

# Review of Strategic Human Resource Management Practices in Iraqi Oil & Gas Industry and their Impacts on Firm Performance

By

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## Abstract

This study evaluated the effects of strategic human resource management (SHRM) practices on the firm performance in the oil and gas industry of Iraq. Review of literature shows the validation of SHRM practices and their relationship with firm performance. The review further emphasizes the importance of SHRM practices in order to accomplish and maintain greater performance to compete in the markets and world, where technology and environment keeps on changing. Firms should follow tactical approaches actively towards SHRM practices to achieve competitive advantage in different dimensions to pursue organizational goals efficiently.

**Keywords:** SHRM Practices; Oil and Gas sector; firm performance; Iraq

## 1. Introduction

In light of the rapid changes, successive developments and intense competition from the globalization of the economy, economic openness, the intensive use of technology and the World Trade Organization agreements. push, business organizations to adopt different strategies that work to achieve the competitive advantage and focus on the knowledge economy, where the productivity of human capital or intellectual capital is the main factor in the survival, development and success of the organization. and many business organizations have adopted attention to human resource as one of the basic pillars in making competitive advantage. Where strategic human resources management (SHRM) seeks to increase the competitiveness of organizations through the development of human resource management practices (Wei, 2006). The (SHRM), focuses on achieving compatibility and harmony between the various policies and practices of human resources management on the one hand, and the vision and strategy of the organization on the other hand. According to (Pfeffer, 1994) the main resource that provides the competitive advantage is The human element. Creating the competitive advantage through human resources requires great attention in attracting, developing, investing and preserving the human resource through the role that the human resource department plays in the organization and its strategic vision that must be Correspond and consistent with the strategic vision of the organization.

The continued success of organization depends on their capabilities in creating competitive advantages that are difficult to imitate. Traditional sources of success, such as technology, economies of scale, quality, and creativity still provide a competitive force, but they are subject to imitation in today's world, but the organization's possession of skilled, trained and talented human resources, it is difficult for competitors to imitate it (Stewart and Brown 2009).

Products, technology, market protection, etc., all can achieve competition, but human resources work to achieve their sustainability. (Caliskan 2010: 102).

The oil sector (oil and gas) plays a pivotal role in the Iraqi economy, as it is the main source of financial revenues, and the government depends on its revenues in preparing the general budget, as it constitutes 63.7% of the gross domestic product and contributes 89.7% of the financing of the general budget and represents 99.98% of the value of commodity exports (crude oil + oil derivatives) for the year 2019 (Al-Jubouri, 2020). and Iraqi oil has the advantage of being the cheapest in the world if the cost of producing one-barrel ranges from 0.95 to 1.9 (Al-Sebahi and Al-Aqili, 2012; Hughes, 2020). The Iraqi economy represents a unilateral economy, meaning that the growth in the gross domestic product depends on the revenue generated from selling crude oil abroad. This does not employ, but a small percentage that may not exceed the employment of 1% of the Iraqi workforce, and it is the second largest oil producer in OPEC after Saudi Arabia. At a rate of 4.6 million barrels per day, while the external debt owed by Iraq is \$ 125 billion. (Al-Minshawi, 2019; Harrington, 2020).

Firms in Iraq continue to struggle to achieve a better performance in terms of productivity, increased effectiveness, gain competitive advantage, and achieve a high rate of return on their investments. The achievements of these tasks seem blurred in an environment where traditional and informal practices of enterprises management are practiced Bureaucracy, the absence of a strategic vision, and a clear oil policy (Saddam & Mansor, 2017; Jiyad (2019; Shabeeb, 2020). Researchers that employees remain the most valuable assets to gain competitive advantage proved it but they are the most difficult asset to manage in any organization (Alaraqi, 2017; Belenzon & Tsolmon, 2016; Danlami, 2011; Noe & Tews, 2012). There remain a series of questions unanswered to about how good HRM is. Firm's owners and managers have been using different approaches to manage their people but few research has been conducted to investigate the role of strategic human resources management in oil and gas sector in Iraq.

As indicated by the previously reviewed literature, firms have received little attention in the aspect of SHRM. Irrespective of the significant role played by the firms in the economy of Iraq, it was revealed that the practices of SHRM have received little attention among the oil & gas sector. Therefore, it becomes necessary for this study to attempt the exploration of the role of SHRM in the oil & gas firm's performance in Iraq.

## **2. Literature Review**

### ***Iraqi Oil & Gas Sector***

Iraq encompasses the fifth leading proven reserves of petroleum worldwide after Iran, Canada, Venezuela, and Saudi Arabia (Jubouri, 2020). According to the Oil & Gas Journal (OGJ,2018) Iraq's proven reserves of natural gas at the end of 2017 ranked twelfth in the world. and it the second biggest crude oil producer in Organization of the Petroleum Exporting Countries (IFM, 2017). The Iraqi oil sector is the most prominent contributor to the gross domestic product in Iraq. It contributes 99 % of total exports (Jubouri, 2020). and more than 95 % of government revenues and 65 % of GDP (Salem, 2020). and Iraq might be one of the few spots left where a lot of its acknowledged resources of hydrocarbon has not yet completely been utilized. Energy sector of Iraq is greatly dependent on oil. Iraq has started to develop its natural gas and oil reserves following years of wars and sanctions, however it will require to build up its infrastructure with the purpose of attaining its potential of production (Gardi, 2017).

Iraq amended its guesstimate of proven reserves of oil from 115 billion barrels in the year 2011 to 147 billion barrels 2018 (Jubouri,2020). The greater part of the recognized reserves of oil and gas in Iraq formulate a belt that rushes alongside the country's eastern circumference. Five super-huge fields (more than 5 billion barrels) are possessed by Iraq in the

south that comprises 60 % of the demonstrated reserves of oil of the country (fanack, 2018). where the largest share of oil proven reserves is concentrated, and it is about 75% - in the south, including in the five giant oil fields (Rumaila, West Qurna, Zubair, Majnoon, and Nahr Omar) and this region contributes roughly the same percentage to Iraqi oil exports. A guesstimated 17 % of reserves of oil are inside the northern Iraq, close to Khanaqin, Mosul, and Kirkuk (Gardi, 2017). As for the rest of the reserves, they are in central Iraq (east Baghdad) and west (Gardi, 2017).

Classification of Iraq's proven reserves of gas, 70% of which are associated with oil, 20% free gas, 10% consisting of cap gas, which is a gas that covers the oil layer in some oil fields (Zaini, 2010). An annual value of \$ 2.5 billion of gas is burned (World Bank, 2016). According to (jiyad, 2019), the percentage of burnt gas to the amount of associated gas produced increased from 51% in 2009 to 56% in 2018 due to the increase in oil production. While the export capacity of Iraqi ports of crude oil reached 4.3 million barrels per day (Al-Bayan, 2016). While the productivity of Iraqi refineries reached 800 thousand barrels per day for the year 2020 (Al Shafak, 2020), which is insufficient for the Iraqi market, which prompted the import of oil products worth 5 billion annually (Shabib, 2019; Hemalatha, Menaka, & Kumutha, 2021).

The emerging Corona virus (COVID-19) paralyzed the global economy, which led to a decrease in oil demand, while Saudi Arabia and Russia fought a price war to pump more crude, as prices fell to negative, as West Texas Intermediate crude contracts for delivery in May fell to minus \$ 37.63 Barrel (Al-Quds Al-Arai,2020). The Iraqi economy was affected by the repercussions of Corona, which relies on oil exports by 99%, and on its financial budget at 95%.The countries of OPEC + (OPEC + Russia and other countries) agree on April 9 and it was to reduce global production by 10 million barrels per day for two months, from May to June (and Iraq's share of the reduction was one million barrels per day), followed by a decrease of 8 million barrels / Daily during the period from 1/7 until December 2020, followed by a third reduction from January 1, 2021, until April 2022 (RT, 2020). According to the Iraqi Oil Ministry, Iraq lost \$ 11 billion in oil revenues in the first quarter of 2020, compared to last year. As a result of the Corona virus crisis, as oil prices have decreased dramatically, as a result of an almost complete cessation of economic life in the countries of the world, which reduced the demand for oil and prices collapsed in general (Al-Sharq Al-Awsat, 2020). Iraq's production in 2019 amounted to about 4.6 million barrels (per day), while daily exports amounted to 3.5 million per day (Ali, 2019).

The Iraqi government announced the Integrated National Energy Strategy in 12 June 2013 for the period from (2012 to 2030) to include all energy sectors in Iraq, which were prepared by the International Consulting Office Booz & Company with the support of the World Bank (Al Mirbad (2013). The cost of the strategy was estimated at 620 billion dollars (530 billion dollars in capital expenditures and 90 billion dollars in operating expenses) and achieving government revenues of 6 trillion dollars and meeting all domestic energy demand by 2022. And job opportunities will increase by 10 million jobs by 2030, making Iraq in a state of full employment, and by 2020, economic activity in the non-oil and gas sectors will grow at a rate that outpaces the growth in the oil and gas sector. Thus, the economy's dependence on oil is steadily decreasing (Sabbah, 2017: World Bank, 2013).

Iraq has started a striving program in order to build up its fields of oil and to boost its production of oil. between November 2008 and April 2018, the Oil Ministry of Iraq signed long-term agreements with international oil firms (Five rounds of licenses). In the first stage 2009, firms intend, further expand giant fields produced of oil. The contracts in stage two 2009

were signed in order to build up fields of oil that were by now investigated but not completely developed or generated commercially. Generally, contracts in both stages cover fields of oil with demonstrated reserves of more than 60 billion barrels. they would boost overall production capacity of Iraq to about 12 million barrels/day, or approximately 9 million barrels/day above 2012 levels of production (Gardi, 2017) (World Bank, 2013). The agreements require Iraq to attain its target of production by 2017. On the other hand, these agreements have been re-negotiated towards more unpretentious points, and Iraq is modifying its targets of production to 9.5 million barrels/day by 2017. Although, if these adjusted targets might be excessively optimistic, given postponements in building up its infrastructure related to energy. Ever since, Iraq announced a third round 2010 to invest in natural gas fields, and also a fourth round 2012 intended for the fields that enclose mainly crude oil. and a fifth round is being in 2018 in Six oil fields.

SHRM characterizes a comparatively new revolution in the area of human resource management. SHRM is all concerned for the function that human resource management systems have in the performance of the firm, mostly concentrating on the placement of workforce as a source of achieving competitive advantage. Organizations nowadays are turning out to be aware that conquering practices and policies of human resource might boost performance in diverse areas like quality, financial performance and productivity.

### ***Iraqi Oil Sector and Lack of Management***

Iraq has started a striving program in order to developing its fields of oil and to boost its production of oil. between November 2008 and April 2018, Through licensing rounds and the Integrated National Energy Strategy (2012-2030). In reaching production of 12 million barrels per day during the period 2017-2020 (Al-Buraihi: 2011). The Oil Ministry of Iraq signed long-term agreements with international oil firms (Five rounds of licenses). In the first stage 2009, firms intend, further expand giant fields produced of oil. The contracts in stage two 2009 were signed in order to build up fields of oil that were by now investigated but not completely developed or generated commercially. Generally, contracts in both stages cover fields of oil with demonstrated reserves of more than 60 billion barrels. they would boost overall production capacity of Iraq to about 12 million barrels/day, or approximately 9 million barrels/day above 2012 levels of production (Gardi, 2017). Iraq announced a third round 2010 to invest in natural gas fields, and also a fourth round 2012 intended for the fields that enclose mainly crude oil. and a fifth round is being in 2018 in Six oil fields.

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It is said by foreign oil companies that they are in a continuous state to face major postponements and are inquiring their capability to accomplish existing contracted production aims provided continued problems of infrastructure development. Foreign companies are up till now situated at an early mobilization's stage, and within Iraq political decentralization continue to serve as an obstruction to speedy execution of development project particularly

large-scale construction and repair of infrastructure for example pipelines, facilities of aquatic inoculation, export services and power and natural fume expansion (Elass & Jaffe, 2011).

lack of fiscal decentralization, legal-institutional gaps, and weak capacity de facto limited the powers of local level actors to set development priorities, deliver services to the citizenry, or to serve as effective loci of participation. as numerous reports provide agonizing detail about waste and mismanagement in development and governance projects (El Meehy, 2017).

Falling short of making improvement of all or any of these essential services will possibly restrict the IOCs' capability to convert challenging success into continual increases of export. Foreign corporations are uncovering visa applications, sanctioning applications, and other bureaucratic authorizations inconveniently provided the huge number of bureaucrat agencies at the provincial and local levels. Extensive sharing of power indicates that all decision-making related to politics is exceptionally sluggish, plus Iraq's bureaucracy does not have the operational efficiency and workforce competence required to support. Furthermore, established concerns consider into mass key projects, for example services of oil trucking whose workers encompass a great deal riding adjacent to the triumphant achievement of new expansions of oil pipeline (Deutsche Bank, 2010; Business Monitor International, 2011). As Ala'Aldeen (Ala'Aldeen, 2020) points out highly centralized and poorly institutionalized governing system, also, the absence of adequate administrative capacity as well as robust checks and financial mismanagement, wasted resources, and the transferal (and worsening) of corruption. Additionally, duplication and/or overlapping roles between various departments created vague lines of responsibility and accountability.

Given these obstacles to development of infrastructure, 2011 output aims set by the IOCs and South Oil Co. (SOC) of Iraq. Insufficient export infrastructure and transportation, inadequate supply of water for critical requirements for water injection, suspicions of upcoming reservoir harm, and deferred natural gas development are prompting IOCs and the officials of Iraq to modify ideas regarding the levels of production of oil that can possibly be completed by 2017.

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The shale revolution in the United States, technological change, the drive for greater energy efficiency and the long-term response to environmental challenges and the need to develop its domestic energy infrastructure, in particular in the electricity sector (Jasim et al., n.d.). Important factors that have a major impact on all production plans, and thus their impact on development plans that depend on imports of oil exports. Iraq needs to reach nearly 6 million

barrels per day of production in 2030; to three basic elements, ensuring an adequate amount of water for injection, Attracting foreign capital. and a favorable political and security environment. Availability of adequate water for oil extraction is crucial. Iraq will need an additional 3 million barrels of water for injection into the tanks (Jasim et al., n.d.).

The integrated national energy strategy referred to Underdeveloped logistics support for personnel and Little administrative experience in managing and coordinating a rapid expansion of production from multiple fields However, it did not achieve the required developing of human resources in line with the plan itself, as evidenced by the continued employment of foreign cadres, even in simple specializations.

As the World Bank (2020) indicates that poor service delivery, rising corruption, and lack of jobs, rampant corruption and weak governance, diversification in the economy, poor labor market outcomes.

Iraq faces a direct redistribution of oil revenues, and overall development through good management that influence the choice between the central budgets. In the short term, production and export of oil are being severely dilapidated. In the medium to long term, however, revenues from Iraq's oil exports can be increased significantly, but the strong recovery in oil production and the economic performance of oil-exporting countries and often countries have few resources. This usually caused lack of oil wealth and the harmful influence policy for the petroleum sector by the practices of strategic human resource management. The lack of oil as well as gas fields of strategic management practices of human resources can hamper prospects for reconstruction programs in Iraq (Elass & Jaffe, 2011).

Iraqi workforce is growing rapidly (2.4percent per year. voluntary report,2019). Iraq has the highest unemployment rate in the region, nearly 42 percent, almost double the average for the Middle East and North Africa. More than half of young urban males are unemployed. Reconstruction should significantly increase the demand for labor. Iraq is focusing on policy and the policy makers in the communal and private sectors to select the relative roles of job creation in the oil industry. Simulation analysis of the report showed that the strategy is based on the reconstruction of the public sector and also for the private sector to focus on years of employment and economic growth. This simulation clearly shows the urgent need for the existence of a strategy for private sector development (Iraqi Oil Sector Report, 2011).

#### ***Source of Competitive Advantage - Human Resources (add 4 recent references)***

Michael Porter devised the conception of competitive advantage. As declared by Porter that the competitive advantage comes out of an organization forming worth in favor of its customers (Porter & Advantage, 1985). Porter stressed the significance of differentiation, which comprises of putting forward a service or product “that is observed industry-wise as being unique”, and underline– perceiving a particular product market or buyer group “more efficiently or effectively than competitors who compete more broadly”. He after that put up his renowned scaffold of three generic strategies, - focus, differentiation and cost leadership- that firms can utilize in order to attain competitive advantage. Porter’s broadly acknowledged view advocates that the industry – determinants of environment – have an effect on the performance of the firm. Conversely, resource-based view states that the foundation in favor of a competitive advantage of an organization lies mainly in the appliance of the bunch of priceless resources at the disposal of the firm (Wernerfelt, 1984). In accordance with this outlook, competitive advantage diverges from the environmentally emphasized paradigm of strategic management because its focus is lying on the associations between the firm’s internal resources, its performance and its strategy.

Therefore, rapid changes in the development of technology, communication systems, social and cultural change and globalization, have changed the concept of competitive advantage by moving from material elements to relying on human resource as the most important element in the organization's assets, have the knowledge, skills and experience in achieving sustainable competitive advantage and achieving high performance.

Human resources are the decisive element in competitiveness and achieving competitive advantage in international markets, and thus the success of the organization depends on the efficiency and skill of its human capital, achieving sustainable competitive advantage depends on a rapid response to customer requests (NADRLJANSKI et al., 2016).

It is proposed by the resource-based view that HR system is able to contribute towards continual competitive advantage by means of facilitating the escalation of firm specific competencies (Lado & Wilson, 1994). The continuous greater performance of various firms has been due to distinctive competencies for managing workforce in order to attain competitive advantage. On the other hand, to the level that systems of HR restrain the enlistment of innovative capabilities and/or devastate present capabilities, they might add to the vulnerability of organization and competitive disadvantage. In the twentieth century's final years, management has started to believe that people, not equipment, buildings, cash, markets, or products, are significant in differentiating a business venture. An organization's all assets, except people, are static. They are reflexive assets that need human appliance in order to create worth. An effective means of keeping up a vigorous economy or a lucrative organization is the productivity and efficiency of the human resources (Fitz-Enz, 2000). An essential thing to be familiar with is why triumph through workforce can be uphold and cannot eagerly be replicated by opponents. The rationale is that the triumph that originates through managing workforce efficiently is frequently not as transparent or visible as to its resource. Culture, the way workers are administered, and its consequences on their skills and behavior are at times observed as the "soft" surface of an organization, sporadically dismissed (Pfeffer, 1994). However, if they are not discharged it is frequently tough to understand the dynamics of a certain organization and the way it functions because how human resources are controlled frequently fits jointly within a system. It is not difficult to imitate a single thing or feature but highly complicated to imitate a plenty of things.

### ***The Strategic Role of Human Resource Management (add 5 recent references + 3 in Iraq)***

The role of human resource management has constantly countenanced a combat in mitigating its place in organizations. In superior time when organizations have sufficient budgets, they effortlessly rationalize expenses on staffing, training, employee involvement and rewards systems, but when financial troubles are there, such systems of human resources obtain the initial cutbacks. The introduction of the associate-field of SHRM, dedicated to discovering the role of HR in sustaining business strategy, granted one opportunity in favor of revealing its worth to the organization. The establishment of the SHRM field can be referred to 1984, when Devanna, Fombrun and Tichy broadly investigated the connection between human resources and business strategy (Wright et al., 2001).

A great amount of amendment has been observed by HRM discipline in the last 25 years. These alterations characterize two key transformations. The first transformation is from being the personnel management field to being the human resource management field (Schuler & Jackson, 2008). The very first transformation integrated facilitated the acknowledgment that people in organizations are an essential asset and they can be controlled analytically. The latter transformation has constructed on the discipline's prior information base. The foundation of this transformation is upon the acknowledgement that, also to synchronizing practices and

policies of human resource with one another, they have to be associated with an organization's needs. Provided that these requirements are indicated in the firm's strategies, this alteration of "human resource management" appeared to be recognized as "strategic human resource management". The foundation of SHRM is upon the acknowledgment that firms can be highly effectual if their employees are administered with the practices and policies of human resources that bring the true number of employees encompassing the right behaviors, required capabilities and the necessary motivation level into the organization.

To point it in a different way, strategic human resource management is "the creation of linkage or integration between the overall strategic aims of business and the human resource strategy and implementation. In principle, the processes and people within the company are managed in such a way as to foster the aims of the business strategy and create an integrated approach to managing the various human resource functions, such as selection, training and reward so that they complement each other" (Gratton et al., 1999). Strategic human resource management might carry numerous advantages in to an organization (Bothma et al., 2012):

- 1) Contributing to the achievement of goal and the endurance of an organization.
- 2) Sustaining and lucratively executing an organization's business strategies.
- 3) Constructing and preserving the organization's competitive advantage.
- 4) Improving the receptiveness and potential for innovation of the organization.
- 5) Enhancing the amount of possible strategic choices accessible to the organization,
- 6) Taking part in the tactical mapping and having an influence on the organization's strategic direction as an evenly allowed associate of higher management.
- 7) Progressing collaboration between the line managers and HRM department.

Increasing recognition of SHRM owes a lot to the pledge of superior organizational efficiency achievable, by means of the improvement of internally reliable bunches of strategies of human resource which are appropriately connected to the strategies of business (Dyer & Reeves, 1995). In the domain of SHRM, investigators have more and more emphasized on the firm's resource-based view in order to explicate the function of practices of human resource in the performance of an organization (Collins & Clark, 2003). Resource based view of stratagem delineates that the firm's strategic competence is dependent upon its resource aptitude, particularly its distinguishing resources. In fact, hypothetical investigation about SHRM has advocated that HR systems practices might show the way to superior performance of the firm and be basis of continuous competitive advantage since these HR system practices are frequently distinctive, causally uncertain, and not easy to replicate (Lado & Wilson, 1994). The practices of SHRM can boost the performance of the organization once they are internally lined up with each other in order to supervise human resources in a way that shows the way towards competitive advantage (Delery & Doty, 1996). The practices of SHRM are able to formulate worth for an organization once the individual tasks are lined up to build up critical competencies or resources.

#### ***How SHRM Impacts on Firm Performance (add 6 recent references)***

Various firms face an unstable state of affairs in market. For the purpose of forming and preserving competitive advantage within this sort of environment, firms should frequently improve their performance of business. Increasingly, firms are acknowledging the workforce's potential as a basis of continuous competitive advantage. Connected to this, organizations increasingly are depending on the approaches of measurement, like employee's scorecards, so as to get insight into the way employees in their firms contribute to the value. The growing concentration into measurement is additionally motivated as a result of an increasing number of researches that demonstrate a positive association between organizational performance and human resource management (Van De Voorde et al., 2010). The association between the

performance of the firm and HRM has been a fiercely pondered topic in the last two decades, having the enormous volume of the key scientific investigation approaching from the USA in addition, to a smaller amount, the United Kingdom (Boselie et al., 2001). Both academics and organizations are determined to authenticate that a positive impact is asserted by HRM over the end result productivity. The published study commonly accounts positive statistical associations between the performance of business and the greater acceptance of practices of HR (Richardson & Thompson, 1999). The sample study on the association between organizational performance and HR can be observed in the Table 1. In a globe where monetary outcomes are evaluated, the disappointment to evaluate human resource practice and policy completion ends this to mediocre status, neglect, oversight, and latent malfunction (Pfeffer, 1994). The feedback resultant via the measurements is important in order to improve and additionally build up the ideas of implementation and to study how fine the practices are really accomplishing their anticipated outcomes.

**Table 1. Literature Review of SHRM and Firm Performance**

RESEARCHER (Hayati, 2021)	SHRM PRACTICES High-performance work systems High-commitment work systems Performance-oriented work	OP Organizational Performance
(Ologunde et al, 2015) hospitality SMEs in Nigeria	job description, recruitment and selection, training and skill development, performance appraisal, compensation, career planning, and employee participation	the profitability and market share
(Alaraqi, 2017) Iraqi oil sector	recruitment and selection, training and development and compensation and rewards	Innovation, Growth, Service quality
(Naitore & Wanyoike, 2019) Universities in Kenya	human resource planning, staffing and retention, training and development	Efficiency - Effectiveness - Employee satisfaction - Customer satisfaction - Corporate image
(Gituma & Beyene, 2018) National Insurance Corporation of Eritrea	Capacity Building, Performance Management, Motivation, Involvement in Decision Making	• Effectiveness • Efficiency
(Danlami, 2011), Nigerian manufacturing sector	strategic HRM alignment with business objectives and strategies, line management devolvement and line management training in HR practices, selection system, performance appraisal system, training and development system, compensation system, career planning system and employee participation.	• Employee productivity • Customer satisfaction • Profitability
(Loo & Beh, 2013) in the Malaysian insurance industry.	Strategic Human Resource Management Alignment, Recruitment & Selection, Training & Development, Compensation & Benefit, Performance Appraisal, Internal Communication, Career Planning, and Job Design	growth rate of sales or revenue, financial strength returns on equity, return on assets and profitability.
(Mansour et al., 2020) in the companies Saudi Arabia.	Planning, Recruitment and Selection, Training and Growth, Participation and Involvement, Performance Appraisal, Compensation and Benefits	Rate of Productivity, Quality of services/products, Customer Service, Sales Growth
(Adegoroye et al., 2012) Nigerian commercial banks.	Recruitment Practices role of HRM Department Retraining and Redeployment Performance Appraisal Compensation and Rewards	the opinion of the respondents concerning rate of the company's performance over the past three years compared to other companies in the industry. The second type was the sales growth and profit growth
(Al Karim & Alam, 2013) private commercial banks in Bangladesh	HR Strategy and Organization Strategic Recruitment and Selection of HR Strategic Training and Development Strategic Performance Management System Strategic Compensation & Rewards Employee Participation in Management Employee Separation	• Level of productivity, operating efficiency • Growth rate of revenues/ sales/level of activity • Financial strength (liquidity/reserves, borrowing capacity, etc.) • Market share • Profitability • Innovation (product, process, systems, managerial)
(Husien, 2012) SMEs' Performance in Iraq	SHRM alignment, line manager's devolvement, training and development, performance appraisal, compensation and reward, and employee participation	Capital to Risk Weighted Assets (%) NPL to total loans ratios (%) Expenditure to income ratio (%) ROA (%) ROE (%) Net interest income Liquid assets (%)
(Ugheoke et al., 2015) SMEs' Performance in Nigeria	work skills, knowledge sharing, team cooperation and individual contribution	growth and profitability
		intangible performance.

Source: Developed by author for this study

### 3. Theoretical Model

This framework was formed from two widespread variables incorporating the performance of the firm and SHRM. The SHRM is characterized by means of the four vital factors consisting of compensation and rewards, performance appraisal, training and development, and recruitment and selection. Performance is demonstrated with the help of productivity, turnover, and quality. These variables were taken out from the analysis of scholarly literatures. Nurul Absar et al. (2010) discover the association between the practices of human resource management and organizational performance. Their research employed training and development, compensation policies, performance evaluation and recruitment. They suggested that future research can be used in various industries as such practices have large data samples. Tan and Nasrudin (2011) used presentation assessment, job supervision, training, recompense system, and conscription in their study to inspect the influence of HRM on organization innovation. They recommended that HRM applies ought to examine into dissimilar subdivisions. Hayajneh et al. (2012) used human resource management and training & development in his study in Aqaba. Tóth (2012) examined human resource management and used training & development, recompense policy and staffing in his study. He recommended that HRM practices can be examined in dissimilar subdivisions. Ying (2012) suggested that presentation assessment can scrutinize in numerous republics. Beh and Loo (2013) examined the influence of HRM on firm presentation and they provided a forthcoming way by recognized that their study only cover Malaysian assurance subdivision. Management practices of strategic human resources in the future researchers can examine the data for countries with a large sample of different departments. Iqbal et al. (2013) worked in the practice of human resource management; proposed management practices can have HR management practices in human resources for testing in different countries. Elarabi and Johari (2014) studied the effects of human resource management of medical quality. They use training, compensation and evaluation in their research.

Slight or no study has been done on strategic human resource management in Iraq. Only Husien (2012) directed a study to examine the influence of strategic human resource management on SMEs in Iraq. He employed training and development, compensation policies, performance evaluation and recruitment in the study. He proposed, SHRM practices can be tested in various sectors as well as in depth study with more data analysis. In strategic human resource management and in accordance with the recommendations of previous studies prior to the study; this study reviews the relationship between strategic human resource management and organizational performance. SHRM practices contain training & development, performance appraisal, recruitment & selection and compensation & reward. Framework of the study is shown in the Figure 1

### 4. Conclusion

This research assessed the impacts of practices of SHRM on the performance of the firm in the Sector of Oil and Gas of a developing economy. An analysis of literature grants strong verification of effective practices of SHRM and their correlation with the performance of the firm in physical and attitudinal aspects. The research stresses the significance of practices of SHRM in order to attain and sustain greater performance in the changing environment of business and call for an assimilated approach in the direction of creation and execution of practices of SHRM. The firms are required to proactively follow a tactical approach towards practices of HRM and devote in these practices to attain sustainable competitive advantage in intangible and tangible dimensions.

## 5. Future research

Regardless of the limitations described above, the research puts together considerable contribution regarding understanding and execution of practices of SHRM in one of the vital sectors distressing the economy of Iraq. Future research might comprise extensive sample to statistically authenticate the literature review conducted by this current study. It would be helpful to inspect the impact of relative regulations' factors, firm climate, labour market environment, cultural values, and leadership style that mediate or moderate the correlation between organizational exist and SHRM practices (Collins & Smith, 2006; Richard & Johnson, 2001). Future research may additionally lay its interest on longitudinal study to further discover the association between these two constructs.

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