

ASSESSING THE ASSOCIATION OF HRM FUNCTIONS WITH EMPLOYEES' PERFORMANCE: THE CASE OF BANKING SECTOR OF UAE

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Abstract

Human Resource Management (HRM) is relatively a less researched area in the banking sector in Abu Dhabi, United Arab Emirates (UAE). The role and scope of HRM functions cannot be underestimated considering their direct association with human capital leading to the overall performance of the organization. The banks in Abu Dhabi follow their own practices and there are no specific HRM practices which are common to all. The objective of this research is to find the association of HRM functions with the performance of employees. To achieve this objective, a quantitative study using a survey-questionnaire is adopted. It is a cross-sectional examination grounded on descriptive opinions and analytical logic based on the responses collected from the 50 managerial-level employees of HR teams of 15 leading banking institutions of Abu Dhabi, UAE. This research considers different functions of HRM like training and development, reward & compensation, performance management to understand the relationship between the functioning of the HR department and the performance of the employees. The findings are followed by proposed practical implications further clarify that there exists a correlation between HRM functions and performance of employees.

Keywords: *Human resource management, employee performance, banking sector, functions of HRM, HRM value*

Introduction

It will not be an overstatement to say that an organization's ability to lead and compete depends upon the level of performance of its human input. Human Resource Management (HRM) is a field which is highly diversified and relates to all areas in the organisation which deals with human capital. This starts with recruiting the employees followed by improving their skills, performance and retention. The best way to do it is to appoint the right person for the right job at the right time. One of the vital objectives is to get the competitive edge

on the competitors by retaining their intellectual capital (Chaudhary, 2015). Considering that the human element is the central engine of the resources of every organization (Al-Azzawi, 2016), its performance and productivity is the most important priority for the businesses. In order to run any organization successfully it is very important to recruit, train and retain the best performing employees. But retaining their level of performance is influenced by the HRM functions of the companies. Boosting the morale of employees is also very impor-

tant to get better results. Subsequently, the two approaches which are related in the research problem in this research are HRM functions and employees' performance. In view of contemporary organizations transforming organizational capabilities into a competitive advantage require human resource needs to be dynamically managed (Qureshi, Pillai & Singh, 2018); this is achieved through the effective and efficient practicing and implementation of the HRM functions.

The success of an organization relies on the commitment of its individual human resources towards the attainment of a common goal. Organizations consider that human capital is quite significant in founding and sustaining a competitive advantage (Nandikove et. al, 2017).

institutions of Abu Dhabi. Although HRM plays a vital role in enhancing the performance of workforce and organizations, several organizations in developing countries don't pay much attention to HRM (Tabouli, Habtoor & Nashief S, 2017). There are, in fact, only a handful of studies on HRM in UAE as compared to the wide range of studies in Europe, America, and different parts of Asia. The current study will help to bridge this gap of previous research.

The conclusions of the present study will be useful to academics, researchers, HRM practitioners, and anyone who is either directly or indirectly associated with the field of HRM. The findings can be employed for revisiting the scope and

TABLE 1. HRM FUNCTIONS AND ASSOCIATED RESPONSIBILITIES

HRM Functions	Responsibilities Associated with each Function
Analysis and Design of Work	Job analysis, work analysis, job descriptions
Recruitment and Selection	Recruiting, posting job descriptions, interviewing, testing, coordination, use of temporary employees
Training and Development	Orientation, skills training, development programs, career development
Performance Management	Performance measures, preparation and administration of performance appraisals, feedback and coaching, discipline
Compensation and Benefits	Wage and salary administration, incentive pay, insurance, vacation, retirement plans, profit sharing, health and wellness, stock plans
Employee relations/Labor relations	Attitude surveys, employee handbooks, labor law compliance, relocation and outplacement services

Source: Adapted from Noe et.al (2016)

“Human resource management (HRM) refers to the policies, practices, and systems that influence employees’ behaviour, attitudes, and performance”. These practices are analysis and design of work; recruitment and selection; training and development, compensation, performance management and employee relations (Noe et.al, 2016). The responsibilities attributed and associated with each of the HRM functions are given below in the Table-1.

This paper focuses on examining the impact of HRM functions on the performance of employees in the banking

functioning of HRM towards developing better HRM practices and strategies for improved employees’ performance in competitive business settings. Based on a literature review, the experience of researchers, discussions with banking employees paved the way to understand and draft the main research problem which is about assessing the influence of HRM functions on the performance of employees working in the banking institutions. A range of studies is conducted on HRM practices in Europe, America, and different parts of Asian continent. The studies stressed the results or impacts of HRM practices on organizational perfor-

mance, but not the employees' job performance (Tabiu & Nura, 2013). These theoretical gaps provided the researcher with an opportunity to conduct a research study on analyzing the association or correlation of HRM functions with the performance of employees to contribute to bridging the existing gap.

Based on the main problem the following research questions are being answered:

Do the HRM functions bear any relation with employees' performance?

Does the employees' performance get influenced by enhancing the role and scope of HRM in the banking sector?

Do the employees respond to the changes taking place in the internal and external environment of the organization with the help of HRM functions?

Research objectives

The research aims at assessing the association of HRM functions such as training and development, performance management, recruitment and selection, promotion, compensation, employee relations with the performance of employees. With the help of primary and secondary data, different factors contributing to enhancing the HRM role and scope in the banking industry could be identified. The study attempts to understand how the HRM functions are used and embraced by the banking institutions in Abu Dhabi. Through analysis and interpretation, the present work attempts to understand how HRM can also be a source of raising the performance of employees' in terms of achieving excellence in the industry. Considering the unique nature of each function, an effort is made to get an insight into the concept of various functions of HR.

Literature review

There is a rising concern based on the idea that human resources should be viewed and cherished as essential assets rather than considering them as a cost for the organization. It needs to be considered as a strategic factor which supports

and augments the sustained competitive advantage for organizations, particularly for service organizations such as banking institutions where the human element determines the level of customer satisfaction with the bank. A strong association between HRM and both employee attitudes and workplace performance was proven by Guest et al. (2000a) through their research spread over the sample of 28,000 employees at 2000 workplaces. Greater use of HR practices is associated with higher levels of employee commitment and contribution and is in turn linked to higher levels of productivity and quality of services (Guest et al., 2000b). Quality of service is one of the differentiating features for banking institutions. A higher level of quality of service leads to improved organizational performance thus the role of HRM is worth including.

In the Middle East region, the UAE is one of the most developed economies. The role of UAE Government is to "endeavor to ensure that employment is available for citizens and to train them so that they are prepared for it", as per the notable commitment of Article 20 of the UAE Constitution (Waxin & Bateman, 2016). HRM has a prominent role in the social and economic achievements of the national and organizational goals of the UAE as well as in the wider Gulf Cooperation Council (GCC) (Scott-Jackson et al., 2014a). Factors such as the evolving educational system, the diverse and multi-cultural labor pool, the increasing pressure for Emiratisation, evolving UAE governmental regulations and the existence of a dual labor market (Reich, Gordon & Edwards, 1973) are affecting the HR environment of the UAE (Waxin & Bateman, 2016). The UAE is unique in the cultural melting pot of its banks' employees as the country has one of the highest proportions of expatriates (88.5%) in the world (UAE banking perspectives, 2019). To ensure the stability and soundness of the banking sector,

the Central Bank of the UAE (CBUAE) issued a regulatory framework in the second half of 2018, which incorporated areas such as enhancing governance; internal control environment; strong and capable compliance function with comprehensive monitoring program by ensuring regular communication and training for employees and all key stakeholders; and a self-review process for board and board committees (UAE banking perspectives, 2019). The future of banking of the UAE is moving towards making workflows become more digital thus leading to a necessity to retrain and redeploy the existing work force, and at the same time, making new recruitments with tech-trade expertise (Oommen, 2019).

HRM is a well-established field, but there is a debate between researchers that HR is a process or outcome of a process. Different researchers and scholars have a different point of view on it. According to Akhtar, Ding, & GE (2008), HRM is not a process and is the outcome of the process which is being run by the organization to get the desired result. On the other hand, Jain & Jain (2015) claims that HRM is a process which is done by linking the employees towards the specific job to get desired results. According to the understandings of the author, HRM is a process which has an outcome in the shape of performance which could be good or bad. This starts from planning the need for employees for a specific job. Then the process starts which includes the recruitment of the staff, training and development of the employees, the management of the employees to get the best possible performance from them and at the end to retain the performance of the employees and to encourage them the rewards and appraisals are very important. If all of these steps are coordinated and placed in the right context the performance of the organization could be increased. According to Mention & Bontis (2013), the desired results could not be achieved if

the HRM practices and other management policies are not in line with each other. If not, then the performance of the employees will get affected which will result in the poor organizational performance.

HRM is seen as a completely modern approach to overseeing originations in a particular way and linking human asset with strategic management. This approach to HRM emphasizes the significance of completely and emphatically utilizing human resources (Tabouli, Habtoor & Nashief S, 2017). We can also take into account the US management concept of HRM which signifies the thoughtfulness and prominence given to workforces and the requisite for treating them as assets rather than costs (Wilkinson, 1990). Different perspectives are available in research that exhibit a relation between the action of organization in the form of investing in its human capital and the response of employees in the form of enhanced commitment. One of those is social exchange perspective which suggests that employees are likely to reciprocate in constructive and productive ways to the investments made by organization in their employees (Cropanzano and Mitchell, 2005). Researches have shown that employees tend to decipher such investments as ability, motivation and opportunity-enhancing HR practices and a form of assurance and support by the organization, which is then reciprocated by the employees by embracing positive attitudes that leads to the attainment of organizational goals (Violetta & Heidi, 2018).

Through their research Patterson et al. (1997) examined the connection between performance of business and organizational culture and the usage of a number of HR practices. Their findings evidently expose that there are two HR practices which are worth noting: "(1) the acquisi-

tion and development of employee skills and (2) job design including flexibility, responsibility and variety". A compelling set of HRM practices have optimistic impacts on the job performance of employees' and outcomes reflected that few rather than all the HRM practices correlates considerably with employee job performance in spite of the fact that all are related. It is suggested, through already conducted research, that organizations should employ a constant review of HRM practices to contemporize their practice (Tabiu & Nura, 2013).

Employee performance is the main focus of HRM and it is researched on a constant basis to get a better understanding. The performance can be defined as set of activities performed by an individual who reflects the level of proficiency in undertaking the jobs and responsibilities assigned to him or her (Alomari, 2017). Researchers and organizations have always shown concern and interest in the performance of employees allied to their jobs (Tabouli, Habtoor & Nashief, 2017). In other words "the employee's performance is use of knowledge, skills, experiences and abilities, to perform the assigned mission required by their managers efficient and effectively" (DuBrin, 2006).

According to Chaudhary (2015), it is a common understanding that the performance of the employees has a direct link with organizational performance. The job performance of employees is also described as the employees' behaviors or actions associated to the aims or goals of the organization in question (McCloy, Campbell, & Cudeck, 1994).

Highly motivated employees always boost the organizational performance and organizations which retain and encourage their best-performing employees to increase their organizational performance. The performance of employees is also affected by the work practices being enforced in the organization.

According to the Akhtar, Ding, & GE (2008), the more employees feels secure, confident and encouraged the more they perform, which leads towards better organizational performance. For instance: The role of a supervisor affects the performance of all his workers, but this could be in a positive or negative sense. It is proved that his/her good performance will make a better performing and problem-solving workforce. Huselid (1995) studied high performance work practices and found that while productivity is influenced by employee motivation; financial performance is influenced by employee skills, motivation and organizational structures.

The relationship between human resource practices and job outcomes is a progressively investigated topic in the discipline of human resource management (Edgar & Geare, 2005). Ulrich (1997a) has pointed out that "direct relationships between performance and attention to HR practices are often fuzzy, however, and vary according to the population sampled and the measures used." Early studies linked individual HRM practices such as training, selection, performance appraisal and compensation to the firm's financial performance (Huselid, 1995; Guest, 1997). Researchers argue that it is not merely substantial to generate evidence that high performance is led by efficient HR practices. According to them, the quality of the research done in this respect is still frail and requires more efforts (Wood, 1999). Afterwards researchers found that HRM affects performance by first influencing work climate, which then determines performance (Rogg et al., 2001). In 1997 David Guest commented that "at present the studies report a promising association between HRM and outcomes, but we are not yet in a position to assert cause and effect". Such an issue paves the way to move forward with the undertaken topic to explore and describe

it further in a new market where it has not been yet attempted.

In the previous studies, researchers have found that well-defined recruitment and selection practices, availability of promotional opportunities, suitable and relevant grievance resolution mechanisms, flexible benefit plans, and assigning considerable autonomy to individuals, opportunities to learn and grow are found to relate employees' commitment positively to the organizational performance. The 'black box' research by Purcell et al. in 2003 explored the unknown link between inputs and outcomes. Their conclusion was that HR practice feeds in as an 'ingredient' in the workplace and, through various mechanisms, feeds out through the other side as improved performance. The present world is becoming more competitive and unstable than before; organizations are seeking to gain competitive advantage at all costs and are turning to its most viable resources through various human resource management functions. One such function is human resource planning which can be defined as a process of determining the total labour requirements that an organization require in order to achieve its objectives. Work design is a process of analyzing the tasks necessary for the production of a product or service, prior to allocating and assigning these tasks to a particular job category or person. Job analysis refers to the process of getting detailed information about jobs. Job analysis has been called the building block of everything that the HRM department does. Job Analysis is important to understand the job requirements to make intelligent hiring decisions (Noe et al., 2016).

Recruitment is using the analysis of the job in order to select and identify the needs and requirements of the organization, and it's related to the adopted strategy by the organization through human

resource management planning (Macky & Johnson, 2004). Selection is the process that matches individuals and their qualifications to jobs in an organization (Mathis & Jackson, 2011). Effective recruitment and selection attract the right quality and quantity of people. One of the prominent HRM functions is training and development. Updating the talent of a workforce through skill development, building state of the mind, ensuring the emergence of constructive behavior, improving the work quality and team performance in the organization, is expressed in terms of productivity realized by the organizations and entrusted to the training function of HRM (Qureshi, Pillai & Singh, 2018).

Performance Management is the continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the organisational goal. It reflects the total quality philosophy towards performance (Dessler, 2013). Another important function is Compensation which refers to consideration that is paid to an individual who is working for the organization. Compensation for internal employees is managed by the compensation system of the organization which in turn plays an important role in fostering employees' performance and increases their productivity (Kramer and Briffault, 1991). Compensation is the accumulative financial and non-financial rewards payable to the employees of the company in return for their services (Mondy & Noe, 2005). Compensation is a critical value factor required for attracting, retaining and motivating the employees to continue contributing towards organization's success (Philips & Fox, 2003). Companies also have choices when it comes to employee relations. They can choose to invest in employees – essentially treating them as an asset. Or they can treat them as an expense to be minimized (Noe et al, 2016). The HRM functions or

aspects affecting high performance for both individuals and organizations need to be considered.

Research Frameworks and Hypothesis

The research frameworks followed for the topic under study are given below in Figure-1, 2, 3, and 4.

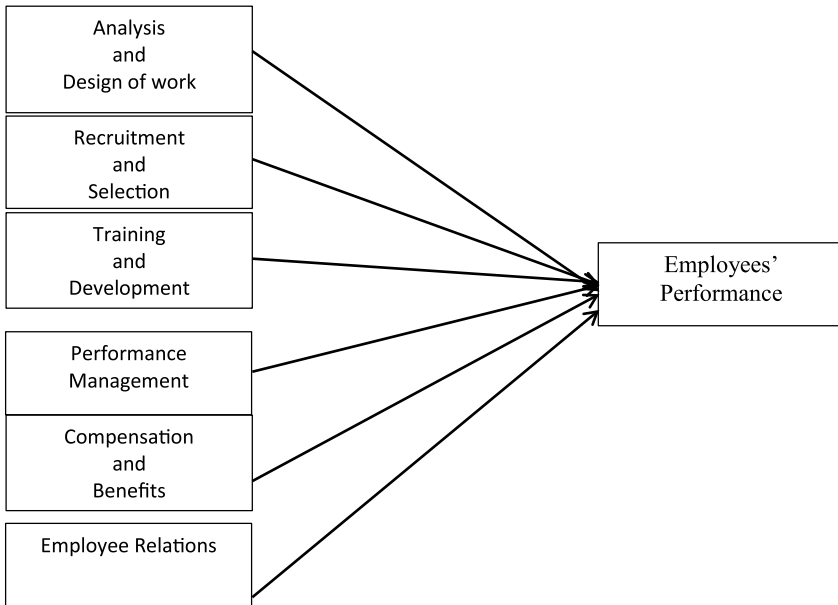


FIGURE 1. DIFFERENT HRM FUNCTIONS AND EMPLOYEES' PERFORMANCE

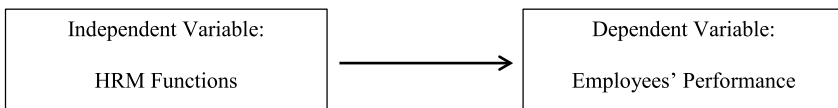


FIGURE 2. DEPENDENT AND INDEPENDENT VARIABLES

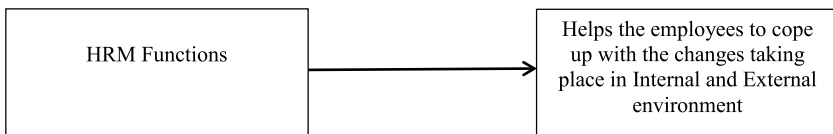


FIGURE: 3 HRM FUNCTIONS AND INTERNAL & EXTERNAL ENVIRONMENT

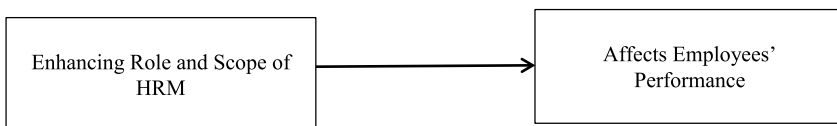


FIGURE: 4 ENHANCEMENT OF ROLE AND SCOPE OF HRM AND EMPLOYEES' PERFORMANCE

Hypothesis 1

Hypothesis H1: HRM functions have an association with employees' performance

Hypothesis H0: HRM functions have no association with employees' performance

Hypothesis 2

Hypothesis H1: Enhancing the role and scope of HRM functions affect employees' performance

Hypothesis H0: Enhancing the role and scope of HRM functions does not affect employees' performance

Hypothesis 3

Hypothesis H1: HRM functions help the employees to adapt to the changes taking place in the internal and external environment of the organization.

Hypothesis H0: HRM functions do not help the employees to adapt to the changes taking place in the internal and external environment of the organization.

Research Methodology

Research methodology plays an important role in research studies as it helps the researcher to undertake authenticated data with the help of the relevant type of research as per the nature of the study. This paper assessed the impact of HRM functions in the banks of Abu Dhabi and its effect on the performance of employees. Based on the literature review, variables for the study are identified. The independent variable is HR Functions and the dependent variable is Employees' performance. The secondary is obtained from numerous research papers, available books, journals, newspapers, business magazines and widely accessible online

databases. In addition, the descriptive arguments and contentions, statistical data with factual information, and logical reasoning are being developed through the understandings constructed on the responses received through questionnaire-based survey (Agarwal & Al-Qouy-atahi, 2017) tool.

The nature of the study is based on the combination of qualitative and quantitative research approaches that aim to collect statistical data for the research. The primary data is collected by using a survey based questionnaire (Blumberg et al., 2014). The questionnaire was drafted with the clear intention to collect primary data from employees of different banks in order to get first-hand data (Flick, 2015). The questionnaire incorporates a list of predefined areas encompassing the HRM functions, consisting of 12 questions; most of them are based on a five-point Likert scale due to the precise nature of the study. It has utilized convenience-random sampling to collect the data for the study from 50 employees working at managerial level in the HR department of 15 leading banks in the region.

To attain the objectives of the research, the research design is descriptive in nature and the major focus is on reporting what has been perceived (Blumberg, Cooper & Schindler, 2014). Together with primary data collection, secondary data-driven information is additionally used. It is a cross-sectional study as it is conceded on one occasion and symbolizes a snapshot of one point in time (Agarwal & Al-Qouyatahi, 2017; Blumberg et al., 2014). The study uses non-probability convenience sampling to get access to the respondents from banking institutions and seeking their contribution to the study.

The domain of the present study is primarily Abu Dhabi as both the researchers currently reside in Abu Dhabi, UAE, and have access to the industry and possess the understanding of the local market to a good extent. For result-oriented analysis of the collected primary data, statistical tools such as correlation, tables & charts, graphs, and frequency distribution are employed.

Data analysis

Analysing the collected data using statistical tools contribute to specific findings leading towards validated results. For testing the proposed hypotheses, statistical tool-correlation is used as shown in the Table-2. Further Rank Analysis is employed to statistically rank which suggestions can best enhance the role and scope of HRM and, in addition, which HRM functions need to be paid more attention to boost employees' performance (refer to Table-3 and 4 respectively). Graphs are also plotted to provide a quick grasp of the relationship between dependent and independent variables (refer to Figure 5, 6 &7).

TABLE 2. ANALYSIS OF THE PRIMARY DATA TO TEST THE HYPOTHESIS

Dependent Variable	Independent variables	Pearson's r	Critical r	Hypothesis testing	Hypothesis accepted or rejected
Employees' Performance	Employee Relations	0.514495755427526	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected
	Performance Management	0.692297162404374	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected
	Analysis & Work Design	0.593329759019617	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected
	Compensation and Rewards	0.184900065408409	r = .235	Pearson's r < Critical r	Null Hypothesis H0 is accepted
	Recruitment and Selection	0.658374380809547	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected
	Training and Development	0.439229295959666	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected
Responding to the changes taking place in External Environment	HRM functions	0.409070844864106	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected

Coping up with the changes taking place in Internal Environment	HRM functions	0.540375836591808	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected
Employees' Performance	Enhanced role and scope HRM	0.720082299823095	r = .235	Pearson's r > Critical r	Null Hypothesis H0 is rejected

TABLE 2. ANALYSIS OF THE PRIMARY DATA TO TEST THE HYPOTHESIS

Suggestions to the banks to enhance role and scope of HRM for better and improved employee performance	Frequency	Rank	Percentage
Having well established In-house HR department	12	1	60%
Shift in HR practices from traditional to strategic	10	4	40%
Proper orientation among the employees with regards to role and scope of HR	12	1	60%
Outsourcing HR function for specialized focus	4	5	20%
Giving considerable autonomy and independence to HR department like other disciplines	12	1	60%
Any other	0	6	0%

It can be noted that there are three (3) suggestions that incurred 60%. They are: 1. having well established in-house HR department; 2. Proper orientation among the employees with regards to role and scope of HR; and 3.

Giving considerable autonomy and independence to HR department like other disciplines. This means that the three suggestions are 60% better than the rest of the suggestions.

TABLE 4. RANK AND PERCENTAGE ANALYSIS OF PRIMARY DATA

Function(s) of HRM needs to be paid more attention towards boosting employees' performance in the banking sector	Frequency	Rank	Percent
Analysis and Design of work	2	8	0%
HR planning	4	7	14.20%
Recruitment and Selection	7	4	57.10%
Training and Development	9	2	86.70%
Compensation	8	3	71.40%
Performance Management	5	5	28.50%
Employee Relations	5	5	28.50%
All the functions	10	1	100%

It is notable that all the functions incurred 100% which means that all HRM functions are needed in boosting the employee's performance and 100% better than isolating each HRM function to boost employee's performance.

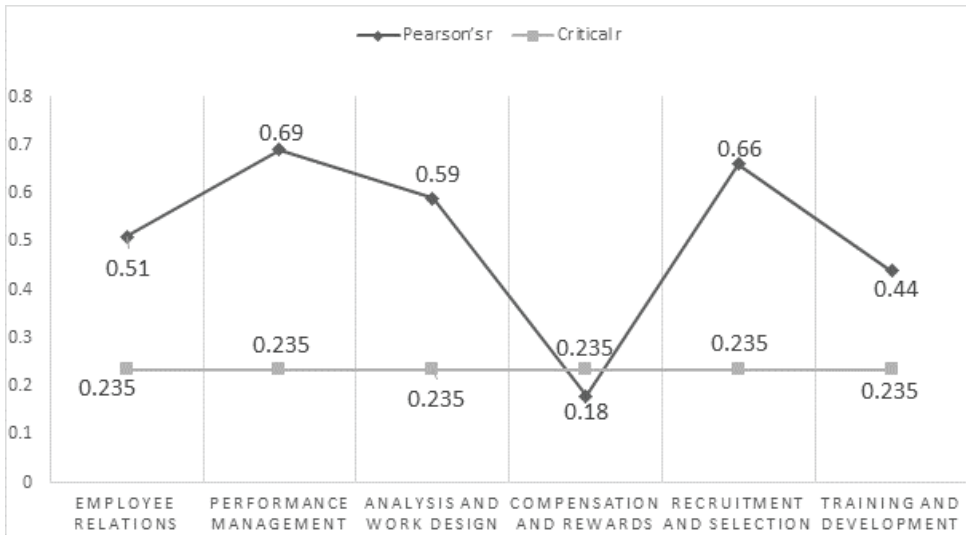


FIGURE 5. CORRELATION OF EMPLOYEES' PERFORMANCE TO HRM FUNCTIONS DATA

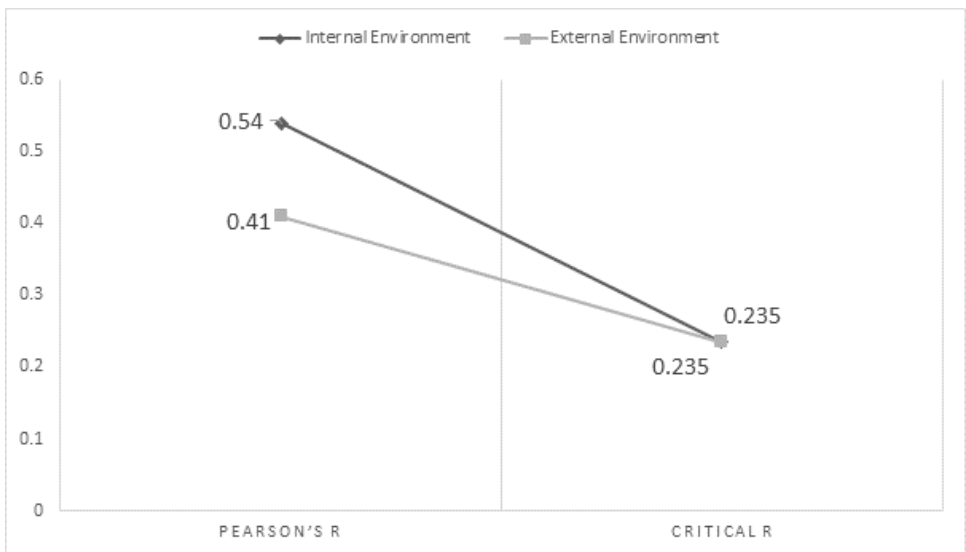
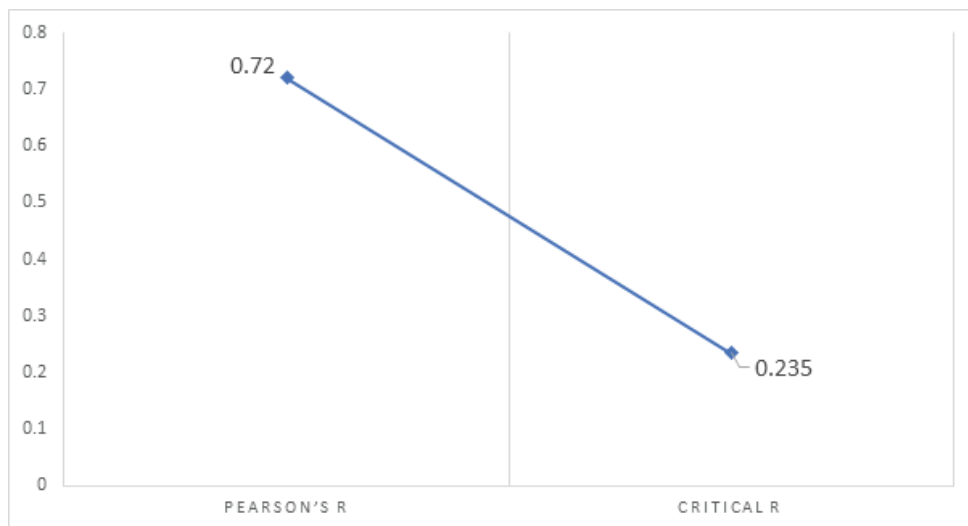


FIGURE 6. ASSOCIATION OF THE HRM FUNCTIONS AND ITS CONTRIBUTION TO HELP THE EMPLOYEES TO COPE UP WITH THE INTERNAL AND EXTERNAL ENVIRONMENT

FIGURE 7. ASSOCIATION OF ENHANCED ROLE AND SCOPE OF HRM FUNCTIONS TO THE EMPLOYEES' PERFORMANCE



Findings and interpretations

Correlating Employee's Performance to Employee Relations

It can be observed that the computed Pearson's r and Critical r were 0.51 and 0.235 respectively. Since the former is higher than the latter the decision is to reject the null hypothesis. This simply means that the majority of the respondent's view employee relations to have an impact on employee's performance. The impact is up to larger effect because the Pearson's r is more than 0.5. Employee relations play a vital part in enhancing the performance of the employee. Having a challenging professional relationship with the supervisor can decrease employee's performance especially if the employee is emotional or taking things personally.

Correlating Employee's Performance to Performance Management

In this case, the computed Pearson's r is greater than the Critical r having figures 0.69 and 0.235 respectively. Thus, the null

hypothesis should be rejected which means that most of the respondents view performance management to have a larger effect on employee's performance with special consideration to $r = 0.69$ being greater than 0.5 based on decision rule and the highest among the related independent variables. If the company has a concrete performance management structure it would positively affect the employee's performance. Having a high-performance rating of an employee coupled with rewards for that achievement would result to enhanced employee's performance. Needless to say, unrewarded high-performance appraisal of an employee could eventually lead to demotivation. Thus, results in poor employee's performance.

Correlating Employee's Performance to Analysis and Work Design

Most respondents view analysis and work design to have an impact on employee's performance based on the result of the comparison of the Pearson's r and Critical r incurring the figures 0.59 and 0.235

respectively. It can be noted that the Pearson's r is greater than the Critical r which could also mean the extent of impact of analysis and work design to employee's performance is of greater effect. There could be times that employees may feel bored because of the repetitive nature of a task. It is imperative that a supervisor identifies the motivation of employees. The employees can be stimulated with excitement by employing job rotation and job enlargement. Employees are being placed in different divisions or departments to acquire more learning and knowledge in different areas. In addition, giving tasks to employees which are not part of the daily job motivates them to some extent when the employees are up to learning new things.

Correlating Employee's Performance to Compensation and Rewards

The result of the correlation between these two variables seems to be intriguing considering it is the least among any other related independent variables. Typically, a quick conclusion can be formulated that compensation and rewards can enhance employee's performance, but not in the case of the respondents of this study. The respondents view compensation and rewards to have little impact on employee's performance basing on the statistical result that Pearson r is less than Critical r by 0.055 therefore resulting in the acceptance of the null hypothesis. This is obviously a surprising result. However, by taking into consideration the current economy of UAE, tax is now imposed on commodities to augment the income of the government, it can be safe to imply that the economy may not be as good as before. Significant numbers of companies are being affected to the point of laying off employees. With the current economic condition, it can be assumed that job security may be a more dominating varia-

ble in enhancing employee's performance compared to compensation and rewards.

Correlating Employee's Performance to Recruitment and Selection

The association of recruitment and selection to employee's performance is very notable considering being the third highest Pearson's r having 0.65 among other independent variables and greater than the critical r having 0.235. It can be easily noticed that the respondents view recruitment and selection function to have a large effect on the employees' performance. Thus, here we are rejecting the null hypothesis. A structured recruitment and selection process could mean placing the right person for the job and performed in accordance to a clear and definitive job description. Most of the companies in the UAE employ interview method alone. There are several of methods that can be employed to further enhance the quality of manpower being recruited for the job.

Correlating Employee's Performance to Training and Development

The computed Person's r and critical r were 0.44 and 0.235 respectively. Though the former is greater than 0.235, it could not be interpreted that the impact of training and development is at large effect. Since Pearson's r is 0.44 and less than 0.5, it could mean that the respondents viewed training and development to have an impact on employee's performance but to a lesser effect compared to other independent variables. Training and development not only enhance the skills and knowledge but also with proper application, monitoring and evaluation could lead to enhanced employee's performance.

Associating Responding to the Changes Taking Place in External Environment to HRM Functions

The respondents in this study viewed that responding to the changes taking place in the external environment of the organization has an association to the human resource management functions, but not up to a large effect. Since the Pearson's r is less than 0.5, the effect of the association between the two variables is at least effect. Possible changes in the external environment are legal aspects wherein HRM functions should be updated to cope up with the changes and prevent any unfair practices imposed on the employees.

Associating Responding to the Changes Taking Place in Internal Environment to HRM Functions

Based on the statistical result, the Pearson's r has a value of 0.54 which is greater than the 0.235 value of the Critical r . This means the respondents viewed that coping with the changes in the internal environment has an association with the HRM functions. Since Pearson's r of 0.54 is greater than 0.5, it can be interpreted that the association between the two variables is at large effect. It is notable that responding to changes in internal environment has a larger effect to HRM functions compared to the external environment. Possible changes in the internal environment are resignation and increasing number of retiring employees. The stated examples can definitely impact the different HRM functions considering its interrelatedness of each other.

Associating Employee's Performance to Enhanced Role and Scope of HRM

The statistical result in this case is notable considering having 0.72 Pearson's r and its closeness to 1. This means that the respondents viewed the association of employee's performance to enhanced role and scope of HRM is a large effect. In

addition, since the Critical r is less than the Pearson's r , it resulted in rejecting the null hypothesis. The employee's performance is very critical in enhancing the role and scope of HRM. It suggests a way of improvement and betterment as a whole. There are possible loopholes that can be discovered while the employees performed assigned tasks. The HR can use that as a stepping stone in achieving enhanced role and scope.

Conclusion

To conclude, it can be said that the performance of the employees working in different business scenarios is being influenced by human resource management. It is observed that in order to sustain the position of the company in the current competitive marketplace, it has become essential for the organizations to focus on their internal customers (employees) and motivate them to increase their efforts to sustain their position in the banking sector which is predominantly a service industry where the role and association of the human touch is of the utmost importance. The research has outlined a set of research objectives and research questions to give the research a determined focus from the first section of the study. The second section is based on a brief literature review based on several secondary data research that has helped the researchers to outline a questionnaire (mostly Likert Scale), analyze and interpret the primary data to determine the percentage of respondents related to the questions in the study. The third section is about data analysis using statistical tools and graphs along with findings and discussion entailing the researchers' interpretation.

Based on the quantitative analysis, it is concluded that, to a good extent, the HRM functions are associated with the employ-

ees' performance as indicated by the results of the Table-2 in data analysis part. Further, to add the five out of the six human resource (HRM) functions exhibited statistically proven correlation with employees' performance and the only exclusion in this context was the compensation and reward function. The outcome of research helps to understand that banking institutions can embrace and use which HR functions to boost their employees' performance. The undertaken study also reflects (refer to Table-4) that it is not one or two functions need to be paid more attention rather all the functions require due consideration to boost employees' performance working in banking institutions. A wide range of HRM choices available to banking institutions for taking some initiatives to enhance the role and scope of HRM for better and improved employees' performance, but few are more prominent and play a more vibrant role as exposed in Table-3 of data analysis section.

Thus it would not be an exaggeration to say that the organizations, especially service organizations like banks can perform and bring in results with the support of best employees. HRM along with its six functions deals with the organization's human capital and resources. Effective HRM empowers the bank's employees to perform industriously and adequately towards accomplishing the objectives and goals of organizations.

Limitations and future studies

Every research possesses certain limitations; the present work is also no exception to this. These shortcomings served as a direction to lead towards future work. In the first place, further studies can be done on a sample of large size for improved understanding of the relation between the variables understudy. Secondly, since the focus of the undertaken study was the banking sector of the capital city of UAE,

therefore, the speculation of the outcomes to alternative countries is constrained. Future studies could approach the alternative cities/countries within a similar region to assess the linkage between HRM and employees' performance. Cross-sectional style of the analysis may well further curb research. Utilizing a longitudinal approach could likewise address the connection between HRM and employee performance over a period of time and done with some moderator or intermediary variable (s). Future research ought to additionally study the examined connotations in alternative business and corporate sector settings.

In future, in addition to those HRM functions which are already taken into account in the present work, researchers should use more HRM functions, to find out the relationship and an association between employees' performance and HRM functions. There might be a need for future studies to present a meaningful explanation of HRM functions such as, training and development, performance management, HR planning, and work design, employee relations, and compensation and benefits in the context of chosen industry for ascertaining the better yield of the research which is another limitation of the present work. Future researchers could also try to investigate that how HRM affects and retains the level of interest of employees in the assigned job towards an ongoing improved performance and whether HRM can contribute to add to the existing knowledge base and basket of skills of employees.

We hope that the present study can stimulate a great deal of academic and pragmatic researches on the way to make employees more productive, efficient and effective towards improved performance and the role of HRM in this milieu.

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