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CHAPTER - FIRST

INTRODUCTION

1.1 Background:

Human resources are the most precious endowment in a country, so the main basis for the administrative development process is human element, he is head element in the development and progress in all areas of management development, There is no doubt, the development of human resources is an important part in the work and the administrative update, so we cannot developing the administration without qualified human resources.

The emergence of the concept of Human Resources Management was evidence on the importance of the human element in the success of the organizations; the human element has become the most important to assets of any project, whether public or private. The capabilities and skills of the people are the main elements which distinguishes successful organizations from others.

The old idea has been changed which meant the objectives of organization are separate from the needs of individuals. So the new concept made human resources management to reconcile the objectives of the organization and the needs of individuals and make them complementary to each other. It has also mentioned in the behavioral research, Individuals should be treated as resources rather than a factor of production. Human resources management is seeking to organize individuals to get the maximum possible benefit from the efficiencies of human and extract the best of their energies through the functions of planning, polarization, recruitment, selection, training, guidance, financial incentives and morale.

Developed countries realized this fact and have taken the initiative also they took advantage of the positive effects as a result of the changes that have occurred over the past few years. These countries have a big evolution in the management environment surrounding it in the all various –aspects. It helped
to modernize the management reality in these countries. These countries were able to give direction to rapid development to meet the requirements of the next stage. They also converted interest in content of the personnel management (traditional concept) - which focuses on the training, rewards and workforce management. The new concept related to job descriptions, human resources planning and analysis of the factors that affect them and provide the organization by appropriate skills which help to achieve the objectives of organization. The large cultural gap between East and West is breadth, also the emergence of the big difference for the western individual is able to manage and recruitment his available resources enabled him to achieve significant achievements which reached him to the progress and pioneering and precedence. On the contrary, Arab countries have backwardness, weakness and lack of efficient use of available resources.

Human development indicators emphasizes that most Arab countries are underdeveloped. The middle-income countries are known as the low standard of living and called third world countries. These indicators confirm that the amount of suffering is happening in the administrative sector in these countries and the reality of administrative in the Arab world not the best than western countries.

Most government sectors in Arab countries are flaccid and suffer from inflation in the labor force which resulted in the division of labor that can be done by one person to many particles for distributing work to a large number of semi-unemployed, although they are working in their sectors, therefore this phenomenon emergence a number of problems as follow:

- The government sectors have difficulty in raising salaries.
- Employees feel that their salaries are low, which affects their production.
- The work is slowdown because of large number for staff.
- Work hours are not being completed.
- The procedures are complexity and lengthening.
In addition to above, there are many bad practices which become daily behavior for employees such as breakfast during working hours, reading newspapers, magazines, time loss in side conversations in the offices and preoccupation of many staff by other work in order to support their salaries which no longer cover the initial requirements for their living.

The reality of underdeveloped management in Arab world is prompting governments and organizations to administrative reform in the various sectors for these countries. Some of the countries have began to review and modernize the legislations and laws which governing the management to keep pace with changes in the world and advancement of management to comparable levels with the reality of modern Western management.

The Republic of Yemen is one of these countries which are trying hard to benefit from the experiences of developed countries and catch up with development in the world, in order to get out of recession and stagnation all sectors, also to achieve the elections promises which made by the Yemeni parties. Yemen is witnessing an ambition and mobility in administrative reform as result of modern democratic life.

As the researcher thinks the process of administrative reform should be studied all the steps to insure the good results and reduce the new problems that hinder the process of modernization.

The researcher found the reform process like the operation which we are trying to save the patients lives without severe disruption to the main functions of patient like heart or lung we show the necessity of administrative reform with the need to provide by modern mechanism to perform the task.

The study will try to find out the practices and procedures which are followed by human resource management whether in public or private sector. Researcher will review those practices through the powers of human resource management according to the administration functions.
The reality of human resources management in Yemen has right powers and interested by modern concept in many different sides such as topics related to job descriptions, human resources planning and analysis of the factors that affect them and help to achieve the objectives of the organization. Or the powers still have traditional concept which concerns with training, rewards and workforce management only.

In this study, we will know the activity nature of human resource management practices in the public and private sector from the beginning of the legal framework of functions which formed the administration also the aspirations of organizations and individuals.

Researcher will focus on the performance of human resource management in public and private sector to see the features and shortcomings and will be compared between the human resource management in public sector and the human resource management in the private sector.

1.2 Selection of the Topic:

The urgent desire of the country which is represented by the aspirations of the Government of Yemen Republic to financial and administrative reform also the public sector's efforts to modernize the civil service as well as the aspirations of the private sector to competition and providing customers by all modern services for keep abreast with the development that is happened in the world, the inevitability of having human resources management in public and private sector to perform all functions which assigned for it especially in the path of rapid development that is happening in the countries of the world in various aspects.

The ambitions, expectations and the efforts of public and private sector are impose on the researcher to put a summary in front of him for all of these which is assist in the selection of subject matter, all of these led us to an important question:
What is the reality of human resources management practices in public and private sector in Yemen?

From here the rationale for choosing a topic came, where the researcher think it will be an important part in contributing to the process of financial reform and administrative, albeit simple.

This also emphasizes the scientific vision for the research topic, where; we can contribute to the solution of many problems which facing the administrative and industrial sector in both public and private sector through the solution of this problem.

The researcher visited a many of research centers to know the research topics which have been identified as problems should be studied to find appropriate solutions.

The researcher selected the topic because it is discusses a problem is intended to find out the shortcomings in human resource management practices in the public and private sector.

1.3 Title of the Study:

The question: "What is the reality of human resources management practices in the public and private sector industries in Yemen?

It was a good question for the researcher in extensive ground of research that discusses this issue and reaching to suitable solutions.

The knowledge of the reality of human resources management will facilitate to know the shortcomings, so we can diagnose the problem and develop treatments also we can put appropriate solutions.

The emergence of this question had a great impact in drawing the first letters of the title of thesis, where I selected the following title:

By this topic I hope to indicate the importance and the need for the human resources management with modern concept, which is able to contribute to in achieving the objectives of the organization in the public or private sector.

1.4 Statement of the Problem:

The reality of management is a true reflection for the level of the country in various components of social, economic, political and cultural; therefore the evolution of management is a strong indicator on the degree of progress that has reached it any society.

But the administration sector in Yemen suffers from the following:

- Lack of strategy in the administrative work.
- Lack of the modern methods in management.
- Administrative corruption in many institutions.
- Lack of interest in attracting and developing the administrative cadres.
- Lack of appropriate educational programs to the needs of the work market and lack of training in the organizations.
- Low level of service and lack of competitiveness.

Reasons in its entirety affirming to the absence of human resources management, either for lack of competent management (Human Resource Management) or the employees are non-specialist or they are not qualified or the absence of legislative basis like lack of powers granting.

1.5 Need & Significance of the Study:

In line with the growing awareness and growing demand for administrative reform process which are happening in the various sectors in the country in order to reaching by the management level to good quality which is capable of
exceptional performance, which leads normally to achieve better productivity and higher profit.

All of these factors will lead to the creation of an excellent administrative climate, and allows achieving or accomplishing the objectives of organizations in various sectors. All of this proves or confirms the need for this study and must be done, so we can contribute to the development of appropriate solutions in various business sectors. The importance of this study is arises because it is serious attempt from the researcher to examine all practices which carried out by human resource management in public and private sector industries in Yemen.

This will help the researcher to find out the deficiencies and to identify deviations wrong result in the conduct of daily activity for the human resource management to shifting from old concept of personnel management to modern concept of human resource management.

1.6 Objectives of the Study:

The main objective is to Study the Human Resource Management Practices followed by Selected Public & Private Sector Industries in Yemen.

More specifically, the study seeks:

1) To make review of profile of Public & Private Sector Industries in Yemen.
2) To know the suitability of the current legislations and laws for the human resources management practices in the Public & Private Sector Industries in Yemen.
3) To study Human Resource Management practices in Public Sector Industries in Yemen.
4) To study Human Resource Management practices in Private Sector Industries in Yemen.
5) To make comparison of Human Resource Management practices between Public & Private Sector Industries in Yemen.

6) To draw conclusions and make suggestions regarding improvement Human Resources Management Performance in Public & Private Sector Industries in Yemen.

7) To come out with a model if possible to create modern Human Resource Management in Public & Private Sector Industries in Yemen.

1.7 Hypotheses of the Study:

Keeping in view the above objectives, this study proceeds to test the following hypotheses:

1) The current legislations and laws which governs the Public and Private Sector Industries in Yemen are not suitable for HRM practices.

2) The Employees of Human Resource Management Department in the Public & Private Sector Industries are non-specialized in their work.

3) The Functions of Human Resource Management in the Public & Private Sector Industries in Yemen are not implemented properly.

1.8 Research Methodology:

The present study is unique in many respects. The concept of quality managerial reform in the Yemen context is gaining some attention now days. However, it continues to be an unexplored terrain of enquiry. There are no other studies on quality human resource management in the study area. This is an early effort to understand its many dimensions - an exploratory study. Given that it remains an unfamiliar concept, this proved to be a challenge for the researcher as well as for those who were interviewed.

A. Scope of the Study:

Industrial organizations in the Republic of Yemen according to labor law are divided into:
1- Small organizations where the number of workers ranging from 1 to 4 workers.

2- Medium-sized organizations where the number of employees ranging from 5 to 9 workers.
3- Large-sized organizations where the number of workers more than 10 workers.

Due to the lack of human resources management in small and medium organizations because of the small number of workers in it, which makes the employer manages all functions inside the organizations without the need for specialized departments and other staff members, all of those make the target of this research is the large organizations where there are management of human resources in both the public sector or private sector.

B. Sources of Data Collection:

I. Primary Data:

In order to accomplish the objectives set out for the study, the required primary data was collected as follows:

a. Questionnaires were distributed to the selected samples in public and private sector. Interviews were conducted with some of the employees in the human resources management in public & private sector.

b. Interviews were conducted with some of the employees in the human resources management in public & private sector.

c. Observation: were made human resource management practices in public and private sector industries in Yemen during the organizations visits.

II. Secondary Data:

The secondary data necessary for this investigation was collected from the departments of sampled institutions and other sources as follows:

a. Data from public & private sector related to the practices of human resource management, ministry of civil service and insurances, ministry of Industry and Trade, Yemen central statistical organization.

b. Studies, Researches and Reports related to the study course in Yemen.

c. References and books related to this subject of study in libraries of Yemen and India.

1.9 Sample of the Study:

1- Sample of study in the public sector:

The empirical data necessary for fulfilling the set out objectives was collected from five organizations out of twelve in Yemen:

• Ministry of Civil Service and Insurances.
• Public Institution for Telecommunication.
• Public Institution for Print of textbook.
• Amram Cement Factory.
• Yemen LNG Company Ltd.

From these five organizations all employees of human resource management department were selected for study.

2- Sample of study in the private sector:
The empirical data necessary for fulfilling the set out objectives was collected from twelve organizations out of thirty six in Yemen:
• AL-Thawa Industrial Complex (8 Companies).
• TATCO (Trans Arab Trading Company).
• Arabic company for the industrial projects Ltd (3 Companies).

From these twelve organizations all employees of human resource management department were selected for study.

1.10 Data Analysis and Interpretation:
The data gathered through the interview and questionnaires was classified and analyzed with the help of (SPSS) for windows, a statistical package for social sciences and the perceptions; opinions of the respondents were incorporated in the findings.

The program of (SPSS) used in the various statistical analysis, and statistical methods that were used for the purpose of testing hypotheses that were formulated to answer the questions of the study, according to the nature of each hypothesis were as follows:

1- The method of Split-Half Coefficient: has been found Pearson's correlation coefficient between the rate of questions of individual rank and rate the questions marital rank of paragraphs-resolution has been corrected correlation coefficient using the correlation coefficient Spearman Brown corrected (Spearman-Brown Coefficient) where the paragraphs of resolution is divided into two parts, the first part is represents the individual questions and the second part represents the marital questions and then calculates the correlation coefficient between the degrees of individual questions and degrees of marital questions and correct the correlation coefficient formula Pearson Brown:
Coefficient of Validity = \sqrt{Coefficient of Reliability}

2- Reliability coefficient (Cronbach Alpha) to identify the internal consistency of the standards statements of the human resources management practices in the public sector and private sector.
3- Frequencies and percentages, to describe the personal characteristics of members of the study samples.
4- Arithmetic means and standard deviations to indicate levels of implementation for the human resources management functions in the public sector and private sector.
5- Multiple linear regression analysis (Multiple linear Regression) to illustrate the relationship between the independents variables and the dependent variable and to validate or refute hypotheses.

1.11 Limitations of the Study:
- Spatial boundaries: The study focused on large industrial institutions that have been selected from public and private sector in the Republic of Yemen, and did not include the industrial small and medium institutions.
- Chronological boundaries: the researcher started in collecting the necessary data for the purposes of this study in the 7/6/2007, was completed this when the research process is achieved at 19/6/2011.
- Boundaries of humanity: The study included the workers in the human resources management in the public sector and workers in human resources management in the private sector in institutions that have been selected.

1.12 Chapters Scheme of the Study:

This thesis discusses the Human Resource Management Practices followed by Selected Public & Private Sector Industries in Yemen.

The thesis is divided into seven chapters:

CHAPTER NO.1: INTRODUCTION

This Chapter is introductory chapter, which covers the general framework of the study. This chapter includes the Research problem, Objectives of the study, Importance, Hypothesis, Research Methodology.
CHAPTER NO.2: REVIEW OF PUBLIC & PRIVATE SECTOR INDUSTRIES IN YEMEN

This Chapter discusses Review about the industries in public and private sector, in the terms: beginning, quality, nature of the activity.

CHAPTER NO.3: HUMAN RESOURCE MANAGEMENT PRACTICES IN PUBLIC SECTOR INDUSTRIES IN YEMEN

This Chapter explains of human resource management practices in the public sector in terms of: Effect of current legislations and laws on performance of human resources management in public sector. The practices of human resources management in implement all its functions. What is the impact of educational level of employee in the human resource management on management practices?

CHAPTER NO.4: HUMAN RESOURCE MANAGEMENT PRACTICES IN PRIVATE SECTOR INDUSTRIES IN YEMEN

This Chapter explains of human resource management practices in the private sector in terms of: Effect of current legislations and laws on performance of human resource management in private sector. The practices of human resources management in implement all its functions. What is the impact of the educational level of employee in the human resources management on management practices?

CHAPTER NO.5: COMPARISON OF HUMAN RESOURCE MANAGEMENT PRACTICES BETWEEN PUBLIC & PRIVATE SECTOR INDUSTRIES IN YEMEN

This chapter explains analytical comparison between the practices of public and private sector in terms of: The nature of legislations & laws which current and the impact on the work. Implementation of human resources management functions. Impact of employees educational level on the performance.

CHAPTER NO.6: PROBLEMS FACED BY THE INDUSTRIES IN YEMEN IN IMPLEMENTING HUMAN RESOURCE MANAGEMENT PRACTICES

This chapter presents the problems facing the industrial sector in application of good and right practice for the human resources management.

CHAPTER NO.7: CONCLUSIONS AND SUGGESTIONS

This chapter describes the Conclusions and Suggestions in the Public & Private Sector Industries in Yemen.