

Impact case study (REF3)

Institution: University of Gloucestershire		
Unit of Assessment: Business and Management Studies		
Title of case study: Enhancing the effectiveness of Human Resource (HR) practices: The case of Brunei		
Period when the underpinning research was undertaken: 2011 – 2021		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Tamer Darwish Jocelyne Fleming	Reader Principal Lecturer	2013 – to date 2005 – to date
Period when the claimed impact occurred: 2015-2021		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact		
<p>This research is the first to examine HR practices comprehensively at a national level in Brunei, an archetypical micro petrostate, in South-East Asia. It demonstrates impact through organisational practice change and performance improvement within leading national organisations: exemplar being the Brunei Hotel. The national outcomes provide performance-driven solutions, adding cross-sector value. International impact is demonstrated in other emerging markets – specifically Jordan. Here public sector transferability is displayed. Dissemination occurred via ten high-impact journal articles, practitioner conference presentations, workshops and collaborative initiatives with government ministries in the Middle East – demonstrating reach and influence on non-academic audiences.</p>		
2. Underpinning research		
<p>The project explores the impact of individual and collective HR practices on employee turnover rate and organisational performance across all Brunei industries, creating comparative lessons (e.g., Darwish et al. 2017; Singh et al. 2017). It also establishes insight on the relationship between institutional context and the performance outcomes of HR practices in other emerging markets (e.g., Darwish et al. 2016). Impact comes from a clearer and more detailed understanding of the influence of HR practices on organisational performance in varied industries within an emerging market. This gives managers in these contexts both the insight and applied tools and approaches to improve organisational performance.</p> <p>This research principally evaluates the utility of more sophisticated HR practices in emerging market settings, where institutional factors may be less developed, or more fluid, and there are fewer incentives to encourage firms to use such practices. Hence, the research helps determine HR practice effectiveness within emerging markets and analyses how successful these practices are in meeting national and global challenges. The HR practices include recruitment and selection, training, retention, performance appraisals, incentives and rewards, and internal career opportunities. The project resulted in two world-leading, five internationally excellent and three internationally recognised journal papers, a book, and other nine papers presented in world-leading international conferences, including winning a best paper award in Singapore.</p>		

This project initially focused on conducting a comparative analysis of HR practices between domestic and multinational enterprises in Brunei. Results indicate that domestic firms' HR practices still lag behind multinational organisations' more developed approaches (Singh et al. 2019; Mohamed et al., 2013; Singh et al., 2013). Consequently, attention turned to domestic firms' HR practices and their potential impacts on organisational performance.

Surprisingly, we found that using integrated HR models was not better than implementing individual HR interventions. One reason for this is that the primary focus of institution building in petrostates is often to service the needs of the oil-and-gas industry. The use of individual HR practices may therefore reflect that the industry's needs can be more simply resolved through turning to overseas labour markets – both for skilled and unskilled labour. Simultaneously, we found that the efficacy of HR practices varied according to firm characteristics. So, even in challenging contexts, firms devise solutions that respond to their capabilities and endowments (Darwish et al., 2017; Singh et al., 2017).

Additionally, results showed that firms in the oil-and-gas sector perform better than those in other sectors. However, the negative effects associated with operating outside of oil-and-gas could be mitigated through strategic choices. For instance, in such organisations the involvement of HR directors in company affairs reduced employee turnover and added positively to financial returns across sectors. This indicates that developing and enhancing the role of people management is still very much easier than bringing about structural institutional reforms. Results also confirm that at least part of the solution to contextual difficulties lies within organisations, and that strategic choices can ameliorate the firm-level consequences of the resource curse (Darwish et al., 2017).

3. References to the research

Darwish, T., Mohamed, A. F., Wood, G., Singh, S. & Fleming, J. (2017). Can HRM alleviate the negative effects of the resource curse on firms? Evidence from Brunei. *Personnel Review*, 46(8), 1931-1947.

Darwish, T. K., Singh, S., & Wood, G. (2016). The impact of human resource practices on actual and perceived organizational performance in a Middle Eastern emerging market. *Human Resource Management*, 55(2), 261-281.

Mohamed, F., Singh, S., Irani, Z., & Darwish, T. (2013). An analysis of recruitment, training and retention practices in domestic and multinational enterprises in the country of Brunei Darussalam. *The International Journal of Human Resource Management*, 24(10), 2054- 2081.

Singh, S., Darwish, T., Wood, G. & Mohamed, A. F. (2017). Institutions, complementarity, human resource management and performance in a South-East Asian Petrostate: The Case of Brunei. *The International Journal of Human Resource Management*, 28(18), 2538-2569.

Singh, S., Mohamed, F. & Darwish, T. (2013). A comparative study of performance appraisals, incentives and rewards practices in domestic and multinational enterprises in the country of Brunei Darussalam. *The International Journal of Human Resource Management*, 24(19), 3577-3598.

Singh, S., Wood, G., Darwish, T. K., Fleming, J., & Mohamed, A. F. (2019). Human resource management in multinational and domestic enterprises: A comparative institutional analysis in Southeast Asia. *Thunderbird International Business Review*, 61(2), 229-241.

4. Details of the impact

This research achieved significant impact and reach during the assessment period. This is apparent in the extensive range of organisational practices and outcomes influenced at both the national and international level, as detailed below.

1. National Impact (Brunei)

The findings triggered HRM changes in leading national businesses and have been cited in reports on the status of Brunei's growth and development [3]. The research highlights the importance of viewing HR development and its nature in Brunei from a historic perspective, as both specific colonial legacies and resource booms have created opportunities and challenges. Although natural resource revenues have provided growth, and supported national independence, they have also led to domestic economy imbalances, skills and capital flowing to the oil and gas sector, and volatility. As the world enters energy transition, these contradictions will be heightened. Therefore, as with many petrostates, the challenge is to promote other economic areas and provide indigenous labour with skills and opportunities. This research has therefore triggered national debate to address questions including: how to find the right balance between local and international staff talent? What difficulties are faced when finding skilled local staff? What are the professional skills that local staff may currently lack and how to develop these? And what is the overall evaluation of local educational institutions in preparing future human resources [3].

2. Specific organisational practice example (Brunei)

2.1. The Brunei Hotel: Given the research findings that firm-level HR interventions make a difference in mitigating challenges outside the oil-and-gas sector (Darwish et al., 2017), the Hotel now considers HR director input as an integral part of its Board meetings and these have led to strategic HR integration and alignment [1].

Major changes have been made to HR practices and policies as follows:

- a. Hotel recruitment and selection criteria now use a new mixture of *qualifications and personal characteristics*. More specifically, the hotel now uses *qualifications* such as: educational and professional credentials, a wider range of work experience, prior experience in similar jobs and a personal presentation when recruiting and selecting potential candidates – alongside *personal characteristics* (e.g. independent judgement, potential to grow with the job, self-motivation, total devotion to task, and commitment to the hotel) [1].
- b. Promotion-from-within is now prioritised when seeking to fill positions, particularly for senior roles. The hotel has made this change as a direct result of our research findings (Singh et al., 2017), which demonstrate that robust recruitment and selection processes, training and internal career opportunities contribute to positive financial performance. This practice and the changes to the use of recruitment and selection criteria outlined above, have reduced employee turnover. The hotel now believes that external appointments are not the only desirable outcome (particularly for senior positions). Welcoming internal candidate applications has created career progression routes to senior positions, helping ensure talent is actively grown. This is particularly important as it helps ensure that organisational knowledge and capabilities manifest in current staff are more effectively nurtured and utilised to underpin organisational performance by preparing staff to be ready to respond to opportunities for promotion and development [1].

3. International Impact (Jordan)

Based on HRM and performance research findings (for more details, see Darwish et al. 2016), a series of practical workshops (in addition to one-to-one meetings), organised with the *Ministry of Social Development* in Jordan, were delivered for its key staff. These focused on high-performance practices within their workplaces and links between HR practices, strategy and performance. This generated practice changes:

a. HR department (represented by its manager) now provides regular reports to the Ministerial Committee and attends meetings to provide HR inputs. This has been critical in developing better alignment between HR strategy and the Ministry's overall strategic direction [2].

b. Additionally, given the significant role of training evidenced (Darwish et. 2016), the Ministry has engaged the services of several third-party training providers to bolster internal provision on a wide range of institutional issues. Those attending the training see this approach as effective, as it offers specific information and practical advice to improve their effectiveness [2]. As a result, the Ministry has reinforced its efforts and budget in relation to its staff training programmes; it has notably spent 40,000 JD (56,418 USD) in 2019, a significant increase on prior years and also diversified its training programmes [2].

5. Sources to corroborate the impact

[1] Letter from General Manager, The Brueni Hotel, Bandar Seri Begawan, Brunei.

[2] Letter from Head of Personal, The Ministry of Social Development – Amman, Jordan.

[3] Institute for Societal Leadership and LIM, Lai Cheng. The Bandar Seri Begawan Report: National Landscape, Current Challenges and Opportunities for Growth. (2015). 1-17. Institute of Societal Leadership Research Collection. Available at: http://ink.library.smu.edu.sg/isl_research/4