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HUMAN RESOURCES AND THE COMPETITIVENESS OF ORGANIZATIONS IN THE LIGHT OF ENTREPRENEURS' PERCEPTIONS

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ABSTRACT

The current research sought to investigate the role of human resources development in achieving competitive advantage in its studied dimensions. The study was applied to a number of managers of organizations in Iraq, where a questionnaire was distributed to them and the objectives and importance of the research and the expected results were explained, as the questionnaire was distributed by hand to the managers.

The study reached a set of results, the most important of which are: The opinions of the study sample towards the dimensions of human resources development and competitive advantage were positive and with high availability rates, which indicates the importance of human resources development to achieve competitive advantage in companies. The study concluded that there is a positive effect that supports the importance of human resources in increasing the competitive ability of organizations and enables them to achieve their goals.

Keywords:

Human resources, competitive advantage, competitive ability, Iraqi companies

1. INTRODUCTION

Human Resource Management; It can be defined as the activities carried out to ensure the continuity of employee satisfaction, motivation, development and performance so that organizations can achieve the specified strategic goals and objectives. Therefore, the units responsible for organizing and implementing activities that will mobilize human resources in organizations in the most effective and efficient way in order to achieve organizational goals are called human resource management units (Van Lancker, Knockaert, Audenaert, et al., 2022).

Today, organizations realize that human capital is their most valuable and important capital and that it leads to achieving competitive advantages and increasing the organizations' ability in the market. For organizations, providing and employing qualified human resources and ensuring their job commitment to the organization requires a well-organized human resource management model and for entrepreneurs, this training makes it possible to develop the organization's work (Lim and Kim, 2020).

Human resource training and development is an opportunity for organizations operating in various sectors to pursue innovations and increase quality and efficiency in order to increase their competitiveness in the production and labor market. Today, organizations; They have started focusing on training in a sustainable way that achieves more competitiveness within the framework of the organization's work, as their training and development in line with the organization's goals increases the productivity and effectiveness of employees, in addition to providing qualified human resources and employing them in appropriate positions) Abu Rumman, Al-Sharaa, Al-Madi, et al., 2021)

In this context, this study seeks to achieve strategic advantage through optimal planning for the human element, organizing its work, training and qualifying it, and giving it its material and moral rights and privileges in a way that achieves what the company seeks and enhances its position in the market. In this study, the focus was on this gap and the researcher sought to study the impact of human resources and their role in enhancing the competitiveness of companies in light of the perceptions of entrepreneurs of human resources. Therefore, in this

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study, we will address the influence of human resources on the competitive advantage of organizations in Iraq within the framework of entrepreneurs' perceptions.

2.1. Healthcare Sector

The healthcare sector is a broad economic and social system that provides individuals with access to healthcare and produces and distributes healthcare-related goods and services. This sector: It consists of various subsectors, including hospitals, clinics, the pharmaceutical industry, medical device manufacturers, insurance companies,

Research objectives

This study seeks to investigate the influence and importance of human resources and to shed light theoretically and practically on the role of human resources in supporting the competitive ability of organizations, in addition to exploring the impact of human resources on the competitive ability of organizations in light of the perceptions of entrepreneurs in Iraq through an applied study on managers in Iraqi companies.

Terms of the Study

Entrepreneurship

Entrepreneurship; It is a combination of innovation, courage and the art of pushing boundaries. This force, which breathes new life into the business world, drives social transformations and shapes the economic landscape, is not just the act of starting a business, but also a lifestyle and a passion for many people. The definition of entrepreneurship has different meanings for everyone. For some, it is about pursuing new business opportunities and taking big risks. Others see entrepreneurship as the desire to grow a business through creativity. But these different perspectives reflect the rich and multifaceted nature of entrepreneurship (Abu-Rumman, Al Shraah, Al-Madi, et al. 2021).

Entrepreneurship is not just the world of young entrepreneurs, it is also a living entity in every sector and at every level, from large enterprises to family businesses. The story and motivations of each entrepreneur are different, but they all share the same goal: to shape the future, create new opportunities and initiate change. While entrepreneurship plays the role of music that sets the rhythm of the modern business world, it contains countless nuances waiting to be discovered. Therefore, entrepreneurship is not only part of the business world, but also part of the DNA of humanity (Atkinson, Lupton, Kynighou, et al. ,2022).

Human Resource Management

Human resources management is related to the human element, which is the most valuable resource that the organization possesses. Therefore, caring for it and developing it is considered the most important strategy for senior management to achieve competitive advantage. When viewed from this perspective, strategic human resource management refers to a continuous effort to plan and implement all human resource activities, taking into account the need for manpower in the required number, quality and capacity, in order to achieve the specified strategies in line with the long-term strategy and future goals of the organization (Verma, Singh and Bhattacharyya ,2021). As can be seen, in strategic human resource management, unlike traditional human resource management activities, it is highlighted that the sub-functions of human resources are dealt with more comprehensively and in accordance with the business strategies determined according to the internal and external environmental conditions (Poudel, Carter and Lonial ,2019).

Competitiveness

Competitiveness can be defined as the struggle in the market with strategies that meet the needs of customers while also fulfilling their expectations and creating value for them. Therefore, companies strive to gain a competitive advantage either by producing goods or services at a lower cost, or by trying to meet their customers' expectations by offering goods or services with different features at higher prices. However, gaining a competitive advantage alone is not enough; the main thing is that this advantage is sustainable. To achieve a sustainable competitive advantage, one of the most important tools that companies can use is the competitive strategies they create (Gerhart and Feng ,2021).

In the relevant literature, two types of competitive strategies can be mentioned that are most famous and generally accepted. These are competitive strategies based on overall cost leadership, differentiation based on product and/or



service, and focusing on a specific buyer group, location or product. On the other hand, Miles and Snow discuss competitive strategies in four groups: opportunistic, analyst, defender, and reactor (Ferreira, Coelho and Moutinho ,2018).

These four groups of strategies are also defined as “firm product/market strategies”. In order to successfully implement competitive strategies, which are defined as a set of systematic and interrelated decisions that will provide a firm with a competitive advantage over its competitors in a particular business area, the following two conditions must be met (Garavan, Shanahan, Carbery, et al. 2016);

- a) The firm must have the assets and skills necessary to implement the strategies,
- b) One must know which type of strategy will work most successfully and under what circumstances.

Literature Review

Changes in the surrounding environment are a major pressure point for organizations to adapt strategies and organizational structures to these changes. Organizations today must adopt new methods and approaches to overcome the problems surrounding them and to achieve competitive advantage in light of limited resources (Hernández-Linares, Kellermanns and López-Fernández ,2021) .

However, although it is necessary for companies to have more flexible and effective structures, to provide better service to customers than their competitors and to develop their strategies within this framework, this is not enough to achieve a competitive advantage. Undoubtedly, setting goals effectively, conducting environmental and resource analyses correctly, developing appropriate strategies, setting priorities, and combining the system and technology in harmony with the structure are effective factors in achieving successful results. However, implementing all of these and turning them into tangible business results can only be achieved through the qualified workforce that companies possess (Lai, Saridakis and Johnstone ,2017).

In this context, the strategic approach to human resource management requires contributing to the achievement of companies' competitive strategies by developing, directing and rewarding employees and making decisions related to human resource strategies and practices that are compatible and integrated with them. The main purposes of considering HRM decisions and practices at the strategic level are as follows (Hernández-Linares, Kellermanns and López-Fernández ,2021):

- Ensuring and maintaining competitive advantage,
- Supporting and enhancing the overall business strategy,
- Avoiding focusing too much on daily problems,
- Dealing with environmental changes
- Ensuring managers' involvement,
- transforming strategic plans into reality.

These objectives will be possible by identifying the right strategies for the HRM function in accordance with the competitive strategy and implementing them effectively. In fact, it has been found that integrating HR strategies and practices in line with the competitive strategy contributes to companies achieving their goals. These findings show that effective HR practices have a positive impact on companies' successful outcomes (Lai, Saridakis and Johnstone ,2017).

The basis for linking human resource management with competitive strategy is the importance of the resource-based view. The growing importance of this field is closely related to the view of human resources as a strategic factor, not only in its role in implementing management strategy, but also in its ability to be a source of sustainable competitive advantage. Thus, there has been a growing belief that properly implementing human resource management strategy can significantly increase organizational performance. In addition, as a strategic approach, human resource management seems to apply elements of the concept of strategy (Lai, Saridakis and Johnstone ,2017).

Hypotheses

1. Strategic practices in recruitment and selection have a meaningful impact on the competitiveness of organizations in Iraq.



2. Strategic practices in training and development have a meaningful impact on the competitiveness of organizations in Iraq.
3. Strategic practices in performance evaluation have a meaningful impact on competitiveness of organizations in Iraq.
4. Entrepreneurs' perceptions affect have a meaningful impact on relationship between strategic human resource management and the competitiveness of institutions in Iraq.

Study Methodology

This study relied on the quantitative approach to reveal the impact of the role of human resources in enhancing and supporting the competitive advantage of companies in light of the perceptions of entrepreneurs. The theoretical concepts related to the research were explained in the first part, then the practical concepts were highlighted and the analyses and relationship between the variables were studied. Then important results were reached and presented in light of the research objectives.

Study Community and Sample

In this study, the study community was defined as managers of small and medium enterprises in Iraq. A random sample was taken and studied in light of the specific objectives from a number of managers of small and medium enterprises in Baghdad.

Findings

- **Reliability of the questionnaire:**

The degree of reliability, often assessed using Cronbach's Alpha, measures the internal consistency among responses. A Cronbach's Alpha value of 60% or higher is generally considered acceptable. Values below 60% indicate weak reliability, while values above 90% are considered excellent. In order to determine the degree of reliability of the questionnaire that represents the data collection tool in this study, Cronbach's alpha coefficient was calculated and the results were as follows:

Table 1. Results of the Cronbach's Alpha test

Dimensions	Question numbers	Alpha Cronbach's
Strategic performance evaluation practices	5	.836
Strategic training and development practices	6	.880
Strategic recruitment and selection practices	6	.818
Competitiveness Ability		0.833
Entrepreneurs' perceptions	4	.801
Total	21	.833

- The stability analysis results for the study variables reveal that the Cronbach's Alpha coefficient exceeds 0.80 for all variables, indicating a high level of reliability across all study dimensions. Additionally, the Cronbach's Alpha coefficient for all the questionnaire items is 0.833, demonstrating strong reliability for the study tool. The validity coefficient, which represents the square root of the stability measure, was also calculated to further assess the validity of the study instrument.
- **Sample Description:**

The following figure shows the distribution of the research sample according to the nature of work, educational level, academic education and job experience.

Table 2. Demographic analyses of the study sample



	%
Gender	
Male	53
Female	47
Age	
18 to 25	22
25 to 35	28
35 to 45	22
45 to 55	22
63+	6
Education	
High school	11
technical institute certificate	37
University degree	38
Postgraduate	14
Job Experience	
one to five years	43
5 to 15	21
15-20	16
20 years and more	20

As we can see from the table:

- The percentage of males in the study sample is higher than the percentage of females, as the percentage of males reached 53% while the percentage of females reached 47%, as Organizations companies are service companies that attract females to a large extent.
- The percentage of those aged between 18 and 25 reached 22%, which is the same percentage of those aged between 45 and 55 years and those aged between 35 and 45 years, which reached 22%. Also, the percentage of those aged between 25 and 35 years is 28. These percentages generally indicate that Organizations companies rely heavily on young groups due to the nature of the work of Organizations companies that provide their services 24 hours a day, and therefore they need employees who have the ability to withstand long work pressure.
- The percentage of those holding a high school diploma among the sample members is 11%, and those holding a technical institute certificate is 37%, which is close to the percentage of those holding a university degree, which reached 38%, and the percentage of those holding a postgraduate certificate is 14%. These percentages indicate that Organizations companies rely on scientific competencies and technical certificates necessary for work.
- As for the job experience of the respondents, the results indicated that 43% of the sample members have job experience from one to five years, while the percentage of those with job experience from 5 to 15 years constituted approximately 21%, the percentage of those with job experience from 15 to 20 years was 16%, and the percentage of those with job experience exceeding 20 years was 20%.

Results of testing hypotheses related to stratejec human resource managementand its role in the Organizations sector in Iraq.



- **Correlation And Regression Analysis**

Table 3. Results of the correlation analysis

	Strategic performance	Strategic training	Strategic recruitment	Competitiveness
Strategic performance evaluation practices	1	.768**	.773**	.654**
Strategic training and development practices	.768**	1	.858**	.538**
Strategic recruitment and selection practices	.773**	.858**	1	.554**
Competitiveness Ability	.654**	.538**	.554**	1

The results in the table above indicate that there is a positive correlation with statistical significance at 5% between both Strategic performance evaluation practices and the Competitiveness Ability of Organizations in Baghdad, as the value of the correlation coefficient reached .654**, which is the highest value in the relationship between the dimensions of stratejec human resource management and Competitiveness Ability. This indicates that Strategic performance evaluation practices is positively correlated with the Competitiveness Ability of Organizations companies in Baghdad, meaning that the development and training of Strategic performance evaluation practices will contribute to improving the Competitiveness Ability of Organizations companies.

On the other hand, the results indicate that there is a positive correlation with statistical significance at 5% between both Strategic training and development practices and the company's Competitiveness Ability, as the value of Pearson's correlation coefficient reached .538**.

The results obtained indicate that there is a correlation between human resource employment practices as a strategic function of human resources management and achieving the organization's competitive ability. The value of the correlation coefficient at a confidence level of 95% reached about .554**, which indicates the need for organizations to pay attention to employment practices and develop a fair strategy in selecting employees based on fair foundations, especially in Iraq and other developing countries, because this means achieving advantages and increasing the capacity of companies, which indicates the role and importance of the value and effectiveness of social relations and the role of cooperation and trust in achieving the company's economic goals and enhancing its competitive ability.

Table 4: Results of the multiple linear regression analysis between the dimensions of stratejec human resource management and Competitiveness Ability

Dependent variable	Independent variables	β	T	P VALUE	R2R2	F
<i>Competitiveness Ability</i>	(constant)		4.890	.000	.688	78.168
	Strategic performance evaluation practices	.557	7.783	.000		
	Strategic training and development practices	.018	7.209	.000		
	Strategic recruitment and selection practices	.107	1.202	.000		



The results in the table above indicate that there is a positive impact of each of human, structural, social and Strategic recruitment and selection practices on the Competitiveness Ability of the company studied, as we find that the value of the regression coefficient reached .688, and the value of P VALUE is less than 5%, which means accepting hypotheses H1, H2 and H3. The value of the β coefficient also indicates the average by which Competitiveness Ability increases when human, social and Strategic training and development practices increases by one standard deviation.

Table 5: Analysis of mediation effect of entrepreneurs' perceptions

Model		Standardized Beta	t	P	R ²
Competitiveness Ability	(Constant)		3.226	.000	0.456
1	Strategic HRM	.364	5.264	.000	
Competitiveness Ability	(Constant)		2.644	.000	0.687
2	Strategic HRM	.333	4.533	.000	
	Entrepreneurs' Perceptions	.263	3.855	.000	

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According to regression analysis results in mediation effect of Entrepreneurs' Perceptions on the relationship between Strategic HRM and Competitiveness Ability., in first model Strategic HRM has a significant positive influence on Competitiveness Ability ($p < 0,05$, $\beta = 0.364$). In second model Entrepreneurs' Perceptions variable has been added to the model. Although in second model both Entrepreneurs' Perceptions and Strategic HRM have significant positive influence on Competitiveness Ability ($p < 0,05$), the effect of Strategic HRM has been reduced ($\beta = 0.333$). Therefore Entrepreneurs' Perceptions variable has a partial mediation influence on the relationship between Competitiveness Ability and Strategic HRM depending on that the hypothesis H4 was accepted.

Conclusion

This research sought to investigate the influence of HRM dimensions on the ability to compete in companies in Iraq, in addition to exploring the mediating effect of entrepreneurs' perceptions of this relationship. The study was applied to managers of a number of companies through a questionnaire distributed by hand.

Within the framework of the objectives that were set, the theoretical review and the practical analysis, the study hypotheses were supported and it became clear that if human resources are trained, developed and cared for, they will lead to the creation of competitive advantages in the surrounding environment and thus increase and enhance the competitive capacity for organizations in Iraq and other countries.

It can be said that the general efficiency and effectiveness of the strategic management implemented by a business and, accordingly, its competitive strategies depend on the human resources, which are the most valuable and strategic resources of that business, namely its employees, how managers motivate and direct them and the communication between them. Therefore, HR policies should be integrated by being aligned with the competitive strategy of the businesses, both originating from it and contributing to it.

Studies have shown that developing and implementing HR strategies that are compatible with competitive strategies is of critical importance in achieving and maintaining competitive advantage. However, it should be noted here that the HR strategy and application compatible with each strategy may be different. Again, it is understood from studies in this field that evaluating HR strategies and applications as good or bad independently of the strategy is not a correct approach. Because, an HR strategy that is suitable and effective for any competitive



strategy may be ineffective or meaningless for another. The main thing is to determine which is the right HR strategy that will support which competitive strategy and to implement it.

As a result, it can be said that developing and effectively implementing the right HR strategies that are compatible with the competitive strategies adopted by businesses is decisive in achieving and maintaining competitive advantage. In fact, the findings obtained from studies in this field also support this.



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