Abstract: Little is known about the practice of human resource management (HRM) in either Jordan, or other Arab countries. Also, the few studies that are available, are not based on empirical realities, and tend to be anecdotal in nature. Importantly, the practice of HRM within Jordanian organisations cannot be expected to improve if its practitioners do not understand the nature of its current applications. Equally, there is no clear evidence as to the participation of HR managers in strategic decision making in the Jordanian private and public sectors. The aim of this paper is first to highlight and provide a stronger focus on the nature of HRM in Jordan; reflecting an awareness of national cultural values, and secondly; to identify possible future directions for HRM strategy development and professional practice in Jordan.
Integrating Western HRM Practices in Jordanian Organisations: The constraints and potential for convergence

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Importantly, the practice of HRM within Jordanian organisations cannot be expected to improve if its practitioners do not understand the nature of its current applications. Equally, there is no clear evidence as to the participation of HR managers in strategic decision making in the Jordanian private and public sectors.

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Introduction

Human resource management (HRM) has come to be acknowledged as one of the significant functions in assisting the performance of organisations of recent times (Jain, Giga & Cooper, 2009; Petrescu & Simmons, 2008). In the 1990s; managing businesses relied heavily on employees’ innovation, their creativity and the receipt of appropriate recognition. As a result, many organisations considered that if human resource issues were given more appropriate attention, then this would likely be followed by improvements in competitiveness and higher levels of productivity (Abu-Doleh, 2000; Stroh & Caligiuri, 1998). Today, many practitioners and scholars view HRM as a means of sustaining competitive advantage for organisations (Zheng, 2009; Chang & Huang, 2005; Chandrakumara & Sparrow, 2004). As a response to the need to improve competitive advantage, many organisations are now struggling to
establish a positive and dynamic organisational climate in order to retain and sustain valuable employees (Chew & Chan, 2008; Milne, 2007; Heraty & Morley, 1998), and central to an effective organisational climate is the existence of well developed and designed HR strategies and practices.

The significance of the work force is often highlighted in the organisation’s strategies, policies and goals, through statements such as ‘employees are indispensable and our most valuable asset’. Thus, if this level of organisational rhetoric is true, then HR strategies and practices that value and support an organisation’s human resources, is crucial, and will of necessity play an essential role in maximizing overall organisation productivity and effectiveness (Abu-Doleh, 2000; Davis, 1990). The expertise and quality of those in charge of the human resources function will also make a significant contribution in developing the HR function. For example, human resource managers should be in a position to provide their organisations with professional advice regarding contemporary ideas and creative ways of advancing HR strategies and practices in the workplace. In this regard it would be important for, a mutual and interactive relationship and understanding to exist between the human resource manager; the other front line managers and the senior executive of a business, in order to consider and resolve organisational problems incorporating effective HR responses (Abu-Doleh, 2000; Fisher, Dowling & Garnham, 1999).

This paper attempts to highlight the context of HRM in Jordan, beginning with a profile of Jordan; including its demography, economic, and industrial background. This is followed by a discussion of the economic; and industrial background of Jordan, as well as key factors that determine HRM practices in Jordan. Issues related to core human resource practices in Jordan, including recruitment and selection, training and development, performance appraisal and rewards and benefits, are reviewed, and an overview of the key challenges and future developments in Jordan are provided.
Country profile

Demography

The Hashemite Kingdom of Jordan; or Jordan more informally, is a small, mostly arid, and lower-middle-income country, located prominently at a strategic and significant location in the Middle East. The Kingdom has borders with Saudi Arabia to the south, Iraq to the east, Syria to the north, and to the west with the occupied West Bank by Israel (United Nations Jordan, 2010; BBC, 2010; United Nations Development Programme, 2006; Hassan & Al-Saci, 2004). According to the Jordanian Department of Statistics (JDOS), (2009), Jordan has a combined area of 89,318 square kilometres. Its open economy is based on relatively few and limited natural resources. Only 6 percent of Jordan’s land is arable, and it ranks among the four most water-poor countries in the world. Its main natural resources are potash and phosphate, which contributes up to 4 percent to the national gross domestic product (GDP) (United Nations Development Programme, 2006).

Jordan also relies on external sources for most of its energy requirements. For example, during the 1990s, the crude petroleum needs in Jordan were met through importing petroleum from Iraq at concessionary prices. Whilst in early 2003, Jordan imported its petroleum needs from Saudi Arabia at both market and concessionary prices. In addition, a pipeline of natural gas is now operational from Egypt to Jordan through the southern port of Aqaba, and this line reaches north of Jordan, and will ultimately be connected to Syria. Jordan is currently exploring ways and means to expand its limited resources and use them more effectively and efficiently. In 2007, Jordan developed an energy strategy that aims to enhance and develop more renewable and indigenous energy sources like; nuclear energy, oil shale, wind, and solar power (Oxford Business Group, 2008; Hassan & Al-Saci, 2004; Johannesburg, 2001).

In recent decades, Jordan has witnessed a large population growth. This has come about through both a high natural growth rate, and forced migration. Both have imposed enormous
challenges on Jordan to achieve a balance between the growing population, and its limited resources (Hassan & Al-Saci, 2004). In 2008, The JDOS conducted a population survey showing that Jordan’s population reached 5,723,000 million with an annual 2.2 percent growing rate. 37.3 percent of the population are below the age of fifteen, and 3.3 percent are over the age of sixty five. 82.6 percent of the population live in urban areas; and the capital Amman, accommodates about 39 percent of the population (JDOS, 2009).

**Economic and Industrial Background**

The World Bank has classified Jordan as a lower middle income country (United Nations Jordan, 2010). According to the JDOS (2009), the official unemployment rate for the Jordan amounted to 12.7 percent in 2008. This was a decrease of 1.3 percent compared to 14 percent in 2006. The rate varies between males and females. For example in 2008 it reached 10.1 percent for males, compared to 24.4 percent for females. In the 1980s, Jordan also faced an economic recession, with the inflation rate reaching 26 percent, and the unemployment rate increasing remarkably to 18 percent. Furthermore, the Second Gulf War forced Jordan into a critical situation. This affected the performance of the Jordanian economy. The unemployment rate was also impacted, and became more critical and restricted (Oxford Business Group, 2008; Hassan & Al-Saci, 2004). In short, the major problem in Jordan is the high unemployment rate which is still the subject of heated debate. In 2003, the official unemployment rate in Jordan was 16 percent and it remained the same till 2005. By 2006 it dropped to 14 percent, and in 2007 the ‘official’ unemployment rate increased to 15.40 percent (JDOS, 2009; Index Mundi, 2008).

The unemployment dilemma in Jordan has been increasing; and is a result of the gap between Jordan’s education systems at both school and university levels; and the modernized technological market sector (United Nations Development Programme, 2006). In 2000, His
Majesty King Abdullah addressed the demand to upgrade and improve the level of higher education. The poverty rate has also witnessed problems with increases experienced. The percentage of the population who live under the poverty line increased from 16 percent in 1987 to 21 percent in 1993. It then moved down to 13 percent by 2007 (United Nations Development Programme, 2006). The poverty problem prompted Jordan to apply social adjustment programs such as; (i) establishing a Work and Development Fund, (ii) launching the Social Security Program, (iii) activating the role of National Aid Fund, and (iv) providing several training and rehabilitation programs for workers (United Nations Development Programme, 2006). On April 11th 2000, Jordan took a step forward in becoming the 136th member of the World Trade Organization (WTO). This contributes significantly in encouraging trade and foreign investment to take place in Jordan, which can lead to economic growth, regardless of the various challenges facing the Jordanian economy as explained above in terms of poverty and unemployment, as well as the current global crisis (Ryan & Shanebrook, 2004).

The Jordanian industrial sector makes up to 23.4 percent of GDP and the Jordanian service sector provides an improving dominant share of 74.6 percent (JDOS, 2009). On the other hand, Jordanian industries that work on a large scale operate mainly in, phosphate mining, cement, potash, petroleum refinining, and light manufacturing. However, Jordan depends strongly on external assistance from other Arab countries, and the European Union for the supply of such things as; (i) transport equipment, (ii) machinery, (iii) crude oil, (iv) medical and (v) pharmaceutical products. Jordan has been facing ongoing challenges in maintaining and balancing its payments and external debt; reducing poverty and unemployment; and addressing competitive constraints, particularly water. Addressing the new challenges is aimed at achieving more competitive industrial growth and improving the quality and efficiency of public services (Index Mundi, 2008).
The Jordanian economy has been relatively stable over the last decade despite the Gulf crises and the unrest in Palestine. Jordan’s GDP has also grown continuously during the last decade. In 2005 GDP per capita reached JD 1,630.8 (approx. US $ 2,295) and increased to 2,573.9 (approx. US $ 3,625) by 2008 (JDOS, 2009). Economic growth was generated in the service sector, mainly relying on the expansion of the construction sector and the modest growth in minimal manufacturing output. The Jordanian government’s main concern is to stabilize and maintain prices, so that Jordan can benefit from a stable and well maintained competitive exchange rate, and further decreases in nominal interest rates (United Nations Development Programme, 2006).

**Key factors determining HRM practices in Jordan**

As noted earlier; little is known about HRM in either Jordan or other Arab countries (Altarawneh, 2009; Al-Athari & Zairi, 2002; Abdalla & Al-Homoud, 1995). The few studies that are available, are not based on empirical realities, and they tend to be anecdotal in nature, so it is not yet possible to chart an effective awareness of either current or future HRM strategies and practices in this part of the world (Melham, 2004; Afana, 2004; Abu-Doleh, 2000).

Nevertheless, a number of writers (Abu-Doleh, 2000; Al-Shaikh, 1997; Al-Rasheed, 1994) have stated that developing countries need to reinforce their human and other organisational resources in order to prepare for future growth. However, as noted by Melham (2004); Afana (2004); Abu-Doleh (2000) and Abu-Doleh and Weir (1997); the practice of HRM within Jordanian organisations cannot be expected to improve, if its practitioners do not understand the nature of its current applications. There is less literature on HRM in the Arab countries (Oman, Egypt, Qatar, Jordan and Saudi Arabia) than there is on HRM in the rest of the world (Altarawneh, 2009; Al-Athari & Zairi, 2002). An extensive search of the literature demonstrates the lack of any systematic analysis that could present a comprehensive image of
the dynamics of HRM in Arab organisations (Altarawneh, 2009; Budhwar & Mellahi, 2006; Al-Athari & Zairi, 2002; Abdalla & Al-Homoud, 1995).

An important point to note here; is that the HRM policies and practices that do exist in Jordan, are impacted quite dramatically by the Jordan’s national cultural values. These are reflected in the government’s policies and bureaucratic procedures. Further, there is no clear evidence regarding the participation of HR managers in strategic decision making, or the design and establishment of HR practices in either the Jordanian private, or public sectors (Budhwar & Mellahi, 2006; Al-Athari & Zairi, 2002). Importantly; Abu-Doleh (2000) stated that without understanding and highlighting the nature of the HR managers’ role in Jordanian organisations, little can be expected in order to develop and effectively enhance HRM strategies and professional practice in Jordan.

 Whilst most Jordanian organisations have personnel or human resource departments at their headquarters, including separate divisions at the local or regional level (Budhwar & Mellahi, 2006; Abdalla & Al-Homoud, 1995), in most Arab countries, the role of HRM departments does not go beyond the administration of candidates’ files from the recruitment process to the retirement stage (Budhwar & Mellahi, 2006; Melham, 2004; Afana, 2004). The following model in figure 1 illustrates the relationship between the social factors, business factors and HRM practices such as (recruitment and selection, training and development, performance appraisal and rewards and benefits) in Jordanian organisations.

Generally, the social and environmental factors such as cultural values, political environment and economical issues are more likely to influence HRM practices (Yeganeh & Su, 2008; Gerhart & Fang, 2005; Jackson & Schuler, 1995). Furthermore, it is suggested that the unemployment, labor and business issues are connected to the economical aspects and the regulations are framed and designed by cultural and political factors (Yeganeh & Su, 2008).
Figure 1: A model of HRM in Jordan

Recruitment and selection

In Jordanian organisations, the employee recruitment and selection process is largely inadequate and needs effective attention if it is to enhance and support the competitive advantage of the business it represents (Al Fayyad, 2005). This is reflected in the fact that, the job analysis process and resulting job descriptions are very often carried out and produced, but never referred to in the recruitment and selection process. Indeed, most employees are not even aware, or even ask about their job descriptions. This is because it seems that the job description is done and produced simply as a part of the personnel administration process; i.e., for bureaucratic and routine procedures (Budhwar & Mellahi, 2006; Al-Athari & Zairi, 2002; Abdalla & Al-Homoud, 1995).

Equally, in many Arab; and more specifically Jordanian organisations, the literature demonstrates that the recruitment and selection process is fraught with problems. These can
be explained as; (i) rarely based on merit and ability; and (ii) hardly systematic or objective. Vacant positions are usually filled through ‘connections’; and these are normally offered to friends, relatives and family members with no consideration given to the person’s proficiency and achievements (Budhwar & Mellahi, 2006; Melham, 2004; EL-Said & McDonald, 2001). Furthermore, tribalism and nepotism are frequently used. The recruitment and selection process in Jordan is also heavily influenced by personal and intermediary relationships in a form usually called, or referred to as ‘wasta’. The literal meaning of ‘wasta’ can be defined as ‘to go in between’. In practical terms it is a type of nepotism and favouritism which gives friends, relatives and family members, priority over organisational benefits and objectives. The concept of ‘wasta’ in many Arab countries is the only; and indeed best way, for most people seeking a job to become employed. For example, when a person hears about a job, their first action will be to contact a relative or friend who knows the HR manager in the organisation where the vacant job is available (EL-Said & McDonald, 2001).

**Training and development**

Abu-Doleh and Weir (1997) argue that the arrival of the twenty-first century, heralds an essential step for Arab HR scholars, practitioners and specialists to map the future of training and development programmes in Arab countries. Altarawneh (2009) also argues that training and development is the most significant indicator or subsystem of human resource development as it potentially enhances, increases and modifies the capabilities, skills and knowledge of employees’ and managers’ in order to perform their job in more creative and effective ways. Such issues can also assist in the achievement of increases in individual and organisational performance and productivity.

As training and development plays a crucial and dynamic role in developing job and organisational performance; Altarawneh (2009) and Mann (1996) have asked whether or not;
given the continuous investment in training and development programmes, training programmes and strategies in Jordan are sufficiently effective in order to positively impact organisational competitiveness. This question has been raised in the light that, in many Arab and more specifically Jordanian organisations, expenditure and time spent on training and development is considered un-useful and unnecessary function (Redshaw, 2000). Al-Athari and Zairi, (2002) confirm this view; arguing that some Jordanian organisations regard training and development as a waste of time and money, and a function which does not contribute to improving employees’ commitment, or overall organisational performance.

In addition, to what has been highlighted, a review of the literature in Arab countries; including Jordan, shows that training and development is still not regarded as a significant function that contributes to organisational success. Instead, this function is considered as a vacation, or leisure time activity which is normally given to the managers’ friends or relatives. Furthermore, the literature also demonstrates that the training evaluation process in some Jordanian and Arab organisations more generally is an infrequent and uncommon practice (Altarawneh, 2009).

Nevertheless, in some sectors within Jordan, management development is given higher status. Abu-Doleh and Weir (1997) whose study of training and development needs analysis in twenty eight Jordanian manufacturing and financial organisations, established that in more than two thirds of the financial organisations reviewed, and in less than one third of the manufacturing organisations, a formal management training and development programme existed. These figures probably reflect the level of favouritism, or ‘wasta’ existing in Jordanian organisations.

**Performance appraisal**

Nowadays, many organisations are struggling with the technological trends and revolutionary developments and paying more attention to employees’ productivity and performance in
order to survive and remain competitive. However, as the performance appraisal practice become and plays a significant role in HRM, it still facing systems failure (Wright, 2002). The performance appraisal system and performance management evaluation are a critical topic within the field of HRM (Abu-Doleh & Weir, 2007; Guest, 1997). A review of the literature demonstrates that, the performance appraisal system has not received appropriate attention in Jordan, and is not fully appreciated. Also Jordanian employees still express displeasure and negative feelings towards this practice.

Nevertheless, performance appraisal remains a confounded research area in HRM, and has been described as the most widely researched and written about in the history of management (Prowse & Prowse, 2009; Grubb, 2007). This critical practice can be defined as an evaluation process conducted periodically to evaluate the employee performance and output. Performance appraisal is used as the basis of decisions on an employee’s work conditions (rewards, promotions and termination), and it can also be used to counsel employees regarding effective work behaviours, and to identify training and development needs.

According to Abu-Doleh and Weir (2007), the performance appraisal system in Jordanian organisations is conducted once a year, and the appraisees’ manager is essentially responsible for leading and conducting the appraisal system. Furthermore, the performance appraisal system within the Jordanian private sector has had a greater and significant impact on promotions, retention, lay-offs and identifying employee’s training needs than the public sector. Increasingly, this performance appraisal practice in the Jordanian organisations is in need of a more effective research focus, and that managers need to include more appropriate performance considerations than has hitherto been the case when conducting the performance appraisal.
Rewards and benefits

Within the different Jordanian sectors, the government always decides and controls the minimum levels of wages and salaries for all employees (Al-Husan & James, 2003). The reward system is also related closely to the employee’s experience, age and position. The majority of employees receive a basic salary in addition to bonuses and incentives which are determined on an employee’s position, age and type of work. Even though, the latest economic reforms have encouraged and brought multinational and foreign investment, which introduces new ways of paying and rewarding (Budhwar & Mellahi, 2006) underlying cultural issues remain. Linking the reward system with an employee’s productivity and performance; is an attempt to establish connectivity between Jordanian salaries system, international standards and an employee’s contributions. Moreover, other variant rewards have been presented in order to recruit and motivate skilled employees, as well as to retain the knowledgeable of talented staff (Al-Husan & James, 2003; Al-Faleh, 1987).

The Arab countries and the Jordanian community share the same social values, religion, culture and language. These social norms, values and cultural factors have a great impact on the managerial functions. Basically, the Arab cultural factors come from religion, history, traditions, economical and political environment. The Jordanian and Arab culture has a huge and significant impact on individuals’ behaviours and managerial practices (Altarawneh, 2005; Ali, 1995; Al-Faleh, 1987). Increasingly, Altarawneh (2005) stated that the variant management practices and functions are influenced by employee understanding and culture, which are obtained from social beliefs, norms and values. The transferring of Western HRM practices to developing countries have encouraged the management in many organisations to change many aspects, including reforms covering all HRM aspects in order to develop and enhance the existing practices, to improve productivity, quality and to change the employees’ attitudes. As a case of Jordan, many attempts were made to transfer to more flexible, adaptable and sympathetic culture through using decentralisation and delegation of power.
For example, a full accountability and responsibilities were given to the line managers to handle the day to day work, and many of the HRM practices such as; recruitment and selection, training and development, performance appraisal and rewards and benefits (Al-Husan et al, 2009). Hakooz (1997) stated that, many line managers found it difficult to be fully responsible, because they were still in need for high skills and confidence to handle these tasks.

From a cultural approach, multinational companies (MNCs) have experienced difficulties in importing Western HRM practices successfully to the developing countries, because of many cultural obstacles (Edwards & Rees, 2006; Cooke, 2004). For example, a study conducted by Al-Husan et al., (2009) about transferring Western HRM practices to Jordan, found that many employees were dissatisfied with their job security, less fair in treatment and the organisation did not value and pay attention to employee suggestions. Moreover, the Jordanian region still need more research in the cultural issues that arise between MNCs and local organisations.

**Key challenges and future developments**

Nationally, the basic and crucial challenges are to sustain Jordan’s stability, to maintain the social fabric and friendship within the Jordanian society, to reduce the high unemployment rate, and to develop and enhance the Jordanian economy, towards knowledge based economy (JDOS, 2009).

Recent investments laws have introduced many facilities and opportunities into the Jordanian business market. For example, both foreign and national investors have the same rights in owning and operating a business in Jordan. However, there are still some acts and attitudes practiced against the foreign investors in general and the region is still facing many problems, with significant challenges looming, because most of the Jordanian borders or neighbours are in war (The American–Iraq War, and The Israel-Palestinian Conflict) (Budhwar & Mellahi, 2006).
On the other hand, in order to transfer the Jordanian economy into a knowledge based economy, the private and public sectors are facing huge challenges in developing the provision of information and communication technology (ICT) services. The first challenge is the availability of highly skilled, knowledgeable and talented human resources. The second challenge is the poor value and inadequate infrastructure that needs to change to support the development of ICT industry. Moreover, there is a need for the latest technologies and know-how techniques to attract more investments to the country (Budhwar & Mellahi, 2006; Hassan & Al-Saci, 2004).

**Conclusion**

In Jordan, HRM has not yet received due attention (Menafn, 2008; Ameinfo, 2006; Weir & Abu-Doleh, 1997). Reports and anecdotal evidence from the Ministry of Industry and Trade indicate that HRM departments in a number of Jordanian organisations seem to lack initiative and are neglecting their duties and activities (Ameinfo, 2006). As a result, they are facing major problems surrounding the development of human capital, including high turnover rates and a lack of skilled employees. Low spending on research, training and development has fuelled these problems (Menafn, 2008).

Increasingly, employees’ performance and skills can also be influenced by HRM practices, which control the acquisition and development of the organisation’s human capital (Othman, 2009; Lopez, Peon & Ordas, 2005; Huselid, 1995). For example, recruiting practices based on effective and reliable selection processes will equip the organisation with qualified candidates and have a significant impact on the type and quality of the skills and knowledge they possess (Katou, 2008; Paul & Anantharaman, 2003). The provision of different levels of training and development experiences, such as basic training, on-the-job training, formal and
informal training and management development can also influence employees’ commitment and values (Tzafrir, 2006; McGunnigle & Jameson, 2000).

The effectiveness of even skilled and qualified employees will be limited if they are not encouraged and motivated to work, but through HRM practices they can be encouraged to work harder and smarter. Examples of organisational efforts to motivate are the use of performance appraisal systems that are tightly linked with incentive and compensation plans (Yeganeh & Su, 2008; Milne, 2007; Grubb, 2007; Poon, 2004; Acton & Golden, 2003; Wilson & Western, 2000). Conversely, HRM literature (Afana, 2004; Melham, 2004; Abu-Alsokar, 2000), shows that many Arab organisations including public and private Jordanian organisations, need to devote more attention to their HRM practices.
References


