

**The Impact of Human Resource Development on Competitive
Advantage: A Case Study of Gulf Bank – Biskra Agency**

Sami Korichi ¹, Zakaria Djorfi ^{2*}

¹ Lecturer Professor B, Laboratory of Economic Geography and International
Exchange, University Center Of Tipaza, korichi.sami@cu-tipaza.dz

² Lecturer Professor A, Laboratory of Green Economy and Development in
Algeria, University Center Of Tipaza, djorfi.zakaria@cu-tipaza.dz

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Abstract:

This research aims to identify the role of strategic management and development of human resources in achieving competitive advantage within organizations. We conducted a field study at Gulf Bank Algeria – Biskra Agency, focusing on how strategic management of human resources contributes to the bank's competitive advantage. The study targets executive employees, administrative staff, and management personnel. Interviews were utilized as a means of data collection to arrive at authentic results, forming the basis for our analysis. This study concludes with several recommendations and observations addressing key aspects of the research.

Keywords: Human Resource Development, Competitive Advantage, Gulf Bank – Biskra Agency.

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* Corresponding author

1. INTRODUCTION

Human resources play a pivotal role in shaping strategic objectives, analyzing the external environment, overseeing internal operations, and measuring efficiency. They are also instrumental in enhancing productivity. It has become increasingly clear that for any organization to achieve its intended goals, it must provide a set of resources that support these aims. The fundamental resources include human resources, financial resources, and material resources, all of which should align with the organization's activities. Additionally, the newly recognized technological resources should be noticed.

Given the rising competition among organizations, success in the market now belongs to those who can establish a competitive advantage and sustain it over time. With greater access to financial resources for project funding than ever before and the difficulty of monopolizing information and advanced technologies due to market globalization, many organizations have shifted their focus toward investing in their most vital resource—human resources. This investment in human resource development aims to achieve a competitive advantage in the market. Consequently, our study seeks to analyze the significant challenges of human resource development at Gulf Bank – Biskra Agency, which impacts the bank's competitive advantage. To address this study, we will attempt to answer the following central question:

How has human resource development contributed to achieving a competitive advantage at Gulf Bank – Biskra Agency?

To comprehensively understand the research topic and address the raised questions, we will explore the following axes:

- 1. Human Resource Development;**
- 2. Strategic Management of Human Resources as a Competitive Advantage;**
- 3. Human Resource Development to Achieve Competitive Advantage at Gulf Bank – Biskra Agency.**

2. Human Resource Development

Over the past two decades, human resource development has emerged as one of the fastest-growing areas of managerial development. Many consulting firms have specialized primarily in this field, while large organizations have established dedicated departments for human resource development, training employees in various professional aspects.

2.1. Definition of Human Resource Development

Human resource development, in its broadest sense, refers to "assisting employees in confronting challenges posed by technological advancements and other forms of development in the work environment, aiming to help them adapt to new demands to achieve the required performance levels necessary for survival and maintaining competitiveness." (Toufik, Human Investment Strategies in Arab Institutions, 1996, p. 40)

Dr. Ahmed Mansouri defines human resource development as a fundamental component in mobilizing, refining, maintaining, and enhancing human capacities and competencies across scientific, technical, and behavioral aspects. It serves as an educational tool that equips individuals with knowledge, information, theories, principles, values, or philosophies that enhance their capacity for work and productivity. It is also a training medium encompassing modern scientific methods and advanced technical approaches for optimal performance in work and production. (Munir, 2010, p. 328)

Human resource development includes activities, procedures, and programs aimed at rationally qualifying and developing individuals and contributing to improving their current and future job performance (others, 2003, p. 187).

It encompasses "all organized scientific efforts aimed at maximizing the benefit derived from the human resources within an organization, ensuring a continuous elevation of skill and knowledge levels from the current state to the targeted state." (Toufik, Training: Principles and Scientific Foundations, 1994, p. 133)

2.2. Importance of Human Resource Development

Steven Stralser asserts that while it is crucial to recruit good

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employees, stimulating their capabilities and assisting them in reaching their maximum potential is equally, if not more, important. Here are the primary benefits of developing and training employees (Stralser, 2005, p. 16)

- Increasing the value and capacity of human assets within the organization.
- Providing an alternative to hiring by qualifying current employees for vacant positions.
- Creating potential future leaders for the organization.
- Helping reduce employee turnover by retaining motivated individuals committed to their roles, with opportunities for advancement and development.

3. Strategic Management of Human Resources as a Competitive Advantage

Possessing and developing a competitive advantage is a strategic goal that organizations strive to achieve amidst the intense competitive challenges of a knowledge-based global economy focused on quality and competencies, particularly embodied in human capital.

3.1. Definition and Importance of Competitive Advantage

- Competitive advantage is derived specifically from distinctive capabilities and the ability to operate in ways that are difficult for other organizations to replicate. (Al-Ghalabi, 2009, p. 297)

- It refers to the ability to produce goods or offer services to customers in a manner that is unique or differentiated from what competitors provide by leveraging the organization's strengths to add specific value to its products in ways that competitors cannot execute. (Al-Bustanji, p. 7)

- Competitive advantage encompasses a company's ability to attract customers and build a mental image of itself or its products, enhancing perceived value and achieving customer satisfaction. (Moqatef, p. 212)

The importance of competitive advantage for organizations manifests through: (Idris, 2007, p. 309)

- Providing qualitative and quantitative superiority over competitors,

thereby enabling high-performance outcomes.

- Making the organization superior in performance, the value offered to customers, or both.

- Contributing positively to customer perceptions and other stakeholders, motivating them to continue and enhance their engagement.

- Given that competitive advantages are based on the organization's resources and capabilities, they introduce dynamism to the internal processes of the organization.

- Competitive advantages are characterized by continuity and renewal, allowing the organization to keep pace with long-term developments.

3.2. The Role of Human Resources in Enhancing Competitive Capabilities

The new reality underscores the significance of an organization's resources as a critical determinant of profitability. Therefore, management is called upon to mobilize and activate its human resources and competencies as a perpetual reservoir of human capital, serving as the primary pathway to achieving and maintaining competitive advantage.

Activating the contribution of strategic human resource management within the organization's pursuit of competitive advantage can be achieved through:

3.2.1. Emerging Strategy:

Motivated and well-trained human resources play a vital role in facilitating communication within the organization, leading to effective emerging strategies that are communicated to senior management. Thus, it is unreasonable to overlook the efforts, ideas, and creativity of employees in both the formulation and execution of strategies. (Al-Mursi, 2003, p. 91)

3.2.2. Enhancing Competitive Capability:

Human capital is a vital element within modern strategies, referring to the collective knowledge, skills, and experiences accumulated through basic and continuous Training through skills acquired during work performance. Investing in human capital enhances opportunities for value addition and the establishment of sustainable competitive advantages.

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(Bougalkoul, March 9-10, 2004)

Consequently, the role of human resources in achieving competitive advantage must remain in constant flux due to rapid changes enveloping today's business environment. Despite improvements in quality, success in global competition necessitates developing flexible and adaptable production systems, requiring human resources capable of responding effectively to swift changes.

3.3. Integrating Intellectual Capital into Organizational Strategies:

The emergence of economic intelligence as a new strategic factor has rendered intellectual capital the central focus of strategic analysis. This acknowledgment positions humans as the discoverers, developers, and operators of knowledge, competencies, and intangible resources. For an organization to possess these exceptional human resources, it must establish a foundation based on the following points (Al-Sulami, 2001, pp. 115-131.)

- Rigorously selecting candidates for roles that contribute to building, developing, and deploying competitive capacities, establishing sound criteria for assessing the organization's human resource needs.

- Focusing on employee training in a broader and deeper sense than traditional human resource management approaches means that training should not be confined to individuals exhibiting performance deficiencies but should encompass all organizational members, regardless of age or functional level.

- Instilling a culture of learning among individuals by providing opportunities for participation in various scientific and professional conferences and seminars, including a system wherein the organization bears the registration costs for such events.

- Developing and investing in the intellectual potential and creative abilities of individuals, providing opportunities for outstanding employees to experiment with their innovative ideas and projects, embracing a culture of innovation, or perishing. Successful organizations in advanced economies strive to transform each individual into an entrepreneur in their own right rather than merely an employee performing routine tasks; they should think, innovate, participate in responsibilities, and take risks.

- Fostering teamwork and a collaborative spirit, ensuring a supportive environment for positive communication and interaction among different employee groups, and establishing foundations for belonging and loyalty to the organization.

- Reviewing salary and compensation structures and comparing them with prevailing market levels, allowing human resources the opportunity to participate in the returns from intellectual production through profit-sharing systems and the distribution of free shares to foster engagement and interest in their work.

- Opening channels of communication and managing information and knowledge flows among various sectors and workgroups to maximize the benefits arising from the escalating knowledge exchange.

4. Human Resource Development to Achieve Competitive Advantage at Gulf Bank – Biskra Agency

Gulf Bank Algeria – Biskra Agency is positively oriented toward enhancing its competitive advantage through human resource development, providing quality banking services, and fostering competition among banks in terms of the services offered.

4.1. Overview of Gulf Bank – Biskra Agency (Gulf Bank Algeria – Biskra Agency, 2024)

Established on April 8, 2010, the Gulf Bank Algeria Biskra Agency is a branch of Gulf Bank Algeria, located in the Saïhi neighborhood, Road to Tamanrasset, Biskra. The agency spans an area of 350 m² and is equipped with modern facilities, employing nine staff members, all of whom are managerial. The organizational structure of the agency includes:

4.1.1. Agency Director:

The main representative of the bank at the agency level, responsible for the administrative and operational organization of the agency, ensuring ongoing management and achieving the strategic and financial goals set by the bank's administration while maintaining the bank's economic transparency and managing the agency's budget.

4.1.2. Commercial Manager:

Responsible for supervising and motivating the sales team to assist in

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achieving the agency's business objectives, overseeing client portfolios, ensuring their effective management, and providing clients with all banking services while adhering to credit decision implementations.

4.1.3. Controller:

The primary responsibility of the Controller is to ensure proper oversight of all transactions carried out by

the agency, verifying daily operations, monitoring administrative processes, auditing administrative and legal accounts, and conducting internal audits to ensure the accuracy and compliance of information with legal standards.

4.1.4. Administrative Supervisor:

Oversees cash security, teller operations, and staff, ensuring the agency's objectives are met. Their primary task is to deliver quality service to clients, ensuring the execution of banking transactions for both individual and institutional clients while managing and operating the computer system.

4.1.5. Client Sales Advisor (Corporate):

Manages corporate client accounts in accordance with regulatory decisions, executing daily operational transactions for corporate clients with special attention, managing guarantees and reserves, overseeing investment loans, and dealing with foreign trade operations and transactions with foreign countries.

4.1.6. Client Sales Advisor (Individuals):

Performs the same functions as the corporate client advisor but for individual clients, managing individual accounts and overseeing personal loans while compiling and analyzing loan records.

4.1.7. Administrative Representative:

Ensures compliance with legal banking regulations in all transactions, manages accounts, maintains client files, oversees checkbooks and handles unpaid checks, ensuring all transactions are processed, including invoices and checks.

4.1.8. Cashier:

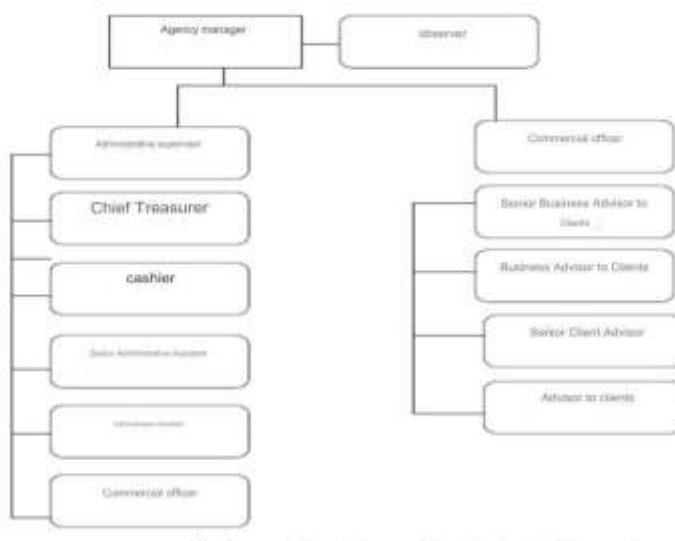
Responsible for the cash register and ensuring its continuous operation, adhering to established banking procedures, and ensuring proper

account settlements.

4.1.9. Teller:

Ensures smooth operation of various banking transactions while adhering to bank procedures, managing account settlements, maintaining the cash register, and ensuring confidentiality of transactions. They also execute various necessary administrative tasks and provide regular activity reports and suggestions.

Figure 1. Organizational Structure of Gulf Bank Algeria – Biskra Agency



Source: Based on the bank's official website www.ag-bank.com

4.2. Products and Services Offered by Gulf Bank Algeria – Biskra Agency

4.2.1. Commercial Operations:

Gulf Bank Algeria has the authority to conduct all banking operations on both national and international levels, including providing loans and assistance to lending companies in various forms to meet each company's aspirations and beliefs.

Foreign Trade Operations: Gulf Bank Algeria aids its clients in expanding their presence in the global market through import and export facilitation, the issuing of letters of credit for imports and exports, and

documentary discounts.

- **Operating Financing:** Gulf Bank Algeria provides specialized professionals to guide clients in making choices and assist them in establishing facilities that align with their business needs.

4.2.2. Products and Services for Individuals:

➤ **Loans:**

- Auto Loan (Prêt Auto SAYARATI)
- Auto Murabaha (Mourabaha Auto SAYARATI)
- Housing Loan (Le Prêt Immobilier BAYTI)
- Consumer Credit (Crédit à la Consommation)
- Commercial Credit (Crédit Commercial)

➤ **Savings:**

- Savings Accounts (le livret d'épargne)
- Deposit Certificates (bons de caisse)

➤ **Deposit Accounts:**

The bank approves opening all categories of accounts in dinars and foreign currencies for individuals.

- Dinar Deposit Accounts
- Foreign Currency Deposit Accounts

➤ **Bank Cards:**

Offers clients various types of credit cards both locally and internationally, including:

- CIB Card (la carte cib)
- Gold Visa Card (La carte VISA or)
- Traditional Visa Card (la carte VISA Classique)
- Prepaid Visa Card (visa prépayée carte)

➤ **Safe Deposit Boxes:**

Available for clients to securely store valuable items at a lower cost, offered at select branches across Algeria.

4.3. Human Resource Development and Its Impact on Competitive Advantage at the Bank

In our study, we utilized the "interview" technique, a direct inquiry method typically used in face-to-face interactions with a group to gather

qualitative information that aids in understanding attitudes and behaviors. The study is structured to provide an accurate description of the situation. Based on previous research on this topic, we formulated a set of questions with various points to assess the bank's commitment to enhancing its services through human resource development and achieving a competitive advantage. The results of the interviews are as follows:

- Does the bank prioritize identifying its staffing needs?

Yes, the bank is keen on identifying its staffing requirements by preparing an annual budget for personnel.

- On what basis is hiring conducted within the bank?

Hiring is based on academic qualifications or the bank's specific needs.

- Does the bank motivate its human resources?

Yes, it does so by providing material and moral advantages, such as salary increases, as the bank's situation improves.

- Does the bank invest in human capital?

Certainly, through training programs in specialized centers.

- Does Training contribute to enhancing the bank's performance?

Training is crucial in the banking sector. It provides technical information that elevates employee performance, thereby increasing the company's yield.

- Does Training enhance the bank's survival, continuity, and control over its environment?

The answer is affirmative: Training significantly contributes to survival and continuity, especially in the commercial realm, by enhancing communication with clients.

- Does the bank invest in developing its employees? Does it treat them as a profit center or a cost?

The bank is committed to developing its personnel and adapting to ongoing changes. It does not view training as a cost since the returns from training far exceed the expenses incurred.

- Do employees participate in decision-making processes at the bank?

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Employees occasionally participate in decision-making depending on the nature of the decision.

- Is there encouragement for employees to share their ideas and suggestions?

There is occasional encouragement for employees to present their ideas, suggestions, and concerns.

- Does the bank possess a competitive advantage?

Yes, the bank maintains a competitive edge over other banks.

- Do you believe that human resource management contributes to maintaining competitive advantage?

Human resource management consistently seeks to involve employees in various training programs, thus enhancing their culture alongside their professional expertise.

- Has strategic human resource management led to improvements or innovations in human resources within the bank?

Yes, strategic human resource management leads to both improvement and innovation.

- Do you have specialized competencies in human resource management?

We need specialized competencies in human resource management, but this is carried out based on the management methodology and accumulated experience governed by collective agreements and the institution's internal laws from which all practices are derived.



In conclusion, the institution recognizes that human resource management encompasses more than merely hiring and training individuals; it necessitates motivational activities through established incentive systems and ongoing Training to remain competitive and maintain its position within the environment.

5. CONCLUSION

Human resource development entails all organized scientific efforts aimed at maximizing the benefits of the organization's human resources, ensuring the continuous elevation of skill and knowledge levels from the

current situation to the targeted state, thereby achieving a competitive advantage. The contemporary trend in Training and developing human resources views expenditure in this field as capital expenditure, representing a fertile investment domain. Investments in Training and development are not merely costs but rather investments that yield returns comparable to any other investments in machinery or marketing programs. Therefore, it should be regarded as an investment item in the organization's planning or investment budget. Through Training and developing its human resources, the bank can achieve the following principal gains:

- Increase the value and capacity of human assets within the organization.
- Provide an alternative to hiring by qualifying current employees for vacant positions.
- Create potential future leaders for the organization.
- Help reduce employee turnover by retaining motivated individuals committed to their roles, with opportunities for advancement and development.

Recommendations:

- There is a need to develop and enhance services to meet customer desires and needs.
- Establish joint plans and programs for the concerned parties to promote a culture of collective participation in decision-making within the bank.
- Ongoing commitment to maintaining human resources within the bank through motivation and skill development.
- Addressing complaints and suggestions as they reflect customer evaluations of the banking services provided and their level of satisfaction, thereby identifying and correcting gaps and improving the competitive position.

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