizations should strive to employ diverse methods for assessing the contribution of human resources to the enhancement of organizational performance. This will enable a more comprehensive understanding of the impact of human capital and facilitate data-driven decision-making in HRM. Furthermore, it recommended that organizations cultivate relationships with various institutions relevant to their field. Building such alliances can foster collaboration, knowledge sharing, and access to valuable resources, thereby supporting organizational growth and innovation. To promote employee retention and foster professional development, organizations must prioritize providing the necessary job stability that enables career growth. Additionally, it is imperative to offer employees guarantees and job benefits. Creating a work environment conducive to training is also essential. This entails providing the resources, support, and opportunities necessary for employees to engage in continuous learning and skill development. Moreover, organizations should commit to developing annual plans for human resource training. Proactive planning in this area ensures that training initiatives aligned with organizational goals and address the developmental needs of employees in a systematic manner. Finally, there should be a focused effort to

recruit highly qualified individuals who possess the requisite skills and capabilities. Attracting top talent is critical for driving organizational success and maintaining a competitive edge. By implementing these recommendations, organizations can foster a more effective HRM framework, leading to improved employee satisfaction, enhanced organizational performance, and sustainable growth.

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