A STUDY ON THE RELATIONSHIP BETWEEN PERCEIVED STRATEGIC HUMAN RESOURCE MANAGEMENT AND ORGANIZATION PERFORMANCE WITH ORGANIZATION CITIZENSHIP BEHAVIOR AS THE MEDIATOR

ALI KADHIM SADDAM

UNIVERSITI TEKNOLOGI MALAYSIA
A STUDY ON THE RELATIONSHIP BETWEEN STRATEGIC HUMAN RESOURCE MANAGEMENT AND ORGANIZATION PERFORMANCE WITH ORGANIZATION CITIZENSHIP BEHAVIOR AS THE MEDIATOR

ALI KADHIM SADDAM

A thesis submitted in the fulfilment of the requirements for the award of the degree of Doctor of Philosophy (Management)

Faculty of Management
Universiti Teknologi Malaysia

AUGUST 2017
Dedicated to my beloved family

To the most precious persons in my life, my parents, my wife (Israa), my brothers, my sisters, and my sweetheart beautiful daughters (Baneen and Zahraa).
ACKNOWLEDGEMENT

Thanks to ALLAH, the Most Gracious, the Most Merciful, the Most Bountiful who gave me the courage and patience to accomplish this research work. Without his help and mercy, this would not have come into reality.

I would like to deeply express my gratitude for the help and support from my Supervisor, Associate Prof. Dr. Nur Naha Binti Abu Mansor on her fascinating guidance, encouragement, and valuable comments throughout the research work. I was fortunate to be one of her graduate students. Her experience and creativity gave me great profit for carving my future career.

I would like to acknowledge Universiti Teknologi Malaysia for providing the facilities and support during this research.

I wish also to thank the Iraqi Higher Education Ministry, University Messan Iraq and College of Administration and Economics for their continuous help and support for this research.

Last, but not the least, my greatest thanks from my heart to my family for giving the unlimited support and patience to complete my study. I would never ever forget their sacrifice that they have done for me. I appreciate the sacrifice of my mother, brothers and sisters in helping me morally to finish my study.
ABSTRACT

Strategic human resource management (SHRM) plays a vital role in the success and performance of organisations. People are the essential elements for the development of organizations. Although extensive literature is available on the effectiveness of SHRM to enhance organizational performance, it is unclear which SHRM practices can be linked with organizational performance. Thus, to fill this gap, this study examined the relationship between SHRM practices and organizational performance in the Iraqi oil sector. In addition, the study identified the mediating role of organizational citizenship behaviour (OCB) between SHRM practices and organizational performance. Fifteen Iraqi oil industry companies (oil and gas) are owned by the public sector and represent the stratified sample, with the unit of analysis represented by the managers and heads of departments. The study utilized a random sample of the Iraqi oil sector comprising two companies each to represent upstream industry, downstream industry, and midstream industry. The quantitative method using questionnaire-survey and structural equation modelling (SEM) were utilized. A total of 366 questionnaires were distributed equally to companies within the chosen sample. After initial data screening, 301 responses were used for the final data analysis using SEM. Results indicated that SHRM practices, namely recruitment and selection, training and development, and compensation and rewards are directly linked with organizational performance. Meanwhile, training and development, compensation and rewards indirectly influenced organizational performance through the OCB. Findings of this study are useful to the Iraqi oil sector to enhance their organizational performance through the use of appropriate SHRM practices.
ABSTRAK

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION</td>
<td></td>
<td>ii</td>
</tr>
<tr>
<td>DEDICATION</td>
<td></td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td></td>
<td>iv</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td></td>
<td>v</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td></td>
<td>vi</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td></td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td></td>
<td>xii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td></td>
<td>xiii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td></td>
<td>xiv</td>
</tr>
<tr>
<td>LIST OF APPENDICES</td>
<td></td>
<td>xv</td>
</tr>
<tr>
<td>1    INTRODUCTION</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1.1 Overview</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1.2 Background of Research</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>1.3 Problem Statement</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>1.4 Research Questions</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>1.5 Research Objectives</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>1.6 Significance of the Study</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>1.7 Scope of the Study</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>1.8 Conceptual and Operational Definitions</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>1.8.1 Strategic HR Management Practices</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>1.8.1.1 Strategic Recruitment and Selection</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>1.8.1.2 Strategic Training and</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>
Development
1.8.1.3 Strategic Performance Appraisal 20
1.8.1.4 Strategic Compensation and Reward 20
1.8.2 Organizational Performance 21
1.8.2.1 Innovation 21
1.8.2.2 Service Quality 22
1.8.2.3 Growth 22
1.8.3 Organizational Citizenship Behavior (OCB) 23
1.9 Organizations of Thesis 23
1.10 Summary 25

2 LITERATURE REVIEW 26
2.1 Introduction 26
2.2 Overview of SHRM in Iraq Oil and Gas Sector 27
2.3 Strategic Human Resource Management Practices 28
   2.3.1 Strategic Recruitment and Selection 30
   2.3.2 Strategic Training and Development 32
   2.3.3 Strategic Compensation and Reward Management 33
   2.3.4 Strategic Performance Appraisal 35
2.4 Organizational Citizenship Behavior (OCB) 37
2.5 Organizational Performance 41
   2.5.1 Innovation 46
   2.5.2 Service quality 47
   2.5.3 Growth 49
2.6 Hypothesis Development 50
   2.6.1 Relationship between SHRM Practices and Organizational Performance 50
      2.6.1.1 Relationship between Strategic Recruitment and Selection and Organizational Performance 52
      2.6.1.2 Relationship between Strategic Training and Development 53
## RESEARCH METHODOLOGY

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Introduction</td>
<td>85</td>
</tr>
<tr>
<td>3.2</td>
<td>Research Design</td>
<td>86</td>
</tr>
<tr>
<td>3.3</td>
<td>Research Approach</td>
<td>86</td>
</tr>
<tr>
<td>3.4</td>
<td>Nature of Research</td>
<td>87</td>
</tr>
<tr>
<td>3.4.1</td>
<td>Quantitative Research</td>
<td>88</td>
</tr>
<tr>
<td>3.4.2</td>
<td>Qualitative Research</td>
<td>88</td>
</tr>
<tr>
<td>3.5</td>
<td>Rationale for choosing Quantitative Method</td>
<td>90</td>
</tr>
<tr>
<td>3.6</td>
<td>Unit of Analysis</td>
<td>90</td>
</tr>
<tr>
<td>3.7</td>
<td>Population and Sampling</td>
<td>91</td>
</tr>
<tr>
<td>3.7.1</td>
<td>Population Framework</td>
<td>92</td>
</tr>
<tr>
<td>3.7.2</td>
<td>Sampling Size</td>
<td>93</td>
</tr>
<tr>
<td>3.7.3.1</td>
<td>The Sampling Procedure</td>
<td>94</td>
</tr>
<tr>
<td>3.7.3.1</td>
<td>Sampling Frame</td>
<td>95</td>
</tr>
<tr>
<td>3.8</td>
<td>Data Collection</td>
<td>96</td>
</tr>
<tr>
<td>3.9</td>
<td>Instrumentation Development</td>
<td>97</td>
</tr>
<tr>
<td>3.9.1</td>
<td>Questionnaire Design</td>
<td>98</td>
</tr>
<tr>
<td>3.10</td>
<td>Measurement of Strategic Human Resource</td>
<td>98</td>
</tr>
</tbody>
</table>
Management Practices

3.11 Measurement for OCB 101

3.12 Measurement for Organizational Performance 103

3.13 Pre-Testing of the Questionnaire 103

3.14 Pilot Testing 105

3.15 Data Analysis 105
  3.15.1 Data Screening 108
  3.15.2 Missing Value Analysis 108
  3.15.3 Detection of Multivariate Outliers 108
  3.15.4 Descriptive Analysis 109
  3.15.5 Pearson Correlational Analysis 109
  3.15.6 Structural Equation Modelling 110
    3.15.6.1 Measurement Model 111
    3.15.6.2 Convergent Validity 112
    3.15.6.3 Discriminant Validity 112

3.16 Structural Model (Hypothesis Testing) 113
  3.16.1 Mediation Analysis 113

3.17 Chapter Summary 114

4 DATA ANALYSIS 115

4.1 Introduction 115

4.2 Data Screening and Missing Values 115

4.3 Detection of Outliers 116

4.4 Univariate Normality 116

4.5 Multivariate Normality 119
  4.5.1 Linearity 121
  4.5.2 Multicollinearity 122

4.6 Respondents’ Profile 123

4.7 Descriptive Statistics 126

4.8 Common Method Bias Test 127

4.9 Confirmatory Factor Analysis (CFA) 129
  4.9.1 CFA for construct Recruitment and Selection 130
  4.9.2 CFA for construct Training 132
and Development

4.9.3 CFA for construct Compensation and Rewards 134
4.9.4 CFA for construct Performance Appraisal 137
4.9.5 CFA for Construct OCB 139
4.9.6 CFA for construct Organizational Performance 141

4.10 Measurement Model 144
4.10.1 Convergent Validity 147
4.10.2 Discriminant Validity 151

4.11 Structural Model (Hypothesis testing) 153

4.12 Mediation Analysis 159

4.13 Summary 164

5 DISCUSSION AND CONCLUSION 165

5.1 Overview of the Chapter 165
5.2 Summary of the Research 165
5.3 Discussion on Research Findings 169
5.3.1 Objective 1: Relationship between SHRM Practices and Organizational Performance. 169
5.3.2 Objective 2: The most influential SHRM Practices in determining organizational Performance. 172
5.3.3 Objective 3: The Relationship between SHRM Practices and OCB. 176
5.3.4 Objective 4: The relationship between OCB and organizational performance. 181
5.3.5 Objective 5: Mediating role of Organizational Citizenship Behavior 183

5.4 Implications of the Study 186
5.4.1 Theoretical contribution 186
5.4.2 Practical contribution 188

5.5 Future Research and Suggestions 189

5.6 Limitation of the Study 190

5.7 Conclusion 191
# LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Studies on SHRM practices</td>
<td>29</td>
</tr>
<tr>
<td>2.2</td>
<td>Five-Factor Model of OCB Dimensions and Definitions</td>
<td>39</td>
</tr>
<tr>
<td>2.3</td>
<td>Dimensions of Organizational performance in Literature (financial measures)</td>
<td>43</td>
</tr>
<tr>
<td>2.4</td>
<td>Dimensions of Organizational performance in Literature (Non-financial measures)</td>
<td>45</td>
</tr>
<tr>
<td>2.5</td>
<td>All Hypotheses</td>
<td>71</td>
</tr>
<tr>
<td>3.1</td>
<td>Positivism Perspective versus Interpretivist/Subjectivist Perspective</td>
<td>87</td>
</tr>
<tr>
<td>3.2</td>
<td>Characteristics of Quantitative and Qualitative Research</td>
<td>89</td>
</tr>
<tr>
<td>3.3</td>
<td>State-Owned Oil Companies</td>
<td>92</td>
</tr>
<tr>
<td>3.4</td>
<td>Oil Companies Operating In Southern and Central Iraq</td>
<td>93</td>
</tr>
<tr>
<td>3.5</td>
<td>Oil Companies Operating In Southern and Central Iraq</td>
<td>95</td>
</tr>
<tr>
<td>3.6</td>
<td>Summary Items for SHRM Practices</td>
<td>100</td>
</tr>
<tr>
<td>3.7</td>
<td>Items for OCB</td>
<td>101</td>
</tr>
<tr>
<td>3.8</td>
<td>Summary item for Firm organizational performance</td>
<td>103</td>
</tr>
<tr>
<td>3.9</td>
<td>Reliability of instrument on the basis of pilot test</td>
<td>105</td>
</tr>
<tr>
<td>3.10</td>
<td>Research objectives and data analysis methods</td>
<td>107</td>
</tr>
<tr>
<td>3.11</td>
<td>Fit indices and their acceptable thresholds</td>
<td>111</td>
</tr>
<tr>
<td>4.1</td>
<td>Observations farthest from the centroid (Mahalanobis distance)</td>
<td>116</td>
</tr>
<tr>
<td>4.2</td>
<td>Descriptive Statistics and Normality</td>
<td>117</td>
</tr>
<tr>
<td>4.3</td>
<td>Multicollinearity Assessment</td>
<td>123</td>
</tr>
<tr>
<td>4.4</td>
<td>Frequency of Respondents</td>
<td>124</td>
</tr>
<tr>
<td>4.5</td>
<td>Descriptive Statistics</td>
<td>126</td>
</tr>
<tr>
<td>4.6</td>
<td>EFA to Test Common Method Bias</td>
<td>128</td>
</tr>
<tr>
<td>4.7</td>
<td>Modification indices for Recruitment and Selection</td>
<td>131</td>
</tr>
<tr>
<td>4.8</td>
<td>Fitness Indices for Recruitment and Selection</td>
<td>132</td>
</tr>
</tbody>
</table>
4.9 Modification Indices for Training and Development 133
4.10 Fitness Indices for Training and Development 134
4.11 Modifications Indices for compensation and rewards 136
4.12 Fitness Indices for Compensation and Rewards 136
4.13 Modifications Indices performance appraisal 138
4.14 Fitness Indices for Performance Appraisal 138
4.15 Modifications Indices OCB 140
4.16 Fitness Indices for OCB 141
4.17 Modification Indices for Organizational Performance 143
4.18 Fitness Indices for Organizational Performance 144
4.19 Threshold Values 144
4.20 Overall Measurement Model of All Constructs 147
4.21 Predictive Validity (Factor loadings) 148
4.22 Convergent Validity Analysis 150
4.23 Discriminant Validity Analysis 152
4.24 Hypothesis Results (direct relationship SHRM with OP) 156
4.25 Hypothesis Results (direct relationship SHRM with OCB) 157
4.26 Path coefficient and Relative index for SHRM practices 158
4.27 Mediation Analysis of Satisfaction 164
5.1 Summary of Hypothesis results 168
## LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURE NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>structure of the Thesis</td>
<td>25</td>
</tr>
<tr>
<td>2.1</td>
<td>Structure of Chapter</td>
<td>26</td>
</tr>
<tr>
<td>2.2</td>
<td>Strategic Reward and Compensation</td>
<td>35</td>
</tr>
<tr>
<td>2.3</td>
<td>Mediating role of OCB between Strategic Recruitment and Selection and organizational performance</td>
<td>64</td>
</tr>
<tr>
<td>2.4</td>
<td>Mediating role of OCB between Strategic Training and Organizational Performance</td>
<td>66</td>
</tr>
<tr>
<td>2.5</td>
<td>Mediating role of OCB between Strategic rewards and organizational performance</td>
<td>68</td>
</tr>
<tr>
<td>2.6</td>
<td>Mediating role of OCB between Strategic Performance and Organizational Performance</td>
<td>69</td>
</tr>
<tr>
<td>2.7</td>
<td>Relation between Resources and Organizational Performance</td>
<td>73</td>
</tr>
<tr>
<td>2.8</td>
<td>Basic illustration of RBV theory</td>
<td>78</td>
</tr>
<tr>
<td>2.9</td>
<td>Proposed Research Model</td>
<td>82</td>
</tr>
<tr>
<td>3.1</td>
<td>Instrumentation Development</td>
<td>91</td>
</tr>
<tr>
<td>4.1</td>
<td>Regression Standardized Residual of Independent and organizational performance</td>
<td>120</td>
</tr>
<tr>
<td>4.2</td>
<td>Normal P-P Plots of Regression Standardized Residual of organizational performance</td>
<td>121</td>
</tr>
<tr>
<td>4.3</td>
<td>Scatter Plots of organizational performance with all Independent Constructs</td>
<td>122</td>
</tr>
<tr>
<td>4.4</td>
<td>CFA for construct Recruitment and Selection</td>
<td>130</td>
</tr>
<tr>
<td>4.5</td>
<td>CFA for Construct Training and Development</td>
<td>132</td>
</tr>
<tr>
<td>4.6</td>
<td>CFA for construct compensation and rewards</td>
<td>135</td>
</tr>
<tr>
<td>4.7</td>
<td>CFA for construct performance appraisal</td>
<td>137</td>
</tr>
<tr>
<td>4.8</td>
<td>CFA for Construct OCB</td>
<td>139</td>
</tr>
<tr>
<td>4.9</td>
<td>CFA for Construct Organizational Performance</td>
<td>142</td>
</tr>
<tr>
<td>4.10</td>
<td>Overall Measurement Models of all Constructs</td>
<td>146</td>
</tr>
<tr>
<td>4.11</td>
<td>Path analysis for data</td>
<td>154</td>
</tr>
<tr>
<td>4.12</td>
<td>Mediation Effect of OCB between RS and OP</td>
<td>159</td>
</tr>
<tr>
<td>4.13</td>
<td>Mediation Effect of OCB between TD and OP</td>
<td>160</td>
</tr>
<tr>
<td>4.14</td>
<td>Mediation Effect of OCB between CR and OP</td>
<td>161</td>
</tr>
<tr>
<td>4.15</td>
<td>Mediation Effect of OCB between PA and OP</td>
<td>162</td>
</tr>
</tbody>
</table>
LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGFI</td>
<td>Adjusted Goodness of Fit Index</td>
</tr>
<tr>
<td>AMOS</td>
<td>Analysis of Moment Structures) software</td>
</tr>
<tr>
<td>AVE</td>
<td>Average Variance Extracted</td>
</tr>
<tr>
<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
</tr>
<tr>
<td>CFI</td>
<td>Comparative Fit Index</td>
</tr>
<tr>
<td>CMIN</td>
<td>Minimum Chi-Square</td>
</tr>
<tr>
<td>DF</td>
<td>Degrees of Freedom</td>
</tr>
<tr>
<td>EEO</td>
<td>Equal Employment Opportunity</td>
</tr>
<tr>
<td>EVA</td>
<td>Economic Value Added</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GFI</td>
<td>Goodness of Fit Index</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>ICF</td>
<td>International Classification of Functioning</td>
</tr>
<tr>
<td>IOC</td>
<td>International Oil Companies</td>
</tr>
<tr>
<td>MI</td>
<td>Modification Indices</td>
</tr>
<tr>
<td>NFI</td>
<td>Normed Fit Index</td>
</tr>
<tr>
<td>OCB</td>
<td>Organization Citizenship Behaviour</td>
</tr>
<tr>
<td>OCB-I</td>
<td>Organization Citizenship Behaviour – Individuals</td>
</tr>
<tr>
<td>OCB-O</td>
<td>Organization Citizenship Behaviour – Organization</td>
</tr>
<tr>
<td>OP</td>
<td>Organizational Performance</td>
</tr>
<tr>
<td>RMR</td>
<td>Root Mean Square Residual</td>
</tr>
<tr>
<td>RMSEA</td>
<td>Root Mean Square Error of Approximation</td>
</tr>
<tr>
<td>ROA</td>
<td>Return On Assets</td>
</tr>
<tr>
<td>ROE</td>
<td>Return On Equity</td>
</tr>
<tr>
<td>ROI</td>
<td>Return On Investment</td>
</tr>
<tr>
<td>ROS</td>
<td>Return On Sales</td>
</tr>
</tbody>
</table>
RVB  - Resource-Based View
SCA - Sustainable Competitive Advantage
SEM - Structural Equation Modeling
SET - Social Exchange Theory
SHRM - Strategic Human Resource Management
SME - Small and Medium Enterprises
SMS - Subject Matter Specialists
SPSS - Statistical Package for the Social Sciences
TLI  - Tucker Lewis Index
VIF  - Variance Inflation Factor
χ²  - Chi-Square
CR  - Compensation and Rewards
IOTC - Iraqi Oil Tanker Company
MOC - Missan Oil Company
PA  - Performance Appraisal
RS  - Recruitment And Selection
SCOP - State Company for Oil Projects
SGC - South Gas Company
SOC - South Oil Company
SRC - South Refinery Company
TD - Training and Development
# LIST OF APPENDICES

<table>
<thead>
<tr>
<th>APPENDIX</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Survey Questionnaire</td>
<td>254</td>
</tr>
<tr>
<td>B</td>
<td>Name of the Subject Matter Specialist</td>
<td>255</td>
</tr>
<tr>
<td>C</td>
<td>Normal distribution</td>
<td>256</td>
</tr>
<tr>
<td>D</td>
<td>Letters</td>
<td>287</td>
</tr>
<tr>
<td>E</td>
<td>Krejcie and Morgan</td>
<td>289</td>
</tr>
</tbody>
</table>
CHAPTER 1

INTRODUCTION

1.1 Overview

Over the years, researchers acknowledge the role of human resource (HR) in providing organizations sustainable competitive advantage (Long et al., 2013; Mutua et al., 2012; Tiwari and Saxena, 2012; Gilani et al., 2012; Pfeffer, 1994; Wright et al., 1994; Prahalad, 1983). The effective management of human capital may be the ultimate determinant of organizational performance (Appelbaum et al., 2015; Mahmood, 2015; Bartel, 2011; Reich, 1991; Adler, 1988). The value of human capital is especially apparent in modern organizations that have invested heavily in production innovations such as advanced technology, statistical process control, and numerically computer controlled machine tools. Such initiatives tend to depend heavily on employee skills and commitment as key components in the value creation process (Bartel, 2011; Snell and Dean, 1992). Accordingly, it is instrumental for firms to harness the productive potential of their employees to achieve superior performance. For this purpose, strategic human resource management (SHRM) activities are frequently acknowledged to play a central role in linking employee capabilities with the performance requirements of a firm. Long et al., (2013) argued that people can be considered as other resources of the organization, thus it is required to use them effectively.
Prior studies on SHRM provided various SHRM models that can be useful to effectively manage HR (Long et al., 2013; Mutua et al., 2012; Tiwari and Saxena, 2012; Guest, 1997; Beer et al., 1984; Devana et al., 1984). These models provide guidelines to managers for better organization of HR. Hendry and Pettigrew (1990) documented that SHRM practices are catalysts that can enhance the firm performance. Therefore, it is very important for the managers to follow SHRM practices in the organization for optimization of organizational performance. There is a direct link of effectiveness of strategic HR practices and organizational performance through increased innovation and reduced absences, labour turnover, and conflict or customer complaints. Guest (1997) documented that SHRM strategy such as strategic compensations and rewards, strategic training and development, strategic performance appraisal, strategic selection and hiring will lead to quality work which altimetry increase the performance of the organization. This leads to the aims of the current study. This chapter provides the background of the present research along with problem formulations, research objectives, and research questions. Furthermore, scope and the significance of the study are also provided in the chapter.

1.2 Research Background

HR is the most important factor for any organizations success. HR is increasingly noticed as a fundamental component of competitive advantage for the modern organization (Belenzon and Tsolmon 2015; Carré et al., 2015; Albrecht et al., 2015; Noe and Tews, 2012; Allen and Wright, 2007; Boxall and Purcell, 2003; Bartlett and Ghoshal, 2002). Employees remain the most valuable assets to gain competitive advantage. However, they are the most difficult asset to manage in any organization (Ayanda and Sani, 2011). Thus, effective management of HR requires simultaneous use of different HR systems within organizations (Lepak et al., 2006; Lepak and Snell, 2002; Wright and Boswell, 2002).
Conventional opinions on competitive advantage stressed on barriers to entry as economies of scale, access to capital and determined competition (Albrecht et al., 2015). Following this, more recent views have foregrounded on organization’s planning and strategic management of HR. Khandekar and Sharma (2005) believe that to survive in global and knowledge economy, organizations need competent and knowledgeable employees that could provide organizations with competitive advantage. The importance of SHRM from a strategic perspective is seen as a source of competitive advantage (Huselid et al., 1997). Thus, Wright and McMahan (1992) have described strategic HRM as a framework that comprises of HR activities and arrangements planned to facilitate an organization to attain its objectives and goals. Strategic planning and management of HR allows organizations to compete against other organizations and attain competitive advantage (Bamberger et al., 2014). It entails all of the actions that an organization put into practice in order to influence the individuals’ behaviour in hope to execute the strategic needs of organization (Nishii and Wright, 2007). SHRM encompasses a link between HR strategy and business strategy, for increased organizational effectiveness and success (Bamberger et al., 2014).

SHRM policies encompass bundle of practices such as strategic recruitment and selection, strategic training and development, strategic performance appraisal and strategic compensation (Dessler, 2007). These practices impact the attitude, performance, and behaviour of employees which further leads to effective organizational outcomes (Noe et al., 2010). For example, employee satisfaction and commitment is increased by performance appraisal as employees are provided opportunities to confer regarding their job performance (Abdulla et al., 2011; Poon, 2004; Levy and Williams, 1998). In a related stratum, strategic training and development assists employees in mastering the ability, skill and knowledge which would then add to innovation concerning management practices, production processes, and products in day to day operations and provide competitive advantage to the organizations (Noe and Tews, 2012). Therefore, strategic training and development assists in increasing the ability, skill and knowledge of employees in the direction of performing efficiently in their job that will bring higher performance of an organization.
Strategic reward system and compensation grants monetary reward, recognition and promotion for the purpose of encouraging employees to get hold of risk, fabricate innovative ideas and develop captivating new products (Bateman and Snell, 2007; Guptal and Singhal, 1993). Strategic reward system and compensation persuades employees to turn out to be motivated, so enhance their participation in supplying new innovative ideas, which contributes in high performance of organization. Strategic recruitment and selection contributes to assist in identifying and employing right and capable candidates by using external sources (Sparrow et al., 1994). Selection and recruitment grants superior importance to a person’s job fit. Therefore, the higher level of execution of recruitment that suits a person–organizational fit, is likely to bring about higher performance of organization (Boon et al., 2011).

Another factor that has been studied frequently by researchers is organization citizenship behaviour (OCB). It has been highlighted that strong SHRM practices can help in employee engagement or OCB (Rafferty et al., 2005). According to Penna (2007), engaging employees in extra role activities (e.g. helping others, humble behaviour, protecting organizational property etc.) at work has the potential to be a valuable way of bringing employers and employees closer together to the benefit of both. Employees experience a sense of community, the space to be themselves and the opportunity to make a contribution. This helps develop stronger citizenship behaviour among employees.

The White (2006) study has also revealed that employees want more opportunities to grow forward to remain satisfied in their jobs. Strong manager-employee relationship is a crucial ingredient in developing strong citizenship behaviour. Snape and Redman (2010) suggest that managers should think beyond providing SHR practices aimed at benefits and support and should consider the effect of such practices on the degree of influence employees that may exert in their daily work. The current study will investigate the relationship of these SHRM practices with organizational performance along with mediating role of OCB in the context of Iraqi oil and gas sector. Few studies have undertaken multi-level approach to
understand SHRM-organizational performance relationship (Gittell et al., 2010; Kehoe and Budhwar 2010; Liao et al., 2009; Song et al., 2009). These researchers were interested to find out the relationship of each SHRM practice with multi-level organizational performance. However, majority of the researchers have adopted a primarily macro approach to understanding this relationship (Chuang and Liao, 2010; Sun et al., 2007; Takeuchi et al., 2007; Tsui et al., 1997).

Coff and Kryscynski (2011) are also of the view that to understand relationship of employees’ and organizational performance, it is necessary to understand organizational level policies and procedures and their interaction with individual level phenomena. Thus, the literature provided an opportunity to capitalize the extension of knowledge in terms of strategic HRM, organization citizenship behaviour and its impact on organizational level performance.

Most studies on SHRM and organizational performance were conducted in developed countries (e.g. Devana et al., 1984; Guest, 1997; Gooderham et al., 2008; Çalışkan, 2010, Uysal, 2014; Waiganjo, 2014; Zhang, 2011). For example, Gooderham et al., (2008) conducted a study on the relationship between HRM practices and perceived firm performance in 3,281 firms located in European Union. Few studies were conducted on the SHRM in developing countries (e.g Husien, 2012; Khdair et al., 2011; Moideenkutty et al., 2010; Christopher et al., 2010; Shahnaei, and Long, 2014).

For example Shahnaei and Long, (2014) analyzed the SHRM practices on the performance of in Iran. Study of Khdair et al., (2011) has been conducted in the Iraqi oil and gas sector. However, it did not consider the application of SHRM practices. Thus, limited literature is available for studying this relationship in the context of oil and gas industry. The current study investigated the relationship of the SHRM with organization performance in the context of Iraqi oil and gas sector. The next section provides the overview of Iraqi oil and gas sector.
1.3 Problem Statement

The Iraqi oil sector is the most significant contributor to Iraq’s GDP. It contributes 95 percent of total exports, over 90 percent of government revenues and 60 percent of GDP (Al-Nusairi, 2016). The value of imports Petroleum products $ 16 billion annually in 2016, petrochemical Industries Iraq imports 188,000 tons of petrochemical products worth $ 375 million annually. Fertilizers Iraq imports 50% of its needs at a cost of $ 100 million annually (Uqaili, 2015). Iraq is managing the oil revenue through central budget, which is intended for growth and redistribution of oil profits to the people. Temporarily, the exports and the production of oil is controlled and managed by neglected amenities and disruptions (Leadsom, 2015). Medium to long term export profits from oil can increase dramatically, only if the production of oil recovers strongly. The oil exporters’ economic performance is lesser as compared to other countries in the region. This is frequently elucidated by the impact of wealth of oil over authority and also via the risky effects of the exchange rate resting on the non-oil sector (Mahdi, 2013).

Researchers have highlighted that the management of Iraqi oil and gas industry does not have the requisite capabilities to handle workforce which is manifested in the form of lack of adequate services, employee misbehaviour and blatant disregard of rules and regulations, poor technology and inadequate training (Kadouri, 2017: Al-Quraishi, 2017: UN, 2015: Khdair et al., 2011; Al-Khatib, 2013). Inefficient management, low professional experience, absence of a clear national strategy, persistent bottlenecks in the gas and refining sectors, and the absence of oil and gas law (Uqaili, 2015). The Iraqi oil and gas industry is facing enormous problems that are related to management practices followed during the former regime and are still retained by majority of the public sector organizations. There is a need for modern practices to manage the growing workforce and SHRM is the possible answer to this problem (Abdul-Mahdi, 2017: Al-Quraishi, 2017). Thus, the present study is an attempt to investigate the role of SHRM towards organizational performance of the Iraqi oil and gas organizations. Furthermore, the
present study also investigates the mediating effect of organizational citizenship behaviour.

Implementation of SHRM practices is a recent development in the management of oil sector in Iraq. For this reason, many issues regarding the effectiveness of SHRM in oil sector’s performance in Iraq remain unattended. Different approaches might be employed by the oil company’s owners in managing their businesses in Iraq but little or no research has been conducted to investigate the SHRM practices on the performance of oil sector in Iraq (Al-Ukaili, 2015: Iles et al., 2012). A study conducted by an Iraqi company involved in financing (ICF) indicated that oil constitutes 90% to the total number of the operating enterprises employing more than 60% of the manpower. According to Al-Sabah (2007) Iraq is ranked low on the list of neighbouring countries in terms of the development and contribution of oil and gas sector to the national economy. Oil sector in Iraq is struggling to achieve a better performance in terms of productivity, increased effectiveness, gain competitive advantage, and achieve a high rate of return on investments. The achievements of these tasks seem blurred in an environment where traditional and informal practices of enterprise management are practiced. Lack of strategic HRM practices in the oil & gas industry is seen as impeding the reconstruction program of Iraq, as lack of such practices are seen to lead to uneconomical public investment, resulting in consequences of damaging the economic growth and diversification (Oil and Gas Factsheet, 2015).

Company owners and managers have been using different approaches to manage their people but few researches have been conducted to investigate the role of SHRM in oil sector in Iraq (Al-Sabah, 2007; Mirza, 2014; Al-Adhadh, 2014). Irrespective of the significant role played by the oil sector in the economy of Iraq, it has been revealed that SHRM has received little or no attention among the oil and gas sector (Saddam and Abu Mansor, 2015). Moreover, Iraqi workers may lack professional skills required for the jobs. Thus, companies are required to invest heavily in the training and development of these workers (Kadouri, 2017: Al-Adhadh, 2014; Al-Ukaili, 2015: Husien, 2012). Al-Khayat (2013) have also
highlighted that there is dearth of skilled workforce in Iraqi oil and gas sector, which is hindering the development of the industry.

Several studies highlight an optimistic and positive association between SHRM practices and organizational performance (Delery and Roumpi, 2017; Crispin et al., 2016). Some studies have highlighted a direct link between SHRM and organizational performance (Darwish, 2013; Rusu and Avasilcai., 2016), while some are of the opinion that SHRM influences employees’ attitudes and behaviours, which ultimately influences organizational performance (Cania, 2014; Crispin et al., 2016; Mansour, 2015; Ali et al., 2017; Byremo, 2015). However, there are problems that have been largely overlooked in the current academic debate, namely; what kind of tensions and challenges arise with SHRM positioning in newly democratic and developing countries (Jarvalt, 2012).

Strategic HRM scholars argues that it is unlikely that a set of SHRM practices will work equally well regardless of the context. This is particularly significant, given that contextual variables such as culture and employees orientations have been found to influence the choice of HR strategies (He, 2017: Ali et al., 2017: Jackson et al., 2014; Dimba and Rugimbana, 2013). A number of researchers who have conducted studies on this research stream have confirmed the positive impact of SHRM on organizational performance (OP) (for example, He, 2017: Jackson et al., 2014: Cania, 2014: Altarawneh, 2016; Saddam and Abu Mansor, 2015; Moideenkutty et al., 2011; Razouk, 2011). However, there are a group of researchers who have argued that the results of the SHRM–OP link are not encouraging, and that they are, in fact, ambiguous (Paauwe and Boselie 2005; He, 2017; Paauwe2009).

Almost all of the studies concerning the impacts of SHRM practices on firms’ performance have been conducted in the US and the UK (Guest, 1997; Beer et al., 1984; Devana et al., 1984; Caliskan., 2010; Uysal, 2014; Waiganjo, 2014; Awolusi et al., 2015: Darwish, 2013). SHRM researchers argue that it is difficult to make generalized conclusions from current SHRM-performance results and there is the
need for further empirical investigations from different angles and different context. Very few studies have been conducted in Iraq especially in relation to SHRM (Saddam and Abu Mansor, 2015; Yasser, 2015; Ugaili, 2014; Husein, 2012; Al-Khayat, 2013; Al-Jawahiri, 2016; Kadouri, 2017). The studies that have been done in Iraq do not specifically take into account SHRM context but focus generally on performance (Yasser, 2015; Ugaili, 2014; Khdair et al., 2011). There is a dire need of studies that would focus on SHRM and performance relationship in holistic manner as the oil industry is being redeveloped.

Jiyad (2013) have highlighted that if Iraqi oil and gas industry want to be competitive in nature they would have to focus on HRs coordination along with capacity development of the management of the organizations. Jiyad (2012) further points out that the Iraq follows ambiguous policy in terms of compensation packages that are given to contractors. He argues that Iraq needs a proper and sound institutional policy if it wants oil and gas industry to flourish and be sustainable. Thus, the present study investigates SHRM and organizational performance in oil and gas industry in Iraq to fill the gaps mentioned above.

SHRM and organizational performance link shows some significant gaps in this area of research, there is no agreement amongst researchers concerning what SHRM practices can enhance organizational performance. Almost each study in the SHRM and organizational performance link has utilized different combinations of SHRM practices (Altarawneh, 2016; Bidmeshgipour, 2012; Armanu et al., 2013; Awolusi et al., 2015; Cania, 2014; Darwish, 2013). Thus, there is no standard list of SHRM practices to be considered and measured in terms of the link with organizational performance. Several empirical works have tested the impact of individual SHRM practices on performance, whilst others have examined the impact of bundles or complementarities of whole SHRM practices on performance (Altarawneh, 2016; He, 2017; Saddam and Abu Mansor, 2015; Darwish, 2013; Darwish et al., 2013; Paauwe and Boselie, 2005; Anvari, 2011). It has been argued that it is an interrelated system of HR practices that enhances performance, with one
practice encountered on its own not having the same result as when encountered in combination with others (Awolusi et al., 2015; Darwish et al., 2013).

SHRM, as a system or a combination of practices, certainly seems a better approach when researchers seek to scrutinize the impact of such practices on a firm’s performance (He, 2017; Bidmeshgipour, 2012). However, as no strong and compelling evidence of the effect of SHR systems/bundles or the internal fit of SHRM practices on performance has so far been found. Panayotopoulou et al., (2003) claim that SHRM and performance research has failed to consistently support the effectiveness of such an argument. Mostly studies past studies are focused on the few recognized SHRM practices like recruitment and selection, training and development, rewards and performance management (Saddam and abu Mansor, 2015; Izadi, Mojtahedzadeh, 2013; Guest, 2011; Paauwe and Boselie, 2005; Panayotopoulou et al., 2003). Especially in the context of Iraqi oil and gas industry, it is need to study these SHRM practices. This has led to a call by some scholars for a specific theory on SHRM in the first place (Guest, 2011; He, 2017; Paauwe and Boselie, 2005).

Similarly, as is the case with SHRM practices, there is no consensus amongst researchers regarding the measurement of organizational performance. Researchers have employed different performance indicators, mostly subjective, in different studies (Ali et al., 2017; Saddam and abu Mansor, 2015; Awolusi, 2014; Izadi and Mojtahedzadeh, 2013; Barney, 2011; Boxall et al., 2007; Kai et al., 2007; Wattanasupachoke, 2009). It is strongly recommended in the SHRM literature that HR researchers use multiple performance measures to cover the multiple goals of SHRM and different parties that have been involved either within or outside of the organization (Sauaia, 2014; Cania, 2014; Teeratansirikool et al., 2013; Georgiadis and Patelis 2012; Chadwick et al., 2015; Joiner et al., 2009). It would be more rewarding if researchers also employed with some objective measures to reduce the probability of common method variance (Wall and Wood, 2005) and to avoid misleading normative and descriptive theory-building (Lumpkin and Dess, 1996).
Previous researchers used financial and non-financial measures or market oriented indicators for the measurement of organizational performance.

However, the current study has used the combination of growth, innovativeness and service quality for the measurement of the organizational performance. According to Jantunen et al., 2008; Altarawneh, 2016), it is advantageous to use subjective measures of performance because the collection of data becomes easier using subjective approach. Subjective measures contain non-financial data. Furthermore, another purpose to use subjective measures is often because managers or owners of the firms are reluctant to provide objective data and they prefer to evaluate the performance subjectively rather than objectively. Also (Cascio, 2006; Tsai, 2006) recommended using the subjective measures for organizational performance. Thus, the current study has used the combination of growth, innovativeness and service quality for the measurement of the organizational performance. These measures consist of organizational innovation (Tabasi et al., 2014; Izadi, and Mojtabahzadeh, 2013; Hult et al., 2008), service quality (Wu and Lu, 2012; Sin et al., 2005), and organizational growth (Rai et al., 2006).

The mechanism that has been used in SHRM and organizational performance link is also considered inconsistent. Some researchers have examined the relationship directly whilst others have examined it indirectly through different mediating variables (e.g., employee turnover and employee productivity). Although a growing body of literature reveals that substantial investment in human capital and the implementation of SHRM practices may enhance organizational performance (Dele et al., 2015; Chadwick et al., 2015 Sánchez et al., 2015; Sherafati and Mohammadi, 2014; Cania, 2014; Dimba and Rugimbana, 2013; Arasa and K’Obonyo, 2012; Kahiri et al., 2012; Çalışkan, 2010; Dimba, 2010; Dimba and K’Obonyo, 2009; Chen and Huang, 2009; Ngo et al., 2008; Tabasi and Alvani. 2014; Tabasi et al., 2014). However, Youndt (2000) found that SHRM practices do not directly influence organizational performance; rather, these practices help build intellectual capital, which in turn leads to increased organizational value creation. The literature highlights that SHRM influences the performance through intervening variables that
capture the attitudes and behaviors of the employees. OCB is a variable that reflects the attitudes and behaviors of employees towards organization as well as towards performance. Thus, OCB is included in the model to investigate its influence between SHRM and performance relation.

It is also worth noting that the existing literature (Zellars and Tepper, 2015; Dash and Pradhan, 2014; Gamage, 2014: Kehoe and Wright, 2013; Evans et al., 2011; Snape and Redman, 2010; Sun et al., 2007; Tsai and Wu, 2010; Podsakoff et al., 2009; Restubog et al., 2008; Takeuchi et al., 2009; Borman, 2004 Moh’d Futa. 2013) on citizenship behaviors offers a narrowly focused and only theoretical set of SHRM practices in research models. Certainly, the choice of SHRM practices in empirical studies has rarely been theoretically justified despite a growing consensus about the conceptualization of SHRM practices (Wright and Boswell, 2002). Last, empirical studies have seldom targeted oil and gas professionals or engineers as their unit of analysis, even though retention of these resources is often referred to as the most critical human issue in the minds of executives (Ang et al., 2002; Evans et al., 2007). In this context, the literature provided gaps to study whether SHRM influences organizational performance with the mediation of OCB.

Despite, the widespread interest in the topic of organizational citizenship behavior (OCB), little empirical research has tested the fundamental assumption that OCB improve the performance of organizations. One way that OCBs may increase the efficiency of an organization is by enhancing managerial productivity (Zayas-Ortiz et al., 2015; Ranjbar et al., 2014; Itiola and Alabi, 2014). For example, when more experienced employees voluntarily help new coworkers "learn the ropes," it helps the new workers to become productive employees faster, thus enhancing the organizational performance. Similarly, over time, helping behavior can be the mechanism through which "best practices" are spread throughout the organization. Managerial productivity may also increase when employees (a) provide valuable suggestions for improving the unit performance or feedback on his or her ideas (civic virtue) and (b) avoid creating problems for coworkers (courtesy), which allows the manager to escape the trap of falling into a pattern of "crisis" management. However,
the OCB is not directly being adopted by the employees in any organization. It requires the SHRM process to nourish the OCB in employees over the years (Wang, 2015; Srivastava and Gope, 2016).

Lastly, researchers in the field of SHRM have increasingly relied on the resource-based view (RBV) of the firm to explain the role of SHRM in firm performance (Nyberg et al., 2014; Shaw et al., 2013; Carbery et al., 2013; Bidmeshgipour, 2012; Ismail et al., 2010; Dabu, 2008; Karami et al., 2004; Wright et al., 2001). Indeed, theoretical research on SHRM has suggested that SHRM practices may lead to higher firm performance and be sources of a sustained competitive advantage because these practices are often unique, causally ambiguous, and difficult to imitate (Saddam and Abu Mansor, 2015). In the similar pattern, the OCB can lead to effective utilization of the resources in the organization. OCB enhance the efficiency of an organization is by freeing up various types of resources for more productive purposes (Rezai and Sabzikaran, 2012; Ariani, 2013, Kumari, and Pradhan, 2014). For example, employees who help each other with work-related problems allow the manager to spend more time on productive tasks (e.g., strategic planning, improving business processes, securing valuable resources, etc.).

However, SHRM practices can only be a source of sustained competitive advantage when they support resources or competencies that provide value to a firm (Ali et al., 2017; Altarawneh, 2016; Kahiri et al., 2012; Bidmeshgipour, 2012). Thus, SHRM research should identify resources that are critical for advantage in a given competitive context and the SHRM practices to build and support these resources. The industry concerns require the organizations to continue evaluating its methods and internal competencies; if they want to remain competitive in this globally competitive environment.
1.5 Research Questions

The following research questions have been formulated to guide the study to its logical conclusion.

1. Is there any relationship between SHRM practices (strategic recruitment and selection, strategic training and development, strategic reward and compensation, and strategic performance appraisal) and organizational performance in Iraqi oil and gas sector?
2. Which SHRM practices contribute most to organizational performance in Iraqi oil and gas sector?
3. Is there a relationship between OCB and SHRM practices in Iraqi oil and gas sector?
4. Is there a relationship between OCB and organizational performance in Iraqi oil and gas sector?
5. Does OCB mediate the relationship between the SHRM practices and organizational performance in Iraqi oil and gas sector?

1.6 Research Objectives

The present study attempts to investigate the relationship between SHRM practices and organizational performance along with mediating role of OCB between SHRM and organizational performance. The study has the following objectives.

1. To examine the relationship between SHRM practices (strategic recruitment and selection, strategic training and development, strategic reward and compensation, and strategic performance appraisal) and organizational performance in Iraqi oil and gas sector.
2. To identify the most influential SHRM practices in determining organizational performance in Iraqi oil and gas sector.
3. To examine the relationship between OCB and SHRM practices (strategic recruitment and selection, strategic training and development, strategic reward and compensation, and strategic performance appraisal) in Iraqi oil and gas sector.

4. To examine the relationship between OCB and organizational performance in Iraqi oil and gas sector.

5. To examine the mediation role of organizational citizenship behavior between the relationship of SHRM practices and organizational performance in Iraqi oil and gas sector.

1.7 Significance of the Study

The present study is significant from both theoretical and practical perspectives. Theoretically, the study will serve as a springboard to those who want to delve much into strategic HR planning and development. The present study would be beneficial for academics as it is developing a framework incorporating SHRM practices, OCB, and organizational performance. This would provide an avenue for further researchers as well. For practitioners involved in developing SHRM for oil companies as well as the management of the oil companies would greatly benefit from the study as it would provide them with concrete and empirical evidence regarding the role SHRM play in organizational performance, making it more of a strategic nature rather than just administrative function.

The theoretical foundations of the study rest on resource-based view (RBV), as it focuses on SHRM practices of the organizations for enhancing overall organizational performance. In this scenario, SHRM forms the internal capability of the organization which when properly aligned would result in higher performance. Moreover, mostly researchers in the field of the SHRM focus only on the direct relationship of the SHRM practices and organizational performance (Moideenkutty et al., 2011; Razouk 2011; Zakaria et al., 2011; Subramony, 2009). Few researchers
have indicated the existence of indirect relationship through mediating or moderating, however, limited studies have tested the relationship (Uslua, 2015; Waiganjo et al., 2012; Chen and Huang, 2009; Yasmin, 2008). Especially in the context of Iraqi oil and gas sector very rare studies have focused on the relationship of the SHRM practices with performance through OCB. Thus, the study will provide the linkage of SHRM and performance relationship with OCB as mediator.

Practically, the study is significant for practitioners, company owners/managers, and government policy makers. SHRM has become significant for both external and internal pressures forced the government to redefine the role and develop the capacity of the oil and gas sector. Unlike many countries where the emphasis has been on adoption of strategic HR management practices, Iraq is lacking policies in this regard (Kadouri, 2017; Saddam and Abu Mansor, 2015; Mirza, 2014; Al-Hakim and Hassan, 2013, Allaibi, 2011). The traditional focus of SHRM has been based on an individual, and in Iraq as well, the focus of SHRM is individual.

However, there lack standardized of HR policy that is implemented in the organizations especially in the context of Iraq, although new labor policy focuses on the strategic role of HRs, but it is only in “Paper filing”. Though certain corporations have tried to change to SHRM practices but still there is a need for standardized SHRM practices for all industries, which indicates a significant gap (Mirza, 2014; Al-Adhadh, 2014; World Bank, 2013). The government officials and policy makers can also benefit from the study as the majority of the oil companies in Iraq are managed by the government. Thus, the results of the study can guide policymakers in the government to formulate standardized policies related to application and adoption of SHRM by oil companies that could help them further grow and become more effective. Another contribution of the study is to investigate the mediating role of OCB between the relationship of SHRM and organizational performance. Results of the study will help policymakers to understand the role of OCB to enhance organizational performance.
1.8 Scope of the Study

For many years, the influence of SHRM practice on the organizational citizenship behavior and organizational performance in oil and gas sector has been researched significantly. The SHRM has an extensive and considerable effect on the performance and outcomes of an organization, which has been highlighted by numerous researchers (Ali, et al., 2017; Altarawneh, 2016; Dele et al., 2015; Saddam and Abu Mansor, 2015; Arefin el at., 2015; Khawaja el at., 2014; Priyadharshini, and Mahadevan, 2014; Nirala, and Chaudhary, 2014; Darwish, 2013; Minavand and Lorkojouri, 2013; Noor el at., 2013; Malaolu and Ogbuabor, 2013; Kehoe and Wright, 2013; Djabatey, 2012; Wah Yap el at., 2012; Kristianto el at., 2012; Martins, and Proença, 2012; Muduli, 2012; Husien, 2012; Sani, 2012; Ayanda and Sani, 2011; Bing and Zhengping, 2011; Inyang, 2010; Snape, and Redman, 2010; Tzafrir, 2006; Delaney and Huselid, 1996).

However, the literature related to SHRM, especially in the context of developing countries, did not mention oil sector in their articles. The present study will explore the relationship between SHRM practices and organizational performance in the Iraqi oil sector. Furthermore, to view the attitude and behavior of employees regarding SHRM and organizational performance, OCB has been taken as a mediating variable. The study focuses on Iraqi oil companies operating in southern and central parts of Iraq. The reason for selecting oil industry is first, there are very few studies (Saddam and Abu Mansor, 2015: Mirza, 2014; Al-Adhadh, 2014; World Bank, 2013) that cover oil industry in the world and especially in relation to SHRM-Performance nexus. Secondly, in Iraq oil sector contributes more than 95 percent to national exchequer (Nusairi, 2016) and thirdly, the sector is the highest employer of Iraqi workforce (Oil and Gas Factsheet, 2011).
1.10 Conceptual and Operational Definitions

There are several essential definitions that are included throughout this research in order to get a better understanding for this study. The definitions are as below:

1.10.1 Strategic HR Management (SHRM) Practices

*Conceptual Definitions:* Cania (2014) defined SHRM as a process that involves the use of overarching approaches to the development of HR strategies, which are integrated vertically with the business strategy and horizontally with one another. These strategies define intentions and plans related to the overall organizational considerations, to more specific aspects of people management, such as; resourcing, learning, and development, reward and employee relations. Thus, SHRM practices are more focused towards the strategic aspect of the HR in an organizational setting. SHRM is an effective use of HRs to assist the firms in dealing with the competition and environmental forces that can ensure the achievements of objectives of the company in the long term (Anthony *et al.*, 2002).

*Operational Definitions:* In this study SHRM is the implementation of SHRM practices (strategic recruitment and selection, strategic training and development, strategic compensation and rewards, and strategic performance appraisal) for improving organizational performance and developing the skill bases of the organizations that meet the requirements of competitive strategy in supporting competitive advantage now and in the future.
1.10.1.1 Strategic Recruitment and Selection

*Conceptual Definitions:* It is the course to realize the basis of manpower to encounter the obligation of staffing agenda and to employ effective results (Jiang *et al*., 2012). Strategic Recruitment and Selection: The process of polarization of individuals in a timely manner, and in sufficient numbers and with appropriate qualifications, to apply for jobs with the organization and choose the best applicants and commensurate with the needs of the organization (Mondy, 2008).

*Operational Definitions:* For the current study, strategic recruitment and selection are the effectiveness of the process that attracts and select the talented and qualified personnel in order to achieve organizational strategic goals.

1.10.1.2 Strategic Training and Development

*Conceptual Definitions:* Strategic training is a type of action which is deliberate, systematic and it results to enhance the level of skills, ability, knowledge, and capability of the employees that is essential to accomplish work commendably (Sharma *et al*., 2011). Strategic training and development from a broader perspective of HR development (HRD) include activities such as training needs analysis; training program design; delivering training; controlling and assessing training (Koorneeff *et al*., 2005; Watson *et al*., 2007).

*Operational Definitions:* The current study informs strategic training and development as opportunities given by the employers to the employee for their career and skill development to meet future challenges faced by the organization by providing them with appropriate training to enhance their required skills.
1.10.1.3 Strategic Performance Appraisal

*Conceptual Definitions:* According to Dusterhoff et al., (2014) strategic performance appraisal is the willpower and certification of an entity's performance on the job. Performance management can be defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors (Armstrong, 2006).

*Operational Definitions:* In this research, strategic performance appraisal is a set of standards that measure the level of performance of individuals in the light of the strategic objectives of the organization and used as indicators to improve performance and to identify training needs, rewards and compensation in the maintenance of HRs.

1.10.1.4 Strategic Compensation and Reward

*Conceptual Definitions:* Referring to Jackson et al., (2012) strategic compensation and reward is anxious with the preparation and application of plans and policies, the persistence of which are to recompense people fairly, justifiably and reliably in agreement with their worth in the organization and therefore aid the organization to attain its planned goals. Bratton and Gold (2000) mentioned that reward management is “central to the regulation of the employment relationship and is one of the central pillars of HR management”.

*Operational Definitions:* Strategic compensation and reward mean to contribute to improving performance and enhance maintain and improve the behavior of individuals in the organization. It is also an adoption of effective compensation systems to attract and maintain the human assets and constitute a
motive for motivating people to raise the level of performance and to reflect the level of their contributions and efforts.

1.10.2 Organizational Performance

*Conceptual Definitions:* Guest and Christopher (2012) define organizational performance as real yield or results of an organization as measured in contradiction to its future outputs (or goals and objectives). Appelbaum et al., (2003) explained that performance is an opportunity, motivation, and ability to partake in staff functions. Schermerhom et al., (2000) is the view that organizational performance is the product of the overall performance of the interaction of the organization's activities and resources to get qualified individuals to reach the desired results.

*Operational Definitions:* According to the research, organizational performance can be defined as a multi-dimensional framework based on different standards, which focus on the contributions of individuals in achieving the goals of the organization through improvements in product innovativeness, providing high-quality services in order to enhance organizational growth.

1.10.2.1 Innovation

*Conceptual Definitions:* Innovation is a concept focuses on transformations of ideas into new, improved or changed entities either products, processes or services (Caraballo and McLaughlin, 2012). Innovation may include improvement in the quality of product or service, an increase in production level, reduction in cost, outreach to new markets, flexible product process and improvement in performance of management (Quadros et al., 2001; Walker et al., 2011).
**Operational Definitions**: In these study innovation meanings organizations are open to new ideas or resources in terms of improving products and process.

### 1.10.2.2 Service Quality

**Conceptual Definitions**: Service quality can be defined as the difference between customer expectations of service and perceived service (Dehghan, 2013). Service quality is an evaluation of perceptions of customers about the components of services. These components may include quality of interaction, physical quality and final outcome (Zehir et al., 2011).

**Operational Definitions**: The current study defines the service quality as a conformance of the customer requirements through improvements in services provided by the organization.

### 1.10.2.3 Growth

**Conceptual Definitions**: Growth refers to the degree to which organization is growing in terms of business operations and profits (Wu and Lu, 2012). According to Lööf and Nabavi, (2015), growth is the ability of the organization to excel in all respect.

**Operational Definitions**: For the current study growth is defined as the degree to which organization is expanding in terms of sales and operations.
1.10.3 Organizational Citizenship Behavior (OCB)

*Conceptual Definitions*: The Organizational Citizenship Behavior (OCB) is defined by Sarikwal and Gupta (2013), individual behaviors that are beyond normally acceptable performance standards and voluntary in nature. OCB has been defined as participating in activities or actions that are not formally a part of the job description, but that benefit the organization as a whole (Borman, 2004).

*Operational Definitions*: This term is defined by the research as a set of activities carried out by an employee outside of official duties related to the job description in the form of voluntary activities, which contribute to improving organizational performance and achieve positive results for the organization, free of charge.

1.11 Organizations of Thesis

This thesis is divided into five chapters. The first chapter provides an introduction to the research area and highlights the practical and theoretical issues pertaining the relationship between SHRM practices and organizational performance. It clarifies the objectives of the study and explains why they are important. It then provides a means for achieving those objectives. A description of the research design and scope are also presented. Chapter two provides a systematic overview and synthesis of the theoretical and perspective literature in the area of linking SHRM, OCB and organizational performance. It describes the importance of the OCB for better SHRM implementation. Provides a discussion of the underlying logic of each of the testable hypotheses, and reviews the methods used to measure the independent and dependent variables. The theoretical design appropriate for testing the research models is also introduced. Furthermore, theoretical and empirical arguments are presented to justify the study’s hypotheses.
Chapter three details the research methods and design employed in the study, including the data collection procedures, instrument development and testing, sampling, experimental design, statistical models and data analysis tools will be used for testing hypotheses. Chapter 4 aims to examine the research hypotheses. The collected data was processed with Statistical Package for Social Sciences (SPSS) 21 for Windows and AMOS for Structural Equation modeling version 21 for windows in three different stages. At first stage, initial data screening was done through analyzing missing data, outliers, and normality. After the initial data screening common method bias and non-response bias was tested. The third stage was to use SEM for measurement model and structural model validation. During the measurement model, the convergent and discriminant validity was tested. Structural models were used to test the hypothesized relationships of the current study.

Chapter 5 provides the discussion on the findings of the study. The chapter starts with the highlights of the research process adopted for the current study. The following section focuses on the discussion of the each objective of the study and provides through discussion on the findings of the study. Furthermore, theoretic, managerial and empirical implications of the study are provided in the next section, followed by the limitation and future recommendations. The last section of the current study concludes the results and provides revised framework of the study as mentioned in Figure 1.1.
1.12 Summary

The first chapter discussed the overview of the research that began with the concept and the background of the study. The background of the study identified the changes in the Iraqi oil and gas sectors related to SHRM and organizational performance. The study believes that that SHRM contributes to organizational performance in Iraqi oil and gas sector. Thus, the researcher listed SHRM and OCB as predictors leading to organizational performance. Furthermore, the first chapter presented the statement of the problem, objectives of the study, significance of the study, scope, and limitation of the study and definition of terms that consist of both conceptual and operational definitions.
REFERENCES


Ahmad, K. Z. (2011). The association between training and organizational citizenship behavior in the digital world. *Communications of the IBIMA.*


Arbuckle, J. L. (2011). IBM SPSS Amos 20 user's guide. – Amos Development Corporation, SPSS Inc


Bai, J. and Ng, S. 2002, Determining the Number of Factors in Approximate Factor Models, *Econometrica* 70:1, 191–221.


Byrne, B. M. (2001). Structural equation modeling with AMOS, EQS, and LISREL: Comparative approaches to testing for the factorial validity of a measuring instrument. *International journal of testing, 1*(1), 55-86.


Dusterhoff, C., Cunningham, J. B., and MacGregor, J. N. (2014). The effects of performance rating, leader–member exchange, perceived utility, and


Fletcher, L. (2016). Can flexible work arrangements boost engagement and desirable employee behaviour?.


Hamza Al-Jawahiri: A continuation of the dialogue ... Is the imbalance in licensing contracts or management? 2016. 
http://iraqieconomists.net/ar/2013/03/16/


Husien, W. A. (2012). Role of Strategic Human Resources Management on SMEs Performance in Iraq. *Master Dissertation, (Othman Yeop Abdullah Graduate School of Business), University Utara Malaysia*


Kwenin, D.O., Muathe, S. and Nzulwa, R., (2013). The influence of employee rewards, human resource policies and job satisfaction on the retention of


on employee attitudes and behaviors, and customer satisfaction. Personnel psychology, 61(3), 503-545.


Oil and Gas Factsheet. (2011). Inter-Agency Information and Analysis Unit.


Ranjbar, M., Zamani, H., and Amiri, N. (2014). The Study on Relationship between Organizational Citizenship Behavior and Organizational


Weng and Machold (2011), Work-life Balance, Pay, and Job Satisfaction: An Investigation of Long-tenured Workers in the UK


World Bank. (2013). Rebuilding Iraq: Economic Reform and Transition. Economic and Social Development Unit, Middle East Department Middle, East and North Africa Region


https://hathalyoum.net/articles/1123131


Yen, H.R., Li, E.Y. and Niehoff, B.P., (2008). Do organizational citizenship behaviors lead to information system success?: Testing the mediation
effects of integration climate and project management. *Information & management, 45*(6), pp.394-402.


Zhang, Z., and Jia, M. (2010). Using social exchange theory to predict the effects of high-performance human resource practices on Corporate


