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Human Resource Management Practices/Mechanisms  
and Organisational Performance:  
An Empirical Investigation Exploration of the Relationship Linkage  
in the United Arab Emirates

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Human Resource Management Practices/Mechanism and Organisational  
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the Country of the UAE

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## Abstract

This study investigates the relationship between human resource management (HRM) practices and organisational performance, specifically emphasising their impact in the United Arab Emirates (UAE). The existing research on this subject lacks clarity and conclusive evidence. It is crucial to explore this topic to better understand HRM's influence on performance, since it has been the research topic for many researchers for several decades without conclusive evidence, and in particular in the unique context of the UAE, that there is a gap of managerial studies. Additionally, this research addresses the need for HRM to communicate its strategic value, which is often overlooked in GCC countries. The research was conducted in Abu Dhabi, UAE, using a qualitative approach. It involved fifteen semi-structured interviews and two focus groups with participants from medium-sized private sector companies, providing in-depth insights into the connections between HR practices and performance. The study's findings indicate that compensation, training, recruitment and selection, and performance appraisal positively impact organisational performance. Conversely, Emiratisation, a notable HR practice in the UAE, has a negative effect. These outcomes are influenced by both sub-HR mechanisms and non-HR mechanisms. Consequently, the impact of HR practices on performance depends on how these mechanisms are managed within each organisation. In conclusion, this research aims to enhance our understanding of HRM's impact on organisational performance, shedding light on complex processes. It responds to the demand for research in non-Western contexts, specifically in the Middle East, where management research is underrepresented. Moreover, it emphasises the value of HRM in achieving strategic objectives, a matter of concern in GCC countries.

**Keywords:** HRM practices, Performance, Training, Compensation, R&S, PA, Emiratization, UAE

## **Dedication**

To my husband...



## **Acknowledgement**

I would like to thank my supervisors, Professor Hans Ruediger Kaufmann, Professor Daphne Halkias and Professor Mohsen Saad for guiding me throughout the course of my PhD journey. Their valuable recommendations, constructive suggestions and rigorous critiques enabled me to develop a deep understanding of the subject. I would also like to give a big and special thank you to my supervisor Professor Kaufmann for his endless support in this difficult journey; he was always there for me, providing me with his support and help!

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## **Declaration**

I declare that the work in this thesis was carried out in accordance with the regulations of the University of Nicosia and is original except where indicated by specific reference in the text. No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other education institution in Cyprus, Greece or overseas. Any views expressed in the thesis are those of the author and in no way represent those of the University.

Signed Valeria Gkoura

Date 09/01/2024



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# Chapter 1: Introduction

## 1.1 Purpose and Contribution of the Research

### 1.1.1 Purpose

This study explores the novel issue of HR practices' role in improving organisational performance (OP) (Abudakar et al., 2013). This topic is crucial and has been the 'holy grail' for many researchers (Boselie, 2005). The nature of this interaction, especially the search for conclusive evidence has been eagerly pursued by the HR research world (Boselie, 2005). As both Boselie (2005) and Guest (2011) mentioned, the field lacks a theory that will clearly state the nature of the relationship that exists between the variables of human resource management (HRM) practices and performance. Thus, this research problem created many calls for studies to explain the relationship between these variables. Researchers were asked to improve the critical review and integration of HRM theories, advance the understanding of one or more of the HRM-Performance theories, improve the methods that have been deployed, and enhance the analysis (Boxall et al., 2016). Thus, the field has received considerable research attention; however, the processes that link HRM practices and OP have not been fully understood (Chowhan, 2016); Tensay and Singh, (2020), and a "black box" has been created (Boselie et al., 2005). The first efforts to open the "black box" are related to Wright and Gardner (2003). Since then, numerous researchers have tried to unlock it; however, the "black box" still remains (Paauwe and Farndale, 2017; Paauwe, 2020), and as it has been stated, the field is going in circles (Delery and Roumpi, 2017) and major questions remain unanswered (Banks and Kepers, 2015; Sobaih et al., 2019; Paauwe, 2020). One of the main researchers in the field, Guest (2011) argued that

there is a danger that we will let the weeds grow under our feet as we try to raise our sights to new challenges. Yet, many of the basic questions remain the same and after hundreds of research studies, we are still in no position to assert with any confidence that good HRM has an impact on organisation performance (p.11).

Other researchers have also stated that there is a need to "peel back the onion" and describe the process through which HRM and OP are connected (Fleetwood, 2010). Thus, all this research has created a dead end because the relationships between the factors have not been

well understood until now (Tensay and Singh, 2020). For these reasons, the researcher must apply a case study in this research to contribute to the discussion and aid the understanding of the relationship. Also, HR scholars have received criticism for overlooking the role that context plays in most HR phenomena, and it has started gaining attention lately (Murphy et al., 2017). Johns (2006) states that even in some of the most well-studied processes in HR, such as selection and performance appraisal (PA), researchers have not paid sufficient attention to context. So, it may be especially useful for extending the understanding of how organisational practices and systems work (Murphy et al., 2017).

### **1.1.2 Contribution**

The current study aims to undertake empirical research that will explore and investigate in depth how HR practices, their power/tendencies, and how their processes work and why when it comes to OP, and try to contribute to knowledge by trying to propel this "black box" forward by eliciting fresh insights. From the beginning, investigating how complex processes in HRM unfold qualitatively, will help to investigate how HR practices are connected and influence the organisational performance. Qualitative methods go deep inside a relationship and allow the researcher to understand the hidden meanings and connections since they go beyond the surface and help the researcher to have a holistic idea of the research problem., So, qualitative methods were the most appropriate research approach for the current research. Thus, to find better relationships and investigate the nature of the relationship, the current research will attempt to connect certain HR practices and OP with society by putting employees back into the centre of the equation and asking HRM to forego its one-sided understanding of performance and emphasises human nature inside HRM. Also, according to Theophilus Azungah (2018), quantitative approaches have conquered the business field with quantitative studies in the main stage and with qualitative methods in a supporting role most of the time. Scholars interpret this as a loss to the field because qualitative methods can shed light on complex issues, like cultural and institutional settings of multinational organisations,.

Moreover, qualitative research offers insights that are hard to produce with quantitative measures by offering thick, in-depth descriptions (Gephart, 2004; Theophilus Azungah, 2018) of HRM practices in real-life contexts. The current study will try to succeed in providing in-depth context. Lege (2001) states, that one must avoid overemphasising capitalist performance perspectives at the expense of other non-financial variables since this has frozen any understanding of the HR-Performance linkage. Guest (2011) added that the

“rush to empiricism” and “hard” data has occurred at the expense of key conceptual considerations, and the process remains frustrating. This soft perspective remains almost completely untested, with researchers preferring to focus on more accessible “hard data” (Cafferkey et al., 2015).

Moreover, this study will also respond to the call for research in a non-western context. As Paauwe and Farndale (2017) stated, the vast majority of HR-Performance research has occurred either in the USA or the UK, concluding that the research in these countries is only sometimes functional in the rest of the world. Researchers have frequently observed the challenge of applying and effectively transferring HR practices of Western multinational organisations in the Middle Eastern context (Nakhle, 2011; Mellahi et al., 2013; Spyridonidis and Currie, 2016). The sporadic evidence from the literature describes a mixed picture; that is, the Middle East's socio-cultural solid and institutional context stresses foreign firms to adapt their headquarters HR practices to match the Middle Eastern set-up. However, lately, there is a growing literature that states that there is a need for foreign firms, as well as employees, to adapt and strongly react to the local requirements of the Middle East context in order for these firms to be successful (Rodriquez and Scurry, 2014; Budhwar et al., 2018; Paauwe, 2020). Sometimes, this can be done using a hybrid model or unilaterally transferred (Yahiaoui, 2007; Al-Husan and AlHussa, 2016; Budhwar et al., 2018). Considering Western HR practices for Middle Easter companies creates challenges for the HR manager in choosing which approach to adopt when it comes to developing their HRM systems (Budhwar et al., 2018)

Furthermore, Stone and Romero (2008) and many other researchers have stated that HR practices of recruitment and selection, compensation, training, are grounded in Western European values and might work differently in different countries. William Scott-Jackson et al. (2014a), with a report based on the most extensive research project into HR in the Gulf Cooperation Council (GCC countries are Saudi Arabia, Bahrain, Oman, Kuwait, Qatar, and the United Arab Emirates), stated that:

...after extensive interviews and case studies that many current ‘best practice’ HRM, developed from Western history of industrial relations in highly individualistic societies, is either irrelevant, inappropriate or dysfunctional in the GCC context and in many other more collective/relationship-based societies (William Scott-Jackson et al., 2014a, p.1).

The six GCC nations have similar labour market and demographic characteristics like high unemployment among citizens, heavy dependence on expatriates, quick growth of the residents, little participation of females in the workforce and small participation of nationals in the private sector. Additionally, many researchers have highlighted the absence of robust information regarding the nature and strength of forces determining the methods adopted to manage human resources, and their appropriateness for companies that are operational in the GCC. Researchers highlighted the context-specific nature of the region's HRM function and the prevalence of leading indigenous HRM methods (Afiouni et al., 2014; Budhwar and Mellahi, 2016). So, Budhwar et al. (2018, p.906) stated, regarding the above, that: "All such factors create huge research avenues for further theory development and developing context-specific best HRM practices." Thus, this study will try to contribute knowledge by covering this gap by researching a non-Western Arab Country. Although the Middle East has a very large number of expatriates, the research that has been conducted on the management of expatriates is scarce (Budhwar et al., 2018). Moreover, the study of Al-Jahwari and Budhwar (2016) cited by Budhwar et al. (2018:917) stated regarding HR practices:

The various HR processes are often designed with Western practices in mind, but when carried out, the practices are often not well aligned with business strategies; they are implemented for narrow administrative purposes and remain loosely connected to each other.

Another reason this research is very important, is that it will contribute to the knowledge of the Middle East region, which has been left behind in terms of international management research, together with the majority of the Arab world (Farouk et al., 2016). Many researchers (Williams, Bhanugopan and Fish, 2011; Harry, 2007; Waxim, 2016; Budhwar et al., 2018) have highlighted the challenges and difficulties of conducting research in the region, and the difficulties of gathering reliable statistical and empirical data. Thus this could be a contributing factor to this deficit. So, this kind of research is essential to be conducted and encouraged (Moideenkutty et al., 2010) since, in comparison to other parts of the world, the Middle East region has less available literature related to the field of HRM (Lages, 2015; Budhwar et al., 2018).

Moreover, this study is vital since, as William Scott-Jackson et al. (2014a) stated, there is clearly a failure of HR in GCC countries to communicate its value and contribute to the strategic goals of the organisations. Also, the HR important areas do not match with the key issues expressed by business leaders in GCC countries, and the HR appears to be great in

areas considered less crucial by leaders and less efficient in areas that are considered business-crucial (William Scott-Jackson et al., 2014a). Finally, their survey verifies that some features of Western HR best practices do not respond to the needs of GCC companies. Therefore, it is necessary to identify and establish appropriate HR procedures and methods and make the most of GCC organisations.

Moreover, this study is unique in the sense that it will utilise a factor that, although crucial and commonly used as an HR practice in the GCC region, has not been investigated yet. This factor is called Emiratisation. Emiratisation is an initiative by the UAE government to employ its citizens. Emiratisation policies are implemented at all levels by establishing a special department, quota, and incentives.

Last but not least, when it comes to methodology, certain issues have made many researchers sceptical (Fleetwood, 2010). According to Fleetwood (2010), one of the reasons that the literature could not conclude the HRM-Performance link and has reached a dead end is that they have been investigating the wrong way all along. This has to do with the 'scientism' method and to be confident that transferring techniques that function in natural science could work in social science, too (Fleetwood and Hesketh, 2010; Vincent and O'Mahoney, 2018). According to Paauwe and Farndale (2017), studies that include more proximal, micro-level HRM measures and outcomes are needed to help understand this HRM-performance relationship in greater detail since this part has been the least explored until now. Thus, this is what the current study will try to succeed in to enable a higher understanding of the HRM-performance. Further, Fleetwood (2010) stated, "While it is difficult, none of this should be beyond the wit of good qualitative researchers, and the problem is not so much that we cannot identify any of these phenomena, but that we are currently not even trying!" (p.262).

Moreover, Guest (2011) stated that "there is a risk that research sophistication, and more particularly statistical sophistication, can become an end in itself" (Guest, 2011, p.10). Guest (2011) continues by saying that it would be unfortunate if this discouraged some good qualitative researchers from entering the HR-Performance field, because some basic methodological questions remain unanswered, like which HR practices or combination of them have the most influence or when, how, why, or for whom (Guest, 2011). Finally, he added that there is a risk of disregarding some core questions in support of abstracted empiricism and statistical rigour (Guest, 2011). Paauwe and Farndale (2017) added that further studies need to address the calls by critical theorists regarding the sometimes overly managerial focus of HRM research.

All the above are the issues that the current study will try to investigate, and it will use metatheory and critical realism to build up a clear idea.

## **1.2 United Arab Emirates**

Despite the economic importance of the Gulf region, a small amount of research in managerial fields has taken place in Gulf countries and the UAE in particular. Many researchers (Weir, 2002; Siddique, 2004; Budhwar et al., 2018) highlighted the fact that there is a lack of research on HRM issues, and it needs to be encouraged in the UAE and other GCC countries. Budhwar et al. (2018) made an extensive literature review of the research in the Middle East regarding HR-related issues, revealing a fragmented image of the whole research scene and a clear absence of a comprehensive review. Moreover, many researchers have highlighted the need for the Middle East-centred research to move towards individualization in HRM practices and policies like rewards and promotions and high-performance-based HRM systems. (Branine, 2006; De Waal and Sultan, 2012; Budhwar et al., 2018).

Finally, in light of the burgeoning business activities in the Middle East, the interest from both academic and practical perspectives is growing to understand the most fitting Human Resource Management (HRM) systems for the region. The complexities and distinct challenges HRM encounters in the Middle East are becoming increasingly apparent. There is a discernible shift occurring within HRM, yet the ultimate outcome of this transformation remains uncertain. It is plausible that a hybrid system could emerge, blending traditional Middle Eastern characteristics with Western rationalised approaches. According to Budhwar et al. (2021), observations on the present state of Middle Eastern HRM indicate the emergence of a "basic directional convergence." This implies that common factors influence both the nature of HRM, and the challenges encountered by HR functions in the region. Evident institutional pressures drive numerous countries to engage in nationalisation efforts and prioritise local human resource development, fundamentally impacting HRM patterns. Indigenous practices like "wasta" significantly influence HR management, further underscoring the distinct regional context. Essentially, this analysis responds to the call for a structured review of an under-researched region. The study maps HRM developments by examining macro-level economic, political, and institutional changes in the Middle East. Researchers are encouraged to move away from limited investigations, including blind adoption of Western constructs, and embrace more rigorous approaches. Whether Middle Eastern HRM converges or diverges depends on the prevailing dominant forces.

According to the UAE Government's Official Website, there is a high turnover of employees (57% of the employees intend to change their jobs, and 31% have already changed, although the global turnover standard is only 20% (Hays GCC Salary & Employment Report 2016)). Gulf News (2017) reported that high staff turnover in UAE organisations costs about AED 9.9 billion per year, and innovation suffers too (26th place in 2008 and 42nd place in the 2016 Global Innovation Index). The UAE is very wealthy and resource-rich, and these results can determine those organisations' market position and financial growth in the long run. Finally, as C.M. Siddique (2004), Abdulaziz Al-Raisi et al. (2011) and Marie Waxim (2017) stated, the subject of performance in the UAE has not been widely studied, and there is a research gap.

Moreover, according to Barnett (2015), research on Emiratisation program initiatives and its mandates on the private sector is scarce, and there is a lack of academic research on HRM in the Arab world in general (Marie Waxim, 2017). However, the UAE has been classified as one of the best economies worldwide for business. It has quite a high Human Development Index in Asian countries, and since the national population a small one, a massive number of expatriates have arrived in the country since its establishment. Subsequently, the UAE has experienced rapid growth following the discovery and sale of oil to other countries. Expatriates in the UAE are hired by companies according to their abilities and skills. Replacing expatriate employees is quite an expensive issue for organisations. Under these circumstances, an organisation is likely to think that any kind of investment in HRM is too costly; then again, globalisation brings a big challenge for Arabic organisations (Marie Waxim, 2017). The difference that an organisation can make in today's very competitive environment lies in the HR system that an organisation applies (Cherian and Farouq, 2013). Finally, in contrast with the majority of the countries where research in the management field has been carried out, the GCC countries are described by cultural diversity since they have a large portion of expatriate employees, 88.5% of the population and even higher in the workforce (O'Connor, 2021). Multiple researchers have stated that compatibility between HR practices and national cultural values is fundamental to be compatible. (Sparrow, 2001; Aycan et al., 2007; Budhwar, 2018; Paauwe, 2020). Therefore, it is crucial to investigate the HR practices' impact on organisational performance within the UAE's multicultural environment since the environment shapes HRM policies (Al-Hammadi et al., 2007; Moideenkutty et al., 2010; Paauwe, 2020). Finally, as it has been claimed, the existing literature on strategic HRM has mainly overlooked the implications of



external contexts on HRM–firm performance relationship (Datta et al.2005; C.J. Zhu et al., 2013; Paauwe and Farndale, 2017). However, some researchers have highlighted that for foreign companies to be successful in the Middle East, they need to be responsive and adaptive to the local conditions and develop an understanding of the local culture, political issues, and the local people. (Saleh and Kleiner, 2005; Rodriquez and Scurry, 2014; Budhwar et al., 2020) Since the conditions in the Middle East workforce are very idiosyncratic and need special attention by the management in order to be successful. If Western HR practices are simply adapted without careful consideration of the local environment and conditions, then they are not going to be successful and contribute to the strategic goals of an organisation (William Scott-Jackson et al., 2014a). Moreover, before 1971, the Trucial Sheikdoms of Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Fujairah, and Ras al-Khaimah (UAE) were under a British protectorate, and as many researchers (Yahiaoui, 2015; Yahiaoui, Nakhle & Farndale, 2021) have mentioned in other Arab countries, their colonisation has played a major role in their managerial practices and many other aspects. According to AlMazrouei and Pech (2014) UAE culture combines original Arabic and Islamic cultures and modern Western styles. The Western influence has come about partly due to the effect of the British colonisation of the region, which ended in 1970.

International managers can benefit from an awareness that workforces in different cultures may respond differently to the same circumstances so that they will be able to adapt their style accordingly (Mead, 2005). Expatriate leaders in the UAE must adapt their communication style to manage successfully. Therefore, expatriate leaders must become competent in managing the UAE culture to succeed. Expatriate leaders should use the best communication style to manage local staff and adapt their decision-making processes. Thus, the post-colonial factor helps to add more insight into understanding employees' preference of certain HRM practices and not others (Yahiaoui, 2015).

Globalisation and transferability of human capital across the globe have inspired a rise in their interest. Employees of different backgrounds, with the same company, can be used wisely by HR to become a huge asset as they can bring different values and talents. The literature so far has shown that there is an insufficient number of studies that are concentrated on managerial and country-related issues when it comes to the Arab world. It exposes a fragmented picture with many gaps and the strong absence of a comprehensive review which can assist with reporting the key progress in the field as well as guiding future research (Abdulrahman Alyousif et al., 2010; Budhwar et al., 2018). The UAE's big difference from

other countries lies in the idiosyncratic environment constructed by the unique nature of its workforce, which one of the most multinational in the world (Budhwar et al., 2018). Also, the Middle Eastern context is a unique and interesting ground for studying and researching international HRM (IHRM) because of the unique nature of the workforce. Although many expatriates work in the Middle East, the research conducted on the management of expatriates is scarce (Budhwar et al., 2018).

Furthermore, there are a lot of different cultures within the same country; almost eighty-five per cent of the population are expatriates from all over the world (more than one hundred and fifty countries), and UAE's national population amounts to only 13.5% (Randeree, 2009). Moreover, Kaposzewski (2006) highlighted that the dominance of expatriates is more noticeable in the workforce than in the population.; The workforce in this region is mainly expatriates from different parts of the world (Budhwar et al., 2018). Thus, different world locations represent different cultures and ethical attitudes. Many researchers (Al-Faleh, 1987; Samara, 2021) stated that the Arab culture has some idiosyncratic characteristics that govern managerial practices and behaviours, like the paternal role of managers, consultative management, the importance of social formalities, and the importance of loyalty over efficiency. Thus, according to Sulliman and Moradhan (2013) the characteristics of Arab culture are quite different from those practiced in Western culture.

Ali (1990) defined Westernised, Islamised, and Arabised as the three key categories of Arab management. Attiyah (1993) observed the effect that culture has on an organisation and discovered that management in the Arab world is strongly consultative and participative despite multiple management styles used in the region. Another attempt by Dadfar (1993) demonstrated that the Arab Managers' behaviour in their context is highly influenced by social and cultural dimensions, specifically government intervention, Islam, tribalism, and Westernisation. Moreover, Samar (2021) stated that the Arab Middle East is characterised by a combination of institutional peculiarities, such as collectivism (Samara et al., 2018), patriarchy (Al-Dajani and Marlow, 2010), deep institutional voids (McLellan and Moustafa, 2013) and strong religiosity of the population (Jamali and Sidani, 2013). Islam is the main, nonetheless not the only, religion (Basco, 2017a), and , this whole style has consequences on the organisations. Weir (2000) argues that Arabs' managerial and cultural characteristics combine the culture of Islam (which is considered the principal belief and social pillar) and Bedouin lifestyles. However, even though the studies mentioned above have analysed Arab Management, there is still a lack of empirical studies in the literature that study the unique

culture-related management and organisation culture dimensions that characterise and distinguish the regional management practices from the rest of the world (Abdulrahman Alyousif et al., 2010; Samaras, 2021).

According to Abdulrahman Alyousif et al. (2010) and Agrawal (2020), the UAE generally adopts a mixed management style, which is compatible with its own cultural background and is genuine. Although some aspects might be similar to Western practices, most are close to Eastern and local practices. This adopted mixed management style in the UAE reaffirms the existence of both Western and Eastern practices. Two factors primarily influence mixed HR management: internal, which refers to the Islamic culture, and the national and traditional values (such as a family bond, tribal relations, Arab pride, Islamic rules and beliefs) that influence the human factor and external, which primarily refers to globalisation requirements, expatriate culture, financial factors (profit and growth), advanced technology requirements and the rise of globalisation in general (Cherian et al., 2021). Last but not least, according to Cherian and Farouq (2013) during their research on financial performance in the UAE's banking sector, national culture was one of the several factors that influenced their research, but as they conducted their study only using quantitative research, more complex relationships could not be examined. Cherian and Farouq (2013) recommended that future studies have more qualitative research with case studies and face-to-face interviews. Finally, the need for the current study appeared because of all of the above reasons and the strong lack of reliable literature and systematic contextual analysis on the topic of HRM, as has been stated by so many researchers (Afiouni et al., 2014; Budhwar and Mellahi, 2016; Budhwar et al., 2018) and the growing interest of both researchers and practitioners in the region of the Middle East.

The following chapter presents the field of research, demonstrating its importance, followed by the research aim and objectives that directed the current PhD thesis. Finally, this chapter describes the structure of the rest of the thesis.

## **1.3 Background for the Research**

### **1.3.1 The Importance of Performance**

Historically, mass production required workers to perform manual tasks that required modest skills and were considered interchangeable components. The turnover was massive, but the nature of the jobs allowed unqualified workers to learn the job quite quickly, minimising the turnover costs. Non-attending was high, but other workers were established to provide coverage. Motivation and enthusiasm for work were low, monitoring was high, and efficiency salaries guaranteed sufficient work effort. Working staff was not thinking about their work tasks and were disheartened by that. The most crucial thing for the managers was not to interrupt production (Shimada and MacDuffie, 1986). On the contrary, flexible production gives workers a vital role in the organisation since they have to recognise and resolve a problem as it appears. Also, they should have a theoretical grasp of the organisation's production together with the analytical and multiple skills to identify any problem that occurs. Hence, flexible production is characterised by "high commitment" in human resource policies for the organisation to advance its performance (Macduffie, 1995). During the last decades, globalisation, market forces, and highly competitive markets have forced organisations to become more competitive to maintain their status in the market, locally and internationally, so performance is crucial for every organisation. Thus, a high level of skilled and competent labour force that can to contribute to the firm's successful performance by developing a comprehensive and internally consistent human resource management practice and system embedded in the organisation's structure and culture is essential (Liu et al., 2007).

### **1.3.2 The Nature of Human Resource Management Practices**

Early on, an organisation's management completely overlooked the function of HRM practices as a key driver for the success of an organisation. HRM was developed as a United States management conception that emphasises every employee and requires treating people more as assets for an organisation and not as costs (Wilkinson, 1990; Beaumont, 1992). However, lately, the potential key role of Human Resource Management in improving the performance of an organisation has been comprehended (Abudakar et al., 2013). Noe et al. (2010) argued that HRM is a philosophy, a policy, a system as well as a

combination of practices that can have an effect on the behaviour, attitudes, and performance of the employees of an organisation. Thus, the dominant attention on HRM literature has revealed the significance of efficiently managing human resources practices in organisations' 'performance' (Delaney and Huselid, 1996; Ichniowski et al., 1997; Ahmad and Schroeder, 2003; Cozzarina and Jeffrey, 2014).

### **1.3.3 The Critical Role of Human Resource Management in Performance**

In the last twenty years, several researchers have tried really hard to connect the performance of an organisation with Human Resources Management practices. The nature of this interaction and, especially, the search for conclusive evidence, according to Boselie (2005), has been the 'holy grail' for many researchers. Of course, the studies were conducted from different perspectives. The HRM–Performance link has been approached from various concepts and disciplines like economics, sociology, many combinations of HRM practices, industrial relations, etc. The multiple perspectives show that the very topic of HRM studies is subject to continuous change. At the same time, this means that HRM is a very lively field of study and, as many researchers stated (Guest, 1997; Boselie, 2005; Paauwe and Farndale, 2017), the search for a coherent theory as to the interrelationship between HRM and performance continues.

## **1.4 Initial Research Questions, Aim, Objectives**

### **1.4.1 Initial Research Questions**

*How are the different HR practices related and influence organizational performance (OP)?*

*How do HR practices and their mechanisms work and why?*

### **1.4.2 Aim**

This study aims to undertake empirical research that will explore and investigate in depth, how HR practices, their powers and process work, and why, when it comes to OP in UAE organisations.

### **1.4.3 Objectives**

- 1) To explore in depth the way that the HR Mechanisms of 1) Employee Involvement and Empowerment, 2) Training and Development, 3) Recruitment and Selection, 4) Compensation, 5) Performance Appraisal, PA 6) Emiratisation and how their power/tendencies work, and why, when it comes to organisational performance, OP
  
- 2) To clarify and better understand the underlying issues and processes by which HRM Practices and their sub-HR Mechanisms work.

## **1.5 Thesis Structure**

The aforementioned objective guides the outline of this thesis. The field of research and the provision of the thesis are introduced in chapter one. Chapter two presents a complete review of the HRM and performance literature that shortens the present study identifies gaps and ideas that are not consistent and informs future examination. Chapter three presents the research methodology and methods chosen. Then, in chapter four, the methods of the data analysis are presented and analysed. Finally, in chapter five, the research conclusions are presented.

## **Chapter 2: Literature Review and Initial Conceptual Development**

### **2.1 Initial Conceptual Development**

#### **2.1.1 Introduction**

Academic research over the last thirty years intended to validate that HR practices are associated with improved organisational performance (OP). It also intends to validate that HRM practices are related to improved firm performance. However, despite the vast body of research over the past decades, many distinguished academic researchers perceive a divergence regarding the conclusions about the relationship between HRM practices and firm performance (Paauwe et al., 2013). Moreover, the chain between HRM practices and firm-level outcomes is poorly understood, regardless of many calls for studies to explain the mediating processes within this chain (Patel and Cardon, 2010; Banks and Kepes, 2015). These calls for studies became so common that researchers refer to them as calls for studies to explain the "black box" (Paauwe, 2020). A "black box" can be defined as "An unclear mechanism going on between the input and the output of a relationship (Boselie et al., 2005, p.77)."

The first ground-breaking study of Huselid (1995) revealed that a set of HR practices, which he called "high-performance work systems," were associated with turnover, profits, and firm market value. This study served as the catalyst for the emergence of an essential body of research confirming empirical relationships between HR and performance. It was the first quantifiable evidence of the link between HRM and performance. The study established a positive correlation between HR system sophistication and market value per employee for a range of publicly quoted firms in the USA.

Our understanding of the specific dynamics within the "black box" has not advanced very much since the introduction of the term (Banks and Kepes, 2015), and the processes that link HRM practices and OP are not fully understood (Chowhan, 2016). According to Guest (2011), there are a series of phases in developing relevant theory and research on human

resource management practices and their association with performance. Whilst it is essential to acknowledge the progress in research over the last twenty years, Guest (2011) and many other researchers (Chadwick, 2010; Delery and Gupta, 2016; Delery and Roumpi, 2017; Katou, 2016; Paauwe and Farndale, 2017, Paauwe, 2020) call for additional research to cover the still existing gaps in the literature. Specifically, according to Saridakis et al. (2017), in the last decade, there have been constant requests for an opening of the “black box” that represents the missing link in HRM and performance nexus; however, examining the causal link of performance and HRM practices still remains a challenge. Finally, Paauwe (2020), in his latest overview article regarding the HRM-Performance “black box,” stated that the “black box” has been filled in only partially, and many theories are available for further explanation and research.

In summary, since 1995, more than two hundred empirical papers have been published on the HRM–performance relationship, demonstrating the prominence of the field among academics, consultants, and practitioners across the globe. At the same time, there are still many existing challenges in terms of missing elements, inappropriate theorising with respect to the HRM and performance concepts, and a lack of insight into the underlying mechanisms and processes that explain why HRM practices and systems contribute to performance (the “black box” phenomenon) (Paauwe and Farndale, 2017). Thus, the chain between HRM practices and firm-level outcomes is not well understood or advanced, regardless of a multitude of calls for studies to explain the processes within this chain (Patel and Cardon, 2010; Banks and Kepes, 2015) and has reached a dead end, going in circles (Delery and Roumpi, 2017). Furthermore, Susanne Beijer et al. (2019) have reported directed attention to several important unresolved problems and issues in this area of HR practices and how they should be measured. In particular, they suggest that in order for this stream of research to progress, greater clarity in the HR practices construct is required.

Moreover, as Paauwe, one of the greatest researchers in this field (2020), stated in his latest overview article, it is clear that the debate about HRM and performance is still not yet concluded. On the contrary, there are still many developments and dynamics. In fact, with a broadening of the performance concept, we see that the connections with fields such as organizational behaviour (OB), strategic management, labour relations, and labour market are becoming stronger and stronger.



## **2.2 Achievements up to Date of the Literature Review of HRM and Performance Linkage**

### **2.2.1 Series of Phases in the Development of Relevant Theory of HRM-Performance, a Historical Critical Review**

- i) The beginnings: The first phase occurred in the 1980s when a theory of an association between HRM and performance began. There were glimpses of evidence of successful organisations that apply high-commitment HR practices. A series of articles and books started linking business strategies to human resource management practices. According to Guest (2011), these glimpses of evidence can be found in the work of the following researchers: Fobrun et al., 1984; Miles and Snow, 1984; Walton, 1985; Guest, 1987; Storey, 1992; Peters and Waterman, 1982)
- ii) Empiricism: The second phase took place in the 1990s when some survey-based research on HRM and performance appeared (Huselid, 1995; Arthur, 1994; MacDuffie, 1995; Doty, 1996; Ichniowski, 1997), and there were some indicators that the adoption of more HR practices was associated with higher firm performance.
- iii) Backlash and reflection: This phase has been recognised as a rush to empiricism and a need for sufficient consideration of some key conceptual issues regarding identifying the appropriate HR practices. Moreover, in the UK, a kind of backlash took place with many critics stating that HRM, in general, and a high-commitment approach is a new form of exploitation of the workers.
- iv) Conceptual refinement: The fourth phase focuses on conceptual refinement, and, as Guest (1997) states, there is a need for better theory about the human resource management practices and the link between them. At the same time, a lot of innovative approaches emerged like the Ability Motivation Opportunity (AMO) model (Appelbaum et al., 2000; Purchell and Hutchinson, 2007) or the Resource Based View Model (Barney, 1991) or Paauwe's (2004) Institutional Perspective holding that a minimum set of HR practices were in place for most organisations

and this more likely will lead to competitive advantage. The improvements provided by this phase continue to rule our conceptual thinking about Human Resource Management and performance linkage until today.

v) Bringing the worker center-stage: This phase overlaps with the development of research that has proved central in the previous decade. It attributes a key role to workers, their perceptions, and behaviour to better understand the linkage between Human Resource Management and performance. In 1998, the Workplace Employment Relation Surveys took place in the UK concluding that Human Resource Management practices might not be in the best interest of the workers of an organisation (Ramsay et al., 2000). Similarly, other North American studies have mentioned that the same phenomena that increase the OP in a company due to HR practices can be harmful to workers (Cappelli and Neumark, 2001; Godard, 2004). One outcome of this discussion is that we need to focus more on workers' outcomes and check if higher performance and the worker's well-being can co-exist.

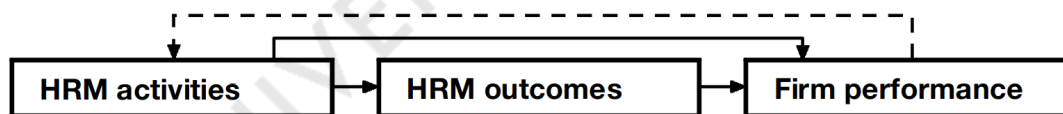
vi) Growing sophistication: The final and most recent phase is characterised by the growing sophistication and complexity of the research methods and the models used. One of the first research studies of this kind was the work of Bowen and Ostroff (2000), in which they presented a conceptual multi-level framework proposing that the HRM and performance linkage can be researched on an individual as well as on an organisational level.

Furthermore, a paper was published in 2004 emphasising the importance of properly implementing HRM practices. This paper places the whole attention on the line managers of a company and their skills in how to apply the HRM guidelines. Another indication of the complexity of the models is the usage of models derived from organisational and social psychology. Exemplarily, the model of Nishii et al. (2008) is mentioned and states that, beyond the mere presence of HRM practices, it is crucial to refer to the perceptions and the interpretations of the intentions behind the practices.

## 2.2.2 HRM–Performance Relationship so far, a Historical Critical Review of the Literature

The USA originated HRM and performance research, and its academics provided evidence of how HRM could add value to the firm. Meanwhile, in the UK, researchers were debating how personnel management was transforming into a more unitarist, managerial HRM model (a materialist stance which assumes that everyone in an organisation is a member of a team with a common purpose and should share the same objectives and work together harmoniously) (authors like Legge, Guest, Storey, Purcell, Tyson, and Keenoy share these kinds of views in their work). The roots of HRM in the USA came from two classic approaches: Fombrun et al.'s (1984) suggestion of a functional approach called the Michigan School of HRM. On the other hand, the Harvard approach was represented by Beer et al.'s (1984) proposal to be more stakeholder and systems-oriented. As this field matured, review studies emerged, with Paauwe and Richardson's (1997) summarising framework (see Figure 2.1) being the first. This framework began to explain the difference between HRM outcomes (e.g., satisfaction, motivation, and turnover) and organisation outcomes (sales, profit, productivity, customer satisfaction). Paauwe and Richardson's (1997) framework raised some essential issues in the field, necessitating superior conceptual clarity of the HRM and performance relationship. By raising the questions of 'what does HRM mean?', 'what does performance mean?' and 'what is the level of analysis?' (Guest, 1997), these questions became famous as the "black box" problem.

**Figure 2.1: HRM practices, HRM outcomes and Firm performance.**



Paauwe and Richardson (1997)

So, Becker (1997), Guest (1997), and Wright and Gardner (2001) started to create models that included additional variables like motivation, creativity, and discretionary effort (Table 2.1) that assisted in clarifying the linkage between HRM practices and Performance.

**Table 2.1: Linking HRM and Performance**

<i>HRM strategy</i>	<i>HRM practices</i>	<i>HRM outcomes</i>	<i>Behaviour outcomes</i>	<i>Performance outcomes</i>	<i>Financial outcomes</i>
Differentiation (Innovation)	Selection	Commitment	Effort/ Motivation	High: Productivity Quality Innovation	Profits
	Training				
Focus (Quality)	Appraisal		Cooperation		
Cost (Cost-reduction)	Rewards	Quality	Involvement	Low: Absence Labour turnover Conflict	ROI
	Job design				
	Involvement	Flexibility	Organizational citizenship	Customer complaints Labour turnover	
	Status and Security				

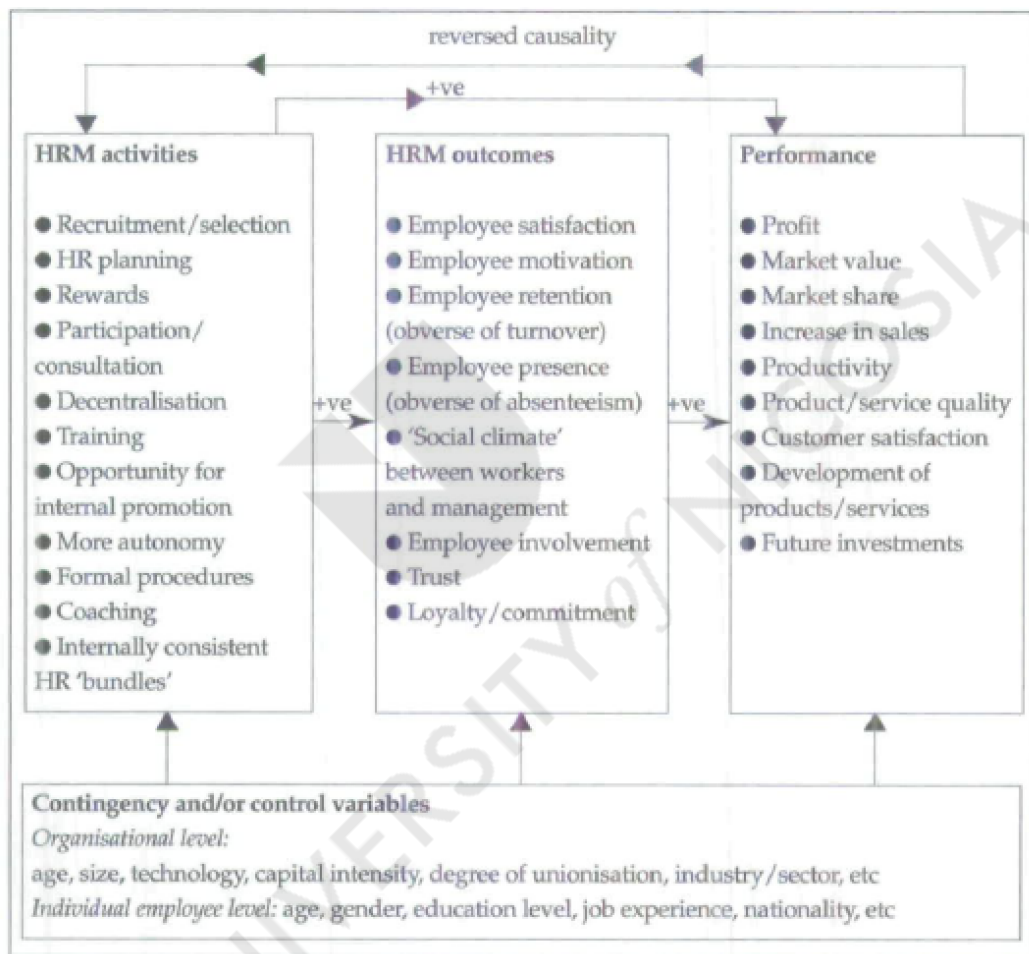
Source: Guest (1997)

The progress in the HRM and performance field is apparent yet remains modest; thus, more research is needed, as Paauwe and Farndale (2017) argued. To summarise the achievements in the field of HRM-Performance so far, the most influential (in terms of quality of the journals and citations) articles that have appeared and drawn thoughtful conclusions will be described below.

The 1990s were a catalytic decade for the growth of the empirical literature on the HRM-Performance linkage. In 1994, Arthur (1994) discovered an empirical link between the strategy of steel mini-mills and HRM practices. In the following year, the central study in this research stream of the HRM–performance relationship was Huselid’s (1995) research. Huselid (1995) analysed more than 800 corporations and managed to reveal an empirical relationship between High-Performance Work Systems (HPWS), (the strategic perspective on HRM research emphasizss bundles of HR practices, often referred to as high-performance work systems (HPWS), high-involvement work systems, and high-commitment work systems. On the other side, traditional HRM research has focused on the impact of individual HR practices) and performance variables such as the gross rate of return on assets and Tobin’s Q (a measure of the firm’s value). Ichniowski et al. (1995) discovered a relationship between HRM practices and performance in the context of steel mini-mill manufacturing lines. MacDuffie (1995) showed evidence of ‘bundles’ of HRM practices and measures of performance in the automobile industry. A little bit later, Delery and Doty (1996) explored

the contingency, configurational, and universalistic models as predictors of firm performance in banks. In a metastudy, Paauwe and Richardson (1997) (see Figure 2.2) analysed 22 studies and concluded that HRM practices give rise to HRM outcomes that will influence OP. This model follows the same pattern as described in Table 2.1 when researchers started to create models that included additional variables to clarify the linkage between HRM practices and performance.

**Figure 2.2: HRM practices in relation to HRM outcomes and performance**

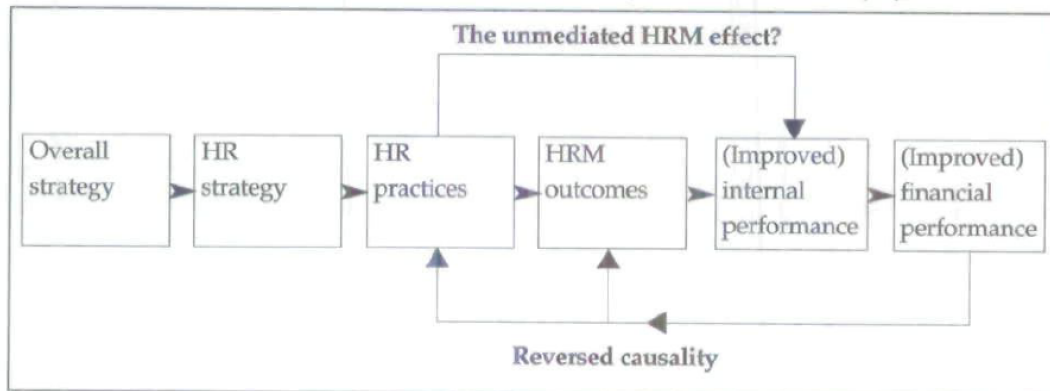


Source: Paauwe and Richardson (1997) adapted from Hegenzieker/Paauwe (1996)

More precisely, Huselid and Becker (2000) stated that the effect of one standard deviation change in the HR system leads to a 10–20 per cent growth in an organisation's market value. Since these early research studies, empirical research has sustained unabated and expanded globally. For example, Guthrie (2001) found a similar relationship between High-Performance Work Systems HPWSs and firm performance, having simulated Huselid's methodology in research in New Zealand. Moreover, Guest et al. (2003) analysed a sample

of 366 companies in the United Kingdom and managed to relate the HR practices of the companies investigated to both past and subsequent objective productivity and profitability data, as well as current subjective productivity and financial performance. In the same year, Wright and Gardner (2003a), reflecting on the available evidence, concluded that HR practices are weakly related to firm performance. In addition, Boselie et al. (2003) added more details. They discovered the differentiating role of institutional factors in the Netherlands. They indicated that the influence of HRM on performance is lower in a government entity or hospital being highly institutionalised sectors than in a less institutionalised sector. Furthermore, Boselie, Dietz, and Boon (2005) analysed a comprehensive sample of 104 studies (see Figure 2.3) and concluded that i) financial measures are represented in half of all articles, ii) profit was the most common indicator. However, it was quite problematic since financial indicators could be affected by many factors that have no relationship with the employees and their qualifications. There is an argument that we need performance indicators that are far more proximal and can have a direct effect, such as changes in employee attitudes (motivation, commitment, trust) and behaviour (turnover, absence) associated with subsequent changes in outcomes at an organisational level (like productivity, quality of services and products); iii) as far as employee attitudes and behaviour indicators are concerned, the most frequently used are employee turnover (Batt, 2002; Huang, 1997; Shaw et al., 1998) and absenteeism (Lowe, Delbridge, & Oliver, 1997). iv) Finally, the evidence for the effect of HRM on performance is promising but only circumstantial due to, for the most part, inadequate research design. Latter authors concluded that 'the existing evidence for a relationship between HRM and performance should be treated with caution' (Wall & Wood, 2005, p. 454).

**Figure 2.3: The standard causal model for the relationship between HRM and performance**



Source: Boselie et al., (2005)

In Figure 2.3, several issues regarding causality are described (Boselie, 2005). He reviewed 104 major studies of the HRM-performance relationship and revealed several hidden assumptions. The first assumption in this model is that HRM follows from an organisation's strategy. Then it gives rise to HRM-related outcomes, typically manifested in shifts in employee attitudes and behaviours. Then, in the model, 'better' employee attitudes and behaviours (HR practices) contribute to delivering enhanced internal performance (such as through increased productivity and quality). It may, however, be the case that HRM influences these organisational outcomes directly (the upper arrow), unmediated by any HRM-related outcomes. This illustrates the importance of a "black box" mediating stage. Indeed, the elegance of the 'AMO' theoretical framework is that it encompasses mediating changes in employees' abilities (A), motivations (M), and opportunities to participate (O). Motivation is the explicitly 'HR-related' mediator here; the other two may be considered 'direct' influences on performance (Boselie et al., 2005).

Combs et al. (2006) added that, according to their meta-analysis of 92 studies, an increase of one standard deviation in the use of high-performance work practices is related to a 4.6 per cent increase in return on assets and a 4.4 percentage point decrease in turnover. Henceforth, he concluded that the influence of High-Performance Work Practices HPWPs on OP is statistically significant and managerially relevant (p. 518). Moreover, Takeuchi et al. (2007) discovered a relationship exists between HPWSs and firm performance in Japanese companies, followed by a growing body of research on Chinese companies showing a similar pattern of results (i.e. Liao et al., 2009). In the same year, Subramony (2009) tested the value of bundling HRM practices on three different HRM bundles (see

Table 2.2): empowerment, motivation, and skill-enhancing. This approach to HRM relates to the ‘AMO’ theory of ability, motivation, and opportunity (Appelbaum et al., 2000). Subramony (2009) establishes that the three bundles have significant and positive relationships with HR outcomes like employee retention, operating performance (e.g. labour productivity, reduction of waste), and financial OP. Likewise, these three bundles correlate a lot more ‘with business outcomes than their constituent practices’ (Subramony, 2009, p. 753) endorsing the conclusion by Combs et al. (2006) that bundles/systems have a bigger influence than the individual HRM practices.

**Table 2.2: The content of the HRM bundles**

*Empowerment-enhancing bundles*

Employee involvement in influencing work process/outcomes  
 Formal grievance procedure and complaint resolution systems  
 Job enrichment (skill flexibility, job variety, responsibility)  
 Self-managed or autonomous work groups  
 Employee participation in decision-making  
 Systems to encourage feedback from employees

*Motivation-enhancing bundles*

Formal performance appraisal process  
 Incentive plans (bonuses, profit-sharing, gain-sharing plans)  
 Linking pay to performance  
 Opportunities for internal career mobility and promotions  
 Health care and other employee benefits

*Skill-enhancing bundles*

Job descriptions/requirements generated through job analysis  
 Job-based skill training  
 Recruiting to ensure availability of large applicant pools  
 Structured and validated tools/procedures for personnel selection

Source: Subramony (2009)

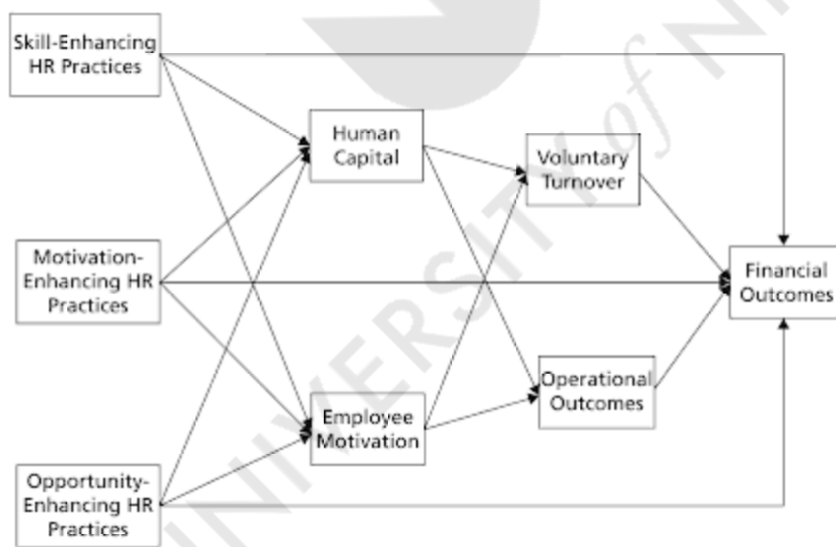
Moving on with this overview, Jiang et al. (2012), on their meta-analytic study, explored the mechanisms between HRM systems and proximal outcomes (human capital and motivation) and distal outcomes (like turnover, operational performance such as labour productivity, and financial performance). Human capital is the composition of employees’ knowledge, skills, and abilities, and employee motivation is related to the direction, intensity, and duration of employees’ efforts. By including human capital and motivation as mediating variables, Jiang et al. (2012) could better understand the underlying mechanisms associating HRM with organisational outcomes. According to Subramony (2009) and Jiang et al. (2012), HRM practices should be conceptualised in terms of three distinct dimensions: skill-enhancing, motivation-enhancing, and opportunity-enhancing. Skill-enhancing and motivation-enhancing HRM practices are ‘the most critical mediating factors’ (Jiang et al., 2012, p.



1276). By distinguishing different sets of HRM practices, a clearer view of differential outcomes was revealed; for instance, skill-enhancing practices mostly increase human capital and, to a lesser degree, impact motivation. Moreover, the findings of Jiang et al.'s (2012) research revealed that all three HRM dimensions have a substantial and positive influence on human capital and motivation and that, as hypothesised, skill-enhancing HRM practices explained the largest percentage of variance in human capital. Conclusively, Jiang et al. (2012, p.1275) stated:

In sum, these results support that human capital, employee motivation, voluntary turnover (volunteer organisational exit), and operational outcomes partially mediated the relationships between skill-enhancing and motivation-enhancing HR dimensions and financial outcomes and fully mediated the relationship between opportunity-enhancing HR practices and financial outcomes (see Figure 2.4).

**Figure 2.4: HR dimensions on organisational outcomes.**



Source: Jiang et al. (2012).

To summarise, whether examining individual studies, systematic reviews, or meta-analytic summaries of the literature, what we do know so far is that HRM practices seem to be consistently related to performance. We can conclude that the HRM practices of an organisation individual or bundled in a system are, at least to some extent, related to firm performance. Unquestionably, though, as Paauwe and Farndale (2017) stated, there are still

significant methodological and theoretical challenges to furthering our understanding of this relationship. For that reason, before concluding that we have already discovered the truth and there is no need for additional research in this area, we should first look at it with a more critical eye. According to Paauwe (2013) and Paauwe and Farndale (2017), whilst this empirical body of research has consistently demonstrated a relationship between HRM practices and performance, it has revealed many problems and challenges in furthering our understanding of this relationship.

### **2.2.3 Challenges of the HRM-Performance Research**

According to the literature, there are two crucial issues that suggest that there is a link between HRM practices and performance. The first is the number of studies being undertaken on this matter and the second is the level of interest in this field. However, despite all of these, some researchers remain unconvinced and sceptical regarding this issue (Fleetwood and Hesketh, 2011; Guest, 2011; Katou, 2016; Kaufman, 2015; Torp et al., 2015; Banks and Kepes, 2015; Paauwe, 2020). Many researchers argue that the evidence is inconclusive and a statistical association. It is not a theory nor an explanation (Hesketh & Fleetwood, 2006, cited by Paauwe and Farndale 2017, Paauwe 2020). Moreover, according to Paauwe and Farndale (2017), there are many challenges that the field is still facing, such as missing elements, inappropriate theorising with regard to the HRM and performance concepts, and an absence of insight into the underlying mechanisms and processes that explain why HRM practices and systems contribute to performance. In the same pattern, Almutawa et al. (2015) stated that while many studies have highlighted the existing relationship, there are various remaining questions regarding the “black box”, the intervening and mediating variables that link HR practices with performance, and still, “a big question still needs to be answered: how does HRM contribute to firm performance?” (Bowen and Ostroff, 2004, cited by Almutawa et al., 2015). Such a question (the black box) urges the search for the creation of relevant theory. As Wright et al. argue (cited by Delery and Roumpi, 2017) “As yet, no study has demonstrated anything close to a full causal model through which HR practices are purported to impact firm performance” (2001: 709). Several scholars (Chadwick, 2010; Delery and Gupta, 2016; Delery and Roumpi, 2017; Paauwe and Farndale, 2017) hope that future research will explore, on the basis of solid theory, the intricate interactions among HR practices and performance.

Finally, to develop the research field and investigate further, researchers are analysing the challenges and the methodical errors found in existing literature. The book of Jaap Paauwe (2013) written by an impressive array of international scholars, long associated with this field, and leading scholars such as Jaap Paauwe, David Guest and Patrick Wright manage to summarise these challenges impressively (please see the categories below). Furthermore, Paauwe and Farndale (2017) agree that most of these challenges still exist today.

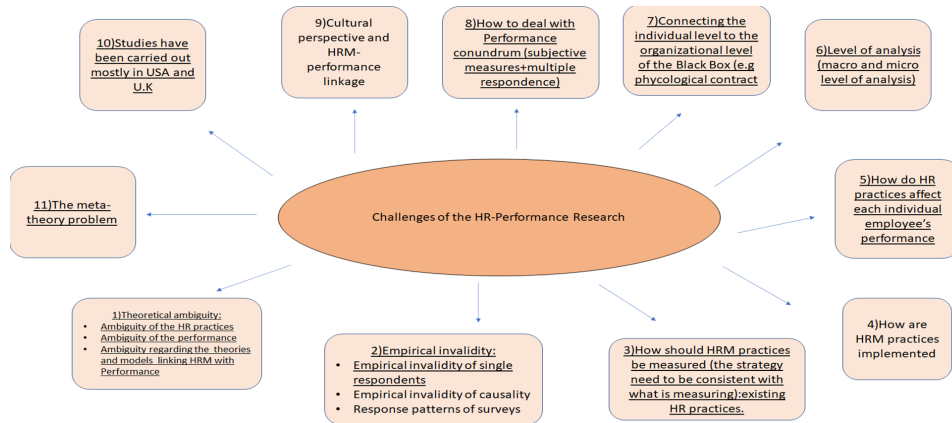
#### **2.2.4. The Importance of Context**

There is a growing awareness that the relationship between HRM and performance differs greatly depending on the context (organisation, sector, country, region) (Paauwe, 2020). In research, there is an increasing focus on the specific context and how it affects the various variables and underlying mechanisms (Johns, 2006, 2017; Paauwe and Farndale, 2017; Paauwe, 2020). Thus, the current research will go in that direction when it comes to a specific context. So, in the current research will occur in the UAE, which has largely been understudied (Elbanna, 2012) yet is unique because of its multicultural environment (more than 80 different nationalities live in UAE, and only one per cent of the local population) and very few HRM research have been conducted in the country (C.M. Siddique, 2004; Abdulaziz Al-Raisi et al., 2011; Elbanna, 2012). According to Sulliman and Moradhan (2013), Arab cultural characteristics are quite different from the ones practised in Western culture. According to Waal et al. (2017) when a company applies management techniques it should take into consideration the context in which they are used (Holtbrugge, 2013; Rees-Caldwell and Pinnington, 2013), because, according to the literature, Western management techniques cannot be broadly applied into non-Western contexts. These practices might not work or work differently in non-Western contexts since there is an influence of the local culture (Matic, 2008; Palrecha, 2009; Wang, 2010; Elbanna and Gherib, 2012; Waal et al., 2017). Thus, the current research will aim to fill the gap in this specific context.

### **2.3 Gap Net Model**

The following gap net model has been created to present the challenges that exist in the literature on Human Resource Management-Performance linkage.

**Figure 2.5: The gap net model**



The current study will aim to investigate the underlined gaps.

Source: This study.

## 1) Theoretical Ambiguity (Gap Number One from the Gap Net Model)

### i) Ambiguity of the Human Resource Practices

Guest (1997) first highlighted the lack of related theory in the field of Human Resource Management and Performance link and stated: “If we really to improve on our understanding of the impact of HRM on performance, we need a theory about HRM, a theory about performance, and a theory about how they are linked” (Guest 1997, p.263). Many attempts took place aiming to create an HRM theory. Firstly, Guest (1997) attempted, along with other researchers, like Becker et al. (1997), to use the expectancy theory (Vroom, 1964) to create a theory about the main HRM practices. The basic outline of this theory was embraced and adapted to what has been developed as the AMO theory (ability, motivation, and opportunity) (Appelbaum et al., 2000; Purcell and Hutchinson, 2007). AMO theory suggests that HR practices can influence the performance of an organisation by improving employees’ skills and abilities, motivation, and opportunity to participate (AMO) and focus on variables

that relate the abilities of the individuals, with their motivation and with the opportunities that they have to participate in an organisation (Performance = f {employees' ability, motivation, and opportunity to participate). This theory is the most well-accepted framework for understanding HRM practices. Nevertheless, no agreement takes place regarding the specific HR practices that should be taken into consideration, and this is a crucial problem Paauwe (2013) stated: "After all, how can we ever make progress in this field if we do not agree on what constitutes one of the main independent variables, namely HR practices?" Thus, a major challenge in the HR-Performance field is the absence of consensus regarding the correct HR practices that should be used, or a combination of them.

Since 1996, many researchers noticed this lack of consensus in HR practices. Becker and Gerhart (1996) discovered that not a single practice appeared across all of the research fields and that only training appeared in the majority of the research. Moreover, they concluded that even if researchers use the same HR practices in their studies, they might still use different measures, making the effort to accumulate findings even more difficult (Becker & Gerhart, 1996, p. 793). Later on, Boselie et al. (2005) argued that there is not only one established list of HR practices or a mixture of them. He discovered an enormous variety of diverse HR practices were used while analysing one hundred and four research studies. Finally, he added that since a unanimously accepted theory does not exist, HRM will contain whatever the researchers request (Boselie et al., 2005; Banks and Kepes, 2015). Combs et al. (2006), like Boselie et al. (2005) with their meta-analysis, came to the same agreement: the nonexistence of consistency since a decided list of HR practices does not exist. They found that every research had used between two to thirteen practices (average 6.2 practices). This lack of consistency made Kepes and Delery (2007) conclude that "nearly all the empirical studies have measured different HRM practices and constructed HRM strategy and system measures in different ways." This lack of consistency is a crucial problem. As Paauwe (2013) stated, this problem goes beyond the specific HR practices, and it is even evident in the definition of the goal of the HRM practices (Lawler, 1986; Huselid, 1995; Collins and Smith, 2006; Boxall and Macky, 2009).

In summary, even though so much research was conducted on the HRM-performance relationship issue, even now, it is still unclear: which of these HR practices or which bundle of them will advance performance (Wright and Gardner, 2003; Paauwe, 2009; Singh et al., 2012; Darwish et al., 2015; Paauwe and Farndale, 2017), which will be the internal configuration of HRM systems; how these interactions among different bundles are potentially going to explain the organisational outcomes (Jiang et al., 2012a; Bello-Pintado,

2015), and many other questions around how HRM drives OP, that prove that this research field needs more attention from the literature.

## **ii) Ambiguity of the Performance**

Huselid's (1995) pioneer study connected HRM and a corporation's financial performance, and he proved that a significant relationship lies there. Afterwards, many studies occurred regarding OP from the firm's perspective, and their main scopes of work were economic profits, productivity and customer satisfaction since this kind of data is easily accessible in corporate databases.

There were also different lines of research on HRM that explored the outcomes which had the employee at the centre of their study and looking further than purely the performance and its numbers and were even supporting that HR was not running in the employees' best interest (Ramsay et al., 2000; Cappelli and Neumark, 2001; Godard, 2004).

Lately, another line of research has appeared and proposed that employees' outcomes could be a dominant subject, but a

at the same time, HRM could succeed in both targets: employees' well-being and performance (Peccei, 2004; Guest, 2011). Consequently, the theory and the research of HRM linkage with performance and its many aspects have prolonged further than the pure financial measures. This could be seen more clearly in the public sector, where a pure financial indicator is not the main concern (Messersmith et al., 2011). Thus, this supports the view that gives extra attention to other performance measures beyond purely financial and highlights that HR outcomes have multiple levels (Boxall & Purcell, 2003; Paauwe, 2004). However, the related performance indicators are not expected to be financial for public sectors, especially in areas like education or health.

Moreover, so far, the public sector has not received enough consideration in the literature. As Paauwe (2013) and many other researchers have argued, the massive majority of research has construed OP from a managerial perspective with a lot of managerial assumptions, particularly when it comes to choosing the outcomes of a study (Keegan and Boselie, 2006; Delbridge and Keenoy, 2010; Paauwe 2013). According to Paauwe (2020), performance indicators vary by industry. Governmental organisations' performance indicators, such as safety, integrity, speed, and quality of procedures, apply. For a school organisation indicators

such as social safety, percentage of passers, scores on the CITO test, and budget are considered.

- financial indicators such as profit, turnover, and ROI;
- organisational indicators such as productivity, quality, and efficiency;
- 'human resources'- related indicators for attitude and behaviour, for example, satisfaction, involvement, intention to turnover, absenteeism, etc.

A significant difference in researching and determining the relationship among performance HRM practices is the difference between proximal (near) and distal (farther). Indicators on the attitude and behaviour of employees are proximal, though indicators like profit, the value of the share, or revenue and turnover are distal. Generally, it is recommended to measure HRM's effects on performance through proximal indicators (Paauwe, 2020). But at the end of the day, measuring employee performance is difficult (Harvard Business Review, 2019).

### **iii) Ambiguity Regarding the Theories and Models Linking HRM with Performance**

Many theories have been created to connect HRM with performance, attempting to explore their relationship. Specifically, Wright and McMahan (1992) presented six theories. The most famous and commonly used theory in the 1990s was the resource-based view (RBV) of an organisation, emphasising its domestic characteristics. However, despite the fact that it was quite popular, according to critics, RBV theory only provides a very broad argument on how HR practices could be connected with OP and does not help in comprehending the actual linkage. Moreover, Boselie et al. (2005) concluded that the three most commonly used theories regarding the linkage of HRM and performance in literature were 1) the contingency theory, 2) the RBV and 3) the AMO (Ability, Motivation, Opportunity) theory. The AMO framework recommends that specific HRM practices improve the skills and knowledge of individual employees of an organisation, their willingness to exert effort and finally, their opportunities to express their talents in their workplace (Boselie, 2010). To sum up, RBV and contingency theory give attention to the organisational level, while AMO theory gives attention to individual/employee-level aspects. Generally, we can distinguish a lack of attention paid to the institutional context (Paauwe and Boselie, 2003; Paauwe, 2013; Paauwe and Farndale, 2017).

As a final point, researchers have tried to create a theory of HRM, a theory of performance, and a theory of how these two are connected. However, according to Paauwe (2013) these are all ‘works in progress’ and as yet, no one has managed to accomplish consensus support between researchers. Consequently, there is still a need for more theoretical and conceptual progress (Patel and Cardon, 2010; Fleetwood and Hesketh, 2011; Guest, 2011; Paauwe, 2013; Jiang et al., 2013; Kaufman, 2015; Banks and Kepes, 2015; Paauwe and Farndale, 2017; Delery and Roumpi, 2017).

Moreover, Gerhart et al. (2000b) stated that there are many sources for mistakes in measurements, and these errors can either positively or negatively affect the HR and performance relationship due to errors in items, time or source. Regarding the bias due to source, as we have mentioned previously, it has been suggested that the solution that will bring more reliability is that of multiple respondents and not that of single respondents.

## **2) Empirical Invalidity (Gap Number Two from the Gap Net Model)**

### **I) Empirical Invalidity of Single Respondent**

Earlier studies have highlighted the invalidity of the single respondent to comprehend the HRM–performance relationship (Gerhart et al., 2000; Bowan and Ostroff, 2004; Paauwe, 2013; Darwish et al., 2015; Paauwe and Farndale, 2017). In particular, Gerhart et al. (2000a) argue that “the reliability of single writer is typically quite weak” (p. 807). Therefore, even if the single respondent is quite knowledgeable regarding the HR and performance relationship, using just one person is problematic, and especially in big corporations., It is hard for a senior manager to describe the HR practices across the corporation precisely (Wright et al., 2001). Bowan and Ostroff (2004, p. 216) added, "a better alternative is to assess these characteristics of the HRM system from the employees themselves." The aforementioned literature illustrates the importance of multiple respondents over a single one (usually the HR manager) and suggests that employees’ opinion is very important and should be considered. Also, it has highlighted that the single respondent measures of HR practices did not have enough reliability, and it observes that if much of the error variance occurred systematically, then some systematic bias might exist. Therefore, Darwish et al.



(2015) suggested that future research studies should target a larger and more diverse sample; future research should also attempt to use multiple respondents in their work since the only way to address this kind of criticism is to embrace multiple respondents. Thus, the present research will try to cover the research gap in the HRM-Performance relationship by including multiple respondents.

## **ii) Empirical Invalidity of Causality**

Researchers discovered some of the probable forms of systematic bias related to the causality of the HRM and performance relationship. According to Guest et al. (2003), while the expected track of causality was from HR practices to performance, this direction and relationship must not be presumed. So far, the data recommended that performance-producing HR practices were an equally reasonable explanation of the association. As Wright et al. (2005) stated, HR practices were as powerfully related to past performance to future performance. However, when the past performance of an organisation was controlled by the researcher, the association between HR practices and future performance was significantly reduced.

Conversely, no research stated that HR practices had no relationship or influence on later performance. Thus, here comes the question of causality and how much of the pragmatic relationship was in a straight-line causal relationship. Wall and Wood (2005) argued that the absence of longitudinal research regarding the HRM–performance association enabled the researchers to have a solid conclusion regarding the causal nature of HR practices and performance relationship. Moreover, Anthony Hesketh and Steve Fleetwood (2006, p.678) clearly stated that: “the nonexistence of an empirical association between HRM practices and OP does not entail the nonexistence of some kind of causal connection between them.” It could be the case that a causal connection exists, but the nature of this causality is more complex than can be captured via the usual statistical techniques. A little bit later, a few longitudinal studies occurred (van Veldhoven, 2005; van de Voorde et al., 2010b), which took a more cautious look at the causality issue. These studies conclude that reverse causation also occurs and that performance influences subsequent HR practices and well-

being. Kaufman (2015) stated that most of the research is grounded on cross-sectional data, making the causality claim quite hard, and many researchers are sceptical.

To sum up, researchers to date (Sheehan ,2013; Jiang, 2013; Kaufman, 2015; Paauwe and Farndale, 2017), mention that the evidence so far has been insufficient. In addition, they state that the cross-sectional design in earlier research cannot confirm causality since the cross-level phenomena take longer to unfold, and the time is unspecified. Wright et al. (2005:437), cited by Paauwe and Farndale (2017), stated:

An associated problem with some HRM–performance studies is related to common method bias: When both variables (dependent and independent) are collected from the same respondents, as well at the same time. This can introduce bias in the results, so it is preferable that different respondents provide the dependent and independent variable data.

According to Paauwe and Farndale (2017), future research will benefit if they focus on developing suitable research designs that are capable of associating HRM practices both to past performance (and search for reverse causality) and subsequent performance.

### **iii) Response Patterns of Surveys**

One more crucial challenge is the pattern of responses of people filling out surveys. Leadership literature and implicit performance theory have argued that respondents who observe the same leader will state leadership behaviours consistent with what they believe was the group leader's performance (Rush et al., 1977). Gardner and Wright (2010) added that respondents reported greater use of HR practices in high-performing organisations. This shows that there is a chance, in addition to actual performance causing HR practices (reverse causality), there could be an effect of performance on respondents' reports of HR practices.

Consequently, after these observations, Paauwe (2009) added that while there is an advancement in the field of HR and performance, there are still a lot of substantial methodological and theoretical challenges. Following the same pattern, Guest (2011) concludes that the research is riddled with errors regarding data on HRM and outcomes. Thus, future researchers need to identify the need for a cautious formulation of research and

should probably move away from the 'big research' concept (Wall and Wood, (2005) cited by Paauwe, (2013)).

### **3) How Should HRM Practices be Measured? (Gap Number Three from the Gap Net Model)**

When measuring HR practices, researchers should make design choices regarding the source, the scale, and the scope of measurement to achieve specificity. However, a lack of consensus among the research can be observed here.

For example, Huselid's (1995) source of information in his research was the HR managers, and he asked them to designate the percentage of employees (scale) covered by each practice. In addition, he made his measurements twice for managerial employees and hourly and manual workers (scope). From another point of view, Wright et al. (2005) asked the employees whether or not each practice was used (scale) in their specific job (scope).

To sum up, several divergent measurement strategies submit different assumptions about who can deliver the most precise reports of HR practices regarding the unit of measurement, the most valid descriptions, and the most valid dimensions. Finally, all these assumptions might each be correct and just indicate different concepts. Becker and Huselid (2001) and Gerhart et al. (2000b) created distinctions between HR policies (what the company has clarified as the expected employee practices) and HR practices (those practices employees are actually using) in an organisation. Although they have different backgrounds and consequences, all these constructs are very interesting and have several valid points. Nevertheless, according to Paauwe (2013) and Paauwe and Farndale (2017), researchers have to wisely plan their measurement strategy to be consistent with what they will measure.

### **4) How are HRM Practices Implemented (Gap Number Four from the Gap Net Model)?**

As has been discussed before, the organisations' policies and practices are different when it comes to the crucial issue of implementation. Researchers assume that an organisation's line managers or supervisors simply apply whatever the company's policy asks them to. Though sometimes, supervisors are new and unfamiliar with the company's HRM practices, or even

if they are aware, they are reluctant to put them into practice and simply ignore some job requirements.; For example, PA is an HR practice that very rarely reaches a hundred per cent completion in organisations (Paauwe 2013). Thus, a point that needs more attention is that when the management of an organisation considers the HRM practices that it wants to implement, it should pay more attention to how these are intended to be implemented within their design, how the line managers actually implement these, and how the employees actually experience them in the workplace. This distinction between intended, enacted, and experienced is crucial to have an improved insight knowledge of the HRM and performance linkage (Nishii & Wright, 2008; Paauwe and Farndale, (2017)

Moreover, even if it was assumed that the line managers or the supervisors actually implement HR practices, the issue arises of how well they are implemented. For example, supervisors or line managers vary widely in their leadership and communication, which could affect their effectiveness. These implementation issues have been mainly overlooked in the HRM-performance literature (Paauwe, 2013; Paauwe and Farndale, 2017).

Finally, as Guest has concluded: “We remain uncertain about how to measure HR practices and HR implementation. We have made little progress in establishing ways to measure an HR system” (2011, pp. 10–11).

## **5) How do HRM Practices Impact Performance? (Gap Number Five from the Gap Net Model)**

Another very important point in the HRM and performance field is the unit that the research analysis will take place. The main analysis focuses of many existing models, is the organisational or unit level; overlooking the individuals that are a principal factor in this whole procedure (Wright & Haggerty, 2005; Paauwe, 2013). For example, several models in the literature describe how HRM practices influence behaviour, creativity and even the labour force’s productivity. Every employee, however, faces a different HRM system which is quite unique to them because, as previously mentioned, every supervisor is different and they may or may not implement the HRM policies, or even implement them with their own style. Moreover, every employee brings their own experiences and values, and only through them is it possible to observe, understand and assess each HR practice (Nishii et al., 2008).

Thus, many studies so far have concentrated their research in the unit level, assuming a set of individual-level procedures. Only recently have researchers started to explore multi-level processes (Van de Voorde et al., 2010b; Ployhart & Moliterno, 2011).

This new direction of studies shows that if we want to deeply comprehend the HR practices and performance connection, we should try to understand how HR practices influence individuals, which might collectively influence performance.

In their book, Paauwe and Farndale in 2017 added some more challenges that the field is facing.

## **6) Level of Analysis (Gap Number Six from the Gap Net Model)**

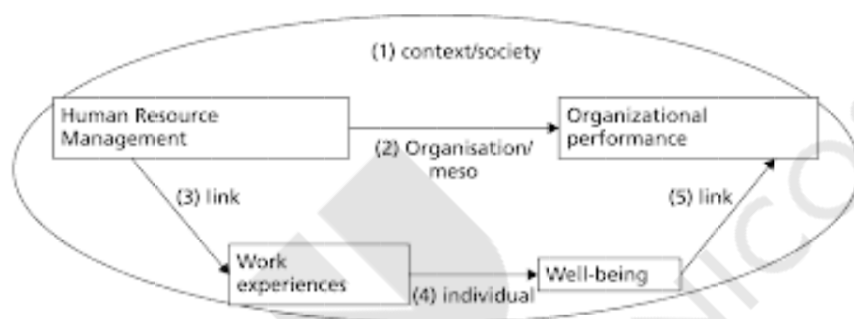
Paauwe and Farndale (2017) identified another critical challenge that the HRM and performance field faces: the research analysis level. The level of analysis was a problem frequently faced in the research field and especially, in early studies. According to Paauwe and Farndale (2017), researchers were confusing the level of analysis in a study. Human Resource Management practices and performance linkage have two distinguished levels of analysis: the first is the organisational level, and the second is the individual level. These two levels should be distinguished and clearly identified in research; failure to do so can cause confusion and mistakes.

At first, the level of analysis, according to Jaap Paauwe (2020), focused on the organisation and linked HRM practices with performance using indicators like profit, turnover and market value. But soon, researchers concluded that this was wrong, and they realised that HRM practices have to do with the employee's performance. Managers have to work with their employee's attitudes and behaviour. So, the level of analysis needs to be at the individual level, as they are experiencing HR practices and will respond in a specific way like individual-level theories such as psychological contract theory.

The problem lies in the fact that HRM is such a broad concept and is influenced by numerous factors, ranging from the organisation to the employee's attitudes and behaviour. Consequently, it is necessary to distinguish the levels of analysis to integrate the many layers of factors. In other words, we need to distinguish between micro, meso, and macro levels of analysis. Firstly, the micro level of HRM is associated with organisational and industrial

psychology and organisational behaviour. Micro level HRM focuses on the individual employee and their attitudes and behaviours (Wright & Boswell, 2002). Moreover, the meso level of HRM inspects the influence of Human Resource Management practices at the organisational level. In contrast, the macro level of analysis concerns issues outside the organisation and the effect of this external context (see Figure 2.6).

**Figure 2.6: Black box and the level of analysis**



Source: Paauwe and Blok (2015)

Finally, according to Paauwe and Farndale (2017), it is significant not to overlook the employees during the examination of the HRM and performance association. As Peccei et al. (2013) advised, many employee-related pathways connect HRM and OP. Figure 2.7 summarises a few of these linkages.

**Figure 2.7: Employee related pathways connecting HRM and OP**



Source: Peccei et al. (2013, p.19) cited by Paauwe and Farndale, (2017)

Thus, research that contains more proximal, micro level HRM measures and outcomes (Paauwe and Farndale, 2017) is needed, to understand this relationship in greater detail while addressing the calls by critical realists (Hesketh and Fleetwood 2006, cited by (Paauwe and Farndale, 2017)). Thus, this is what the current research will try to achieve in order to address this gap.

## **7) Connecting the Individual Level to the Organisational Level of the Black Box (Gap Number Seven from the Gap Net Model)**

According to Paauwe and Farndale (2017), something else that is lacking in the field, is the connection of the individual level to the organisational of the HRM–performance relationship. This relationship is the least explored field until now in the literature. In other words, the processes (the black box) that connect individual employee outcomes to OP have not been given enough attention from researchers yet. In the past, the researcher’s attention was mostly on micro and macro level theories, but currently, it is technically feasible to assess the association between these two extremes empirically. One theory that may help explain this particular process is relational coordination (Gittell, 2000).

In other words, since this part of the HRM–performance relationship is the least explored until now (Paauwe and Farndale, 2017), we need research that includes more proximal, micro level HRM measures and outcomes to assist in understanding this HRM–performance relationship in greater detail. This also addresses the calls by critical theorists (for example, Hesketh and Fleetwood, 2006; Keenoy, 1997; Legge, 1995) regarding the sometimes

excessively managerialist focus of HRM research (Paauwe, 2009). Thus, this is what the current research will do by adopting a micro level of research and the critical-theorist view to reach deeper in understanding of this HRM–performance relationship in a qualitative way.

Actually, according to Theophilus Azungah (2018), quantitative approaches have conquered the business field with quantitative studies in the main stage and qualitative methods in a supporting role most of the time. As such, scholars interpret this as a loss to the field, because qualitative methods can shed light on complex issues, like cultural and institutional settings of multinational organisations. This is what the current study will try to succeed in.

## **8) Performance Conundrum (Gap Number Eight from the Gap Net Model)**

One more very crucial challenge is how to deal with the performance conundrum.

Performance measures can be categorised according to two other dimensions: (1) their objective or subjective nature and (2) their dynamic or static nature. Subjective performance indicators measure the opinion, impression or judgement of the respondent by means of scales. These measures are subject to errors of judgement and common method problems but allow for the inclusion of not-for-profit organizations, the government sector, etc., in the sample. Most authors use subjective measures, but their point of reference differs. Some measure the perceived importance of HR practices to the firm's operations (Deshpande & Golhar, 1994), whereas others want to know whether HR practices contribute to organisational objectives (Bacon et al., 1996; Cassell et al., 2002; Kerr et al., 2007). Objective performance indicators are factual measures, usually represented by continuous variables. To ensure objectivity and avoid common method problems, some authors rely on a secondary database (de Grip and Sieben, 2005; Sels et al., 2006), whereas others have recourse to multiple respondents (Chandler and McEvoy, 2000; Rauch et al., 2005) and this is also what the current research did. However, using secondary databases or multiple respondents does not imply that the measures are error-free. Accounting measures, for example, may still be susceptible to deliberate distortion. Other articles struggle with common method problems. They tried to collect objective figures but relied on one respondent who also answered the questions on the presence of HR practices (Paauwe, 2013). Obtaining financial data from small firms is difficult (Bartholomew and Smith, 2006),



and this data in the UAE is not a public record like in other countries. Also, many firms lack official financial records, especially the small ones, and they also face fluctuating demands for their products (Dennis, 2003). Lack of available information and limited willingness to share such information requires reliance on subjective assessments. However, many other scholars have used subjective productivity measures (Bartel, 2000; Patel and Cardon, 2010; Kersley et al., 2006) and carefully compared subjective and accounting-based productivity measures and found modest differences. Moreover, Forth and McNabb (2008) found that the correlation between subjective and objective measures in HR contexts fell between 0.38 and 0.65, with most correlation coefficients larger than 0.5 and all statistically significant. Thus, we used subjective measures as other scholars have in previous studies (Patel and Cardon, 2010).

Finally, as mentioned before, researchers can measure performance at three levels (Dyer and Reeves, 1995): financial, organisational and HRM outcomes. But what will happen when there is a probable conflict among different levels of outcomes, like profit versus employee well-being? (Paauwe and Farndale, 2017). As the attention of the research community has lifted from its preliminary simple attention on financial firm performance outcomes, to more employee-centred outcomes as performance indicators (Boxall and Macky, 2009; Guest, 1997, 2011; Nishii and Wright, 2008; Paauwe et al., 2013; Paauwe and Farndale, 2017). As Paauwe and Farndale (2017) stated, while examining the HRM and performance relationship, it is vital not to overlook the employees. Further investigation is needed since many employee-related pathways are associated with HRM and OP.

Thus, the present study will adopt a micro level approach in order to reach a deeper understanding of this HRM–performance relationship from an employee’s point of view.

## **9) Cultural Perspective and HRM-Performance Linkage. (Gap Number Nine from the Gap Net Model)**

As Paauwe and Farndale (2017) stated, researchers must remember that all HR professionals function within a specific organisational and national context. This context is created by the institutional, competitive, and heritage mechanisms that form the organisation, along with the influence of the key decision-makers in the employment relationship. Researchers suggested this context modifies the importance or relevance of several HR roles as part of

the strategic HRM system. Yet, there is still little research regarding these contextual variables.

More specifically, many researchers have declared that culture has a moderating effect on organisations (Hofstede, 1993; Tayeb, 1995; Huang, 2000; Zeynep Aycan et al., 2007; Leat and El-Kot, 2007; Paauwe and Farndale, 2017). Finally, Lertxundi and Landeta (2011) added that future investigations must go more deeply into the influence of HRM practices on performance in terms of cultural context. Furthermore, the cultural literature so far has shown insufficient studies concentrated on managerial and culture-related issues in the Arab world (Abdulrahman Alyousif et al., 2010; Cheran et al., 2021). Thus, our research will take place in a very different culture compared to American/European to fill this gap. As a final point, various studies stated that a lot of the knowledge that we have about Human Resource Management practices in organisations is built upon research that has been conducted in single cultures or about diversity within a given culture. At the same time, what is required, according to Milikić and Janicijevic (2009) is more discussion and research about the influence of multiple cultures on HRM practices (Triandis and Wasti, 2008; Hofstede, 1980, 1991, 2001a, 2001b; Gomez-Mejia et al., 2001), and this is what UAE can offer as one of the most multinational countries all over the world.

#### **10) Studies Have Been Carried out Mostly in the USA and the UK (Gap Number Ten from the Gap Net Model)**

Paauwe and Farndale (2017) highlighted that the great majority of HR-Performance work has taken place either in the USA or the UK. Given the importance of organisational context, together with additional evidence from the international HRM literature, we must contemplate if these typologies could be functional in different country contexts. Specifically, many diversity researchers have stated that numerous of our current human resource management practices (recruitment and selection, compensation, training) are grounded in Western European values and might not be effective with employees from different cultural backgrounds (Cox, 1993; Stone and Romero, 2008; Budhwar et al., 2018). Paauwe and Farndale (2017) gave the example of the Netherlands, which displays significant differences, culturally and institutionally, when compared to the USA and the UK. The Netherlands is a 'Rhineland' model as a coordinated market economy, though the UK and the USA are characteristic of the more liberal, Anglo-American model. Little research has

been done regarding external variables when considering the HR function's roles (Paauwe and Farndale, 2017; Budhwar et al., 2018). Along the same pattern, many researchers have stated that regardless of the fact of being a politically and economically important region with a combined population of more than four hundred million and extensive natural resources, the Middle East and Gulf countries in particular, have been left behind in terms of international and cross-cultural management research, and research in the field is essential to be encouraged (Siddique, 2004; Aycan et al., 2007; Farouk et al., 2016; Budhwar et al., 2018; Cherian et al., 2021). A great part of the existing research has either focused almost entirely on the European or American context (Zeynep Aycan et al., 2007; Fey et al., 2008; Abdulrahman, 2010; Abdulaziz Al-Raisi et al., 2011; Budhwar et al., 2018) and has developed explicit theories of management practices or have suggested that the majority of the management theories require modification for diverse national contexts.

Moreover, according to Paauwe and Farndale (2017), companies' culture and HR practices have usually mirrored the dominant ideologies in the United States. Consequently, they emphasise individualism, effectiveness, practicality, competitive achievement, self-reliance, science and rationality, freedom, and equality. Therefore, logically, these values enclose many organisations' human resource management practices. As a consequence, organisations are now faced with the challenge of creating new human resource management practices that are appropriate for their employees but also able to attract, motivate, and retain the new multicultural workforce that has arrived (Stone and Romero, 2008; Paauwe and Farndale, 2017).

According to Garavan et al. (2020), in the HRM and organisational performance literature, a stream of research states that both external institutional factors (like marketing conditions, labour markets, regional and national institutions and cultures, competitive mechanisms and industry sector) and internal organisational context characteristics (such as ownership, size, sector, strategic objectives, and culture) influence the HRM and performance relationship (Budhwar et al., 2018; Farndale and Paauwe, 2018). So, one size does not fit all, and research needs to be done regarding HR practices in specific countries to succeed in them, so more research is needed.

Moreover, according to Moideenkutty et al. (2010) and Budhwar et al. (2018), the correlation between organisations' performance and Human Resource Management practices has not been fully investigated in the GCC countries, especially in the United Arab Emirates. At the same time, these studies are so valuable that they raise awareness of this

vital part of the world. No one has developed an ultimate managerial style of practice and organisation, especially for this area.

Finally, Budhwar et al. (2018) stated that there is a gap in the literature regarding which HR practices from the Western world will be successful if they transferred to the Middle East Region. The research is minimal, and HR is facing many challenges because of the gaps in the literature. He proposed that future research should be in that direction. Scholars have been examining this issue, Anwar (2003), Kleiner (2005), and Cherian et al. (2021) compared American and Arabian cultures and discovered many challenges that are come from the different management between the two regions and that the direction needs to be adapted to the cultural context, politics and people's mentalities of the UAE.

### **11) The Problem of Metatheory: Metatheorizing the HRM–Performance Link. (Gap Number Eleven from the Gap Net Model)**

In the context of HRM, the exact cause of an increase in OP remains unclear however, researchers suspect that HRM practices could be responsible. So far, the literature shows that researchers have pursued a statistical association among HRM and performance, in order to predict its influence on the latter. However, many researchers that are sceptical regarding the methodological issues involved (Paauwe 2020). Farndale and Paauwe (2018) give a synopsis of the problems and pitfalls regarding the methods used and their outcomes. Wright (2005) was uncertain regarding the level of methodological rigour of the HRM and performance link. Boselie et al. (2005) highlighted that monetary data on OP are too distal and are quite detached from the HRM influence.

Moreover, when it comes to methodology, an agreement does not exist regarding which HRM practices constitute the correct and appropriate set of HR practices. The same problem applies to the theoretical classification of these HR practices, the significance of their business strategy and last but not least, their level of analysis. Finally, Saridakis et al. (2017) raise the issue of the directionality of causality involved in the relationship between HRM practices and OP.

Moreover, as mentioned above, empirical researchers pursue a statistical connection between HRM and performance, aiming to predict what will happen to performance if HRM

practices are involved; this is the method of scientism. Scientism's method, named the deductive method, whereby to 'explain' something is to foresee that something as a deduction from a set of initial conditions, assumptions and laws or some other regular pattern of events. However, the question that Fleetwood and Hesketh (2011) raise, and it is very important is, if we should really believe that transposing techniques that work in natural science can work as well in social science too.

For scientism, 'observable events' form the pillars of empirical research; they are the elements of interest that occur in the social world and about which researchers gather information (Fleetwood and Hesketh, 2011). An 'observable event' might be the strength of employees' commitment to increasing productivity. When these events are observed, they become variables. The social world, or at least the part that is amenable to scientism, is assumed to consist of observed events. From this ontology of events, an epistemology occurs after it. As stated by Fleetwood and Hesketh (2011), if certain knowledge is occurring from events' observation, then more general and scientific knowledge can be achieved as long as these events have a pattern, like event regularities, since a flux of random events is not going to bring any knowledge. An example of event regularity is a 'law' like Ohm's Law. This kind of knowledge is totally dependent upon the presence and ubiquity of event regularities.

Nevertheless, even though these event regularities do a lot of work for scientism, they are, equally, its Achilles heel. These event regularities are the base upon which the predictions/hypotheses are created and tested. These predictions are created inductively, are based on researchers' observations, and rely on regularities between events. Henceforward, regularities will be generalised as 'whenever event X then event Y occurs.' However, according to critical realists, event regularities occur only in precise systems named closed systems. Event regularities are the main characteristic of closed systems conversely; open systems consider a lack of these regularities their main characteristics (Fleetwood, 2017). Empirical researchers on the HRM-Performance linkage implicitly presume that the work environment in which HRM practices occur (event X) and fluctuations in performance arise (event Y) is a closed system. At the same time, event regularities and closed systems are vital to scientism; the deductive method and empirical research on the HRM-P link are rare phenomena (Fleetwood, 2017). There seem to be limited closed systems in the natural world and nearly none in the social world (Fleetwood and Hesketh, 2011). Thus, one basic problem is that empirical research on the HRM-P link is grounded upon quantification and

measurement. However, most of the significant features of OP and HRM practices are naturally qualitative, multidimensional, complex, developing, and frequently subjective. Finally, whilst much of the social world can often be understood with difficulties, it is impossible to measure it meaningfully (Fleetwood, 2017). Thus, reducing these phenomena to a one-dimensional variable in order to measure them means they are emptied of virtually all meaning. With their imperative to quantify and measure, commitment to the deductivist method and scientism shuts out non-quantitative avenues of examination and analysis. Fleetwood and Hesketh (2011, p.23) wonder, “Is it indeed probable to meaningfully measure something as complex as organisational culture or commitment etc., by requesting people to answer to a Likert Scale of 1–5?”

## **2.4 The Gaps that the Current Research is Covering**

The current research will try to fill some of above gaps, since all the gaps cannot be covered due to the lack of time, money and resources. In the gap net model (Figure 2.5), all the gaps the current research will cover are underlined can be seen. The gaps that the current research will try to cover are i) the first gap has to do with the theoretical ambiguity of HR practices and performance and the linkage between them, ii) the second gap has three parts: the first part is the empirical invalidity of the single respondent, so the current research will try to cover this gap by using not only HR managers but also focus groups that have many different levels of employees included.

However, we will not cover the second part of the empirical invalidity of causality, due to a lack of time and resources. The second part has to do with the empirical invalidity of causality. We have highlighted that it would be helpful for future research to focus on this issue and that future research will benefit if they focus on developing suitable research designs that are capable of associating HRM practices both to past performance (and search for reverse causality) and subsequent performance. The last part of the second gap is the response patterns of the survey, and according to leadership literature and implicit performance theory, respondents which observe the same leader will state leadership behaviours consistent with what they are led to believe was the group leader’s performance.

That gap was not covered as well in the current research because it had to do with the psychology of the respondent, and it is better to leave this part to psychologists iii) The third gap in the model relates to how research should measure HR practices. According to Paauwe (2013) and Paauwe and Farndale (2017), researchers have to wisely plan their measurement strategy, to be consistent with what they are going to measure. This is what the current research did by carefully analysing HR practices that actually exist in the country of the research, since the researcher has twelve years of experience in the HR industry of the country (please see more in chapter 2.6 HR Practices that the Current Research will Examine).

iv) Gap number four relates to the way that HR practices are implemented, and it was not covered in the current research due to lack of time and resources. v) Gap number five has to do with how HR practices affect employee performance. The current research tried to cover this gap by analysing the individual employee since there are new directions of studies that show if we want to comprehend the HR practices and performance connection deeply, we should really try to understand how HR practices influence individuals, which might then collectively influence performance (please see more in chapter 2.6 HR Practices that the Current Research will Examine). vi) and vii) The sixth and seventh gaps are the level of analysis and connecting individual and organisation level. These gaps are connected with each other and were covered in the current research. Wright and Boswell (2002) have contributed to this debate by distinguishing between macro (strategic, organization-level) and micro (individual-focused) HRM research. This highlights the importance of the application of appropriate theorising that can combine organisational and individual level emphases, like the psychological contract theory (Guest, 1999; Rousseau, 1995), cited by Paauwe and Farndale (2017), and this is what the current research is going to use to cover this gap.

Moreover, while examining the HRM and performance association, it is important not to overlook the employees (Paauwe and Farndale, 2017). As Peccei et al. (2013) advised, many employee-related pathways connect HRM and OP (Figure 2.7). viii) The eighth gap in the gap net model is the challenge that the field faces in dealing with the performance conundrum. The current research has tried to cover this challenge by subjective measures of measuring performance that are very reliable and by asking multiple respondents ( please refer to the discussion in the Performance Conundrum section)

ix) The ninth gap has to do with the cultural perspective and HRM linkage.; The current research did not have enough time and resources to go deep into such a big matter as culture. However, the current research took place in a multicultural environment like the UAE and in an Arab country that, according to the literature, lacks managerial studies, making it special. x) Gap number ten in the model has to do with the fact that studies have been taking place only in the US and UK there is a gap in the Arab countries, so the current research will try to help cover this gap. xi) Finally, the last gap is the problem of the metatheory and metatheorising the linkage between HRM-Performance, which the current research will cover by addressing the calls of critical realists (please see above gap number eleven).

### **2.4.1 High Performance Work Practices**

Much of the research conducted until now examines the association between HRM and OP. However, in the literature so far, an agreement does not exist as to what constitutes the HR practices in HRM, let alone a prearranged set of them, since there is a lack of theory in the field (Guest, 2011; Abubakar Tabiu, 2013; Paauwe, 2020). Many researchers have suggested sets of HR practices, but still, there is no settlement (Abubakar Tabiu, 2013; Sobaih et al., 2019; Paauwe, 2020). Yet, certain HR practices exist that form the core of the numerous HR practices that have been proposed all these years. These HR practices are 1) training and development, 2) recruitment and selection, 3) performance management, and 4) reward scheme. Further, since 1996, Becker and Gerhart (1996) discovered that no single practice appeared across all of the research field, except from training. Later on, Boselie et al. (2005) found an enormous variety of diverse HR practices throughout their analysis of 204 research studies. They discovered 26 different HR practices mentioned in the literature. The most popular are 1) training and development, 2) contingent pay and reward schemes, 3) performance management, and 4) recruitment and selection. Combs et al. (2006), like Boselie et al. (2005), with their meta-analysis, came to the same agreement. They recognized 22 HR practices that had been identified as high-performance work practices (HPWP). The most popular were: 1) compensation level, 2) training, 3) incentive compensation, 4) participation, 5) internal promotion, 6) selectivity, 7) HR planning, 8) flexible work, 9) performance appraisal (PA.), 10) grievance procedures, 11) teams, 12) information sharing, and 13) employment security.

A new notion of 'best practices' has emerged, or HPWS (Appelbaum et al., 2000), or 'high commitment' (Guest, 2001, 2002). The best practice approach is conceptualised as a set of

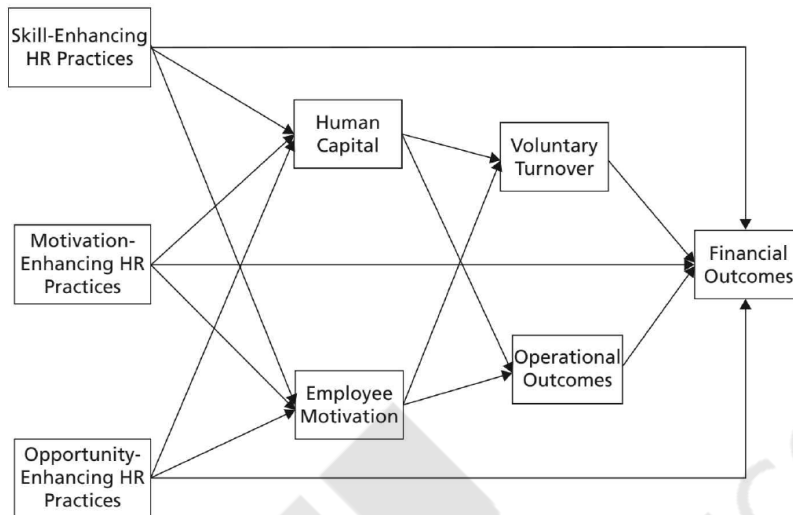


performances by encouraging employee skills development, work reorganisation, and employees' enhanced attitudes (Beaupré and Cloutier, 2007; Saridakis et al., 2017).

Combs et al. (2006) published their meta-analysis, in order to find the answer to two questions. First, have HPWSs impacted performance more than individual HRM activities? Second, are HPWSs more effective in the manufacturing industry than in the service sector? Their meta-analysis is based on 92 studies, and in total, this includes data from more than 2000 companies. With regard to the influence on performance presentation, they are convincing results. A standard deviation difference in the amount of use of HPWS is associated with a 4.6% increase in return on assets and a 4.4% reduction in employee turnover. Furthermore, an HPWS as a coherent 'bundle' has a greater effect than the sum of the individual HRM activities. Finally, the effect of HPWS seems to be much larger in the manufacturing industry than in the service sector. Combs et al. (2006) provide the following explanation: complex technology and the associated cohesive interfaces between man and machine require a greater effort in training and education. In the service sector, the effectiveness of HRM activities is lower because of the influence of customers, who may or may not participate in achieving outcomes such as productivity or the valuation of services rendered. Subramony (2009) has also published a meta-analysis to trace the effect of the so-called HRM bundles. His study is close to the AMO theory, because he shows the effect of a trio of analysis bundles. He distinguishes a bundle aimed at empowerment (opportunity to participate, a bundle focused on motivation and a bundle aimed at skill-enhancing, in other words, aimed at increasing the skills of the employees). The three bundles stand significantly close with outcomes such as employee retention, productivity, and performance in a financial sense. Here, too, the effect of bundles is greater than the separate HRM activities, while again, the effects in the manufacturing industry are greater than those in the service sector. Finally, we mention a meta-analysis by Jiang et al. (2012). What is captivating about this analysis is that the authors mainly look for the intermediate mechanisms/links between HRM bundles, on the one hand, classified to the AMO theory, and on the other hand, outcomes, both near (proximal, think of attrition, productivity) plus more distant (distal, think of profit, turnover, shareholder value). In their analysis, they include human capital and motivation as intermediary variables. Under human capital we mean the sum of all competencies of the staff. The bundle of HRM activities aimed at increasing staff skills indeed appears to be positively related to human capital, and the bundle of HRM activities aimed at increasing motivation depends on being positive along with the motivation of the staff. Thereafter, the question is "Do human capital and motivation affect the course

variables (with a negative association) and operational outcomes (with a positive association) to ultimately – also in a positive sense –influence the financial performance of the company?”

**Figure 2.8: Financial Performance of a company**



Source: Jaap Paauwe, 2020

### 2.4.2 Best Practice and Best Fit approach

Jiang et al.’s (2012) meta-analysis includes data from 116 papers and more than 30,000 companies. One of the most important discussions in HRM research is the distinction that can be made between the best practice and the best-fit approach. A best practice approach assumes that universal HRM activities improve any organisation's performance (Pfeffer, 1994). In contrast, a best-fit approach assumes that the effect of HRM activities on organisational performance decreases dependence on its alignment with internal and external organisational characteristics. While the rationale behind the best-fit approach makes the most sense, the best practice approach is getting the most support so far through use of empirical evidence. But that could also be related to the fact that most research is conducted through questionnaire-type research, in which the questions address the relationship between performance and the standard set of HRM activities.

Research into the idea of 'best fit' is much more difficult, because in-depth context must be visualised. This research has a more qualitative nature, and the results are more difficult to

generalise, and this is what the current study has tried to achieve. Boxall and Purcell (2015) argue that both approaches contain relevant elements. Some basics, such as employee development and high rewards, are universally successful, but implementing the HRM activity depends to some extent on the organisational context. The internal organisational context, determined, among other things, by the properties of the production or transformation process, leads to HRM activities not being optimally designed and executed. This is how the wish of employees to work in teams is limited by the nature of the production, for example, in the case of an assembly line production. Also, the external organizational context, such as legislation and trade unions, influences the successful design of HRM activities. The entire discussion on the universal best practice approach and the best-fit approach actually represents two sides of the same coin; in any case, both approaches make a valuable contribution to research concerning the relationship between HRM and organizational performance (Saridakis et al., 2017).

Boxall and Purcell (2015) distinguish two levels: the surface level and the underpinning (principles) level. On the surface level there is a determination of the specific appearance that requires customization per organization and at an underpinning (principles) level also to determine the underlying (underlying) principles, which are generally applicable principles of HR policy that are always important, e.g., careful selection, that offer training and education, good remuneration and employee participation.

## **2.5 Methodological Problems and Other Issues**

Moreover, Gould-Williams (2004) and Farndale and Paauwe (2018) stated that early studies have adopted a narrow view of performance, focusing primarily on financial indicators. Secondly, the research evidence is based on the views of single organisational representatives, namely senior persons. Moreover, only recently, scholars in the HRM field have started thinking about how differences in organisational settings could influence OP (Yousif El-Ghalayini, 2019). Thus, researchers have started investigating the differences entrenched in manufacturing versus service organisations, non-profit versus profit-oriented organisations, and public versus private organisations (Lengnick-Hall et al., 2009; Yousif El Ghalayini, 2016). Hesketh and Fleetwood (2006), two very important critical realist researchers, stated that the HR practices that are related to enhanced performance in one industry, profession, location or a certain period appear not to be associated with enhanced

performance in other industries, professions, location or time because the social world is so much more complex than the 'scientific' approach supposes.

## **2.6 HR Practices that the Current Research will Examine**

After all these years, as mentioned before, researchers have proposed many varied lists of practices where there is no agreement on what constitutes HRM practices or HPWP (Jiang et al., 2017; Shih et al., 2020). HPWP is generally defined as a set of interconnected HR practices that encourage promotion from within the firm, offering training, improving cooperation, decentralized decision-making, and assessing performance intended for employee growth and development (Shih et al., 2020). Many researchers have found a positive relationship between the application of HPWP and organisational performance (Shih et al., 2020), numerous scholars have called for research that examines employee's individually perceived HPWP instead of the combined HR system that the company argues that it is implementing (Jiang et al., 2017, 2012b; Shih et al., 2020). Earlier research has also recommended that employees' perceived HPWP is a more proximal predictor of employee attitudes and behaviours than the general effect of organisation-level HPWP (Bowen and Ostroff, 2004; Nishii and Wright, 2007). The current study takes the point of view of previous research by focusing on individuals' perceived HPWP to examine how it may affect employee attitudes and behaviours.

Certain HR practices form the core of the various practices proposed. These include recruitment and selection, training and development, performance management and reward schemes (Abubakar Tabiu, 2013). After closely reading the HRM literature, the most acceptable and widely used HPWS practices are proposed by Boselie et al. (2005), one of the most important researchers. They analysed 104 articles addressing HPWS that have been published over a decade. Boselie et al. (2005) stated that, there are 26 different practices, of which the top four, in terms of popularity and significance, are: training and development, contingent pay and reward schemes, performance management, and recruitment and selection. These four practices, according to Jaap Paauwe (2009) and Farndale and Paauwe, (2018), other very important researchers, can be seen to reflect the main objectives of the majority of 'strategic' HRM.

However, before the core HR practices are analysed, one more test will be made to ensure it is up to date. Boselie's (2005) and Fey et al.'s (2008) method will be adopted. After extensive

research on key papers, they summarised the most popular used HR practices. Fey et al. (2008) identified eighteen articles focused on the HRM–Performance relationship published in key journals over the last decade. They focused on the top four most often studied HR practices. Therefore, in this research, thirty major and latest studies on HRM-Performance were examined (see appendix), and four HRM practices that are mostly repeated were included in this model.

**Table 2.3: The 35 HR practices that researchers are using**

<u>Summary of all the studies</u>	practices
29 /30 studies used Training	1
26 /30 studies used recruiting and selection	2
25 /30 studies used compensation	3
22 /30 studies used performance appraisal	4
19 /30 studies used empowerment/communication, participation	5
15/30 studies used internal carrier opportunities	6
7/30 studies used Job design	7
6/30 studies used job security	8
6/30 studies used career planning	9
4/30 studies used Grievance process.	10
2/30 studies used job definition	11
2 /30 studies used job autonomy	12
2/30 studies used Flexible work Practices	13
2/30 studies used Separation	14
1 /30 studies used Supervisory style	15
1/30 studies used Incentives	16
1/30 studies used Health and safety	17
1/30 studies used Relations	18
1/30 studies used Carriers	19
1/30 studies used Attitude surveys	20
1/30 studies used job analysis	21
1/30 studies used job analysis problem solving groups/quality circles	22
1/30 studies used formal procedures	23
1/30 studies used organizational structures/internal labour market	24
1/30 studies used internally consistent, HR bundles	25
2/30 studies used job description	26
2/30 studies used profit sharing	27
1/30 studies used team work	28
1/30 studies used pension programs	29
1/30 studies used Unfilled position vacancies	30
1/30 studies used Work practices	31
1/30 studies used Grievance process.	32
1/30 studies used Maintenance	33
1/30 studies used Selection criteria (consider employees' capability to learn, interpersonal abilities, cultural fit and attitudes, or even personality)	34
1/30 studies used Commitment based HR practices only	35

Source: author's own

HR practices that are mostly studied are training, where 29 out of 30 (29/30) studies were using it; recruitment and selection, where 26/30 studies were using it; compensation, where 25/30 studies were using it and performance appraisal, where 22/30 studies were using it.

The four most studied HR practices, or the so-called "high performance work practices" are the same as the core of the numerous HR practices that have been proposed all these years. The same practices are used by Abubakar Tabiu (2013), training and development, recruitment and selection, performance management, reward scheme, and the same core practices as Boselie et al. (2005) stated are the core/most popular HR Practices across 104 studies. Furthermore, Combs et al.'s (2006) findings are also very similar to this model's findings too. Moreover, the Chartered Institute of Personnel Development (CIPD) in their HR Profession Map (2013) that still retains its relevance and legitimacy (<https://www.cipd.co.uk/learn/profession-map>, 2019) used professional HR areas that determine what the best HR professionals and organisations are doing, what they know and understand, to truly make a real difference and drive the performance of the organisation.

Moreover, according to Boselie et al. (2005) cited by Pauwe and Farndale (2017) indicated that the training, appraisal, recruitment and selection and reward scheme are most often incorporated in HPWP. Also, another important reason for accepting these four HR practices is because they are widely used in almost all UAE organisations, something that has been noticed by paying close attention to the HR field of UAE since the researcher has been working there in the last ten years of her career. Thus, these areas are: 1) Resourcing and Talent Planning 2) Learning and Talent Development, and 3) Performance and Reward. The same HR practices were used by Scott-Jackson W.B et al. (2014) in their research, which, as was said, is the most extensive research project into HR in the GCC. Thus, all of the above, are the reasons the current research chooses to investigate these four core HR Practices.

Finally, the fifth HR practice that will be analysed in this research, and the most innovative one, is Emiratization. Emiratization as an HR practice has never been researched before regarding OP, and it is related with the contextual environment. Only recently scholars began considering the context as an important contingency factor, mentioning that understanding the impacts of HPWS practices in different organisational settings (Daley and Vasu, 2005; Farndale and Paauwe, 2020). For instance, in an empirical study on organisations operating in Russia, the US, and Finland, Fey et al. (2000) examined the HPWS–performance linkage to understand how contextual factors work. For example, training was more important and

motivating in Russia, a country that shifted from communism to a market economy, where many people were trained in areas unrelated to their current job. This raises one of the key discussions within HRM literature examining whether HPWSs are universally applicable or may not be optimal in different settings (Sackmann et al., 1997; Fey et al., 2000; Paauwe and Farndale, 2017; Paauwe, 2020). Along the same pattern, lately, researchers have started investigating the distinctions between different organisations, like manufacturing, service, public, private etc., examining the effects of the organisational context on HRM outcomes (Yousif El-Ghalayini, 2016).

### **i) Training**

Training is the second HR practice that will be analysed in this research according to our gap net model (Figure 2.5)

Training is used to provide employees with the skills knowledge behaviours and other abilities they need to accomplish their jobs (DeNisi and Griffin, 2001). It is envisioned to adjust employees' skills or attitudes and add to the development of positive dispositions to growth and positive changes (Paul, 2009a).

Training has increased in organisations in the last couple of years (Garavan et al., 2020) and training is an important and pervasive HRM practice in organisations (Kim and Ployhart, 2014; Riley et al., 2017; Training Industry Report, 2018). However, the linkage between training and OP overtime is not fully investigated. The field is still maturing and the findings from the empirical research are still inconsistent. Substantial gaps remain between training and OP regarding the boundary conditions influencing the relationship and changes in the relationship over time. (Garavan et al., 2020). Generally, there is an increasing agreement that HR practices affect employee attitudes and work-related behaviour (Allen et al., 2003; Gould-Williams, 2007; Jiang et al. 2012; Garavan et al., 2020). Moreover, implementing effective HR practices has revealed that it has an important role in structuring and preserving the commitment of employees to the organisations (Allen et al., 2003). In addition, training has been recognised as an HR practice that is very important and that it helps in improving the morale of the employees as well as the OP (Tharenou et al., 2007; Sun and Choi, 2014). Wright et al. (2018) stated that since the external environment of the today's world is constantly changing, like globalisation, and the fast pace of technological change, there is a necessity for understanding the relationship between HRM and OP.

However, training was the only HR practice present in all 104 research that Boselie (2005) conducted. Training was also included as a high-performance HR practice in Huselid (1995), MacDuffie (1995), and Koch and McGrath's (1996) work. Training has received a lot of recognition of its importance as a source of sustained competitive advantage (Katou, 2007; Millar and Stevens, 2012) that could develop and enhance the quality of employees. Moreover, training improves employees' competencies, which is influential in improving overall OP (Millar and Stevens, 2012). Way (2002) agreed formal training could have a helpful impact on employee skills, motivation, behaviour scripts, outputs, and OP. At the same time training can motivate employees to apply their skills in their jobs, and improve the organisation's capability to have a workforce that produces greater employee output. Furthermore, according to Yousif El Ghalayini (2018), training has a positive association with employee satisfaction and commitment, in addition to a converse relationship with employees' aim to resign. Moreover, training has been acknowledged as a contributor to increasing organisational competitiveness (Schuler and MacMillan, 1984; Newman, 2011). At the same time, research shows that when an organisation invests in training, it will eventually contribute to improving individual and OP (Newman, 2011; Garavan et al., 2020). Training and OP linkage also depend on external institutional factors (like national and regional institutions and cultures, labour markets, competitive mechanisms, industry sector, and market conditions) (Budhwar et al., 2018). Training and OP linkage may also depend on internal organisational context characteristics (like ownership, size, sector, strategic objectives, and culture) within the organisation (Farndale and Paauwe, 2018; Budhwar et al., 2018). Additionally, researchers have highlighted the importance of the cross-cultural context in the training and performance relationship, which is influenced by the country performance orientation where the company is operating (Ahmad and Schroeder, 2003; Rabi et al., 2014; Garavan et al., 2020). Performance orientation influence has been highlighted as well in the GLOBE study (Emrich et al., 2004).

Furthermore, various researchers have suggested many reasons why training is connected to OP. Somaya et al. (2008) state that training allows the development of a greater depth of knowledge, skills, and abilities of the employees, so they become more flexible and knowledgeable and perform different tasks more effectively which has a result in the enhancement of OP. Moreover, training improves employees' knowledge, skills, and abilities in their job or future roles and also improves the OP (Wright and McMahan, 2011; Kim and Ployhart, 2014). Finally, Schleicher et al. (2018), based on the theoretical



framework of the system theory (Von Bertalanffy, 1968), declare that organisations use various mechanisms, like training, to adapt to changing and shifting internal and external context factors to preserve efficiency, stated that training must adapt to changing environmental conditions in order to be efficient and effective. Thus, it is very important to observe the specific conditions of the training in order to make a stable conclusion regarding its influence.

Many researchers in the past found it difficult to connect causality among training and OP (Tan and Batra, 1994; Blundell et al., 1999). Bartlett (2001) highlighted this issue, too, and explained that there is difficulty in evolving an effective measure for OP. Now, as Blundell et al. (1999) stated, cited by Newman (2011), the lack of appropriate data and methodological problems have prohibited suitable and proper valuation of the impact of human capital appreciation on OP. Thus, the impact of training is subject to wide margins of uncertainty.

According to Newman et al. (2011) and Jayaweera et al. (2021), employees' training is part of the unwritten psychological contract, and employees perceive training in exchange for commitment (Bartlett, 2001). The psychological contract, according to the CIPD (2020) website, is an unwritten and intangible contract that describes the perceptions of the association between an employee and an employer and the effects on how individuals act from day to day. Yet, it differs from an employment contract, a written, and formalised document. It's essential that the psychological contract is constructed on the everyday activities and statements created by one party and the way they are perceived and understood by the other party. The psychological contract is rooted in social exchange theory, which states that employees come into an association with an organisation to make the most of the profits they can gain (Blau, 1964; Zhang and Fei, 2022). Thus, a psychological contract is, according to Social Exchange Theory, an unspoken arrangement between the employer and the employee (Rousseau, 1995; Jayaweera et al., 2020). Reciprocity is the norm that rules the psychological contract, and according to Garrow (2004) and Jayaweera et al. (2020), it has been proven to have a significant role in defining organisational behaviour. The research so far shows, that individuals will increase their commitment to a firm if this firm can meet their expectations, when it comes to accomplishing their requirements and needs (Malhotra et al., 2007; Newman, 2011; Zhang and Fei, 2022).

Therefore many studies have shown that training can lead to the enhancement of the commitment that an employee has to an organisation (Ahmad and Bakar, 2003; Al Emadi

and Marquardt, 2007; Garavan et al., 2020). Since employees consider training a sign that their firm wants to have a social exchange with them, this generates a robust psychological bond between the employee and the employer (Garrow, 2004; Srimannarayana et al., 2017). Employees also want to reciprocate with a positive attitude and behaviour towards the firm, and that could be helpful to their organisation (Aryee et al., 2002; Garavan et al., 2020). Now, when it comes to the impact of training on organisational commitment, a restricted number of researches have taken place in Malaysia (Ahmad and Bakar, 2003), America (Bartlett, 2001), and the Middle East (Al-Emadi and Marquardt, 2007). These findings suggest that firms increase the commitment of their employees by promoting the training opportunities they offer.

Furthermore, Bartlett (2001) differentiates between the personal and job-related profits and career-related benefits of training, and he referred to a robust indication of an association among the apparent career-related, as well as the personal benefits of training and commitment. According to Al-Emadi and Marquardt (2007), there is a positive association between training and continuance commitment when they examined the insights of senior employees in the Qatari petrochemical industry. Moreover, earlier studies in China regarding training in multinational companies showed a positive association between investment in training and OP (Ng and Siu, 2004). Katou and Budhwar (2007) have stated that, in an uncertain economic atmosphere, training could potentially make a real difference in OP. Consequently, much research has noted a positive relationship between training and OP (Abdullah et al., 2009; Khan, 2010; Srimannarayana et al., 2017).

On the other hand, Scott-Jackson et al. (2014), after their interviews with senior corporate leaders across the Gulf Cooperation Council (GCC) countries, stated that there is a distinctive 'Gulf Arab leadership style' with precise HRM needs. For these HR policies and practices to be efficient and effective, they must rely upon this idiosyncratic leadership style. They must be constructed and executed to match the current cultural factors.

Regarding training, Scott-Jackson et al. (2014) stated that the relation of training and development to career development could be weak given the significance of personality characteristics like relationship building and loyalty. Capability is not the most significant criterion for enhancement in a patriarchal hierarchy. A lot of training and development occurs by observing 'father figures' or managers. Paternalism is another crucial aspect that explains the excessive respect for authority and loyalty; in Arab countries. The manager is considered a father, and a chief of the community (Yahiaoui et al., 2021). In Arab countries

and other cultures with similar dynamics, the concept of excessive respect for authority and loyalty is often rooted in paternalism. Paternalism refers to a leadership or authority style where the leader or authority figure takes on a role akin to that of a parent, specifically a father, about their subordinates. This role involves providing guidance, protection, and support but also expects loyalty and deference in return (Yahiaoui et al., 2021). This concept is powerful in Arab countries, where managers are often perceived as more than just professional figures but also as caretakers, protectors, and community leaders. In Arab cultures, managers are often seen as paternal figures who hold authority and influence over their employees, similar to how a father might in their family. This paternalistic approach reflects a sense of responsibility for the well-being of employees beyond just their professional performance. Excessive respect for authority results from the deeply ingrained cultural values of honour, respect, and deference to those in positions of power. In Arab societies, loyalty to the manager reflects the individual's respect and commitment to the broader community (Yahiaoui et al., 2021).

Learning and developing strengthen, confirm respect upwards, nurture downwards, and preserve the leader's jurisdiction and effect. Not long ago, in the GCC, even technical training would have typically occurred by observing the practices of senior members of the company, and employees were often sent on training as a result for their loyalty or as a validation of their status, with no anticipation of education or enhancement of performance. As stated by Scott-Jackson et al. (2014) and Samara (2021), the entire GCC business population was a pretty small affair that had to do mainly with the family, where almost every person was a family member or very well-connected to the family. Thus, relationship building and loyalty to the family was a significant factor. Therefore, businesses used to run like families and had similar orientations. Some efforts have been made to introduce the proper training and certification for GCC HR professionals (Scott-Jackson, 2012; Scott-Jackson, 2014). But then again, the suitability of the training is a subject as to whether HR practices need to be localised (contingent HRM) or if it is possible to be grounded on global, Western models (universal Human Resource Management). According to Budhwar and Mellahi (2006), cited by Scott-Jackson (2014), regardless of globalisation and the expatriates' influence, Middle Eastern countries reserve a discrete work culture and attitudes towards work. This unique work culture has to do with the values of Islam, the Arab traditions, the excessive respect for authority, the loyalty to the group and the family, the high-power distance collectivism, the centralised but then again unified decisions, the small amount of delegation of tasks, and last but not least, the inflexible HR practices and policies

in the organisation (Samara, 2021). Thus, these differences have many consequences of different parts of HR policy, such as recruitment and selection (R&S), management, HR rewards and OP (Scott-Jackson, 2014). For instance, in R&S, recommendations, referrals, and powerful connections could be more appreciated and have a more excellent value than experience. The name for it is *wasta* in Arabic. Hutchings and Weir (2006) define *wasta* as connections, networks, contacts, and nepotism in PA and rewards loyalty plays a significant role and has a greater value than efficiency. Seniority is more important and respected than performance regarding performance rewards. Finally, respect is even more significant than money when it comes to motivation. Thus, to sum up, work environment and personal life are unified, surrounded by the framework of Islam, and they have, as a base, robust social customs that are idiosyncratic with high respect towards authority (Mellahi, 2006).

As mentioned above, personality characteristics play an essential role in training and UAE business in general. According to Scott-Jackson et al. (2014), for the GCC countries, relationship building is significant, as well as employee relations and engagement. Sometimes, relationship building is even more important than making money, and relationships are as concrete as money. As has been expressed, if an organisation has loyal and devoted people, then OP will increase on its own, inside the company/family (Scott-Jackson et al., 2014; Samara, 2021). When it comes to the concepts of trade unions and collective representation, many of the interviewees of Scott-Jackson et al. (2014) have recommended that there was no necessity for collective representation whatsoever because this kind of issue should have been taken care of by the leader, who is obliged to take care of his employees, through the proper mechanism, like *majlis* (a systematic forum, that it is open to everyone and it has the purpose of individuals raising their complaints and other issues, to their leader). Moreover, most interviewees believe employee involvement with management issues could occur, but only casually through consultation. Thus, the idea of trade unions is unhelpful, and according to the interviews, is probably why the UK has so many management and employee disputes. In the same way, HR practices and policies on, for instance, absence management, could become flexible, with any non-work associated family responsibilities being of high significance (Scott-Jackson et al., 2014; Samara, 2021).

Western cultures could perceive this thinking as old-fashioned, unproductive, or immoral. However, for the GCC countries, with a similar culture and characteristics, the focus on

relationships could be the foundation for an engaged workforce and elevated performance (Goffee and Jones, 2006; Scott-Jackson et al., 2014).

Thus, the following research question is suggested:

How do the HR practice/mechanisms of training and development and their sub-HR mechanisms work regarding performance due to its powers/tendencies, and why?

## **ii) Recruitment and Selection**

Recruitment and Selection (R&S) are tools that are used by an organisation to select the best applicants from a pool of candidates for a position after they have been filtered by the HR team (Senase, 2018). On this ground, according to Budhwar and Mellahi (2006), cited by Scott-Jackson (2014), regardless of globalisation and the expatriates' influence, Middle Eastern countries reserved a discrete work culture and attitude towards work. This unique work culture has to do with the values of Islam, the Arab traditions, the excessive respect for authority, the loyalty to the group and the family, the high-power distance collectivism, the centralised but unified decisions, the small amount of delegation of tasks, and last but not least, the inflexible HR practices and policies in the organisation. These differences have clear implications for various aspects of HRM, including recruitment, where recommendation or connection may be more valued than experience (Samara, 2021).

According to Klepic (2019), recruitment is any activity supported by an organisation with the main purpose of identifying and attracting potential employees. Bohlander and Snell (2007) state that selection is the procedure of reducing the number of candidates and choosing future employees with appropriate skills and credentials. A good selection process could potentially produce superior employee output and individual performance (Holzer, 1987). Likewise, various researchers agree that effective recruitment and selection systems in an organisation will bring competitive advantage and higher OP (Storey, 2007; Amin, 2014; Klepic 2019). Furthermore, a rigorous recruitment and selection system can create a feeling of elitism and significance, together with higher expectations of individual and OP (Pfeffer, 1994). In the same way, HRM researchers agree that recruitment and selection practices positively affect employee commitment (Dyer and Reda, 2010; Kleptic, 2019; Yyousif El Ghalayini, 2018).

Many researchers have discovered a positive relationship between recruitment and selection and OP (Singh, 2004; Senase, 2018; Klepic, 2019). The recruitment and selection process is one of the major functions of HRM. Thus, if there is a mismatch between the employee and their job, then this can lead to blockage of performance levels (Lado and Wilson, 1994), while a sophisticated selection system should guarantee a better fit between the person's capabilities and the organisation's requirements (Hamza et al., 2021). Storey (2007) added that if inappropriate people are chosen, then low productivity, high turnover, unsatisfactory productivity figures, high rates of absenteeism, and employee stress will occur.

Finally, when it comes to the UAE and other GCC countries, recruitment and retention is a significant challenge, for organisations. As stated by Gulf News (2017), staff turnover in the UAE is much higher than global averages and this affects productivity, and it is costly too. Also, the UAE is facing another recruitment and selection challenge, the so-called 'wasta' (use of influence) in Arab business practices. According to Scott-Jackson et al. (2014), the recruitment criteria in GCC countries suggest a weighting to loyalty, hence members of the extended family or individuals who come with strong references are recruited. Thus, 'wasta' has a huge impact on R&S (Smith et al., 2012; Alsarhan and Valax, 2020). Moreover, the family name is really significant. A person without a powerful family name, has lower chances of finding a good and respectable position even if they are good performers (Harbi et al., 2016; Alsarhan and Valax, 2020). Another hidden component in this equation of the family name is that there is a deep-rooted family-tribal network of relatives, which is mainly hidden since family-tribal members frequently have different surnames (Cherian et al., 2021). As has been stated by Harbi et al. (2016), the secreted nature of this web permits managers to be more biased towards some employees and in an unnoticeable and discreet way.

Furthermore, apart from the family network issue and its influence on the work environment, another issue that is really important is "regionalism." Regionalism is related to the origin of the individuals. For example, if managers and employees were from the same region then, as Harbi et al.'s (2016) research states, the evaluation of an employee would be biased. Specifically, in Saudi Arabia, there was a perception between the employees that individuals from regions around the capital of Saudi, were privileged at the expense of those from elsewhere. Some tribes from the south and the west were disregarded, and they were evaluated differently, according to their area of origin. In these cases, personal, family and tribal relationships helped employees with connections (Cherian et al., 2021).

Wasta's effects on PA were resented by many research participants as it included political, and family relationships and friendships. Of particular importance to wasta are family relations. The relations, and scores on their individual performance evaluations create divergent interpretations of the individuals. Further perceptions of injustice and unfairness are attached to their feelings of bias favouring tribal as well as family relationship. (Harbi et al., 2016; Cherian et al., 2021)

Furthermore, Arab principles or society are led by 'wasta' and authoritarian relationships (Branine and Pollard, 2020). It is obvious that Arab principles are also of high importance in the work environment of the Gulf region (Robertson et al., 2002).

Therefore, the following research question appears:

How does the HR Practice/Mechanism of Recruitment and Selection and its sub-HR Mechanism work, when it comes to performance, due to its powers/tendencies, and why?

### **iii) Compensation**

According to Suri (2016), compensation is a reward system that an organisation provides to employees in return for their willingness to perform various jobs and tasks. It is important that the employees feel valued by their rewards, thus these rewards need to be suitable and need to match employee skills, abilities and input (Hartati, 2020). According to (Banks and Kepes, 2015), employees are going to feel justly treated and they should be motivated to perform. If a merit pay system in practice reflects their input, then work effort and job performance should increase. However, if employees feel under-rewarded in comparison to their colleagues, or according to their input, then their motivation and performance will go down (Banks and Kepes, 2015; Aranda et al., 2020).

Moreover, compensation has a positive relationship with employee satisfaction and motivation (Yousif El Ghalayini, 2016; Hartati, 2020). Motivation-enhancing practices, (direct compensation, benefits, and promotions) add value in rewarding and encouraging employees' behaviour and producing discretionary effort (Chowhan, 2016). Many researchers have stated that there is a significant relationship between compensation and OP (Long, 2017; Hartati, 2020). Specifically, Mayson and Barret (2006) discovered that an

organisation's ability to attract and motivate employees by offering competitive salaries and suitable rewards is associated to OP. Organisations that pay more than their competitors will appeal to employees that have higher abilities (Aranda et al., 2020). These employees are going to have the motive to apply their skills to their everyday work tasks in order to avoid losing their highly-paid jobs (Shapiro and Stiglitz, 1984; Jean et al., 2017). Furthermore, Frye (2004) stated, that there is a positive relationship between equity-based compensation and OP. Likewise, Ines and Pedro (2011) discovered that compensation systems and employee performance are highly correlated with substantial consequences on effectiveness and OP, in sales jobs; and at the same time, the firm can decrease its turnover rates (Way, 2002; Castellanos et al., 2021).

Last but not least, Schwartz (1999) suggested that because of differences between countries and cultures, people in different countries are affected and motivated differently by compensation decisions. Thus, it is expected that performance-based compensation systems, which increase pay inequality, will be more accepted and motivated in high power distance countries such as Russia than in lower power distance countries like the USA. Thus, HR practices of recruitment and selection, compensation, and training are grounded in Western European values and might not work the same way in different countries, with different cultures and mentalities (Cox, 1993; Stone and Romero, 2008)

On the basis of all the above mentioned, the following research question is created:

How does the HR Practice/Mechanism of compensation and its sub-HR Mechanism work, when it comes to performance, due to its powers/tendencies and why?

#### **iv) Performance Appraisal (PA)**

According to Prasad (2006), cited by Mashavira (2020), performance appraisal (PA) is the systematic evaluation/assessment of employees by their supervisors regarding their performance at work and it is one of the oldest and universal management practices (Tripathi, 2006) cited by Mashavira (2020). PA typically, takes place on a yearly basis and contains the manager's assessment of the employees' performance. In other words, the feedback that an employer, through the PA, provides to the employees is really crucial since it helps employees understand exactly where they need to improve themselves, and their performance too, by giving them specific feedback regarding their needs for development



(Vasset et al., 2011). Also, the positive feedback that the employees can get through the PA, can motivate them, help them understand their weaknesses, and help them to continue advancing. Positive PA feedback has been associated with performance enhancement (Tomilayo et al., 2020). More precisely, specific feedback is one of the most significant elements of the PA since it could advance employee performance at all levels, raise inner motivation, strengthen employee capability, support employee self-esteem, and be perceived as an acknowledgement of great performance (Vasset et al., 2011; Igbojekwe and Ugo-Okoro, 2015; Sajuyigbe, 2017; Tomilayo et al., 2020).

Finally, in the context of multinational enterprises (MNEs) operating in the culturally intricate Middle East and North Africa (MENA) region, cross-cultural differences impact the performance appraisal process. Yahiaoui et al. (2021) uncovered that the implementation of performance appraisal practices necessitates adaptation to socio-cultural values to ensure effective internalisation. Several cultural factors influence this adaptation, including the emotionally driven manager-employee relationships, concerns about maintaining one's reputation ("losing face"), the presence of significant power distances within the hierarchy, the inclination to avoid confrontations, and a preference for high-context communication. These cultural nuances shape how criteria for appraisal, the evaluation process, and feedback mechanisms are tailored to align with local socio-cultural norms. The findings from this research contribute insights into the potential challenges and strategies related to the implementation of corporate performance appraisal practices by MNEs in the MENA region. The research highlighted the necessity of aligning these practices with the cultural values and expectations of the local context. This has implications for future research, urging further exploration of the feasibility and effectiveness of MNEs adopting performance appraisal practices within the unique socio-cultural landscape of the MENA region.

### **a) Employee's Involvement in the Performance Appraisal**

PA is an organised interview with a lot of structure, and not just a traditional conversation like in the past. Many methods and techniques are usually implicated from both sides, from the employer and the employee (Vasset et al., 2011). Nowadays PA researchers are moving closer to the motivational and developmental aspects that PA has to offer, instead of just a slim focus on the comments and appraisal from managers towards the employees (Vasset et al., 2011; Tudor and Peter, 2021). Nonetheless, much of the research suggests that it is very difficult to define what is the best way to conduct a PA, and the PA practices depend a lot

on the specific circumstances that an organisation could face. The main concentration in the literature now is to transform the PA process into a tool managers can use to motivate their employees, rather than a simple line manager's speech. So far, the procedures of the PA are premeditated mainly by accessing organisations' needs and with only an inadequate contribution from the line managers. The employees' participation generally comes at the end and was not something that was taken into too much consideration (Vasset et al., 2011; Tomilayo et al., 2020).

Participation in PA has come up with mixed effects because researchers were not able to recognise how complex the phenomenon was. Managers must support subordinates with self-determination according to research and understand with respect to the issues, their own needs and situation at hand, or attitudes (Tomilayo et al., 2020). When employees have an opportunity to discuss results with their manager and have good leader-member relationships they are more satisfied with the appraisal process. A lot of health workers mentioned they didn't have a chance to have real input in a PA. Studies that discuss using punishment in PA say that it can be used as a tool for discipline, however, this will probably decrease motivation and learning in the long run (Tomilayo et al., 2020). According to research, employees and their managers can build a performance plan based on the individual (Sepahvand et al., 2019). Finally, when discussing PA higher education, active participation and useful feedback are the important elements needed (Sepahvand et al., 2019).

### **b) Employee's Definition of Role, Responsibilities and Goal Setting in the Performance Appraisal**

Moreover, PA can increase an employees commitment through defining employee roles and responsibilities inside the organisation (Pettijohn et al., 2001; Tomilayo et al., 2020). According to Yousif El Ghalayini (2016), PA as an HR practice, has a powerful positive association on employees' commitment and satisfaction through the PA processes, which is characterized by employee involvement in establishing the next year's goal and performance standards (Vasset et al., 2011; Tomilayo et al., 2020). Job clarification and supervision of employee performance, could lead to job satisfaction, professional commitment, higher productivity and could minimise role ambiguity (Yousif El Ghalayini, 2018). Besides, with the PA system, an organisation could monitor the growth of desired employees, but in order

to increase employee's perceptions of fairness towards PA, the person that conducts the appraisal must do that in an impersonal way and style (Harbi et al., 2016).

Employees' well-being should be a priority for each organization and their employee's development. Intrinsic and extrinsic motivations affect the situation of goal setting which is a powerful motivator. It must also be accepted by the employees to be effective and to be a key component and visible procedure of the employee participation in PA. In the last decade, goal setting theory has been dominated by motivation theory, a theory that focuses on the employee's own development on mobilisation, task feedback in the job, and strategy (Tomilayo et al., 2020).

According to Harbi et al (2016), Europeans or Americans manage departments in an equal and fair way whereas those managed by Arab minds have little justice. Also, colleagues working for foreigners are content because their managers set goals for them and things are clear in the company. The above attitudes allude to frustration at not having clear performance goals and expectations and frustration at the lack of clarity around the appraisal process. The ethical conduct of Saudi managers and the extent of procedural justice was also questioned (Harbi et al., 2016).

### **c) Effective Performance Appraisal/ Fairness-Justice Feeling**

The HR literature shows that there is a substantial relationship among PA and OP (Qureshi et al., 2010; Amin, 2014; Tomilayo et al., 2020). Many researchers advise that perception and the image that employees have over PA could have an impact on its efficiency, and how effective PA could be (Pichler, 2012; Tomilayo et al., 2020), predominantly when it comes to justice and satisfaction. An effective PA system should include an overall framework that allows the complete process to function at the optimum level of performance (Giles et al., 1997). Moreover, research proposes that to improve the fairness feeling of the PA, the appraiser must conduct the PA in an objective and detached way. As it has been stated above, employees' perception of PA, regarding fairness and satisfaction has a direct influence on its effectiveness (Jawahar, 2007; Pichler, 2012; Thurston and McNall, 2010). Shrivastava and Purang, (2011), cited by Harbi et al. (2016) have made a great analysis of the fairness perception, by using nine elements, which are:

- 1) the appraiser needs to know the system, and the employee, that he is going to evaluate well
- 2) the appraiser needs to set crystal clear objectives and expectations, regarding the employee's performance
- 3) the appraiser's ability to clearly explain their expectations from the employee
- 4) the appraiser's skill to deliver recurrent, clear, timely and beneficial feedback to the employee
- 5) the appraiser's capability to elucidate choices and decisions that have been made
- 6) the liberty of the employee to express their different opinion and appeal against a PA that seems unfair
- 7) the correctness and suitability of the evaluation
- 8) the measurement of PA against effort and quality values
- 9) the performance rating should be based on performance and not personal standards

According to Aryee et al. (2002) and Mashavira (2020), organisational justice is linked to group, as well as individual feelings, regarding their treatment and their reaction to this perception. Thus, the notion of justice in an organisation, is evocative and idiosyncratic, since it captures what individuals think is fair. It includes a personal assessment of morals, beliefs, and ethics of managers' behaviour (Cropanzano et al., 2007). Consequently, managers in an organisation need to try to comprehend, and reflect on their employees' perspectives, in order to achieve this feeling of fairness and justice. This feeling of justice is very important to employees because they care if they get the value that they deserve, how they are treated over time, and if their employer is exploiting or mistreating them (Cropanzano et al., 2007). Social exchange theory and organisational justice are connected. As Leventhal (1980) stated, individuals could tolerate if something is not fair, provided they notice the events and the procedures, which regulate the outcomes, are fair. Thus, for all the above reasons, employees' perception of justice of PA are associated with the concept of procedural justice. Furthermore, the concept of justice is associated with the concepts of equity and egalitarianism. According to Malsch, et al. (2012), egalitarianism is a notion that does not accept formalities, grades and inequalities, and states that all people were formed equal and have to be treated equally; it includes fairness of opportunity and outcome, a smoothing of people and low-wage differences. Therefore, it is connected more with collectivism and with the sense of individual performance (Wu et al., 2011). In the current case, the UAE is a high collectivist society, with a score of 25 in the Hofstede scale. This

shows a close, long-term commitment to the member 'group', be that a family, extended family, or extended relationships.

#### **d) Loyalty**

For the UAE, as a collectivist society, loyalty is a dominant principle and overpasses almost all other social guidelines and principles. The society nurtures robust associations, that everybody is responsible for the associated members of their team/group. In collectivist societies employer/employee associations are perceived in ethical terms, like the relationships of a family, recruitment and selection as well as promotion decisions consider the employee's in-group, management is the management of groups. According to Scott-Jackson et al. (2014), in the GCC in performance management, loyalty might be more appreciated than efficiency or effectiveness, and regarding the rewards, seniority possibly, will be esteemed more than individual performance (Waal et al., 2017).

#### **e) Flawed or Inefficient Performance Appraisal**

Researchers recognise that PA could be associated with many difficulties and problems, and these problems relate to a lack of consideration for the culture that a firm has, time pressure, poor PA design, and disinclination to confront matters that have to do with poor performance (Vasset et al., 2011). Moreover, an ineffective PA system could lead to many complications like low morale of employees, reduced productivity, and low eagerness to support the organisation. Brown et al. (2010) stated that a flawed PA could have the opposite effect and push employees to act in a negative way.

Additionally, according to Vasset et al. (2011) and Naeem et al. (2017), if the PA of a firm is inefficient and unsuccessful in motivating and developing the employees, then the organisations and their employees, are dissatisfied. Moreover, when it comes to the person that will conduct the PA, their attitude, ways, and tactics that they will adopt, towards the PA, are really important and play a huge role in the overall success of the PA. Moreover, according to (Brown et al., 2010), indicators of the quality of the PA are: 1) trust and confidence in the evaluator, as well as, fair treatment from their side, 2) good communication

skills, 3) provision and openness of information 4) employee involvement in the PA, by giving them the chance to share their point of view and have some control over the PA process and last but not least, 5) clarity about the role of the PA.

Now, when it comes to PA. in practice, McDonnell and Gunnigle (2009) highlighted that it contains many defects and flaws; like the complications connected with an accurate and specific evaluation of the employee, as well the judgment of the appraiser regarding the employee's performance. Some other equally important problems are: 1) the excess attention to individual employees, at the expense of the team, 2) the non-consideration of the appraiser of the influence that situational variables could have on the performance of the employee (Murphy and Cleveland, 1995), and 3) contradictory objectives of the PA (Rees and Porter, 2003). However, employees' insights research towards HR practices argued that although managers defined the PA as an open conversation, employees were feeling that goals were established without consulting them (Kooij et al., 2010; Yousif El Ghalayini, 2018). Moreover, many researchers highlight the fact that the techniques and process for the PA are not always adequate or suitable and that certain managers are using a similar or identical process for all the performance appraisals they conduct every year. PA techniques should be differentiated and customised to every employee since they are different individuals (Vasset et al., 2011). The feedback portion of a PA technique requires very careful application. Researchers stated that feedback can offer information linked to self-evaluation, performance increase, job motivation, and reduction of uncertainty (Tomilayo et al., 2020)

Nonetheless, negative feedback could be perceived as less threatening if it is implanted in a conversation with an emphasis on the mutual assets and weaknesses of the employee. The manager's style and the employee's motivation to work is what the most effective feedback strategy depends on. Employees demonstrate that they rarely complete the experience feedback as an effective appraisal procedure, however, they do believe in the possible value of a PA. Feedback must be of a specific quality and studies show that if there are complex job situations feedback should be given out carefully.

## **f) Interpersonal relations**

Existing personal connections and an individual's ability to form a political relationship with their supervisor concerns the perceptions around the importance of relationship. What plays

a major role in injustice is that all evaluations are based on relations and friendships and therefore falsehoods. Some employees offered their services outside the employment relationship to the manager and that way they further nurtured their relationship. For example, in their research, Harbi et al. (2016) describe how one employee who got a perfect evaluation every year was supervising the construction of the manager's house. Another employee was helping his manager redecorate his house. One manager asked an employee to help his son get into university and various other such favours. This all implies that a feature of manager-employee relations is the willingness and ability to ingratiate oneself with the supervisor. Saudi managers seemed to place personal and political relationships above work and evaluations, according to most participants.

This was considered unfair (Harbi et al., 2016).

### **g) Interests and Power of Managers**

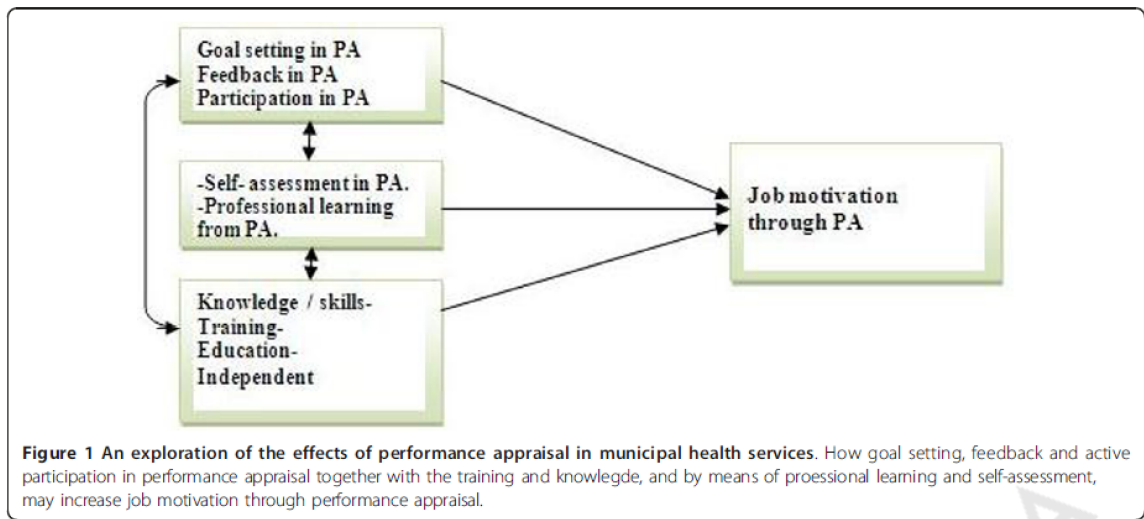
Managers use their performance evaluations to further their own personal interests according to Harbi et al. (2016). Either for personal gain or for their own ego. With respect to the former, one of the participants mentioned that evaluation could be linked to personal interests. Examples of personal interest included an employee finishing private errands for his supervisor or even advising him on commercial matters. An employee was asked to build and design and build houses for a manager according to a participant, and then even sell them for him. Some managers will ask employees to help with let's say 30% of their duties in exchange for a good evaluation. A manager will say that this employee does more work so must give them a grade of A, as most employees work in the same department. As far as ego is concerned, if an employee has an obedient manner, then they certainly will have a better grade. Personal relations exist on a wider societal level and show up in various networks, tribal, regional, and family types (Cherian et al., 2021). Networks such as these encourage 'wasta' where mediation is of utmost importance and obligation to people from networks a person belongs to. Appraisal decisions were widely based on family relationships. A well-known family name would give an employee the right to a very good appraisal compared to one without. Finally, 'wasta' (the influence that someone has), 'who you are' is influential in Arab culture. The evidence put forward in this article suggests that the appraisal process in Saudi Arabia and other Arab countries works that way (Harbi et al., 2016).

## **h) Performance Appraisal in Different Countries and Cultures**

Finally, as we have previously stated, people in different countries are affected and motivated differently by compensation decisions, because of differences in cultures and institutions (Schwartz, 1999). William Scott-Jackson et al. (2014a) reported in their results from interviews with senior corporate leaders across GCC countries, that when it comes to performance and rewards, the executives who were interviewed valued loyalty where it is strongly preferred over efficiency. PA will not be the most important assessment measure, and loyalty could be rewarded instead of performance (Scott-Jackson et al. 2014a). Also, PA could be a change towards meritocracy; a step away from a culture of limited or no performance rating that prefers to avoid uncomfortable conversations, and avoids confrontation. Many researchers have stated (Yahiaoui and Zoubir, 2006; Yahiaoui et al., 2021) in MENA countries, it is more significant to protect employees' dignity and feelings of pride, than to deliver an honest performance result and limited real performance award. Also, an emotional relationship exists between the employer and the employee that makes it even more difficult to have a true PA, since managers are afraid of losing face and fear that their emotional relationship and the interpersonal trust with their employees is going to be disturbed by the performance appraisal (Yahiaoui et al., 2021). This human attitude can be justified by Islamic values such as divine clemency, forgiveness, and compassion, (Yahiaoui, 2015, p. 1679). Scott-Jackson et al. (2014a) argued that if an employee doesn't like the results of a PA, it is possible to take it too personally get insulted, or start crying. Based on all the above, clear promotion criteria that is performance-based might be unsuitable, and employees will not be terminated on just the grounds of performance. Thus, HR practices in GCC are more complex and contain multiple realms and stakeholders. They are not the typical (Western) HR practices with role clarity, objectives, PA rewards, and performance measurements (Scott-Jackson et al., 2014a). Finally, in GCC countries HR is perceived as underperforming in key areas, however it is essential in supporting the rest of the business, currently HR implementation is still not adequate, and this disconnection is greater in the GCC than in other countries (Scott-Jackson et al. 2014a; Waal et al., 2017).



**Figure 2.9 An exploration of the effects of PA in municipal health services**



Source: Vasset et al., 2011

Therefore, the following research question is suggested:

How does the HR Practice/Mechanism of Appraisal (PA) and its sub-HR Mechanism work when it comes to performance, due to its powers/tendencies and why?

### v) Emiratisation

Emiratisation is a very important HRM practice/regulation. Anecdotal records and literature on localisation programs exist in many GCC countries. In particular, in the UAE, KSA, and Oman, there is a lack of academic and empirical research on localisation programs (Randeree, 2012; Budhwar et al., 2018) and the HRM practices that support them (Waxin and Bateman, 2016; Budhwar et al., 2018). According to Waxin and Bateman, (2016), however, these Emiratisation programs are so important for the country's future that there is a gap in the academic research regarding HRM practices and Emiratisation, in particular, there has been no comprehensive study about the key HR processes, and the difficulty lies on collecting reliable statistical and empirical data, along with the challenges of conducting research in the region generally, might be factors adding to this shortage (Harry, 2007; Williams, Bhanugopan and Fish, 2011; Waxin and Bateman, 2016; Budhwar et al., 2018).

In their research for peer-reviewed academic articles. Waxin and Bateman (2016) (p.2) quote: “Out of the 17 articles we retrieved, only a few had an empirical focus on specific HRM practices that facilitate localisation.”

Furthermore, the country’s dependence on expat workforce is reduced because of labour localisation programs and the recruitment and development of citizens in order to increase their employability (Abdelkarim, 2001:56). With these endeavours, dependency on the expatriate labour force is hopefully reduced, and nationals are prepared to take up their jobs (Abdelkarim, 2001:56).

In Saudi Arabia, this process began in the 1980s, but Oman and the UAE have adopted these measures more recently. The development of human capabilities for nationals in the member states of the GCC is a major strategic policy being recognised recently (Waxin and Bateman, 2016).

Human development is shared strategically in the UAE from 2011 to 2021 and government legislation and policy in the GCC have made labour localisation of utmost importance for staffing considerations for international businesses working in the area. (Looney and Hamad, 2004; Mellahi, 2007; Rees et al., 2007; Goby et al., 2015).

Without a plan to use local staff, it has become increasingly unlikely for human resources in an organisation to establish themselves locally (Randeree, 2009). “Organisationally relevant capabilities of groups and individuals” (Scott-Jackson et al., 2014a), and strategic HRM is “the development of a consistent, aligned collection of practices, programs and policies to facilitate the achievement of the organisation’s strategic objectives” (Mello, 2006: 152). Taking in account these definitions HRM plays a significant role in the social and economic goals of the GCC’s national and organisational strategies (Scott-Jackson et al., 2014a). Even though for the UAE, KSA, and Oman there is little empirical research to support the idea of local hiring, in reality, there is very little research to support this (Randeree, 2012). HRM could play an important role in these programs for GCC countries; however, it is strange that not many articles discuss the furtherment of employing nationals.

There hasn’t been any comprehensive study encompassing key HR processes even though researchers have addressed certain localised HR practices. Challenges in conducting

research in the region may contribute to the deficit in collecting reliable statistical and empirical data (Harry, 2007; Williams et al., 2011; Sarker and Rahman, 2020). Studies on labour localisation have, up to now, focused mainly on the UAE. Since labour markets in the Gulf region have a similar model, the studies are relevant there as well.

As there were few articles with sufficient information about the localisation programs, the researcher also looked into other empirical reports. All the GCC countries share demographic and labour market features: extensive reliance on expatriates, low level and low participation of women in the workforce, high rates of unemployment for citizens, and low levels of private sector employment for nationals. By 2020, the Economist Intelligence Unit had forecast that the GCC population would rise to 53 million, and now it is almost 54 million.

Considerable Reliance on Expatriates a boom in private property development in some nations has been created by sustained increases in wealth since the 70s. The boom has allowed GCC countries to implement aggressive programs in investment infrastructure. Since the local population was not interested in construction work and lacked skills, most countries decided to import labour with tolerant rules toward the employment of expatriates (Mellahi and Al-Hinai, 2000; Goby et al., 2015).

Citizens' High-unemployment Rates as the unemployment increases in all the GCC states the paradox is that the steady demand for imported labour creates this. There are many new labour market entrants annually, presented by the age pyramid with a wide base. Expatriates return home if they are unemployed for thirty days, so most unemployment is due to national unemployment, and Emiratis prefer jobs in the government sector (Mellahi and Budhwar, 2006; De Waal and Sultan, 2012; Iles et al., 2012; Budhwar et al., 2018).

The GCC leaders realised that unemployment issues should be addressed if political support is to be maintained. The Arab Spring has illuminated the sensitive nature of high unemployment levels, particularly among the young. Unemployment rates in the GCC were reported by Forstenlechner and Rutledge (2011) in the 15-29 age range between eight and 28% for nationals.

### **GCC Nations' Objectives for Localisation Programs**

Nationalisation programs examined from diverse economic, social, and political points of view have multiple national, organisational, and individual objectives. (Scott-Jackson et al., 2014b). Many times, they actually conflict even though the goals depend on the viewpoint of the stakeholders. The economic objectives vary across Gulf countries, impacting the labour market structure. Nationals may be scarce in the labour market as expatriates mostly do the jobs they find undesirable. On the other hand, in some other countries, there are jobs that nationals want, and expatriates compete for them. For instance, in the UAE and Qatar, the nationals are a small part of the workforce, so it is important that they take up leadership and maximize their impact (Waxin and Bateman, 2016; Sarker and Rahman, 2020).

Forstenlechner and Mellahi (2011) examined the outcomes of UAE affiliates of multinational companies cultivating the legitimacy of the employment of UAE nationals. Forty-eight semi-structured interviews with local managers of MNE subsidiaries were used in the research. The research found that MNEs are driven by a sense of appropriateness and social correctness in sectors where the employment of national citizens is taken for granted, such as banking. Contrary to that, in departments where there are almost no UAE nationals, the MNEs involved in efforts of localisation go along with the logic of the efficiency of finance, so they employ nationals in order to avoid the risk of having a disadvantage against local companies and to retain rents from government stipends (Waxin and Bateman, 2016; Sarker and Rahman, 2020). When complemented with non-legal initiatives and agreements that are voluntary, as well as from a perspective of policy, the research suggests that pressure to force MNEs to employ UAE nationals through laws and regulations is very effective. Most of the national workers were effectively integrated into the public sector by government opportunities by the mid-1990s.

Three types of localisation policies were adopted, in general, to varying degrees of commitment by all GCC countries: intervening directly in the labour market (i.e., introducing quotas and designating certain occupations to be staffed only by nationals), diversifying the economy away from the hydrocarbons sector, and enhancing educational attainment (Sarker and Rahman, 2020).

### **Reform of Education**

Several writers have commented that levels of education are not adequate in the GCC, and they say that reforms in education are a great challenge in the area (Al-Dosary and Rahman,

2005; Stasz et al., 2007; Budhwar and Mellahi, 2007; Lootah and Simon, 2009; Pech, 2009). Budhwar et al. (2018) stated that there are many gaps in the education system in the Middle East which is largely failing to produce a satisfactory supply of talent because of the lack of relevance and quality of education provided by academic institutions, often considered the bottleneck of economic development in the region (e.g., Chapman and Miric, 2009; Waxin and Bateman, 2016). For instance, talent management is one of the crucial challenges fronting organisations operating in the Middle East and existing evidence states that there is an enormous demand-supply gap when it comes to talent in the region (Ali, 2011; Biygautane & Al Yahya, 2014; Sidani & Al Ariss, 2014; Sumbal et al., 2017; Budhwar et al., 2018; Sarker and Rahman, 2020).

### **Strategies of Economic Diversification**

Most GCC countries have given high priority to employing locals in the oil and gas industry although they were heavily reliant on Western technical expertise for the early development of their petroleum resources. These trials have had much success, but it is a capital intensive business that does not require many workers in relation to the financial value it creates (Waxin and Bateman, 2016). People from North America, Europe, and Australia are the experts, geologists, and chemical engineers who staff many managerial and professional positions. Many times, these foreigners are directly hired; however, generally, they are taken from the major oil companies that the GCC governments have joint ventures (Waal et al., 2020).

### **Direct Interventions in the Labour Market**

The GCC's third pillar of programs of localisation is intervening in the direct labour market with terms like quotas and the allocation of specific jobs to be filled only by nationals (Waxim et al., 2018). The GCC countries have undertaken a diversity of quota systems in order to encourage the hiring of locals in the private sphere. The UAE has brought on the area's most recent localisation program targets. With banks typically facing the highest targets, historically, the government has imposed different employment goals for each sector. During a new initiative, the UAE announced a system based on tiers of targets, with economic motivations and penalties created to encourage companies to reach workforce localisation at higher levels (Zeffane and Kemp, 2019).

Bahrain taxes companies that use expatriates, raising costs compared to local employees. The number of MNCs relocating their regional offices outside the GCC does not seem to be high despite the fact that no one knows the degree to which businesses may have decided against investing in the GCC due to the abovementioned requirements. It is thus suggested that the area's market opportunities outweigh the rising employment costs. With respect to localisation, Oman stands out as an interesting example (Zeffane and Kemp, 2019).

Omanis have been taking jobs that foreign workers would have filled in other countries for lower wages, more than any other GCC country. Per capita income in Oman is around one-fourth of that in Qatar and less than three-fifths of that in the UAE as suggested by the statistics of the World Bank (2019). As previously mentioned, some jobs have been reserved for local employees in other countries too, including public relations officers in the UAE and Saudi Arabia procurement officials. Maybe because of the need to employ more nationals even the human resources department has become a target for localisation (Zeffane and Kemp, 2019).

Certainly, the private sector is beginning to replace departing expatriates with locally trained HRM employees, and equally in the public sector, government offices will often have trouble securing approval to hire an HRM professional who is not from the local pool. Companies need to be more effective as HRM makes this trend more urgent. Despite some key successes, most efforts to localise have not delivered enough growth in employing locals in the private sector (Zeffane and Kemp, 2019). A lot of national workers are just not interested in being employed privately as they pay market rates that are way below salaries in the public service and they also offer limited benefits compared to state jobs (Suliman, 2006; Harry, 2007; Zeffane and Kemp, 2019).

### **Development of Effective Staffing Processes to Recruit and Select GCC Nationals**

Hiring nationals is one of the biggest challenges in the GCC area, but few articles have zeroed in on selection practices and hiring that support localisation (Scott-Jackson et al., 2014a; Zeffane and Kemp, 2019). There are three challenges identified by Fortsenlechner (2010), Zeffane and Kemp (2019) related to hiring UAE nationals. The challenges are: 1) the difficulty of differentiating among many national CVs, especially from graduates with no experience 2) pressure to lower selection standards and 3) the creation of a sufficient

applicant pool. The importance of developing strong recruitment and selection processes is shown by these challenges.

One of the first approaches of best practice to attract GCC locals into private companies is to set up the employer's brands and the employee value propositions to be of the same fit for the desires of the locals (Scott-Jackson et al., 2014c). These authors, however, realised that foreign professionals in the UAE do not understand the aspirations and key motivations of graduates from the Emirates. On the one hand, young people from the Emirates declared being motivated by money (38%) the country (41%), contributing to society (33%), development (36%), and challenge (37%).

On the other hand, employers in the Emirates felt locals were motivated by challenge (48%), pride (44%), and mostly by money (76%). Fewer than one in 10 employers thought that nationals were motivated to contribute to society (8%), and none said they wanted to contribute to the country (0%) (Waxim Bateman, 2016).

Zeffane and Kemp (2019) stated that nationalisation programs are created in order to encourage and support the employment of nationals in preference to expatriates. They have become a key feature of HRM throughout the Middle East. Ministerial orders impose on private-sector employers a quota system whereby every company with more than 50 employees is obliged to recruit and retain the stipulated number of UAE nationals on the payroll to ensure the minimum percentage participation of Emiratis in the workforce. Other moves to encourage private-sector Emiratisation are wage subsidies, wage restraints for government employees, quotas on expatriate labour in the private sector, and employment targets for UAE nationals as a whole (TRA-Government News Services, 2022).

Numerous empirical findings have demonstrated that HRM policies and practices are largely based on local labour regulations (Brewster, Wood et al., 2008; C.J. Zhu et al., 2013; Budhwar et al., 2018). Even though a body of literature relating to HR practices in the region is developing (Barnett et al., 2015), there is a big shortage in the literature review of academic research regarding these initiatives within the context of the Middle East. According to Barnett et al. (2015), nationaliation policies are in this list of counter-productive policies and have largely escaped serious economic analysis. From a global perspective, there is a lost opportunity for the international community to grab and figure out transferable knowledge that could help researchers examine the transferability of HRM systems.

The research question that still requires an answer is:

How does the HR Practice/Mechanism of Emiratisation and its sub-HR Mechanism work when it comes to performance due to its powers/tendencies, and why?

## **2.7 Objective and Subjective Ways of Measuring Performance**

As has been said before, OP is one of the most widely used dependent variables, although it is one of the most imprecise and vaguely defined variables (Darwish et al., 2013; Paauwe, 2020). Huselid's (1995) pioneer study connected HRM and a corporation's financial performance and proved that a significant relationship lies there. Afterwards, many studies occurred regarding OP from the firm's perspective. Theoretically, OP compares the value produced by a company with the value owners expected to receive from the company (Alchian and Demsetz, 1972). The researchers defined performance in terms of stakeholder well-being, financial indicators, or capital market outcomes. Also, there was research on HRM that explored the outcomes which had the employees at the focus of their study looking further than pure performance and its numbers (Ramsay et al., 2000; Godard, 2004; Paauwe, 2020).

Performance can be measured according to two dimensions: 1) the objective or subjective nature and 2) the dynamic or static nature. Subjective performance indicators measure the judgment, the view, and the impression of the respondents by means of scales. Objective performance indicators are factual measures; typically, they are characterised by continuous variables. Both methods have been accused of errors (Darwish et al., 2013). Objective performance indicators may introduce limitations of their own over the enlarged risk of measurement errors and the outcomes of national variations in accounting standards (Darwish et al., 2013). The subjective ones could potentially introduce errors of judgment and common method problems (Razouk, 2011). As stated, objective measures are more robust than subjective ones because management may try to overstate performance to not draw attention to their shortcomings (Razouk, 2011). Yet, most HR researchers favour the subjective measures (perception-based mostly) of O.P (Darwish et al., 2013). Finally, a big body of research argues that the data that is gathered from both methods tend to be generally similar and analogous (Forth and McNabb, 2008; Darwish et al., 2013; Sign et al., 2016).



In particular, as Sign et al. (2016) stated, self-reported OP measures are acceptable and equally reliable as the objective measures since they correlated subjective measures with self-reported objective measures (from surveys) and financial statements. Also, they stated that according to the literature and real-life experience, given the difficulties and the differences in accounting standards and methods and the restricted accessibility to reliable financial data, researchers have often successfully resorted to subjective assessment of objective performance measures to measure the OP of companies in their research. Moreover, Guthrie (2001), in his research with senior management, concluded that the subjective performance data and objective financial data were significantly correlated. Wall et al. (2004) discovered their statistical significance too (Wall et al., 2004). Furthermore, Forth and McNabb (2008) discovered that their correlation is between 0.38 and 0.65, with the greatest amount of correlation coefficients greater than 0.5, and all of them statistically significant.

The current research, following earlier studies in UAE, will use subjective measures of a performance for numerous reasons: 1) many firms in UAE, are subsidiaries, and financial information regarding subsidiaries is typically not publicly available and is frequently not precise because of transfer pricing (Fey et al., 2008), 2) the standards of accounting are not equal in different countries, 3) there are no objective financial data publicly available in the UAE, making it necessary to subjectively evaluate performance, and 4) organisations have varied objectives (gain market share, maximisation of a short-term profit, study the market), which make a meaningful comparison difficult. Most organisations are reluctant to provide 'hard' or objective performance data (Fiorito and LaForge, 1986) therefore it is easier to collect subjective measures of performance, and they are equally valid (Sign et al., 2016).

## **2.8 Going Beyond 'Science': A Critical Realism Metatheory**

The linkage between HR and OP remains unclear ("black box"), however, it is suspected that HRM practices have something to do with that. As has been mentioned before, in the literature, researchers pursue a statistical association between HRM and performance in order to predict the association that they have. However, there are many researchers that are still sceptical regarding the level of methodological rigor (Wright 2005, Boselie et al., 2005). Moreover, scientisms method, named the deductive method, whereby to 'explain' something is to foresee it as a deduction from a set of initial conditions, assumptions, laws, or some

other regular pattern of events. However, according to Fleetwood and Hesketh (2011), there is a question mark if one should trust that transposing techniques in natural science could also work in social science.

Summarising, Fleetwood and Hesketh (2011) have identified these issues entrenched in metatheory and mentioned that the fundamental problem of the research field of HRM-Performance linkage is the commitment of empirical researchers to 'scientism.' Thus, this research will take Fleetwood and Hesketh's work as a starting place, and it will accept that the findings of the HRM-Performance linkage have pitfalls and that empirical researchers are not able to elucidate how or why HRM practices are associated with OP. 'Scientism' is a problem in social science. So this research will accept critical realism as its main research approach for HRM-Performance linkage. Thus, this research, through the critical realism and the research techniques it sponsors, will try to shed new light and explore in depth the way that HR practices/Mechanisms work their power/tendencies, along with why the research shows a better understanding of the underlying issues and processes.

Critical realist metatheory offers a way of meta-theorising the association between HRM and performance. This can be done in a way that is in line with institutional theory, and at the same time, the relationship is not reduced only to a statistical association (Hesketh and Fleetwood, 2006; Fleetwood, 2017). Generally, institutional theory demonstrates how the behaviour of an organisation is not only a reply to market pressures but it is a response to institutional pressures (state, other bodies, or social expectations) (Farndale and Paauwe, 2017). Moreover, according to Fleetwood and Hesketh (2008), Institutional Theory emphasises upon the explanation of the processes through which internal and external pressures on an organisation lead it to evolve, converge and resist change. It will allow for understanding the tendencies generated when employees engage with HR practices and social structures. Then, tendential predictions (things that tend to happen but it is not certain that they will), are possible to be made. The current research will try to understand the tendencies generated by the exercised HR practices to activate workers' powers. These powers, for example, might generate ingenious and self-directed actions and countertendencies caused by estrangement or mistreatment (Fleetwood, 2010). Thus, the effectiveness of the tendencies and countertendencies of the HR practices will be evaluated. Like this, the aim is to investigate the context of HR practices, their power/tendencies, and their processes to gain a rich understanding of how and why they work.

## **2.9 Powers/Tendencies**

### **i) Powers**

According to Fleetwood (2010), powers are relatively complex and might have an interpretive dimension because powers may be possessed with or without being exercised and may be exercised with or without being actualised. The individuals who possess certain powers should interpret them and choose how to use them. People and HR practices possess powers; for example, an HR practice involving information and consultation has the power to improve employee relations (Fleetwood, 2010). However, an HR practice could act to activate human powers. For instance, an employee has the power to work efficiently or not, however poor management could prevent the actualisation of this power. As stated by Fleetwood (2010), when exercised, certain HR practices could (or not) have the power to foster specific high-value-adding behaviours. Thus, it is not the existence of certain HR practices that might improve performance, but the actualisation of these powers itself depending on other underlying powers and structures that may or may not be actualised at any particular period or place. Comprehending the processes through which certain HR practices aid certain powers is the Achilles heel of the HRM–P literature (Fleetwood, 2010) and is the main aim of the current research.

### **ii) Tendencies**

According to Fleetwood (2010, 2017), ‘tendency’ is a force that drives and pushes but does not represent the outcome of this action, only the force itself, and it is not a law or a regularity. Thus, if a configuration tends to x, that does not mean it will eventually become x (Fleetwood, 2017). In open systems, like the workplace, configurations are not isolated from each other. Quite the reverse, a variety of configurations have their own tendencies and countertendencies. However, there is no certainty of the effects that they are going to bring, but they tend to cause them (Fleetwood, 2017). Every configuration and its sub-configurations produce tendencies, and those tendencies possibly augment and counteract each other in complicated ways. For example, the workforce as a sub-configuration has the

tendency to combat control, however, simultaneously, it coexists with the sub-configuration of a management team that has the tendency to support control. Nevertheless, the result has to do with the relative strengths of these tendencies. Summarizing, powers/tendencies are vital to critical realism analysis as they are the generating force of events (Dirpal, 2015). Finally, as Fleetwood (2010) stated, statistical analysis cannot work with tendencies since it works with the phenomena that are manifesting their powers. Only then can they be observed in action, and that is the reason why the current research will have a qualitative method of analysis.

## **2.10 Sub-HR Mechanism and Non-HR Mechanism**

Fleetwood's (2010 & 2011) definition of mechanisms, properties, and powers or tendencies refers to powers/tendencies because powers and tendencies are the same phenomenon. HR Mechanisms generate powers/tendencies, for example, the power/tendency to increase, decrease, or even do nothing for OP.

Mechanisms, properties, and powers/tendencies are emergent from but irreducible to other mechanisms, properties, and powers/tendencies. Mechanisms have properties; these properties instantiate transfactually acting powers/tendencies, and this ensemble of mechanisms, properties, and powers/tendencies cause events that might occur. Powers/tendencies are the a mechanism's properties acts; powers/tendencies are a mechanism's properties/tendencies in action.

According to Fleetwood (2010), an organisation consists of a cluster of mechanisms and social structures, however, these terms 'structures' or 'mechanisms' have a general sense as a placeholder for more precise things. Additionally, the HR-Mechanisms that organisations have are made up of other sub-HR Mechanisms. For instance teamwork is an HR-Mechanism, and peer pressure could be considered a potential sub-HR Mechanism (Fleetwood, 2010).

Moreover, in an organisation, there are other non-HR Mechanisms that can affect their power/tendencies, yet they do not have an HR nature. For example, non-HR Mechanisms that could have power/tendencies are family or distributive injustice (Dirpal, 2015). Finally, all the HR-Mechanisms, sub-HR Mechanisms and non-HR Mechanisms consist of rules and norms (Dirpal, 2015).

Furthermore, the impact of the relationships between co-workers on OP has received less attention than the relationships between supervisors and their subordinates (Wang, 2008). However, co-worker support or not may have important performance-related outcomes (Shah and Jehn 1993; Newman, 2011).

In the current analysis, an HR practice could exist, but it does not bring the events that have the power/tendency to convey since it was affected by other powers/tendencies generated by other HR Mechanisms, sub-HR Mechanisms or other non-HR Mechanisms. Thus, there is a complex set of powers and mechanisms, and when it comes to performance, the outcome has to do with numerous HR Mechanisms, sub-HR Mechanisms, and non-HR Mechanisms. All those generate their own powers/tendencies within an external environment that exerts an influence upon them all, perhaps differentially, and it is obvious how complicated this can get (Dirpal, 2015). Finally, according to Fleetwood (2010, 2017), since there is such a complexity, the outcome is not going unquestionably to an event regularity, law-like pattern, or even law in the flux of events; thus, systems like workplaces are definitely open, not closed, systems.

## **Chapter 3: Research Methodology and Methods**

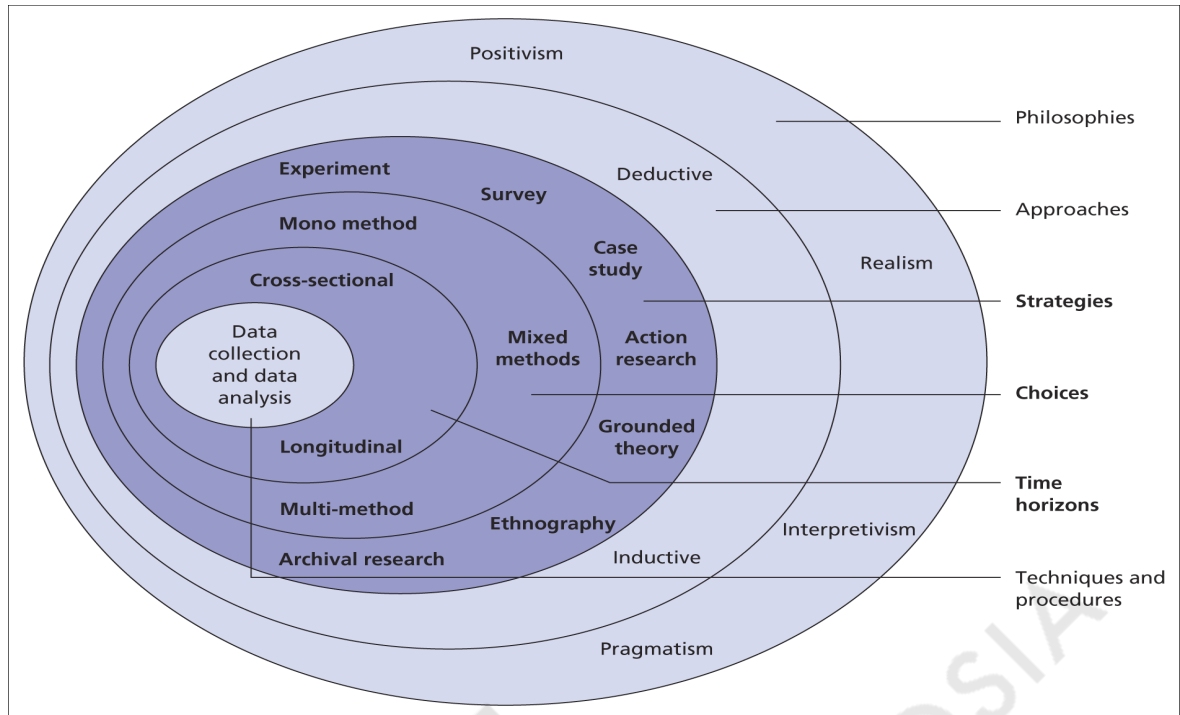
### **3.1 Introduction**

Research is the procedure of examining, systematically, and methodologically gathering data, interpreting the created meanings, and formulating logical associations with the intention of enhancing knowledge (Saunders et al., 2019; Ghauri et al., 2020).

Regarding Methodology means “the theory of how research should be undertaken, including the theoretical and philosophical assumptions upon which research is based and the implications of these for the method or methods adopted” (Saunders et al., 2007, p.602). Moreover, according to Bryman (1989), it could be defined as a collection of beliefs regarding what should be studied, how research should take place, and how results ought to be interpreted. Methodology contains an interrelated set of philosophical assumptions regarding how a researcher understands and studies the world, and its role is to help the search in order to find evidence that could establish, confirm, or question existing ideas and concepts (Ackroyd, 2004). Additionally, methodology is concerned with identifying what knowledge is and how it is to be uncovered. Methodology connects the gap between the practice of research and the philosophy of science. Finally, methodology is the foundation of the research design, philosophies, research approach, research strategies, research choices, the time horizons of research, and techniques and procedures of data collection and analysis of the data.

The research philosophies, approaches, and strategies are summarised in the ‘research onion’ designed by Saunders et al. (2008, p.132)

**Figure 3.1: ‘The Research Onion’**



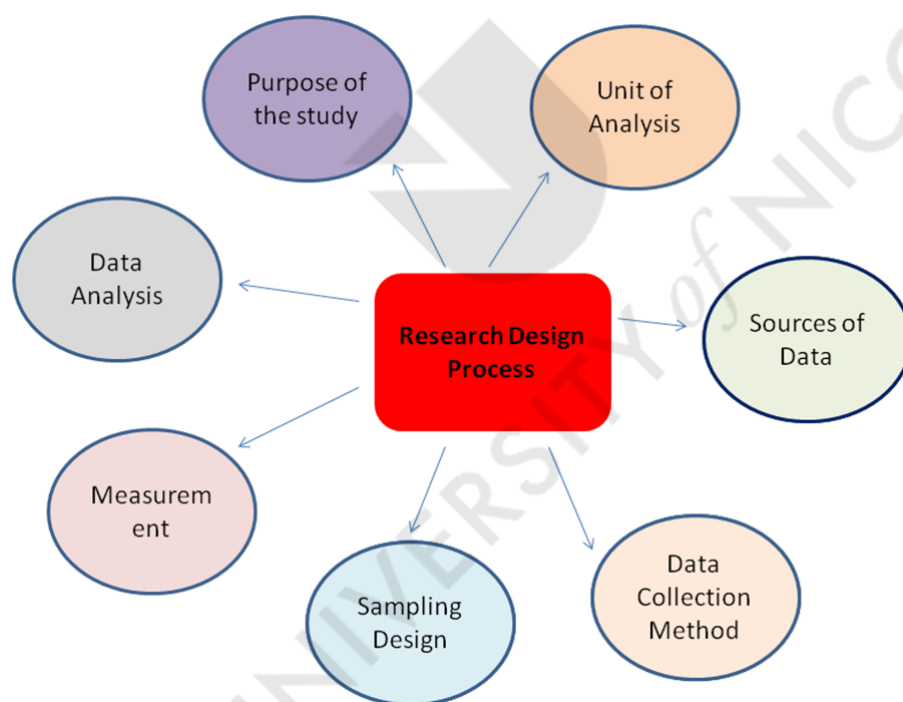
Source: Saunders et al. (2019)

The previous two chapters (critically analysed literature pertinent to the research question by examining the key variables and their relationships along with developing research questions from the literature review. This chapter describes the procedure and design of how the research process will be undertaken to satisfy the research objective; that is, to detect the HRM practices that influence OP. Firstly, a synopsis of the research model is provided along with the proposed variables and the hypotheses. These are followed by a discussion on the development of the research design, which includes a pilot study and its analysis. Subsequently, the layout of the data analysis is provided. Finally, the chapter is completed with a synopsis for validating the procedure, design, and techniques used in conducting this research, along with a concise prologue for the following chapter.

### 3.2 Research Design

As Ghauri and Gronhaug (2020) argued, the research design offers a structure for data collection and analysis (Figure 3.2). This structure is related to some issues that are essential for this study, like: Purpose of the study, Unit of Analysis, Sources of Data, Data Collection Method, Sampling Design, Measurement, Data Analysis (Sekaran, 2003; Bougie and Sekaran, 2020)

**Figure 3.2: research design**



Source: adapted by Sekaran, (2003), Bougie and Sekaran (2020)

Furthermore, according to Ghauri et al. (2020) there are three core types of research design to consider when planning a study: descriptive, explanatory and exploratory research. In descriptive studies, the problem is structured and quite well understood, but it is necessary to have a clearer picture of the phenomena (Saunders et al., 2019). In general, as Ghauri et



al. (2020) pointed out, a descriptive study shows 'how the things are'. Moreover, Saunders et al. (2019) argued that descriptive studies describe the characteristics of important variables at a deeper level, and conclude from the data with the aim of synthesising ideas and assembling the data. Furthermore, as Bougie and Sekaran (2020), as well as Ghauri et al. (2020) and Saunders et al. (2019) described, explanatory research establishes causal relations among variables with the aim of explaining the relationship between them. Finally, regarding exploratory research, it may be noted that it is used to define the questions and assist a researcher to understand a research problem. Yin (1994) explained that this method takes place when the research topic is relatively new or when the topic suffers from a shortage of information and literature. Moreover, Bougie and Sekaran (2020) argued that exploratory research occurs when there is not much knowledge regarding a situation that is under investigation, or no information is accessible on how similar problems have been solved. In other words, exploratory research takes place when the research problem is not totally understood (Ghauri et al., 2020). Additionally, Saunders et al. (2019) argued that exploratory studies can contribute to comprehending what is going on, raise questions, and evaluate phenomena from a different point of view. Exploratory research is quite beneficial if the researcher wants to clarify their understanding of a particular issue or problem. Since the aim of this research is to explore and investigate the link between HR practices/mechanisms and OP in UAE companies, the current study is an exploratory study.

In the current study, exploratory research will be used to define the questions and to assist with better understanding of the research problem. Yin (1994) stated this method takes place when a topic suffers from a shortage of information and literature, like the current situation, where there is a theoretical ambiguity/shortage. Additionally, Saunders et al. (2019) argued that exploratory studies can contribute to raising questions and evaluating phenomena from a different point of view to clarify the researcher's understanding of a particular issue or problem. Thus, the exploratory method is very suitable for this current research since the aim of this research is to explore and investigate the link between HR practices/mechanism, their associate sub-HR Mechanism and OP in the UAE companies.

### **3.3 Philosophies**

A well-structured research paper needs a proper mapping of research methods, and the first thing that a researcher needs to do is decide which philosophy to adopt. A researcher's choice regarding the research philosophy that they will follow shows how they choose to see the

world. These world assumptions are going to support the research strategy and method that will be chosen.

- 1) Ontology covers different aspects: the first is objectivism, which represents the position that social units exist externally to social actors concerned with their existence. The second one is subjectivism, which describes that social phenomena are shaped by the perceptions and the resulting actions of these social actors concerned with their existence. However, if someone finds choosing between ontology and epistemology idealistic or impractical, then they can implement the pragmatist position, which states that the most significant component of the research philosophy is the research question and that a specific approach could be a better fit than another one in terms of replying to a particular research question (Blaikie, 1993; Saunders et al., 2019).
- 2) Epistemology has three aspects: Positivism, Realism, and Interpretivism. Positivism adopts the philosophical posture of a natural scientist; thus, the researcher is going to favor working with a visible social reality, creating a law, and generalising. The realism aspect is an alternative epistemological position that relates to scientific query. The realism principle stands for what our senses illustrate to us as reality, is the truth. Moreover, realism has two types: direct realism, which states that what someone sees is what they get, and critical realism, which states that the things we experience are sensations of the images of the things in the real world, not the things directly. Realism would answer to critical realism what are called illusions; when there is insufficient information about a subject. Alternatively, critical realism claims that the senses we experience are images of objects in the real world and not the objects themselves and indicates that our senses regularly deceive us. Finally, interpretivism in epistemology supports that it is essential for a researcher to comprehend variances among humans in our role as social actors. Moreover, interpretivism argues that the conditions of now might not apply later, so generalisation is not of critical importance, since the business is continually changing, and if we agree to take for granted that an organisation is inimitable, then generalisation is less valuable (Sekaran, 2003; Bougie and Sekaran, 2020; Saunders et al., 2019; Ghauri et al., 2020).
- 3) Axiology is the philosophy that examines the judgment about value. As Heroin (1996) stated, peoples' values are the guided motives of all actions, and the same thing takes place with researchers as well. Thus, the researcher's choice of

philosophical method is a reflection of his values (Sekaran, 2003; Bougie and Sekaran, 2020; Saunders et al., 2019).

### **3.3.1 Critical Realism and Qualitative Research of the Current Study**

Vincent and Mahoney (2018) do not agree with the dichotomy between objectivist (positivist, deductive, and empiricist) approaches, which are usually aligned with quantitative empirical methods, and subjectivist (social constructionist, inductive, and interpretive) approaches, which are usually aligned with qualitative empirical methods, and they call this point flawed. They state that critical realist researchers pursue to overcome this odd dualism (objectivism or subjectivism) by distinguishing between ontology (what is real) and epistemology (what we know). They argue that critical realism researchers can and should embrace all qualitative (as well as quantitative) techniques. They also state that an extensive range of methodological approaches or ‘extended methods’ is essential for a richer conceptualisation of the mechanisms at work in the social world. Therefore, critical realism researchers should embrace a range of qualitative research techniques. Edwards et al. (2014), examined the implications of critical realism for a range of methods inside the field of organisation studies, including chapters on discourse analysis (Sims et al., 2014), grounded theory (Kempster and Perry, 2014), case studies (Vincent and Wapshott, 2013), ethnography (Rees and Gatenby, 2014), interviewing (Smith and Elger, 2014), comparative case methods (Kessler and Bach, 2014), historical and documentary methods (Mutch, 2014), action research (Ram et al., 2014).

Thus, taking this as a starting point, the philosophical approach chosen for this study is critical realism. Critical realism claims that the senses experienced are images of objects in the real world, not the objects themselves, and indicates that human senses regularly deceive people.

This study will take Fleetwood and Hesketh’s (2011, 2017) research to its initial point because it agrees with their argument that evidence of the HRM-P link is problematic. Empirical research cannot explain how or why HRM practices are linked to performance. Positivist/scientific metatheory is the problem, and critical realism could have extra ideas to give in terms of metatheory.

Critical realists search underneath the level of empirical and actual to the deep level of the metaphorical to identify mechanisms and comprehend the way they work. Moreover, critical realists do not use quantitative methods, and their response is straightforward; if it is unfeasible to measure the phenomena because they are fundamentally qualitative, then one should not even try (Dirpal, 2015), and another way to measure them should be found, and that is what this research will aim to investigate.

Empirical research on the HRM-Performance linkage implicitly takes for granted that the workplace wherein an HRM practice is applied and changes in performance happen is a closed system (Fleetwood and Hesketh, 2010). At the same time, as event regularities and closed systems are vital to scientism, the deductive method and empirical research on the HRM-P link are rare phenomena. There are a few spontaneously occurring closed systems in the natural world and virtually none in the social world. Critical realism is layered in the sense that it consists not only of actual and observed events, such as changes in HRM practices and changes in OP, but of a series of underlying mechanisms and structures (Fleetwood and Hesketh, 2010). Underneath the events seen, there is a set of mechanisms that are frequently not observed. When set in motion by human beings, these mechanisms, or 'agents', give rise to the events observed (Fleetwood and Hesketh, 2010). Critical realists see the social world as transformational, so these structures and mechanisms are only reproduced and transformed via the activity of agents. These mechanisms allow and constrain agents' actions however, they do not regulate these actions. Finally, in this agency-structure framework, neither agency nor structure are privileged or disregarded, and both should be fully explored (Fleetwood and Hesketh, 2010). Most things have powers that permit certain outcomes but not others. Powers (not event regularities) are the fundamental components, like human beings' powers and HR practices' powers. Critical realists use the idea of a tendency to replace the scientism's concept of law-like event regularity, but when a phenomenon X, has a tendency to Y, that does not mean that it will Y for sure or that it will always Y. Regularly, there is a multiplicity of phenomena, and each one has their own tendencies and countertendencies. Finally, with the intention of appreciating the relationship between the phenomenon and its tendency, it is essential to comprehend that the phenomenon is not going to always have certain effects, however, it continuously tends to.

### 3.4 Research Approach

Moving forward, the research approach to this project will include the use of theory. This theory would either be developed based on the data collection and analysis of the research (inductive approach) or the theory and the hypothesis would be developed, and the researcher will design a research strategy to test them (deductive approach) (Saunders et al., 2019).

These theories to be developed will result from the data collection and analysis of the existing research (inductive approach), and detailed research questions will be developed. The researcher will design a research strategy to test them (qualitative deductive approach) (Saunders et al., 2019).

Deduction theory: The deduction theory encompasses the growth of a theory that is subjected to a test, so it is the main research approach to natural science, where natural laws have explanations. According to Robson (2002), there are five stages of the deductive approach: 1) subtracting a hypothesis from theory, 2) stating the hypothesis, 3) testing the hypothesis, 4) examining the specific outcome of the inquiry, and 5) adjusting the theory. Deduction theory has many crucial characteristics, like the search to elucidate causal relationships among the variables, establish reasons and consequently, to create a hypothesis. Another significant characteristic is that the concepts have to be operationalised to enable facts to be measured quantitatively, and the final characteristic is generalisation regarding uniformities in human and social behaviour.

On the opposite side is induction theory. In this theory, the aim is to probe the situation to obtain a better understanding, with the aim of the nature of the problem to be established, and the study to be directed by the data and not the opposite (Saunders et al., 2019). Researchers who use induction approach are concerned about the context in which such events were taking place, and a smaller sample is more suitable than a bigger one. Followers of the induction theory criticise deduction theory because it has the propensity to create an inflexible methodology that does not allow different or alternate explanations of what is going on; however, alternative theories might be recommended by the deduction (Saunders et al., 2019). Moreover, if the researcher cares to know why something occurs, then qualitative data is more likely to be used to complement the inductive approach rather than the deductive one (Easterby-Smith et al., 2002). Since the purpose of this research is to

understand why/how HR practices/mechanisms influence OP, the induction theory is going to be used.

Critical realists take abduction theory as an explanatory judgement. The fundamental point of abduction is what Durkheim mentions as the “primitive classification,” or more specifically, why we see things the way we see them. Abduction has an intermediating role among the empirical and the logical, but to verify the presence of mechanisms (the HR-Mechanism in this case), they ought to be theoretically supposed. Consequently, abduction is a creative process in explaining mechanisms. Finally, abduction intends to create transfactual declarations as to what will occur if certain circumstances were met. To comprehend and elucidate mechanisms a prior knowledge of theories and events in the literature is needed. In this research, abduction will be used for each HR Practice/Mechanism by questioning: What sub-HR Mechanisms of the HR Mechanism could exist which, when drawn on by employees, can affect OP of these employees? This will help in interviewing employees to elucidate what the constituent parts of sub-HR Mechanisms are lying there, how employees draw upon them, and what change it creates to their OP.

The current research will use the induction theory, since in this theory, the aim is to probe the situation to obtain a better understanding with the aim of the nature of the problem to be established and the study to be directed by the data and not the opposite (Saunders et al., 2019), but also deduction analysis too. Also, the current research mostly worries about the context in which events are taking place, so a small sample is more suitable than a bigger one. However, deduction theory would not be appropriate since it does not allow alternate explanations of what is happening. Since the purpose of this research is to explore and investigate in depth, how HR practices, their power/tendencies, and their process work, and why, when it comes to OP, the induction qualitative theory is more suitable to be used.

**Table 3.1: The procedure of the analysis: the inductive qualitative analysis**

<i>The procedure of the analysis: the inductive qualitative analysis</i>		
Step 1:	Preparation of raw data files (data cleaning).	Format the raw data files in a common format
Step 2:	Close reading of text:	Once text has been prepared, the raw-text will be read in detail until the research is familiar with its content and gains an understanding of the themes and events covered in the text
Step 3:	Creation of categories (Categorisation)	Identification and definition of categories or themes. The upper-level or more general categories are likely to be derived from the evaluation aims. The lower-level or specific categories will be derived from multiple readings of the raw-data, sometimes referred to as in vivo coding. In inductive coding, categories are commonly created from actual phrases or meanings in specific text segments. Several procedures for creating categories will be used. When using a word processor, marked text segments can be copied into the emerging categories. Specialist qualitative analysis software like NVivo will be used to speed up the coding process (Durkin, 1997).
Step 4:	Overlapping coding and un-coded text	Among the commonly assumed rules that underlie qualitative coding, two are different from the rules typically used in quantitative coding: (a) one segment of text may be coded into more than one category, and (b) a considerable amount of the text (50% or more) may not be assigned to any category, because much of the text may not be relevant to the evaluation objectives.
Step 5:	Continuing revision and refinement of category system:	Each category, will be searched for subtopics, including contradictory points of view and new insights. Appropriate quotations will be selected that convey the core theme or essence of a category. The categories may be combined or linked under a superordinate category when the meanings are similar.

Source: Author's own adapted from David. R.Thomas (2006)

### **3.5 Strategies**

Hesketh and Fleetwood (2006) made a plea for more in-depth interviews and case studies with the purpose of unravelling the interrelated mechanisms in the social practices underlying HR practices (Paauwe, 2009). Thus, the research strategy that will be used is a 'case' study.

Case studies allow in-depth understanding of participants, human relationship, events, behaviours, and feelings that occur during specific experiences and specific timeframes (Saunders, 2019). Case studies are helpful when research is seeking to deeply understand the context and process by which something occurs (Morris and Wood, 1991). This is exactly what this study will attempt to investigate. Guba and Lincoln (1981) argued that case study is the best reporting form for evaluations as it provides thick description and it is also grounded, holistic, and lifelike. Moreover, Hughes and Jones (2003) mentioned that grounded theory is consistent with interpretive-case studies that investigate social and organisational contexts. Furthermore, case studies can answer the queries 'how', 'what' and 'why', and since the research questions are asking for 'how' and 'why', this case study is very suitable for that purpose. Case studies are mostly used in explanatory or exploratory research, and in this research the exploratory research is used.

### **3.6 Case study**

A researcher must select from among several research strategies (survey, experiment, action research, case study etc.), and it is a significant decision that they have to make since the research strategy has to create answers to research questions and ought to achieve the research objectives. Furthermore, another influencing factor in the existing literature is the duration of time and resources a researcher has (Saunders et al., 2019).

This study aims to understand how HR practices, their power/tendencies, and their process work, and why when it comes to OP. The researcher trusts that the triggered emotions and thoughts must be investigated in relation to the context. Thus, this kind of in-depth exploration inclines towards qualitative research, as well as the case-study research design, that highlights the total dynamics around the phenomenon which is investigated (Noor, 2008).



Robert K. Yin (2015) defines a case study as an empirical inquiry that closely examines a contemporary phenomenon (the case) within its real-world context. The case study will be an up-close and in-depth inquiry into a specific, complex, and real-world phenomenon (the case) (ibid.).

According to Flick et al. (2004), the qualitative research approach aims to comprehend and elucidate complex phenomena through the generated data thus the case-study research will provide an in-depth understanding of the context of the research along with the procedures that were used (Saunders et al., 2019; Della et al., 2008). Moreover, a case study as a research strategy can provide answers to the questions ‘why’ and ‘how’ (Saunders et al., 2019), that fits exactly with the purpose, aim, objectives as well as methodology approach of the current research.

Finally, Yin (2003: 13) stated that a case study is: “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident.” Thus, a case study will provide a detailed and rich account of a particular situation with unclear boundaries since the workplace is an open system, and that is why the case study perfectly suits the needs of the current study.

### **3.7 Research Choices**

The choice made for this research is a qualitative study. The researcher used 15 semi-structured interviews (subject to achieve maturation) and two focus groups (seven to ten participants) from medium UAE service-providing companies in the private sector.

#### **3.7.1 Time Horizon**

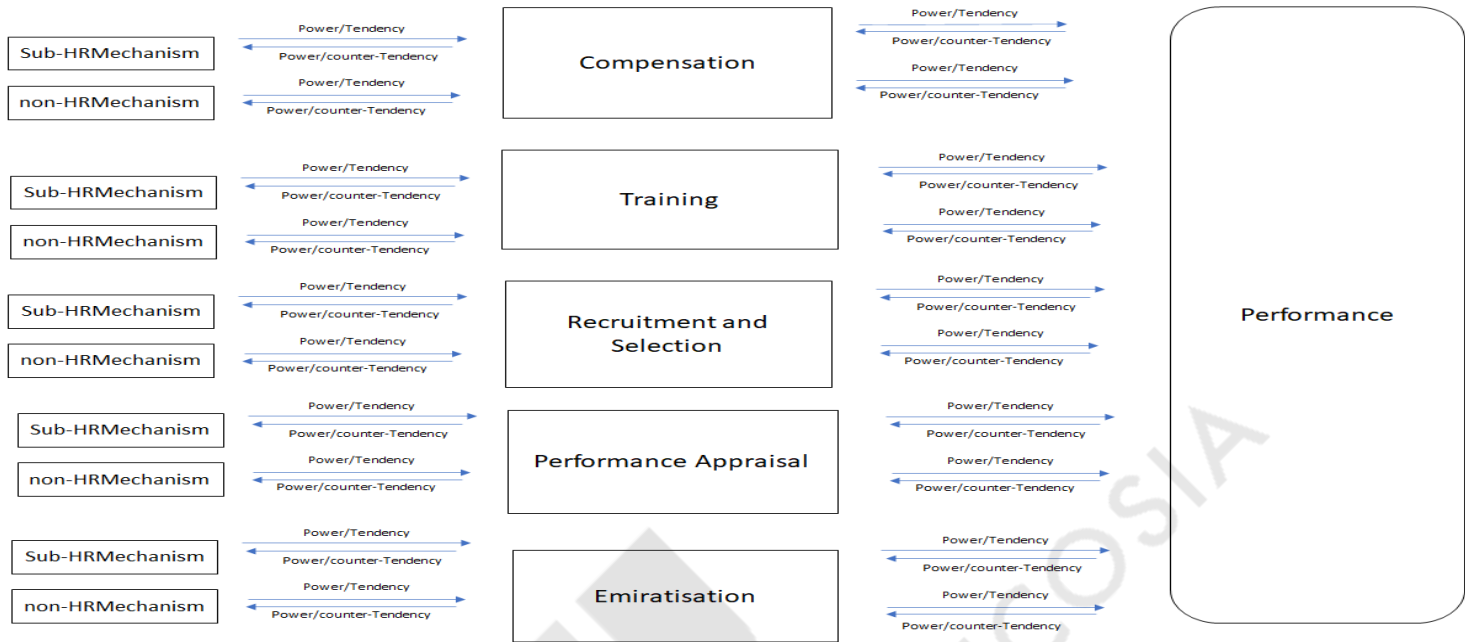
According to Saunders et al. (2019), a very significant issue to be considered is planning the research process time horizon of the research project. Particularly, a researcher should choose whether the research is cross-sectional and going to take place at a specific time or if it is going to be longitudinal and occurring through a series of snapshots over a precise period. For the current research, the time horizon is cross-sectional, since it takes place only

in a particular moment of time, and it falls into the group category of cross-sectional research, since it examines a specific phenomenon at a certain time, and it is grounded in interviews conducted over a short period of time.

### **3.8 The Model of the Research Designed Process for Data Collection and Analysis**

Based on the literature review, Figure 3.3 explores how HR practices, their power/tendencies, and their processes work, and why, when it comes to OP. It has used insights from the critical realism perspective to create the theoretical insights essential to go beyond the current empirical research of the HRM-Performance link. These perceptions of critical realism permit us to describe, in a new way, the HRM practices as HR Mechanisms. Thus, critical realism permits us to use metatheoretical knowledge of mechanisms in general to comprehend HR Mechanisms explicitly. Every HR Mechanism and its connected sub-HR Mechanisms create a distinguished power/tendency, and this could decrease, increase, or have no influence on performance. In order to establish the general linkage among HRM-Performance, it is necessary to combine all the power/tendencies of all HR-Mechanisms. For instance, employees' involvement/empowerment could potentially have the inclination to enhance OP, but if the involvement/empowerment is not administered in a proper way, this might lead to a tendency that would have the exact opposite effect. Consequently, the result or general tendency is the outcome of the joint tendencies of HR practices/mechanisms altogether once they are activated.

**Figure 3.3: The research design process model for data collection and analysis.**



Source: Author's own.

### **3. 9 Unit of Analysis**

Unit of analysis observes the level of aggregation of data collected during the data analysis as Bougie and Sekaran (2020) mentioned. Different researchers suggest different levels of techniques to determine sampling although, all of them support the significance of identifying the unit of analysis of any research.

The purpose of the current study is to explore and investigate in depth, how HR practices, their power/tendencies, and their processes work, and why, when it comes to OP; the unit of analysis is the individual employee, key informative people (HR director, HR managers).

### **3.10 Source of Data**

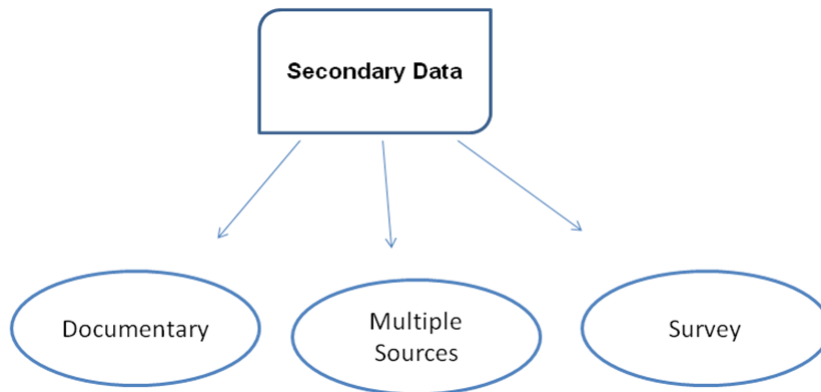
The rigour and the efficiency of the research process as Bougie and Sekaran (2020) argued are influenced by the way the data is collected and by the place the data is assembled. Data can be collected by two different ways: primary and secondary. In this study, the researcher used both types of gathering data.

#### **i) Secondary Source of Data**

Secondary source of data is the first stage of data assembled in any study and is originally collected for any purpose other than the current research objectives, as Philipps and Simmons (1998), argued. The use of secondary data helps the researcher formulate and comprehend the research problem and broaden the base from which the research conclusion can be derived; also, it is another very useful instrument to interpret and appreciate the primary data (Gill and Johnson, 1991). In addition, being already available makes gathering secondary data quick as the information has already been discovered (Sekaran, 2003; Bougie and Sekaran, 2020).

The types of secondary data are:

**Figure 3.4: Secondary sources of information**



Source: Adapted by Saunders et al, (2019)

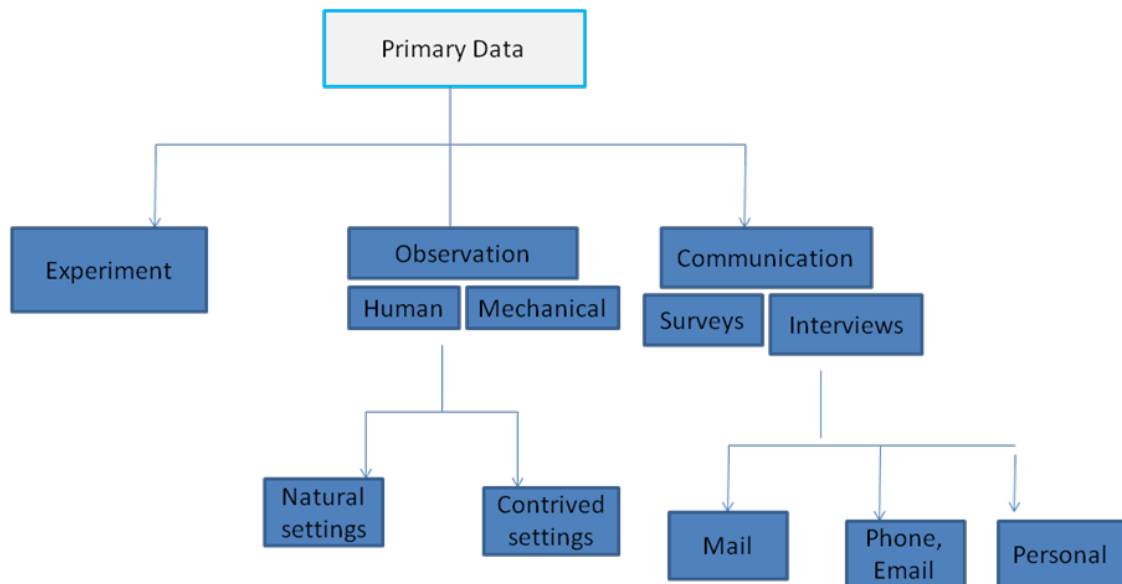
Documentary secondary data, according to Saunders et al. (2019), includes data from written materials such as journals, transcripts, and so on, and not written materials such as television and radio, for example. Multiple secondary data are government publications, books and journals. Surveys may be three types: census, continuous, and regular surveys.

Secondary data were of vital importance for this study as they provided a theoretical framework. A significant amount of secondary data has been used in the first and second chapter for the literature review in order for the context of the research question to be defined and formulated. Specifically, the secondary data for this research included existing research, reports, and past surveys.

## ii) **Primary Sources of Data**

Data that are gathered from the actual site of the event occurrence are called primary data, as Bougie and Sekaran (2020) argued. In addition, as Malhotra and Birks (2007) explained, the data that were collected specifically to address the researcher's current problem is primary data, and as Saunders (2007) continued, when data are only collected for a certain study, they are called primary data. The primary data can be collected in three ways: observations, experiments, surveys (questionnaires) and interviews, as shown in Figure 3.5

**Figure 3.5: Sources of primary data**



Source: Ghauri and Gronhaug (2005), Ghauri et al. (2020)

The main benefit of primary data is that it is composed for the particular project at hand, and this means that it is more consistent with the research question and objectives (Ghauri et al., 2020). In addition, as Ghauri and Gronhaug (2020) also mentioned, if the researcher wants to know about people's attitudes, intentions, and behaviour only primary data can assist in answering these questions. Thus, primary data was obtained by the researcher in order to understand OP. Specifically in this study, the researcher used both types of gathering data. The secondary data for this research included existing research, reports, and case studies. If the researcher needs to know about people's attitudes, intentions, and behaviour, only primary data can assist in answering these questions (Ghauri et al., 2020). Therefore, primary data from interviews and two focus groups was collected.

### 3.11 Data Collection Method

Yin (2017) suggested that case study researchers collect six types of data: interviews, direct observations, participant observations, documents, archival records, and physical artifacts. In this current research, the data collected were interviews.

Choosing the most appropriate data collection method is a very important step for a fruitful research study, as Malhotra and Birks (2007) pointed out. Data can be collected in two ways, either qualitatively or quantitatively. Qualitative methods engage interviews, diary techniques, and observation. Quantitative methods include questionnaires and survey techniques (Cooper, 1984). Communication methods could be either by surveys or

interviews. An interview is a purposive conversation between one person, the interviewer, and another person, the interviewee. The interview questions might be open-ended, closed-ended, or even a mix of these two (Teddie and Tashakkori, 2009; Saunders et al., 2019). The interview method requires actual interaction between the respondents, as the researchers Ghauri et al. (2020) mentioned. However, this can have some disadvantages, like some geographical difficulties (Sekaran, 2003; Bougie and Sekaran, 2020). Other drawbacks may be that the respondents are too busy, and they might be influenced by the interviewer's voice, personality, or even outfit as Easterby-Smith et al. (1999) pointed out. Interviews are a time-consuming way to collect data. The method of gathering data varies with the nature of information needed; if the researcher wants to ask simple questions, they can use a questionnaire. However, if the researcher wants to ask more complicated questions regarding complex phenomena, then interviews are the most suitable method. Finally, according to (Denzin and Lincoln, 1994), people have the tendency to feel more content and relaxed by sharing their feelings, experiences, personal judgments, and principles in private, trusted situations; so, an interview was the appropriate method for the current study.

The data collection method that has been chosen for this study is qualitative: 15 semi-structured interviews as well as two focus groups. As has been mentioned before, according to Fleetwood & Hesketh (2010), empirical research on the HRM–P link is mostly based upon quantification and measurement; however, most of the significant features of Human Resource Management practices and performance are by nature qualitative, fundamentally complex, multidimensional, evolving and frequently subjective. Thus, the main problem is the challenge of understanding the social world and measuring this understanding meaningfully (Fleetwood & Hesketh, 2010). Moreover, Storr (2004, p. 424) states that qualitative methods are the most appropriate methods so the researcher can understand the nature of human perceptions, thoughts, and ideas, which recognise the complex and dynamic quality of the interpersonal world. Human beliefs, which are fundamental to each individual, work as a source of motivation that leads to action, so qualitative methods are suitable for exploring intrinsic beliefs. These are the reasons for the current study using qualitative data collection methods with interviews. Furthermore, social science, management studies, and interviews have an extensive history, which goes back to the Hawthorne studies. According to Kvale (2006: 481): "qualitative interviews... were regarded as a progressive dialogical form of research that provided a personal alternative to the objectifying positivist quantification of questionnaires and harsh manipulation of behaviourist experiments." As Frey (2005) mentioned, the interview method is used to collect rich information from quality

responses. Moreover, interviews have two types, structured, and semi-structured. Highly structured interviews usually assemble data from numerous interviewees and are later statistically examined. On the contrary, semi-structured interviews have open-ended questions lower structure, and interviewees are provided with open-ended and closed questions. Also, some questions could be improvised by the interviewer (Cassell & Simon, 1994) on the spot, especially if the respondent is not able to understand.

Furthermore, qualitative research is going to succeed in what quantitative empirical studies on Human Resource Management and Performance linkage did not manage to do, and this is to shed light on the “black box” of Human Resource Management and OP relationship, which is what the present research was searching for.

According to Fleetwood and Hesketh (2011), empirical research on the HRM–P link is mostly based on quantification and measurement. However, most of the significant features of HRM-Performance are by nature qualitative, complex, and multidimensional. Storrs (2004) stated that qualitative is the most appropriate method, so the researcher can understand the nature of human perceptions, thoughts, and ideas, which recognise the complex and dynamic quality of the interpersonal world. Human beliefs, which are fundamental to each individual, work as a source of motivation that leads to action. Based on this, the current study will use qualitative data collection with interviews and focus groups. As Frey (2005) mentioned, the interview method is used to collect rich information from quality responses. Thus, 15 semi-structured interviews and two focus groups will be conducted in the current research.

The reasons why the current researcher chose to use two focus groups are:

1. **Diverse Perspectives:** in order to capture diverse perspectives on the current research topic, engage with different participant groups, such as experts in the field and laypersons, or individuals from different cultural backgrounds. This diversity can enrich data and provide a more comprehensive understanding of the research question.
2. **Cross-Validation:** to compare and contrast the insights and opinions obtained from the first group with those from the second group. This helped confirm the validity and reliability of the data and findings, making research more robust and increasing transparency.
3. **Triangulation:** by using multiple data sources or methods to validate and strengthen findings. Triangulation is used to enhance the credibility of the research and reduce the risk of bias or researcher subjectivity.



4. In-depth Exploration: a single focus group might not provide sufficient data; however, two focus groups allow for more comprehensive discussions and the opportunity to delve deeper into the nuances of the topic. This is particularly useful when research aims to uncover complex or multifaceted insights like the current one.

5. Data Saturation: in the current research, two focus groups have helped achieve data saturation more effectively, as it increased the pool of data and perspectives that we draw upon to reach this point. In summary, asking 15 interviewees over two focus groups the same core questions using allowed for a more comprehensive exploration of the current research topic, promoted triangulation and facilitated cross-validation of findings, transparency, and reliability.

### **3.12 Semi-Structured Interviews**

Interviews, as a technique, have a lot of forms. They can be face-to-face interviews, e-mail interviews, telephone interviews, web interviews, or video conferencing. There are three types of interviews: structured, semi-structured, and unstructured. A structured interview has a predetermined and standardized set of questions. The highly structured interviews are usually done to collect data from numerous respondents, and their answers could be captured in arithmetical form and statistically analysed.

On the other hand, unstructured interviews are casual, and the conversation is not regulated at all. In general, the interviews that have a lower degree of structure, include some open-ended questions, and the interviewee has the choice of selecting between open-ended and closed questions, are called semi-structured interviews. In semi-structured interviews, it is possible for a couple of questions to be improvised by the interviewer on the spot (Cassell & Simon, 1994). In particular, the semi-structured interview is based upon a list of themes that will be discussed; however, the interviewer might add questions throughout the interview with the purpose of saturating the topic, avoiding prolonged discussions on unrelated subjects. The researcher usually takes notes and records the conversation to gather the necessary information.

Furthermore, a semi-structured interview permits research participants to give a vivid description of their feelings, experiences, and views regarding the importance of a topic, and that's why it was chosen as a data collection method for the current research (Azungah, 2018). The semi-structured interview can allow the researcher to approach different people in different ways for the same questions, which is very useful. Also, semi-structured

interviews correspond with the qualitative research design for answering the questions ‘how’ and ‘why. Simons (2009, p. 43) stated that interviews permit research participants to ‘reveal more than can be detected or reliably assumed from observing a situation.’”

King (1994) elucidates that the goal of any qualitative research interview is to perceive the research subject from a different perspective, not from the researcher’s perspective, but from the perspective of the interviewee, in order to comprehend “how” and “why” they own this particular perspective. As Kvale (1983) stated, the best way to reach this goal is for the interview to have a low degree of structure with a great number of open questions, with emphasis on specific circumstances and deeds of the interviewee. Thus, based on the above reasons and on the research objectives of the current research, “how” and “why”, the interviews that took place were semi-structured interviews. The HR Managers that were interviewed in the current research were mostly familiar with the HR language and concepts; however, they were not familiar with the language used by academics regarding HRM concepts. Thus, it was important to design the questions in a way that permitted flexibility, in case the HR Managers faced any difficulties in understanding some concepts. So, some open-ended questions at the end of each subject of questions were added in order to permit the possibility of some leeway. Moreover, some term definitions were provided at the beginning of the questions, like the psychological contract concept and the Emiratisation technique, however, most HR Managers were familiar with the terms, or they had a rough idea about them. Finally, indeed, the researcher had to improvise sometimes, when some respondents, especially in the focus groups, where the interviewees were not HR managers, occasionally could not comprehend some questions or the HR language, at the time.

The semi-structured interviews are generally longer, than the structured ones, plus a transcription of the interviews needs to follow, and the analysis is very time-consuming, consequently, there is a tendency to limit the sample size. According to Knight (2001), as interviews are longer, the samples are smaller, and then opportunity sampling as well as snowball sampling, is a common occurrence since the researcher is targeting individuals in positions that are usually very good key informants, and basically using whoever can be dragooned into the research that has this information. Thus, in the current research, 15 semi-structured interviews and two focus groups took place.

The current research objective was not to quantify things in order to create and assess a hypothesis, connecting their experience to OP, but rather to provide an exploration, by answering the questions of how the HR Mechanisms and their power/tendencies work, and

why, when it comes to OP, in order to clarify and gain a better understanding of the underlying issues and processes by which HRM Practices and their sub-HR Mechanisms work. Thus, questions like these were avoided: On a scale of 1-5, indicate how hard your employees or yourself are working if you have been under training? Instead, the questions asked were phrased like the following: How does formal training as a part of the unwritten psychological contract between the employer and the employee influence an employee's performance?" Or: Is there anything more you'd like to tell me about the interface between HR training and development activities and OP?".

The following five steps were used in the semi-structured interviews of the current research.

- i) state the research questions
- ii) produce an interview guide
- iii) recruit respondents
- iv) conducting the interviews
- v) understanding and interpreting the findings

The research questions focused on the following subjects: Training, Recruitment, Compensation, PA and Emiratisation. The interview guide was a list of topics intended to be covered during the course of the interview. The topics had as a source of information the literature review, wherein the researcher gained knowledge regarding how these five HRM practices are believed to operate.

### **3.13 Sampling**

Sampling techniques are split into two large categories: probability sampling and non-probability sampling (Sekaran, 2003; Bougie and Sekaran, 2020). In probability sampling techniques, every individual in the population has a known chance of being chosen, and there are no criteria for collection. Probability sampling is most regularly related to survey-based research, as Saunders et al. (2019) argued. On the contrary, in non-probability

sampling, each unit does not have the same possibility of being chosen, so it is not possible to make valid statements about the population (Ghauri et al., 2020). However, within business research, such as marketing surveys and case study research, it may not be reasonable to use probability sampling. Therefore, the sampling must be chosen in another way, and the way is a non-probability sampling (Saunders et al., 2019). In non-probability sampling, the researcher chooses the sample grounded on subjective arguments, which is usually the case in case-study research (Saunders et al., 2019). Thus, since in the current research, the researcher wanted to retrieve in-depth information grounded on the exploratory nature of the research and based on the designated research method, the most appropriate technique was purposive sampling. According to Bernard, (2000) purposive sampling allows the collection of cases that are filled with information, and it perfectly suits the qualitative research as well as the case-study strategy; since they require concentration of rich data cases with the aim of answering the research questions and meets the research objectives (Merriam, 2009). As was argued by Daymon and Holloway (2010), this purposeful sampling technique is tactically designated to meet the research purposes that are met in qualitative research. Moreover, non-probability sampling is more frequently used when adopting a case-study strategy. Knight (2001: 63) adds that “as interviews are longer and samples smaller, opportunity sampling and snowballing are common, as are targeting people in positions that make them likely to be good key informants”, so the current research will use everyone that could be dragooned into participating with key information. Thus, the sample chosen in the current study was a non-probability, targeted, purposive sample since it used judgment to choose these cases that replied to the research questions and objectives (Saunders, 2019).

When it comes to sample size, there are several ways of calculating the size of the sample using various formulae, but all of them refer to the probability sample technique, as the probability sample is a representative sample of the population. Since the sampling technique of this research is a non-probability technique and cannot be representative then, there is no specific sample size technique to be applied. Thus, the sample size was based on key informants, which the researcher could reach in order to provide her with an interview until the subject achieved maturation. In particular, the current research had 15 semi-structured interviews, with HR Managers, subject to achieve maturation (if not, I would increase accordingly), and two focus groups (seven-ten participants) employees (key informative people) from medium UAE service provider companies. HR Managers and key informative people with HR knowledge, like HR directors but other levels as well, were

interviewed since they were going to have knowledge regarding HR practices/system and their connection with OP. Also, data was analysed with Nvivo software (please see appendices 5).

Finally, access was achieved since the author has been working for ten years in this industry. Nevertheless, some difficulties during the interviews were expected because of the sex of the researcher since UAE is a patriarchal society.

### **3.14 Stages of the Research Design**



**Table 3.2: Stage of Research Design**

Stages of the research	Content of each stage	Research objectives covered in each stage of the research
Stage 1	Literature review with an initial model and initial conceptualization	
Stage 2	<ul style="list-style-type: none"> <li>• Focus groups</li> <li>• Analysis of focus groups</li> </ul>	<p><b>My first research objective:</b> To explore in depth the way how the HR Mechanisms of: I) employee’s involvement and empowerment, ii)training and development, iii)recruitment and selection, iv)compensation, v)performance appraisal(P.A) vi)Emiratization, and their power/tendencies work, and why?</p>
Stage 3	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Analysis of the interviews</li> </ul>	<p><b>My first research objective:</b> To explore in depth the way how the HR Mechanisms of: I) employee’s involvement and empowerment, ii)training and development, iii)recruitment and selection, iv)compensation, v)performance appraisal(P.A) vi)Emiratization, and their power/tendencies work, and why?</p>
Stage 4	Synthesis of the findings of qualitative of the focus groups and of the interviews.	<p><b>My second research objective:</b> To clarify and gain a better understanding of the underlying issues and processes by which HRM Practices and their sub-mechanism work</p>

Source: Author’s own adopted by David R. Thomas (2006)

### **3.15 Pilot Study**

As Saunders (2019) argued, the purpose of a pilot test is to filter the questionnaire so that the respondents will not face any kind of problems in fulfilling the questionnaire and there will be no problems in recording the answers that have been collected. Furthermore, as Ghauri et al. (2020) pointed out, a pilot study should be accomplished before the distribution of the actual questionnaires to test the validity and reliability of the research instrument. Moreover, piloting the interviews is an integral aspect and valuable for qualitative research as it highlights the improvisation of the major study. Consequently, a pilot study was conducted in an effort to see how the interviewees would react, if questions needed to be clearer or more time-consuming, and of course, to draw the themes out of the research. The idea was to understand how HR managers reacted to the questions and if there was a necessity to be clearer regarding the questions or to dedicate more time for the conduction of the interviews. Thus, some questions which were not that clear were reshaped. The timing of the interviews was also altered as the agents tended to need more time to explain some concepts. Also, the pilot interview gave the researcher an idea of the projected duration of the interviews, which was between one hour and one hour and a half. Thus, for all the above reasons, an interview pilot study with an HR director of a medium-sized service company was conducted in the UAE. The interview had the following pattern: asking the HR director to explain their current role to the researcher and then to explain what they understood about the nature of the link between specific HR practices and OP. Finally, they were asked to try and explore the foundations on which their assumptions of how HRM work on OP rest.

Finally, when it comes to reliability, quantitative researchers are frequently worried about whether or not the practices they use will produce the same results when applied to the same topics by other researchers. In the case of qualitative research, this will be considered a flaw if a researcher can influence how interviewees reply in a structured interview. Thus, this researcher tried to remain objective so that the interviewees were able to provide their own interpretation of how HR Practices and their mechanisms work and affect OP.

### 3.16 Reliability and Validity

Several indicators were frequently used to detain a given construct in business studies. As far as attitudes and behaviours are concerned, they are regularly measured by multiplying items combined into a scale (Ghauri et al., 2020). Reliability is a matter of degree expressed as a correlation coefficient (Oppenheim, 1998) and it is the degree that a scale creates consistent results as soon as continual measurements are made, as Sullivan and Gilbert (2004) declare. In other words, the reliability of a scale specifies how free it is from the random error. Reliability tests show the extent to which the questionnaire is without bias, misunderstanding, or errors and also give an indication of the stability and consistency of the measure.

In quantitative studies, a scale's reliability could be tested by internal consistency or test-retest indicator (Pallant, 2005). The test-retest indicators are measured by calculating the association between the two scores after administering again to the population on two altered occasions (Pallant, 2005). On the contrary, internal consistency indicates the extent to which the items that make up the scale are homogenous; thus, in general, a similar meaning is applied to the items by the respondents, as Bougie and Sekaran, (2020) argued. Cronbach's alpha coefficient is the most frequently used measure for consistency in the research literature and provides a correlation among all the items that made up the scale. The alpha coefficient ranges in value between 0 and 1. In addition, the higher the score, the more reliable the generated scale is. A reliability value of less than 0.60 is usually considered to be poor; those in the range of 0.70 are considered as acceptable and those over 0.80 are considered good as Bougie and Sekaran (2020) pointed out.

Now, when it comes to qualitative studies, there is a discussion about whether reliability should be taken into consideration in qualitative research. Stenbacka (2001, pp. 552) is one of the researchers who consider reliability 'misleading' when it comes to qualitative research, so he added that: "If a qualitative study is discussed with reliability as a criterion, the consequence is rather the study is no good". In addition, Stenbacka (2001) stated that reliability is used in measurements, which means that it has no role and consequently is inappropriate in qualitative studies when assessing quality. Moreover, for quantitative researchers, there are frequent concerns about whether or not the techniques used in their research will create the same outcomes when applied to similar topics by other researchers. It would be thought of as a flaw if a researcher could have an effect on how interviewees reply to an interview. Moreover, a crucial variable to seal the reliability in qualitative



research is 'trustworthiness.' Seale (1999, pp. 266) supports the importance of this concept when stating: "trustworthiness of a research report lies at the heart of issues conventionally discussed as 'validity and reliability.'" In the current research, the researcher will attempt to be as objective as possible for the interviewees to state with their own understanding of how these HR Mechanisms work and influence OP.

According to Yin (2015), credibility and generalisability are two challenges researchers face when conducting case studies, and he divides credibility into concerns over trustworthiness, validity, and reliability. This issue, he proposes, can be solved firstly by counting any and all data gathered (and not ignoring data that doesn't fit well to the researcher's point of view of theory). Secondly, by engaging in what Yin (2015) terms thick description mentioning explicitly issues regarding context(s) and conditions of the data assembly, thus allowing the reader to make their own notes regarding possible biases or mistakes. Validity issues mainly arise from an explicit or implicit causal explanation set forth by the case study. If an explanation like that is presented, it is significant to present credible and valid data – whether there is talk of a direct causal link or a false, multi-faceted interrelation. Yin also highlights the significance of considering and, if possible, testing rival explanations of the results. Reliability comes in part from efforts to make the data collection explicit and from striving to triangulate findings: when numerous pieces or sources of data and other research in the field converge to support the same conclusion, reliability is high.

According to Yin (2015), in a case study, generalisability can be even tougher to claim since a case study does not obtain the statistical-mathematical entitlements to objective truth as do numerous quantitative studies. Because of its inherent qualities, a case study rarely includes data representing a statistically significant part of a given population. Somehow, the generalisation claim should originate from sound logical argumentation. A convincing argument must be made that the observed phenomenon is representative of said type of phenomenon and/or that the findings can be assumed similar if one were to conduct the same observations elsewhere. The way to make a claim like this could be complete by connecting observations and theory soundly to the theoretical literature at hand, as well as to other types of research done on the subject. If sound scientific principles guide the data collection and analysis, if the proposed theory is tested and found to be the one with the most explanatory power over the results, and if the research, the theory, and the results seem to fit with the theories and empirical evidence presented by others in the field, then a fruitful and undoubted case study has taken place (Yin, 2015).

According to Saunders (2019), validity is concerned with whether the findings of a research are truly what they appear to be about. In addition, Gill and Johnson (1997) argued that validity refers to the degree to which a scale has been arranged into a series of questions that actually measure the variable it is supposed to measure. It is used to check the integrity of measures within the questionnaire design Bougie and Sekaran (2020). Moreover, Sullivan and Gilbert (2004) claimed that validity systematically evaluates how well a scale's content represents the measurement. There are a number of points integrated into validity and these are: how well the measurements clarify the researcher's opinions; this is the content validity, whether the measurement is appropriate for explaining or differentiating the opinions among respondents; is the criterion-related validity, and whether there are positive or negative associations among questions in terms of consistency; and this is construct validity as Bougie and Sekaran (2020) mentioned.

Lincoln and Guba (1985, pp. 36) stated: "Since there can be no validity without reliability, a demonstration of the former is sufficient to establish the latter." . Like reliability, researchers argue whether the concept of validity is appropriate for qualitative research or not. However, researchers also need to check and measure their research quality. The validity of research is affected by the researchers' paradigm; thus, validity is usually measured in more suitable terms such as quality, rigour, and trustworthiness (Lincoln and Guba, 1985; Seale, 1999; Mishler, 2000; Stenbacka, 2001; Ghauri et al., 2020). Trying to find the truth in the standpoints reliability and validity is, in fact substituted by trustworthiness (Mishler, 2000) and believing in the conclusions (Lincoln and Guba, 1985). Finally, this has to do with the value of the research questions and partially with the inspiration of the researcher, like the use of feedback circles and looking for discrepancies. Thus, to ensure the research's validity, a group of experts would be ideal to check the questionnaire. For that reason, the final draft of the questions was conducted with the guidance of the supervisor, and some changes took place.

### **3.16 The Process of Conducting Semi-Structured Interviews**

Key informants were approached by the researcher via email or phone calls and an informed consent form was sent to them via email to inform them regarding the goals of the current research and to establish that the research would preserve their anonymity. Furthermore,

they were informed in advance that the data would be electronically stored in the computer of the researcher, but with a password-protected file. Finally, they were informed that after the completion of the PhD program of the researcher, the data would be destroyed.

Additionally, since the researcher has worked in the Human Resources field for the last ten years, it was relatively easy to gain access to HR Managers and directors with substantial knowledge and experience in the HR field. Nevertheless, the participants were informed from the beginning of the research that their involvement would be voluntary and that they had the right to withdraw their participation at any time (Saunders et al., 2019). Of course, it goes without saying that any kind of information that the participants were going to share would be highly confidential, and would not be shared with their employers or with their supervisors in order to make sure that participants would feel free to share and disclose information without any fear that they are going to place their careers in jeopardy. Thus, most participated, and where someone denied, somebody else was asked. Most of the HR Managers accepted the invitation to participate in the research. In the event that somebody denied it, then the researcher asked another informant.

An audio recorder was used during the interview process. An audio and video recorder were also used for the focus groups. The participants were informed in advance regarding the recording and gave their consent, however, they could switch off the recording whenever they felt the need to. The audio-recording machine was very useful to avoid distractions; hence, the researcher could give undivided attention to the interview (Saunders et al., 2019). Likewise, the audio recording was a great assistance in the analysis process because it allowed for the transcription of the precise wording, therefore, it was very helpful in order for the research to have an accurate and unprejudiced registration.

In addition, the interviews were conducted in English, since English is the main language that everyone in UAE speaks since it is such a multicultural nation. One interview per day was only conducted in order to permit the appropriate time for the analysis for the researcher. Moreover, almost every interview was transcribed within one day (Huberman & Miles, 1994), to allow the documentation of the related remarks concerning the non-verbal communication to be documented as soon as possible. Also, if there was any kind of uncertainty regarding some of the statements of the interviews, the researcher conducted a follow-up communication with the interviewees in order to make everything crystal clear.

Altogether the notes and the transcriptions were electronically stored in a password-protected file on the researcher's computer in order to be transferred to the qualitative

software Nvivo, which would be further analysed afterwards. Last but not least, and according to Creswell (2007), the researcher referred to her supervisors, who confirmed that the content of the interview questions was suitable and in agreement with the themes under examination.

### **3.17 Ethical Considerations**

According to Blumberg et al. (2005: 92), ethical considerations are "Moral principles, norms or standards of behaviours that guide moral choices about our relationships with others." Research ethics, therefore, relates to questions about how a researcher formulates and clarifies the research topic and design, and describes its research findings in a moral and accountable way. In other words, research ethics are the ethical issues that a researcher should consider when the research is designed. The choice of topic should be governed by ethical considerations. The general ethical issue is that the research design should not expose the research population to embarrassment or material disadvantage (Saunders et al., 2019). This means that the researcher has to ensure that the way they design their research is methodologically sound, as well as morally defensible, to all those who are involved (Saunders et al., 2019).

Within business studies and management research, there are two dominant philosophical standpoints: teleology and deontology. Teleology views argue that the end served by one's research justifies the means, and the benefits of the research findings would be weighed against the cost of acting unethically. On the other side, the deontological view argues that the ends served by the researcher can never justify the use of research that is unethical, so deception should never be used to obtain the research data (Saunders et al., 2019).

The current research project abides by the rules and guidelines of Nicosia University of Cyprus. Throughout the interview process, the researcher ensured that to conserve the anonymity of the interviewees. Thus, with the aim of keeping their ID a secret, the researcher referred to the interviewees by their first name only, in order to shelter their anonymity, and of course, their involvement in the research process was on a voluntary basis (Bloom & Crabtree, 2006). To make sure that the interviewees were fully informed regarding their rights, the researcher provided them with suitable information regarding the purpose of the research study, along with the aims and the objectives. Yet, before the start of every

interview, the interviewer always asked for the interviewees' verbal agreement to allow them to withdraw their participation, even last minute. Towards this end, participants were given the right to withdraw from the research study at any time (Saunders et al., 2019).

One important point that needs to be stressed here is that the current research occurred in the United Arab Emirates, a country with deep patriarchal roots as a society. As the researcher has been a permanent resident of the UAE for the past ten years, she knew that her female sex could have created some discomfort for the male interviewees, and probably some difficulties should be expected in face-to-face interviews. Another crucial point for ethical consideration is that the interviews took part during the outbreak of the COVID-19 in UAE. However, the first focus group managed to take place face-to-face before the curfew restrictions in the UAE were imposed. Then the rest of the interviews and the second focus group had to take place online, to abide by the local laws and regulations of the time, In addition to avoid any potential harm (non-maleficence) of the interviewees, since that is the cornerstone of the ethical issues in research, the interviews of the second focus group also took place online.

As a final point, the data gathered from the interviews were kept in a password-protected file on the researcher's computer and unquestionably, they are going to be destroyed after the completion of the research. Finally, the interview questions were reviewed by the academic supervisors of the researcher; one of them is a professor in psychology, so, they confirmed that the content of the research could not insult or harm the interviewees in any possible way (Creswell, 2007; Ghauri et al., 2020).

## Chapter 4: Data Analysis and Discussion

### Introduction

The current research tackled the data analysis by using both deductive and inductive approaches. Firstly, the deductive approach uses an organising framework comprised of themes for the coding process (Braun and Clarke, 2006; Bradley et al., 2007; Burnard et al., 2008). The framework, often referred to as a start list (Miles and Huberman, 1994), is applied during the analysis in anticipation that certain core concepts are in the data (Bradley et al., 2007; Thomas, 2006; Azungah, 2018). The subsequent phases followed the steps of Bingham and Witkowsky (2022).

### 4.1 Method of Data Analysis

#### 4.1.1 Deductive Analysis:

A deductive approach was initially applied to the current research data. Initial codes were drawn from the existing literature regarding the present subject supported by the research aims, objectives, and questions of the study. The method assumes that specific core concepts are in the data based on knowledge of the extant literature on the topic (Bingham and Witkowsky, 2022).

**i) I sorted data into organised categories:**

These were ‘data type, participant’, and I developed attribute codes (Miles et al., 2020) to organise my data. These attribute codes were applied to categorise my data-by-data type: ‘HR Practice, participant’. I generally did this as a first cycle of coding to generate an organisational schema.

**ii) I organised data into categories to preserve alignment with research questions.**

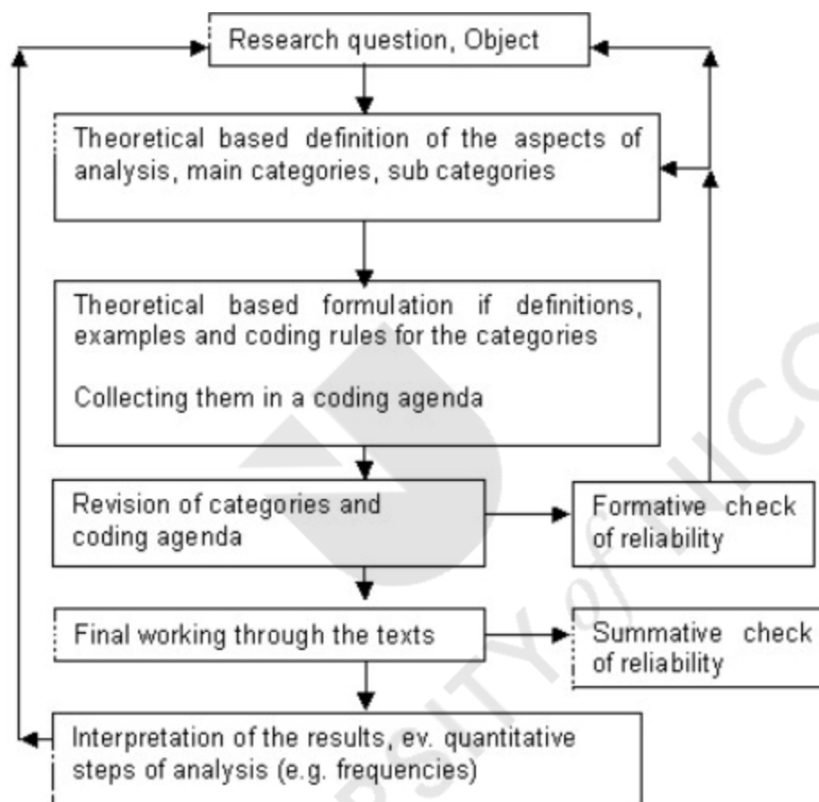
This was done with the aim of maintaining focus on the purpose of the research. During the first read-through of my data, I created broad topical categories of interest based on my research questions, and then I sorted the data into categories. The categories allowed me to focus on relevant data in subsequent rounds of analysis.

**iii) Then, I applied theoretical frameworks to use the relevant theory.**

This process came after I finished the inductive analysis of the data to identify themes. Thus, I created codes based on the components of my theoretical framework, and after that, I arranged my data into those prearranged theory-based categories.

Please see the below Figure 4.1:

**Figure 4.1: Step model of deductive category application**



Source: (Mayring, 2019). After I finished with the deductive analysis, I started the inductive analysis.

### 4.1.2 Inductive Analysis

In the inductive approach, the participant experience drives the analysis completely, as Thomas (2006, p. 238) mentioned. The inductive approach primarily uses detailed readings of raw data to derive concepts and themes.

Moreover, it requires going through data line by line and assigning codes to sections or parts of texts as ideas and concepts (Bradley et al., 2007; Curry et al., 2009) according to the research questions (Thomas, 2006).

Thus, in this whole procedure, the researcher must move back and forth between data analysis and the literature to understand and capture the emerging concepts (Neeley and Dumas, 2016). According to Schüssler et al. (2014, p. 147), the inductive analysis captures “the most empirically grounded and theoretically interesting factors.” According to Thomas (2006, p. 239): “although the findings are influenced by the evaluation objectives or questions outlined by the researcher, the findings arise directly from the analysis of the raw data, not from a priori expectations or models.”

There are several forms of inductive analysis, but in the current model, NVivo coding (codes developed from participants’ own words) and constant comparative analysis were used. Memoing played a key role for me as well. I memo to keep track of my analysis process and decisions and make sense of the data I read. Furthermore, I saved a running memo of the themes and findings that I initially viewed, and I had a message where I kept interesting or generative participant quotes or excerpts from my field notes and any evidence relevant to my themes and findings as they were developed.

#### **i) Deriving Meaning from the Data**

Inductive analysis has allowed the researcher to really dig into what is happening in the data, comprehend which themes are present in the data, and produce results that can answer the research questions.

I started thoroughly reading and critically engaging with the data to make sense of the collected information. . I worked through the data to understand ‘what is going on’ (Morse, 1999, p. 404) through reflexivity, as well as open-mindedness and following the rationale of the participants’ narratives, until codes finally emerge. It was more of a ‘bottom-up’ analytic approach. So, when I finished reading through the data in each category I created in my first round of deductive coding, I started applying codes and identified emerging topics or concepts as I read the data. Afterwards, I used ‘pattern coding’ to recognise patterns within the data. Hence, I summarised the codes I formed during open coding to group the data into smaller analytic concepts.

**ii) Developing the current themes and findings:** Throughout the analysis process, I recognised themes from the pattern codes by memoing and summarising the pattern codes further where I could. After that, I tried to describe the themes in short phrases like ‘compensation techniques increase performance’ or ‘transparency in compensation improves performance.’ The themes are usually words or phrases,

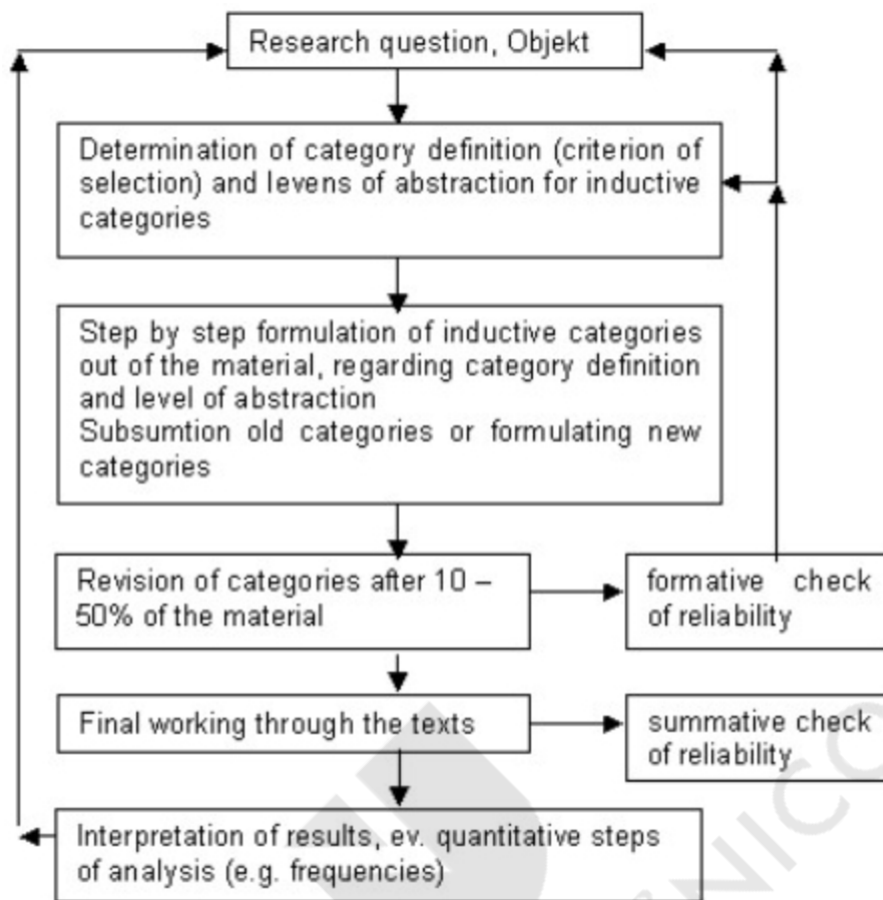


and I developed my findings from those themes by summarising and rewording the themes into short phrases that visibly answer my research questions. For example, ‘Transparency in compensation improves performance’ would be a finding for the research question ‘What is the influence that the HR Practice/Mechanism of Compensation and its sub-HR Mechanism have on organisational performance, due to its powers/tendencies and why?’

### **iii) Identifying Representative Data to Support Findings**

During the analysis process, vivo codes were established from the participants’ own words to point to data representative of specific findings. Furthermore, a running memo was kept in order to preserve participant quotes and extracts from field notes, along with a memo that was used from emerging findings, which was used for writing deeper descriptions, evidence and explanations regarding the data. The above procedure was very helpful in tracking the evidence and findings. See Figure 4.2 below.

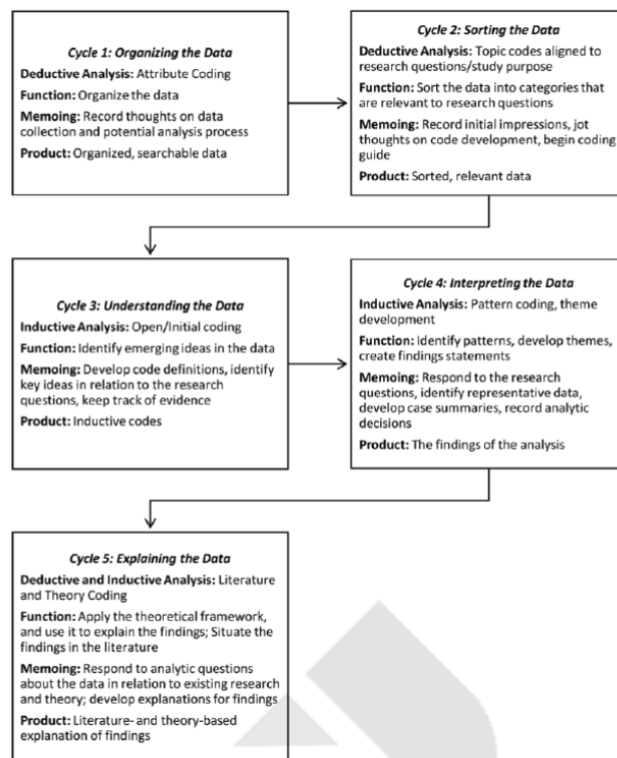
**Figure 4.2: Step model of inductive category development.**



Source: (Mayring, 2019).

The following figure describes the combination of this analysis of deductive and inductive data analysis in cycles using a five-cycle coding process (Bingham et al., 2021). (See Figure 4.3 below.)

**Figure 4.3: A five-cycle analysis process**



Source: Adapted from Bingham and Witkowsky (2021) cited by Bingham (2021)

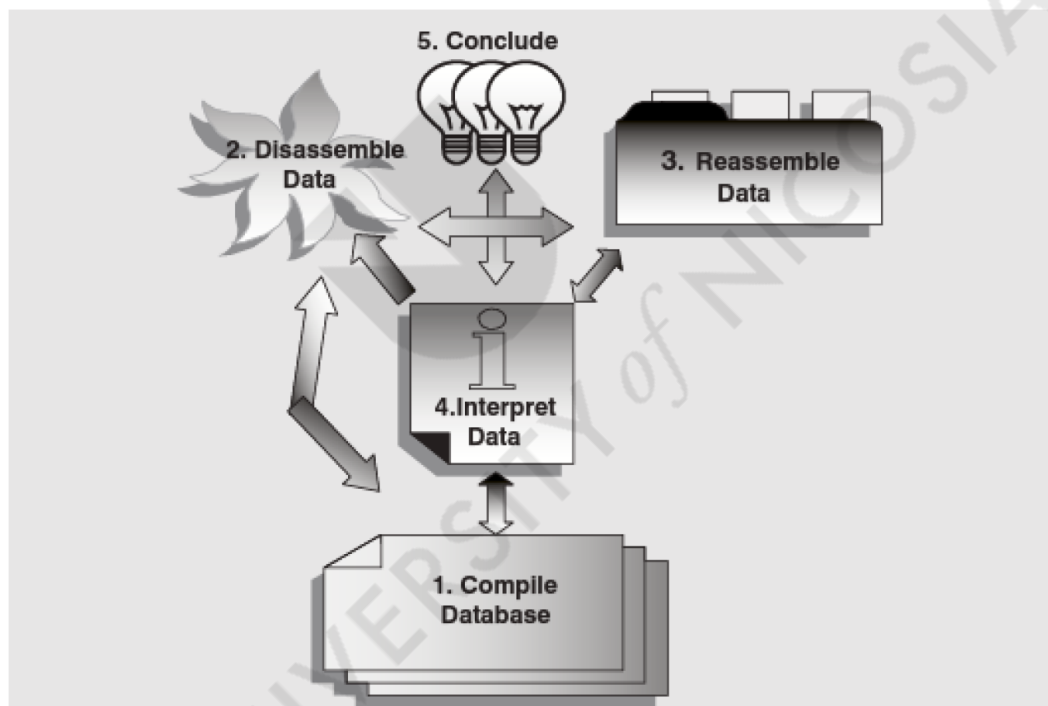
As Yin has stated, analysing qualitative data has a tendency to follow all or most of the five phases: (i) Compiling, (ii) Disassembling, (iii) Reassembling (and Arraying), (iv) Interpreting, and (v) Concluding (Yin, 2009) (see Figure 4.4 below).

(i) Starting as an iterative process during the data gathering itself, the assembly of data suggests first the assessing of the quality and scope of the data and the adaptation that follows, then the successive ordering of data in a format that has meaning and that best facilitates additional analysis. (ii) As soon as the data has been collected and ordered meaningfully, then the data could be split up and, in some cases, recorded or reorganised to better fit the purpose and scope of the project. This process of disassembling is, as the others, recursive (iii) Associated, and in interaction with disassembling, the data can be reassembled, ordered, and grouped in new ways, as well as set up in (new) graphs or tables. (iv) At the heart of the analysis, and in iteration with all other steps, the interpretation and

re-interpretation of data is in the looking for causal links and empirical evidence to support or not, the theory that is tested. This process gives a better understanding of the topic that is being analysed. (v) As soon as the data has been organised, gathered, and investigated, researchers can reply to the question posed, conclusions can be made.

Both the collection and assessment of case data in the current research were qualitative in nature, but NVivo was used to organise the data and simplify the overview for the analysis. This, as well, finds a foothold in the case-study theory. Finally, one of the assets of the qualitative-case study is that the researcher can go in depth with a relatively low number of observations compared to employing a broader, rather more superficial perspective on a larger sample.

**Figure 4.4: Yin’s five phases of analysis and their interactions**



(Yin, 2009, p. 186)

#### **4.1.3 Themes Creation and their Justification**

The following table shows the steps for creating the themes in the current research.

**Table 4.1: Creation of the themes**



Source: Author's own.

#### **4.1.3.1 The HR Practice of Training Themes:**

*i) Lack of training:*

According to the literature review regarding training, employees have a psychological contract with their employers, and if, for example a lack of (promised or not) training takes place, this could lead to breach of the psychological contract, and increased employee turnover (Kacmar et al., 2006; Zhao et al., 2007; Jayaweera et al., 2020). Justice theory (Greenberg, 1990) and social exchange theory (Blau, 1964) are usually the theoretical frameworks that justify an employee's behaviour to company or to push an employee to permanently withdraw from it (Zhao et al., 2007). Moreover, according to the interviewees, lack of training is a factor that negatively affects, organisational performance. The employee doubts the employer if the promised training is not delivered and has a negative impact on them. Consequently, employees will start having second thoughts about why the employer is not training them. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 1).

*ii) Transparency and Communication:*

The literature review of compensation highlights the importance of clarity of expectation and good communication between the employer and the employee (Farooq and Aslam, 2011; Eaisalou, 2014; Mathew and Johnson, 2015; Kisang and Kirai, 2016; Obi, 2016; Oluwayemisi and Taiwo, 2021). Job clarification and supervision of employee performance could lead to job satisfaction, professional commitment, and higher productivity (Bashir and Ramay, 2010), and it could minimize role ambiguity (Yousif El Ghalayini, 2018). However, indirect communication could deprive the employee of explicitly obtaining feedback (Scheerer et al., 2017). Moreover, the above reasoning is consistent with the communicative responsibility theory (Aune et al., 2005). According to the participants, even if a scheduled training is cancelled or delayed by the organisation, , transparency and communication are ways to avoid employee demotivation. If the employer clearly communicates the reason behind the cancellation or the training delay, the employee will still feel that they are valued and appreciated. Thus, this is how the current theme was created (for more details, please see chapter 5, Conclusion of Research Question 1).

*iii) Lack of proper L&D identifications and ROI analysis:*

This theme was created inductively. So, it was first identified by the participants' comments, and then I found some supported literature. According to the participants, organisations do

not usually identify L&D requirements on a yearly basis, so there is a weakness in the identification of L&D needs in the companies, and most companies are doing the training just for the sake of doing it without carefully planning if they have the need for it or what those needs are. Participants stated again and again that there is a need to have clarity regarding training needs and why a certain employee has been sent for training as well as how the training went in order to have specific expectations from the employees in the workplace as well as expectations about the investment in the training. The current findings are along the same lines as the literature that states that training evaluation continues to be a challenge for L&D of professionals in the workplace (Kennedy et al., 2014; Srimannarayana, 2017). Hall (2008) argues that ‘what the organisation gains out of its investment in training’ is an issue of concern for the management, and only three percent of CEOs have been satisfied with their corporate training (for more details, please see Chapter 5, the Conclusion of Research Question 1).

*vi) Loyalty, relationship, and personality linked to selection for training:*

The literature in the U.A.E regarding training states that training in the UAE mostly correlates with personal relationships and not so much with the performance of an employee or their skills. Scott-Jackson et al. (2014) state that the relation of training and development to career development could be somewhat weak, given the significance of personality characteristics like relationship building and loyalty. Capability might not automatically be the most significant criteria for enhancement in a patriarchal hierarchy. Employees are usually sent to train as a result of their loyalty or as a validation of their status, with no anticipation of education or enhancement of performance (Scott-Jackson et al., 2014, Budhwar et al., 2018; Farndale and Paauwe, 2018; Garavan et al., 2020). Finally, the participants have stated that training is linked to loyalty, family culture, and relationships in the UAE. Loyalty, length of service, and personality are very important factors in the selection of an employee for training. The more loyal the employee, closer to the management, and trustworthy, the more and better training programs will be assigned to him/her as a reward for his/ her behaviour. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 1).

#### 4.1.3.2 The HR Practice of Recruitment and Selection

*i) Strong and Effective Recruitment and Selection Process:*

The literature review of recruitment and selection (R&S) highlights the importance of the effectiveness of the R&S process (Djabatey, 2012; Senase, 2018). Various researchers agree that effective R&S systems in an organisation will bring a competitive advantage and higher organisational performance (Singh, 2004; Storey, 2007; Dyer and Reda, 2010; Amin, 2014; Gamage, 2014; El Ghalayini, 2018) Lin et al. (2017) state that the most extensive problem in the R&S process are weak HR strategies. According to the participants, R&S is a very good filter for a company to hire the correct employees, and the person who will end up fulfilling a role will be the correct fit. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 2).

*ii) Clarity and Communication:*

According to the recruitment and selection literature, clarity and good communication during the recruitment process is crucial for the employees and for the image of an organisation (Kramer et al., 2013; Hoek, 2018). The interview needs to be short, structured, and with clear steps to prevent the employee from getting frustrated and losing interest. Also, R&S steps need to be communicated to the employee from the beginning, and the company needs to give feedback as well. R&S in the Middle East, HR practices need to distance themselves from the old type of relationship-based practices and have more performance-based criteria in R&S, as well as changing the old mentality of top managers whose views are entrenched in routines and old ways of performing things. In doing so, they will bring transparency and fairness into HR practices and might create a win-win situation (Mellahi, 2003; Mellahi and Budhwar, 2006; Zaitouni et al., 2011; Khan et al., 2015; Budhwar et al., 2018). Finally, the interviewees have highlighted the necessity for clarity and good communication between the employee and the employer during their interviews. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 2).

*iii) Elitism in R&S and Too Many Interviews:*

In the U.A.E, there is the reality of too many interviews in the R&S process, and the participants complained majorly about it and the disadvantages that this technique has. Moreover, Harvard Business Review (2019), when stating the mistakes of today's hiring, highlighted the fact that the amount of time that organisations and employers are spending now on interviews has almost doubled since 2009, and this offers at least a fractional



explanation for why it takes longer to fill jobs nowadays. According to research by Glassdoor (one of the biggest recruitment websites globally), interviews are possibly the most difficult procedure to succeed in since interviewers must stick to questions that forecast good hires, mostly about past performance or conduct that is pertinent to the tasks of the job and ask them consistently across candidates (Harvard Business Review, 2019). Furthermore, according to the participants, there are too many interviews, and instead of making them feel like they belong to an elite group and feeling good about it, they feel like the organisation is scrutinising them, and they start to feel "CV fatigue" after a large number of interviews. There is a fine line between the correct number of interviews and too many. In the Middle East in general, and in the UAE specifically, according to the participants, everyone has an opinion, and they want to express it, and this results in a large number of interviews with a lengthy R&S process that demotivates the employees. Thus, this is how the current theme was created (for more details please see Chapter 5, Conclusion of Research Question 2).

*vi) Wasta:*

The participants of the current research all mentioned the external influence in R&S of 'wasta.' And in the UAE's recruitment and selection industry, the 'wasta' (meaning the influence) is an everyday reality. The word wasta has a negative meaning on its own; however, the use of wasta in everyday transactions is predominant throughout the Arab world, and it is significant when it comes to serious decisions and processes (de Waal and Frijns, 2016). The wasta phenomenon is intensely rooted in society (Weir et al., 2019). Alsarhan and Valax (2020) state that in Arab countries, the inequality and lack of fairness in the distribution of power, wealth, and opportunities play a crucial role in strengthening the use of wasta, leading to increased discrimination between several segments of the population and the establishment of hierarchal social orders. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 2).

#### **4.1.3.3 The HR Practice of Compensation Themes**

*i) Transparency and clarity in compensation*

Regarding compensation, according to the literature review, transparency and good communication are key factors in an organisation. The literature states that clarity of compensation is becoming more and more important these days to improve the discrimination between male and female employees and in order to help avoid huge pay gaps

between the employees (Suri ,2016; Bryant et al., 2020; Gambhir et al., 2020; Papilaya et al., 2019). According to Ejiogu et al. (2019), the quality of information disclosed is a key prerequisite of transparency, and this could improve organisational accountability and reveal corrupt practices. The California Public Records Act considers compensation a public record (Gambhir et al., 2020). Also, several groups have called for increasing transparency through publicly accessible methods as a main solution to decrease this gender salary gap. Transparency and communication in pay and equal compensation can motivate employees and have positive effects on them, such as making them become more hardworking and creative (Li and Zhou, 2017). Finally, the participants agreed and pointed out, the importance of transparency and communication when it comes to their compensation, and that is how the current theme was created. (For more details, please see Chapter 5, Conclusion of Research Question 3)

*ii) Feeling of unjust treatment in compensation:*

The unjust treatment in compensation creates a feeling of frustration toward the employers, where employees lose motivation, and this negatively influences performance. Thus, these create an upsetting work environment that creates feelings of frustrations and demotivates employees. Then their performance is negatively influenced. The justice theory proposes that people who feel fairly treated are more motivated to pay back the company by working hard (Lavelle et al., 2007; Colquitt et al., 2013). As has been stated by Adams (1965), fairness is judged by comparison, for example, between input and output, or comparison between self and referent groups. According to Rasheed et al. (2020), salary on its own is not the only motivator at the workplace for employees in an organisation, and they have established a link between employee motivation for their work and perceived compensation fairness. Thus, fairness and equity in compensation is an important part of the compensation issue in an organisation as it is in society to promote ethical practices and avoid corruption. The literature so far has also referred to the importance of fairness in compensation (Suri, 2016; Mabaso and Dlamini, 2017; Bryant et al., 2020). Castellanos (2021) informs that compensation that is not proportional to a job description and specification is a main reason for job dissatisfaction in an organisation. Finally, the participants stated that they feel that their work is not properly recognised and they are not properly motivated or satisfied and this can increase their absenteeism and their turnover. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 3).

*iii) Compensation Techniques:*

Compensation techniques like KPIs, equity-based compensation, performance-based compensation, bonuses have an influence on employee performance according to the compensation literature (DeNisi and Griffin, 2014; Ongori, 2015). Performance-based compensation is the dominant human resource practice that firms use to evaluate and reward employees' efforts (Collins and Clark, 2003) cited by Suri (2016). According to Aranda et al. (2019), the goal-setting theory (Latham and Pinder, 2005) forecasts that more demanding targets advance employees' performance. Long (2017), states that companies tend to initiate compensation strategies in the aspects of direct and indirect financial compensation as well as benefits that motivate and ultimately improve performance. Yang (2019) states that an additional signing bonus could constantly push employees to improve their productivity. On the opposite side, research states that the market tends to overrate the incentive effect ascending from employee bonuses (Chen, 2011). Finally, according to the participants, employees in the UAE are money-driven, and they see their stay in the country as a short-term, money-driven opportunity journey. The UAE has an opportunistic work culture where money is a key motivator. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 3).

*iv) Nationality Affects Compensation:*

This theme was created inductively. So, the theme was initially identified by the participants' comments, and then supported literature was found. The analysis of the interviews revealed that the UAE market is biased when confronting an employee's nationality, and it comes to compensation. Not everyone gets the same compensation for the same role, and compensation is linked to nationality in the UAE market. Other researchers in different countries have also observed this unjust phenomenon of nationality that affects their performance compensation. Castilla (2008) describes that there is a racial inequality in compensation in the US and women and minorities obtain less compensation in comparison to white men with equal scores on performance evaluations. Budig et al. (2021) also describe the racial and gender pay discrepancies that are taking place in the US today. Furthermore, Chen et al. (2021), observed that there is an Anglo-Saxon premium in foreign CEO compensation, in specific, Anglo-Saxon foreign CEOs receive higher levels of remuneration compared to their non-Anglo-Saxon counterparts in the USA. In fact, an Anglo-Saxon CEO is associated with a 15.8 % higher total compensation level. Tavorletti et al. (2022) also state that nationality is still a big bias. Bitton and Kricheli-Katz (2022), discovered inequalities based on nationality in compensation in Israel. When it comes to UAE, there is very little sporadic research regarding this matter of discrimination. However, the citizens and

residents of the UAE and the HR managers are well aware of this issue, and there is a research gap that is lying there, which the current research is trying to complete. Renard (2021) has clearly described in her book, the situation that exists in Dubai's reality and in many global cities today. Employees holding Western passports share specific advantages like respected careers and higher salaries than other nationalities; non-Western passport-holder employees always have lower salaries, career expectations, and lifestyles. Furthermore, the local Emirati population by default expect higher salaries and managerial roles in a company, even more than the Western employees who have a better education and more diverse work experience (Waxim et al., 2018). Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 3).

#### **4.1.3.4 The HR practice of Performance Appraisal (PA) Themes:**

##### *i) Employee's Involvement in PA:*

An employee's involvement in decision-making regarding their performance is something that has the attention of the researchers in the PA literature. Many researchers have stated that there is an influence on performance when employees are involved with setting goals (Latham and Lock, 1991, 2013; Day and Unsworth, 2013; Hoek et al., 2018). Furthermore, according to the participants, as humans, we like to be involved in decisions or things that are related to us and our future, and this involvement is something that will make everyone agree on a positive note. Also, involving the employees helps people take ownership of their actions; and they will be more committed, accept and better understand their work tasks, and feel that they can achieve them too, so engagement is crucial. Finally, participants stated that their involvement in PA is crucial because it increases employees' commitment, motivation, and loyalty to the company and positively influences their work (Vasset et al., 2011; Sepahvand et al., 2020). Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 4).

##### *ii) Clarity, Communication and Continuous Feedback:*

Clarity communication, and feedback in PA make employees more focused and increase their efficiency according to the literature review, and if an employee knows his role better, with proper and continuous feedback and clarity of expectation between the employer and

the employee, this will have a positive impact on his performance (Farooq and Aslam, 2011; Eaisalou, 2014; Mathew and Johnson, 2015; Kisang and Kirai, 2016; Obi, 2016; Bryant et al., 2020; Oluwayemisi and Taiwo, 2021). Bryant et al. (2020) discuss the importance of communication and feedback in the PA, especially during COVID-19. Additionally, other researchers (Paul et al.2015; Obi, 2016; Okoth, 2016; Oluwayemisi and Taiwo, 2021) highlighted the importance of feedback in order for the PA to be successful as a process and to enhance the organisation's efficiency. According to the participants, clarity, communication, and proper feedback will create a certain environment, with no misunderstandings, and that is something positive since most people do not like to work in vague situations. Also, clarity and communication in PA will increase efficiency, making employees more focused. Finally, if an employee knows their role better, with proper and continuous feedback and clarity of expectation, they will be able to achieve their target. Thus, it is very important for an organisation to give its employees a chance to understand what exactly the company expects from them and what their expectations are and, in that way, bridge the gap. Thus, this is how the current theme was created (for more details please see Chapter 5, Conclusion of Research Question 4).

*iii) Ineffective PA :*

Plenty of researchers have highlighted the danger of an ineffective PA, and despite all the benefits PA includes, it could have negative consequences on employees too, if it is ineffective. Employees who are discriminated against in their performance because of an appraiser's biases, prejudices, and stereotypical attitudes can suffer overwhelming negative consequences (Selvarajan et al., 2018). Many researchers advise that the perception and the image that employees have of PA could have an impact on its efficiency (Levy and Williams, 2004; Pichler, 2012), predominantly when it comes to justice and satisfaction (Thurston and McNall, 2010). Moreover, according to the participants, an ineffective PA system will demotivate employees and be detrimental for the company and the employees' performance. Therefore, if the PA is ineffective and without any true meaning, and it is happening just for the sake of happening, then the employees' performance will be negatively influenced. Moreover, an ineffective PA will create employees who are not committed, and miscommunication will occur. Ineffective PA can create a feeling of unfairness in the employees and consequently, they will be demoralised, demotivated, and feel undervalued. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 4).

*iv) Difficulties in Creating a Meaningful PA Process:*

This theme was created inductively. It was initially identified by participants' comments, and afterwards, supported literature was found. According to the participants, an analysis of the interviews revealed that PA is a difficult task, time-consuming, and has to be properly designed to involve the employees too. Moreover, difficulties in creating a hard PA occur from the fact that some measures in the PA are intangible and that makes it very difficult to quantify them. Another problem is that managers do not like giving bad reviews or saying negative things, and they prefer to avoid an inconvenient conversation by saying nothing at all. Finally, the education of the managers is a critical factor as well. According to the participants, managers usually do not have the right education to implement PA, a task that needs special treatment and is quite difficult and sensitive. The current findings are in line with the current literature, which highlights the problems that come with PA, and despite the process seeming to be systematic, sometimes it just is not effective (Dirpal, 2015; Bryant et al., 2020). Many researchers suggest that it is very difficult to define the best way to conduct a PA (Vasset et al., 2011; Bryant et al., 2020). Many companies are still struggling to make meaningful PA processes that can make a positive impact and not be just some more paperwork (Bryant et al., 2020). According to Waal et al. (2017), when a company applies management techniques, it should take into consideration the context in which they are used (Holtbrugge, 2013; Rees-Caldwell and Pinnington, 2013). The reason is, according to the literature, that Western management techniques cannot broadly be applied to non-Western contexts since these practices might not work or work differently in a non-Western context as there is a strong influence of the local culture (Matic, 2008; Palrecha, 2009; Wang, 2010; Elbanna and Gherib, 2012; Waal et al., 2017). Thus, this problem makes the PA process a difficult task for the companies, and they should really pay extra attention when they are trying to introduce or implement these techniques like that of PA in organisations of the UAE. Thus, this is how the current theme was created (for more details, please see chapter 5, Conclusion of Research Question 4).

*v) Challenges during the COVID-19 Years to Engage, Communicate, and Motivate Employees:*

This theme was created inductively. So, it was first identified by the comments of the participants, and then I found supporting literature. According to the participants, an analysis of the interviews revealed that research employees' PA has become very difficult during the years of the COVID-19 crisis since employees' engagement and the communication have become arduous because of the lockdowns and the plentiful work from home, which have

created a distance between the employer and the employee. Thus, motivation and communication have become a challenging task. Bryant et al. (2020) discusses the difficulties of PA during the COVID-19 crisis and the importance of good communication and feedback between the management and the employees because of it. Furthermore, not only motivating but also engaging employees and maintaining the team spirit, keeping people's interest, and focusing on work is very difficult, let alone evaluating them if you do not see each other psychically. Additionally, according to the participants, employees were sleeping during working hours because they felt that since there is no physical control, they had free time. Thus, leading the business as well as advising the company how to move forward during these strange times has been challenging. Another issue according to the participants is that in the time of a crisis like that of the coronavirus, employees find it difficult to stay committed to a company since companies frequently terminate people, thus employee turnover increases, and engagement and loyalty declines. As stated by Kaushik and Arora, (2020) working from home during the COVID-19 era is the new normal. Managers are worried that the distance that working from home is causing between them and their employees will have negative consequences, since they are losing the direct contact and supervision they used to have before, and this is quite an issue for their performance and assessment. According to Bajrami et al. (2020), job insecurity produced by a crisis, which in the current situation is COVID-19, dramatically reduces the level of motivation of employees, (and that is in line with the earlier research too). Moreover, Tziner and Rabenu (2021), in the same line as the current research, state that a main source of work-related anxiety in the current period during the COVID-19 crisis affects the practice of PA. Thus, PA has become an even bigger challenge for employees and employers. During these years of the COVID-19 crisis, the possibilities for distant staff to get a promotion and to confirm that their performance is seen and appreciated are reduced significantly, particularly when their work has the necessity to be valued (Tziner and Rabenu, 2021), however, in face-to-face meetings it is easier to give an emphasis on the employees and their accomplishments. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 4).

#### **4.1.3.5 The HR Practice of Emiratisation Themes**

*i) Problematic Emiratisation Programs:*

A literature review regarding Emiratisation states that Emirati employees are far more expensive and typically less educated than expatriate employees (Dosary and Rahman, 2005; Ramady, 2005; Al-Asfour and Khan, 2014; Salih, 2010, Aljanahi, 2017, Sarker and Rahman, 2020). The International Monetary Fund (IMF) and the UAE government publications have both stated that Emirati workers with college degrees are paid 32% more than expatriate workers with similar qualifications (International Monetary Fund (IMF), 2006a, b.; Barnett, 2015). Many researchers have highlighted their concerns that localisation initiatives and the way they are applied are not helping either the private sector or multinational firms to accomplish rationalisation of their HRM systems (Ahmad, 2004; Rees et al., 2007; Al-Waqfi and Forstenlechner, 2014, Budhwar et al., 2018). Also, at the end of 2011, the UAE government raised all government employees from 30% to 100% (Financial Times, 2011). However, as has been stated by the IMF (2006a, b), wage increases are not sufficiently connected to productivity in the government, and they have far outperformed productivity increases in general. With these kinds of wages, the private sector cannot compete with the government, and as soon as Emiratis find an opportunity in the government, they will immediately leave the private sector; other researchers have highlighted the same challenge concerning Emirati retention (Forstenlechner, 2010; Waxin and Bateman, 2016). Companies are being pressured to lower their R&S criteria and cannot find strong candidates for the positions they need. So, they end up hiring candidates without sufficient work experience just to hire Emiratis (Budhwar et al., 2018). Moreover, the Emiratisation programs do not allow an organisation to fire any Emirati who is not performing and who is also very expensive (Waxin et al., 2018), this is, according to the participants, a 'burden' to the general performance. Most participants stated that Emiratisation is good as a concept, but the way it is implemented is problematic; the forced quotas are counterproductive. Yet, they should concentrate on the needs of each individual sector and industry and adjust accordingly. When quotas are too high, they can destroy the company because the organisation loses employees who were very highly technical too quickly, and consequently, they lose their experience and knowledge too. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 5).

*ii) Lack of Knowledge and Technical Education in Emiratis:*

According to the Emiratisation literature, there is a lack of knowledge among the Emirati population. This gap in UAE education system has been highlighted by many researchers (Gallup, 2010; Waxin and Bateman, 2016; Waxin et al., 2018). Specifically, Budhwar et al.



(2018) stated that the education system is failing to provide an adequate supply of talent to the market because of the lack of quality education. So, there is an inefficient education system in the UAE, that does not help the private sector hire Emirati employees, because there is no alignment between their needs and the education system. Thus, it is not effective for the private sector to hire employees that do not have the necessary education. This is a big challenge. Moreover, as has been stated, HR managers are trying to find specific knowledge, but there has not been enough local talent to cover those positions since these skills were not even taught in universities in the UAE (particular specialisations that managers might be looking for). Finally, the female Emirati population are mostly uneducated, and have only recently been in the position to be hired. These findings are also in line with the literature (Barnett, 2015; Waxin et al., 2018; Sarker and Rahman, 2020). Furthermore, PriceWaterhouseCoopers has published a report stating that regarding the high-skilled employees, there is a lack of local talent, 94% of CEOs sampled from the UAE argued to be reliant on expatriate workers, and only 12% were 'satisfied' with the number of skilled Emirati employees available (Barnett, 2015). Moreover, the literature review agreed with the current research findings regarding the lack of education in the Emirati population. Thus, this is how the current theme was created (for more details please see cChapter 5, Conclusion of Research Question 5).

*iii) Phantom Effect of Emiratis:*

This phenomenon has been created because of the forced quota systems of the Emiratisation programs. The companies in the UAE are desperate to be able to fulfil the obligatory quota, but since there is a lack of local talent, the companies are finding desperate measures, like hiring an Emirati without the appropriate knowledge and just have them on the payroll of the company, without them doing any work, and most of the time they do not even show up at the workplace, leading to the moniker, the phantom effect. The literature on Emiratisation shows that companies try to surpass the difficulties of the forced quota system by hiring phantom employees who are encouraged not to work (Al-Dosary and Rahman, 2005; Aljanahi, 2017; Salem, 2010; Budhwar, 2018). Since the government has caught on to this phantom effect of the Emirati employees, they have implemented audits in order to check that the Emirati employees are actually in the office and not just on the payroll, fining the companies that have adopt this strategy (Salem, 2010). Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 5).

#### *iv) Good Branding and Door Opening:*

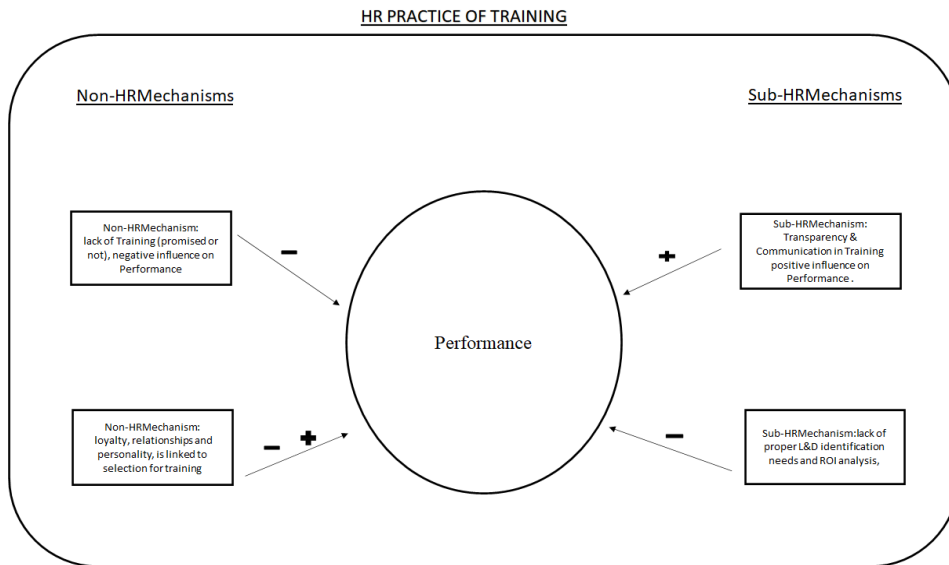
This theme was created inductively. So, it was first identified by the participants' comments, and then I found supported literature. According to the participants, an analysis of the interviews revealed that while Emiratisation has many drawbacks when it comes to the performance of an organisation, it can have some positive sides, too, such as good branding and door opening. As the participants have stated, the non-mechanism of good branding and opening of doors adds value to the organisation. So, if an Emirati is hired, although they are more expensive, the government will subsidise their salaries, and they will add prestige to the organisation; they also can open locked doors in the government and other companies with their connections, something that it is very important in the country for business and that influences organisational performance positively. Finally, according to the participants, if a company has Emiratis as employees, they offer good branding and connections to the company as a whole because it shows that the company respects and hires local talent, which positively influences the company's image. Thus, this is how the current theme was created (for more details, please see Chapter 5, Conclusion of Research Question 5).

## **4.2 The HR Practice of Training Analysis**

### **4.2.1 Model of Training Practice**

The model below summarises all the themes that emerged from the analysis of training and dichotomises them into the Non-HR Mechanism and the Sub-Mechanism according to critical realism research. Please see below the detailed explanation for each theme:

**Figure 4.5: The HR Practice of Training.**



Source: Author's own.

#### **4.2.2 Theme: Training and its Positive Influence on Performance (Deductive Approach)**

According to the participants, learning and development (L&D) opportunities are a way for an organisation to reward its employees because they feel that the organisation cares for them, which makes them loyal. When they come back from L&D, employees perform better and stay longer with the organisation. Furthermore, training as an HR practice makes employees feel that their organisation cares for them and shows them faith and that faith and care can improve their performance. Finally, training is an investment for the company since it makes the employees loyal and improves their longevity and performance.

Participant Number One stated that training is a way to reward employees because they feel that their organisation cares for them and rewards them. They also feel that someone is interested in their growth, and this makes them loyal, and this can serve the potential growth of the organisation as well as the growth of the employees:

It's also a way to reward employees. It's part of their compensation package because compensation it's not only money... Yes, it can create a higher level of

loyalty... I think this would help you have a loyal staff member and also it helps you achieve the organisation's end goals.

Participant Number Two stated that training is something that they expect and always has a positive impact on employees. It will also lead to improved performance in terms of employees' jobs:

I would say it has a positive impact on our employees. We expect this will also lead to improved performance in their job.

Then they stated the ways that training will improve employees' performance, first by enhancing their skills, and then psychologically employees will feel better and very connected to the organisation, which will increase their performance. We still expect that the training will be very much linked to improving performance.

The next participant, Number Three, argued that training has a positive impact on the employees because they appreciate it, and they perform better when they are back from it:

Training has also shown a lot of positive motivational effects on employees in the UAE,

The next participant in focus group one highlighted the fact that when training employees, they perform better because they are better educated and that the employer and the employee both benefit from that:

The more that people are skilled in their specific technology, the better the delivery is.

In the same focus group, another participant mentioned that training would improve personal and then, eventually, organisational performance as well:

. With the training, you can improve their skills, which will fix the company's performance

Another participant from the same focus group agreed with the previous participant and added that employees will feel protected when they are sent for training because the company invests in them, and they feel rewarded:

[the] company they must invest in their employees from this point, the employee themselves, will feel confident, and will feel protected in the company.

Furthermore, in focus group two, a participant highlighted that not only the new knowledge comes with the training is beneficial for their performance, since they become better at their role, but there is a causal relationship between the training and the enhancement of an employee's performance:

The more you learn, the more knowledge you have, the better you are in your role. So, I 100% agree. And these options are, let's say for your personal growth.

In the same focus group, another participant agreed with the previous participant and stated that when training is offered, the employer shows faith in the employee, and this has a positive influence at his performance:

, That itself is something where the employer has shown faith in me and an opportunity to improvise myself, but always gives a positive impact directly onto the performance.

Another participant in the same focus group agreed as well, with the previous ones and said that training will positively affect their growth in the company:

'Yeah. This is very important. This will affect my, let's say growth in the company because all the employees are looking to personally grow, as X said, and with the company.'

One more participant agreed and added that training is an investment in your employees that increases their skills having a direct positive effect on their performance:

Now these are trainings. It would show them number one that I am investing in my team, that I'm investing in your team to make your skills higher so you can deliver easily, add more value effect and meet your client expectations.

Yet another participant from the same focus group added very clearly that training will affect employees' performance in a positive way: 'Yep. In a positive way.'

The last participant from the same focus group agreed, as well as the previous participants and added that there is a direct proportional relationship between training and performance:

Yes, it is always going to be better and it's going to always be giving some value add

The next participant, Number Six, highlighted the fact that training will bring value to the company, it will empower the employee, and at the end of the day, it is definitely going to

bring positive benefits to the company's performance. Also, it reduces the turnover of the employees and that is something that is very helpful with the cost because it is costly to lose and hire employees over and over again:

They should understand what the value that brings to the business of X, and how it in turn, benefit them also in the future. If you empower your employee, definitely it will bring some positive benefits to the company

The next participant, Number Eight, argued that, yes, training can bring positive influence, but employers want to see that their investment will bring back the desired results:

Okay. I think a lot of it is what is going to be the benefit for the business... So it's very clear the companies committing to giving you a qualification which will help you, but the payback is the company wants to see how much money it's going to save or how much time it's going to save or how the processes will improve...

And he continued by adding that the training will drive the revenue, but employers need to see the benefits of training. Otherwise, they will be the first to be cut when an economic crisis takes place:

So, I've seen it firsthand where if you do support, commit, and you're there for that employee, that can actually drive revenue,

The next participant, Number Nine, stated that training is a tool to upscale the employee's knowledge, skills, and value, to make them loyal, and to decrease their turnover:

We identify training requirements for them and it works as a good retention tool for us because we provide training. Mostly external, internal also, in-house training we provide, and we use it as a tool to upscale our employees' knowledge, to fill in their value and to upgrade their skills so that they are loyal to the company and in return we get their long tenure.

Then he continued that employees feel valued and their performance increases because they can offer more and they get willingly involved in more work-related activities; thus, it is a motivation and a huge benefit for the employee but also for the company:

In my experience it is definitely a motivation, and the involvement is more when we recommend for external training. Especially if it is an across field training..

Finally, he added that there is a direct link between performance and training. Employees are able to contribute with their knowledge in a lot of different areas in the company, which also contributes to the company's success:

. Even more either internal or external training or closed department training is conducted for employees to gain new knowledge and perform in other areas as allowed to contribute to company successes in other areas as well.

Furthermore, participant Number Eleven, with the same point of view, agreed with the above results that training affects performance positively.

That's starting to give us some good results, and performance has been increased.... but the majority receive a promotion within two years go on to the next level.

He added that training has obvious results on employees' motivation level in their performance, and employees return to the workplace as different people.

Yes, I think that's part of our recognition system, if you like, but in still being selected to go on training, you see reflected in their levels of motivation.. On both occasions, we've seen tremendous improvement in their performance, their motivation, they've come back to the workplace different people.

The next participant highlighted the fact that there is a straight line, a causal relationship between training and performance: the more training employees get the better they will perform:

it has, I would say, a severe connection between HR training and organisational performance, 100%. I mean, the more you invest in HR training, the better the performance will be.

Also, participant Number Thirteen stated that there is a significant relationship between training and performance since training enhances the skills of the employees:

I think it plays a significant role, of course. we will put it in your development plan that we will introduce training for you that will enhance your existing skills

and will create additional knowledge on how to conduct analysis, how to run other more complex operations on Excel,

Moreover, participant Number Fourteen stated that there is a positive influence between performance and training. Since employees get the opportunity to grow within the company, it affects their decision-making process to stay for a long time in the company:

Well, I believe it really influences the performance of the employee. So, it greatly, I mean, obviously it affects the decision-making of the candidate. And it really helps.

He continued by saying that training also helps employees who could not improve their performance to improve it, and that is a positive influence:

So, it has an influence... I think it will still impact positively because the training, in general is supposed to impact positively on the employees, regardless of the criteria and the selection. I think it would greatly impact, especially if they have good take aways,

The next participant, Number Sixteen, stated that training is important and it impacts organisation performance positively because if the employees understand what they are supposed to deliver, they'll do it much better:

It plays a very important role in influencing their performance... So what we are trying to do and I definitely am a person who would believe that any kind of training is absolutely essential for employees to improvise on their, either the soft skills or ... not just talking about technical training here, but from the HR perspective, definitely it's important....So it's all supposed to be user-friendly now, and it definitely impacts the performance,

Finally, the last participant, Number Seventeen, said that training improves performance because employees understand, in a better way, what is required from them, and they can provide this while they make an extra effort for this to happen:

The training helps in much more understanding and better performance, and you can also build confidence with the employee because they will know what is expected from them and they will work hard, and they will work towards that particular goal.



They also added that employees feel like their organisation appreciates them, and that improves their career and future:

The employees had stressed upon their employer, or the organisation, that whatever I am putting forth, like into my work, the organisation is expecting it, is appreciating it, you know, to giving me more training to improve myself.

#### **4.2.3 Theme: The of Lack of Training Promised (or not), Negative Influence on Performance (Deductive Approach) (Non-HR Mechanism)**

According to the participants, the lack of promised, or not promised, training is a demotivating factor and will certainly lead to disengagement of the employees. So, lack of training is a factor that negatively affects, organisational performance. The employee doubts the employer if the promised training is not delivered and has a negative impact. Also, employees will start having second thoughts about why the employer is not training them, and the employees will get frustrated and decide to find a way to leave the organisation sooner or later. So, training has the tendency to increase performance (according to the previous results), but if the training is not given, then the results are going to be the exact opposite.

Participant, Number Two, describes that the training that is not delivered is going to have a negative influence on employee performance since it is a demotivating factor and that it will make the employee resentful:

So, from the point of view, if it is that none of these areas are really open for that employee who is expecting to get that exposure and that growth, we'll certainly expect it to be a demotivator and to impact negatively on their performance from the point of view that they may become, as I said, demotivated and disgruntled.

The next participant from focus group one highlighted the fact that she would be upset if she did not get trained, and that will affect her performance:

Because I would like to develop myself more and learn more stuff and also share it with my colleagues in my company. So for me, I will be a little bit upset if they do not train me Valeria:

The next participant from focus group two describes that if training does not take place, it will affect him negatively because he has been looking forward to his personal growth:

I mean again see it will affect a bit negatively. I wouldn't say in the spectrum of positivity and negativity, little to the negative side

The next participant from the same focus group two agreed with the previous participant that they would be negatively influenced too and that they would feel a little let down because his expectation had not been met; they were supposed to do a lot of things, sell etc that they were not trained for:

In such scenarios when there is an expectation that yes, I need to deliver something and I need to do; maybe supposed to sell and stuff like that, right? So, regarding the performance, I would say because I have not got that morally, I'll be a little down.

The next participant in the same focus group two, openly states that if they do not receive the training that has been promised to them, they will be negatively affected and that they will start doubting the employer and have second thoughts about themselves and their future in the company:

So, this will affect me directly because I'm personally the one who respects the words from the employer. So for me personally, and this will not affect me negatively for the work but next time I will start thinking about this,.

Further, they continued by mentioning that they will feel neglected, they will have concerns if they do not get the promised training, and they will start looking for a written arrangement because they will not trust their employer anymore, and their performance will be definitely influenced negatively. Moreover, this whole thing will affect the employer and employee relationship in a negative way.

I will work hard to deliver what I say. So, if I receive, let's say that one, didn't give me what they promised me, I will start feeling let down... Let's say. I'm not good at that. I will not be not believing next time. Not next time always, but I will have my concerns.

‘Exactly....it will affect my motivation that sort of affects the relationships, build a new relationship to company’

Furthermore, participant Number Seven argued if they did not go for training and their colleagues went through it, then it would certainly be a demotivating factor and they would start feeling that they had a sense of isolation and would feel left out and start getting disengaged and demotivated:

I think if colleagues go, and the individual doesn't, then it's certainly going to be a de-motivator for sure I work a little bit harder and prove myself in XY or Z, then maybe I'll go on the next training program. it could also be a motivator, but on the whole it's negative.

The next participant, Number Nine stated that its very natural for people to get upset if they do not receive training that has been promised to them:

When we are not able to meet that expectation, obviously it's a human tendency that people get upset, but at the same time we have a specification what are the reasons. Maybe that project is on hold and we don't need that skill at this stage. But it's a long-term relationship, employee-employer relationship, so we are looking forward to the very next opportunity.

Participant Number Ten argued that employees will become demotivated if they don't get the promised training that could be either an essential one, if it was the mandatory on-board training, or the development training for their future growth that would affect their performance as well :

And that too, if that training was promised and not delivered, then yes, of course too I think it would affect performance.

The next participant, Number Eleven, become very specific when they revealed the actual number from their experience in their current company. They described that people, when they did not get the training that they wanted, became really dissatisfied, but when the company brought the correct L&D team and people got the training that they were supposed to get the satisfaction rate rose from 58% to 79%:

we had lots of and lots of dissatisfaction, and we believe that was a distraction for employees with regards to their normal work performance. So, we saw that then, we know we have improved now. In that time, we've gone from 58%

satisfaction to 79% satisfaction overall. One of the things we invested in was actually a more experienced internal L&D team.

They continued describing how frustrated employees became, and that they were withdrawing from the organisation little by little when they did not get the training they were expecting. Also, they could not handle rejection: “And how this continued equally, I've seen it when people have withdrawn a little bit because they haven't been selected, and they're disappointed, and they haven't had the personality to cope with it.”

Furthermore, participant Number Twelve, argued if training is not delivered it would severely affect the employees, and maybe they would later ask for a written confirmation of the training that they will get in the future, because they would lose trust of their employer eventually. As a result, they would always have in mind the training that did not get:

It will affect severely, I would say. But not performance during the year, I would say. Because during the year they will be performing, in my opinion, normal. But as the months are passing towards let's say the third quarter or the fourth quarter, if they see that they're involved only in project delivery, et cetera, maybe he will be recalling this unwritten factor and he will be asking., I believe that the reality is that they will have in their mind, they will not ask for it at the end of the year. But they will ask indirectly.

They continued by saying that their everyday performance may not get affected by their overall performance and psychology, but by the end of the year they will be affected, because they will feel that they did not accomplish much, and they will be unsatisfied with himself and with the company. Thus, in the end they will feel marginalised, and performance will be influenced in the end:

Yes. Their everyday performance will not be affected, in my opinion. However, their psychology towards the end, when we do the appraisals or when they do let's say that recap of the year, they may feel they didn't accomplish something. But for everyday performance, I don't think it will be impacted so much.

Participant Number Fifteen stated that if let's say the training is not delivered although it has been promised to the employee by the employer, it will have a major negative effect on the employee because it will upset them. However, it also depends on how essential the training is:

Well, it depends actually how substantial it was in the first place for the performance. For example, if it was to enhance performance is different than introducing new skills that are needed in the job, for example. It cannot be generalised. It really depends, case by case., of course they will feel they have been let down, and they will be a bit demotivated let's say.

And they continued by adding that the employee will have in their mind that the lack of training could affect the overall evaluation of their performance at the end of the year because they are going to lack some skills, and thus, their performance will be negatively influenced:

When you are unable to deliver the training, did you take this in consideration as well in the tasks assigned to me? That will as well not only affect my day-to-day performance ,but it will also affect on your evaluation during the end of the year during the PA.

The next participant, Number Fourteen stated that the promised and undelivered training can negatively influence performance because it can trigger and cause a lot of negativities. Employees will get disappointed and neglected; they will feel that the company does not care about their personal growth and career:

Yeah, there is a thing, an effect. Not really a full negative effect, but obviously, somehow it triggers or as per experience personally, it triggers... Or you'd be a bit disappointed, or you feel like the company doesn't really give you the potential to grow within the business.

Finally, Participant Number Fifteen argued that it is going to have an immense negative influence on all employees and on their performance specifically because any employee would be disappointed:

But getting back to it not happening, obviously, it could have, depending what the formal training was, it could have quite a negative impact on the employee

And they continued by adding that the employee would feel like they were not valued, that maybe someone else has been favoured, and their psychology, as well as their performance would be negatively influenced:

Valeria: 'So, this will have a negative impact in their performance?'

Participant Fifteen:

That person that is not presented for development will possibly, well, more than likely, feel that they're not valued. It comes down to feeling valued again. Feeling that there's a kind of favouritism within the workplace. That's going to have a big psychological effect on him, I would say, or her.

And they finished by adding that the employee will start feeling that no one cares for them, and they might start looking to leave the organisation since they are not appreciated:

Valeria: 'And in his performance as well?'

Participant Fifteen:

Yeah, probably. They will probably think, "Well, my manager doesn't really care about me, and my manager doesn't like me. I'll do my job. I'm not going to put 100% effort in, and do you know what? I might look for another job and do what I need to do until I can find somewhere else, and someone else who appreciates me better.

#### **4.2.4 Theme: Transparency and Communication in Training Positive Influence on Performance (Deductive approach) (Sub-HR Mechanism)**

Regarding training and how much this influences the organisation's performance, some factors affect performance positively and negatively. According to the interviewees, the factors that affect the performance positively are transparency and communication around training. This means how transparent the training policies of an organisation are, such as the training needs and the selection for training. The analysis of the interviews revealed that participants reported that transparency and communication when it comes to training positively influence employees' performance. According to the participants even if there is a training that does not take place for some reason, although it has been promised, transparency and communication is a way to avoid employee demotivation which will come (according to the above findings) with an undelivered but promised training.

Thus, if the employer clearly communicates the reason behind the cancellation or the training delay, then the employee will feel that they are valued and that they are appreciated. These

acts always positively influence an employee's performance; if demotivation comes, it will be at a minimum.

Participant Number Three stated that with transparency, clarity, and continuous dialogue between the employer and the employee when it comes to training selection, a lot of problems could be avoided to minimise the demotivation of the employees:

but I have it all explained and there is continual dialogue with our boss for both of us et cetera, et cetera, it will minimize my de-motivation one way or another because this has been expected already, even if personally, I think I'm way much better and whatever it is,

The following participant in focus group two highlighted that through good communication with their boss and clarity on their part, they will perform better and achieve their goals. Specifically, if they did not get the training that they wanted for some reason, they would try the year after to communicate their needs with their employer and perform better, in order to manage and persuade them that they deserve that training; and eventually, they would get it:

Let's say that has been promised to me and for some reason, it was not given to me; then as a person I will take that extra goal to make sure that I perform better and then when the next appraisal cycle comes, I'll point that I wanted this the last year, but for some reason, I did not get it. Will make sure that I'll stay back. I'll prove myself and politely demand from my employer that next year I need it and I'll make sure that I chase down and get that. That's what I believe in.

The next participant in the same focus group (number two) agreed with the above participant and added that with good communication, transparency, and reasoning between the employer and the employee, everything can be sorted out positively, even if there is a lack of promised training:

I'd like to add what Raja Raman said, on the reason. Yes, if the employer had the intentions that they will definitely give you the chance for the training, but due to unforeseen reasons, if that is not possible, then of course, the employer should not be held responsible.

The following participant from the same focus group two highlighted how important it is for clarity in policies that an HR department sets when it comes to training:

I think it's just should not be just the old employees. It's a matter of HR.

Valeria: 'So, you think it's important to set some policies otherwise, this can lead to some difficulties, some organisation performance declines or something like that?'

Participant Number Six described how open and communicative their company is with its employees, and how much this clarity helps them with empowering their human resources.

Well, we do openly communicate with our employees normally. It's part of our PA every year actually. Sometimes we share the cost, sometimes we sponsor it completely. Sometimes we say, "Okay." It's part of a loyalty thing also, so we say, "Okay, if you're not leaving for two years from this company, training is free. If you are leaving, then we may deduct something from you."

They continued by describing the benefits they get from open communication and transparency, even if, for some reason the promised training is not delivered. However, since this gives employees a sense of esteem and they feel that they are a valued part of the organisation and they feel that they belong to a family.

We communicate, we exchange the expectation, the management and the employee. It will help in a way that employee will have a sense of esteem.. In fact, it will give more productivity from their side..... A sense of belonging. That is, they are part of this family. Belongings.... I'm saying, it's like empowering the employee.

In the same pattern, participant Number Seven added the importance of transparency and communication between the employer and the employee. They added how imperative it is to give a reason and explain the company's actions to the employees in order to avoid negativity while still keeping them motivated:

Participant Seven: 'I think importantly it depends on how it's managed and how it's communicated.'

Valeria: 'Okay. Communication you think plays an important role?'

Participant Seven:

Really important. Because if you're just not put down for it, and you wanted to, and you said you wanted to do it, and then there's nothing else, that will be



annoying. Whereas, if someone, if HR comes back and says, "you know what, this is why," and there's a reasonable justification I think they'll get over it.

They continued by giving an example that maybe the employee may become disappointed but with good communication and justification they will get over it and they will continue to have a good relationship with their employer:

There was one person who really wanted to do it but she really needed to focus on a project at that time. I ask somebody else to do it and she was upset but I think because it was justifiable, "

Furthermore, participant Number Eight, highlighted with tough language, that many managers avoid communicating the truth with their employees if they do not send them for training. They do this because they are scared and they want to avoid an inconvenient conversation, and this is something that could potentially damage the employees and their future careers too:

"I'm sorry, but you're not ready to be developed. Performance isn't meeting the standard." How many managers actually have those critical conversations? Most managers are scared of doing that, and they won't sit down and say, "I'm sorry, but we've got a risk here, and the risk is that you need to put your game up.'

They continued by stating that transparency is very important between the employer and the employee in order not to damage the employees' self-esteem:

"Oh, we think you'd be brilliant, and we want to develop you," and you're going to be thinking, "Okay, I've been here before." So, you can damage people for their next role in another organisation. So, I think, for me, I've always felt you've got to be very, very careful and everything's got to be very transparent.

Finally, they added that honesty is very important as well, and if an employee does not match with an organisation, it is very important to communicate this message to them:

But also, the fact is, you've got to be also honest. If someone's got a negative attitude and keeps saying, "Well, I'm not being developed," then you've got to be able to say, "Well, you're not being developed because you don't fit with our culture.

The next participant, Number Nine, came to add their view on the importance of communication and transparency. They added that because of the close communication of the employer with their employees, they will not be demotivated in the case of not being promised training because employers or managers will explain the reason why. Therefore, because the employer will be clear and transparent with them, their performance will not be affected negatively:

When we are not able to meet that expectation, obviously it's a human tendency that people get upset, but at the same time we have a specification what are the reasons.

The next participant, Number Nine, stated that with clarity in the relationship between the employee and the employer, something positive will take place. So, if it is explained to the employee why they did not get the training that they was expecting and it is crystal clear regarding the reason why the training is not delivered, demotivation is probably not going to take place:

If you are just enhancing existing skills, you can think that, yes, psychologically it would upset them a little bit, but if the reasons for not holding the training is genuine, then they will understand

They continued stating the importance of communication in case the promised training is not delivered: 'Which means that if you are unable to deliver as an organisation the training, communication is important.'

Finally, participant Number Fifteen had the same point of view as the previous participants and stated that for training not delivered in a company, the most important thing is good communication and transparency between the two parties in order for the employee to feel valued in the organisation:

if the training didn't happen, it's being able to explain very clearly to an employee why it hasn't happened. If it can't happen in the future, what are the alternatives to make sure the employee does feel valued, to make sure they feel they are still being developed, and to make sure they are still being valued in the company?

They further added that if the explanation is valid employees will understand:

But if the reasons for not holding the training is genuine, then they will understand. If the reasons are not genuine or they don't believe, of course they will feel they have been let down, and they will be a bit demotivated let's say.

#### **4.2.5 Theme: Lack of Proper L&D Identification Needs and ROI Analysis, Negative Influence on Performance (Inductive) (Sub-HR Mechanism)**

Organisations do not usually identify L&D requirements on a yearly basis, so there is a weakness in the identification of learning development needs in the companies. Thus, this lack of identification before the training takes place is wrong, and consequently, the output is wrong, because when the input is wrong, the output will be wrong too. So, if an organisation does not search extensively for its needs and just sends employees for training just for the sake of sending them, then this is not going to affect its performance positively but negatively. This is because there is a lot of money spent for the wrong reasons, and there will be no return on investment (ROI) for the company. Therefore, with a lack of ROI analysis of employees' training (to understand the real value of it), affects performance negatively.

In summary, employers and managers need to clarify to their employees why training is happening in order to have specific expectations from the employees and from the investment of training, and why a certain employee and not another was sent for training. If this is not the case, managers think training in difficult financial times should be the first thing to be eliminated since they believe that L&D is not a priority as it does not bring any ROI to the company.

Participant Number One stated that the lack of proper L&D identification will bring negative results when it comes to training because the company's needs were not properly identified from the beginning. Further, they use the same training as last year without properly looking for new needs for training that might come up. They are just wasting money for no reason, and this has a negative influence on OP.

So, when this is wrong, when the input is wrong, then the output will be wrong. They don't put some effort maybe into looking into, okay, are the deliverables of the training or the learning and development intervention this year is different from the previous year?

They continued by adding that they don't check if they have any ROI for training, but they keep doing what they were doing last year without any further investigation, and this is something very wrong performance-wise:

What is the return on investment from last year's training on the performance of the employee? that it's rare to identify the return on investment on training. So ,from a performance perspective, this is very important because by understanding the return on investment, we'd be able to understand if the performance really improve or not. I believe that this is lacking.

They continued adding that in a crisis, companies do not think that training offers a lot and it's the first thing that is removed, exactly because companies are unable to understand its real value since there is a lack in the in the companies' identification of their needs:

...I do not agree with the approach where it says learning and development is not a priority....as you do a proper identification of learning and development needs.

The next participant, Number Two, agreed that their company did not identify the ROI of training, and employees are not training in what they lack. Also, how will they perform better? That's why the employees would be happy that they are sent to training, but they will not perform better because the real needs for training are not identified. Finally, they said that training not only needs to be properly designed but also needs to be aligned with the organisation's strategy:

What I cannot 100% tell you at this stage is in terms of the ROI and whether or not we have a scientific way of measuring it to the full extent the performance. I think that once it is well aligned there's a definite focus on the actual training, and the strategy and the culture of the organisation. That once those are well aligned, it will definitely, and no doubt about, have a very positive impact on organisational performance.

Furthermore, participant Number Three stated that the training will have a positive influence on performance only if it is planned and budgeted correctly because if there is a lack of proper identification and ROI for training, and companies are offering training just for the sake of providing training, then it will have a negative influence on performance:

But if you're giving training just for the sake of giving training, if it's reactive, like it's not budgeted the year before, if it's not based on PA et cetera, et cetera, okay, then the effect, there will be an effect on performance but either it's minimal or you cannot see it or something like that.

They continued to say everything needs to be planned correctly, and training depending on the needs of the organisation:

Again, if it's planned right, it will have a good effect., so if it is done for the right reasons at the right time, it will, okay? Now I've seen a lot in UAE in different companies where it's not, okay.

Finally, they added that everything needs to be planned from the beginning and related to the scope, the needs, and the budget of the company. Good planning is the most important thing in order to have a positive performance because then, with a lack of proper L&D needs, ROI will have the exact opposite result:

It has to be planned.... The backbone of the organisation is AOP, an annual operating plan. It regulates everything. Everything is connected to it, okay? That's why when you implement even HR training you have to connect it to the finance model,

Participant Number Six stated that in his company, they identify the training needs together with their employees, and that is the reason why they have positive results from the training:

Well, we do openly communicate with our employees normally. It's part of our PA every year actually. We sit with them and identify the training needs of employees. Of course, we cannot train everybody, or we can accommodate the whole cost of training. Some of them come and tell us that, "Okay." We identify also, which candidate has the potential but needs some kind of polish. Some kind of agreement that can polish their career, and it will benefit the company.

Participant Number Eight stated how important it is to have clear goals understand why training is happening, and take part in a training session not for luxury but as a planned, strategic necessity for the employees that really need it; plus that they are eventually going to help the OP. Otherwise it will have a negative influence on the organisation:

How is that going to set us apart in what we want to achieve as a business from a strategic point of view... So, therefore we needed to identify what type of

potential and talent did we need to drive that business forward? Where does that talent ... Where is that talent?

Participant Number Nine added how important it is to identify training requirements and needs, because, in that way, OP is positively influenced and turnover is reduced:

In the beginning of the year, we set objectives for each and every employee. I think we are covering performance management at a later stage. Along with that, we identify training requirements for them and it works as a good retention tool for us because we provide training

Moreover, participant Number Ten stated how important it is to have the training planned according to the needs of the company, to assess and identify the development gaps and then send the employees for training; if the gaps are not identified properly, this will have a negative influence on performance:

So, once you've got the competencies required for the job, then you can begin to assess the development gaps. And once you've identified the development gaps, that's when you identify the areas for training.

Valeria: Okay. So, you think it's very important to identify the gaps first. And then go for the training. But how do you think this will affect the performance if the gaps are not identified?

Participant Ten: Well, obviously, if the gaps are not identified, the performance will be weak, or weaker.

Further, Participant Number Eleven described how important it is to plan and assess the training needs of an organisation to make sure that they are relevant and up-to-date:

Of course, we are currently revising all of our KPIs because some of them are no longer relevant to the current situation. So, we're making a big investment in online training, of course, like most organisations.

Participant Number Thirteen came to add the same point of view as the previous participants so far; that the correct people have been sent for training and that everything has been measured and assessed in advance:

On the other side, if the selection is objective, so there is a need for training and the right people are selected for the training, I would see a possible relationship that taking in consideration that the right employees are selected, and the right training is delivered and assessed because you don't want also to think only of the training delivery. You want to make sure that you measure the learning before and across the training. If these factors are achieved, then it will lead positively to organisational performance

Participant Number Fourteen stated that HR training is overlooked most of the time, and it takes place for curing and not preventing the performance of the employees. They mention that there is a big need for a specific team to focus on the training needs every time before the training takes place for training to be targeted.

The training, I believe this is part of HR pillar that is somehow overlooked most of the time, because unless it's the hiring manager specifies that my staff is not performing very well, he needs additional training and all that. Most of the time there is no training needs analysis..

They continued by adding the importance of proper L&D identification analysis and ROI of training in advance:

There has to be an analysis why there is a need for training. You cannot just select someone to want to go with training just because they're loyal to the company, just because they're close to the line manager and all that, etc. There has to be a need.

Finally, participant Number Fifteen added as well, that training is very important to be planned in advance and to identify why the ROI of the training is happening as well:

I think it needs to be very, very clear why the training is happening. Why the employee has been put on the training. What they're expected to get out of the training, and the outcome after, in terms of both benefit to the employee and the employer.

They continued that training should be not only carefully designed in advance but also aligned with the business objectives of the organisation and in collaboration with the managers, to avoid any negative influence:

I think it needs to be aligned to the business objectives. It needs to be in collaboration with the managers. It needs to be relevant, and it needs to be well thought out. I think you need to look at both the organisational needs and the employee needs, but not tying... just putting bums on seats, as it were.

#### **4.2.6 Theme: Loyalty, Relationships and Personality are Linked to Selection for Training, Positive and Negative Influence on Performance (Deductive Approach) (Non-HR Mechanism)**

According to the participants, training is linked to loyalty, family culture, and relationships in the UAE. Loyalty, long serving time in a company, and personality are really important factors in selecting an employee for training. The more loyal the employee, the more and better training programs will be assigned. Training in the UAE is connected to family culture; an employee will be sent for training if they trust them, if they are loyal to the company and if they has a good relationship with the management. Maybe in the EU training is a given privilege. Still, in the UAE, it is considered a reward, mainly for the loyal employees who are in the company for a long time, so it does not have any positive or negative influence on performance; it has a neutral one because all the above is the normal and given reality for the employees. Thus, training is linked to loyalty, family culture, relationships, and long-serving time in the company. Finally, personality is important for training selection, and the more loyal the employee, the better training programs will be assigned.

The following participant, Number One, stated that personality characteristics are important for the selection for training, as well as the anticipated performance: "The main aim of this is to be able to identify the personality of this person, how would they anticipate the performance of this person based on personality traits? ... So, I think, yeah, personality plays a role.

Participant Number Two stated, as the above, that personality is important for selection for training and for performance, as well as loyalty, because training is an investment that is made in the employees:

Well, I would say that personality characteristics, I think, will have some impact on selection to training..... or sure. So, if we feel that an employee is



not committed to the organisation or not loyal to the organisation, we definitely would be looking at it through other measures as well, not just the training. So yes, it would impact.

Participant Number Three stated as well that personal relationships are so important in the UAE's workplace that just because an employee is loyal and on good terms with the management, they might send him for training:

From my experience, and in UAE, this is reflected by how long the employees spend in the company. Of course, priority is going to come, the longer-serving employee will be looked at as more loyal if they need to prioritise.

They continued by saying that employees need to be committed in the long term to serve the company to be trained and that loyalty plays a big role in being selected for training in the UAE, as well as personal characteristics. So, when comparing employees, the one that is more reliable and loyal, is the person who is going to be selected:

we have to give this employee this training in order to perform better.....loyalty, okay, longer serving employee, we want to do something for him or her, you know what I mean? Characteristics, more promotable, okay, or up for promotion, yes, over a year, it plays a role.

They added that maybe the selection is not happening in a very professional way, and it can have either a positive or negative outcome depending on the circumstances:

so, when you send somebody in training, they're happy, they appreciate the trust, they appreciate the break off, maybe they come back and perform in a better manner, okay, and stay more loyal to the company. Plus, if you don't send the right people for the trainings, it will affect not only the employee performance, the company performance in a negative way.

The next participant in focus group one agreed that loyalty is crucial in order for someone to be sent for training:

So, the more the employee is more loyal towards it, the better the training programs will be assigned. .... But whoever wants to move to the next level, they may need additional training and that is where we will not focus on all the people.

Another participant of the same focus group agreed with the participant above regarding loyalty:

If you put the performance on the X axis and the trust on the Y axis and you find really good, good, good performance, but they're not so much trustworthy for the organisation the guys who are the top trusts are more likely to have your training than the guys who are having top performance. So definitely that's a very important aspect, the loyalty. And the trust of that employee to the organisation is really important

The next participant, in the same focus group described that in other countries training is given, from the beginning, to every employee but in the UAE this is not the case:

It has very much to do with the culture and in Europe, even with the smallest companies, they believe in trust from the moment someone signs a contract with a company.

In focus group two a participant described that for an employee to be sent for training, they are supposed to be loyal to the company:

So definitely for me it's an aspect which should be counted that this guy has been loyal. Let's up skill him, let's give him additional training or just enable him more so that he can perform and deliver more, for me drives a kind of appreciation.

The next participant, Number Six, stated that loyalty is very important for training and promotability, and they distinguish employees that have all this packet:

So, we say, "Okay." It's part of a loyalty thing also, so we say, "Okay, if you're not leaving for two years from this company, training is free. If you are leaving, then we may deduct something from you." Again, some employees, we want them to be into the next level. If we found them loyal, we'll keep them, we'll train them, we'll promote them in a way they can lead the project as a project manager for us. Of course, loyalty is a part of the selection of training.

Moreover, participant Number Seven stated that personal relationships are very important to get trained, more important even than the employees' skills:

I think in an Emirati organisation, I know one of your questions about *wasta*, I think the relationship is far more important. If people want to get a space on a course, and it's competitive, then I think a lot will depend on relationships... I think this it's going to affect the whole culture

The following participant, Number Nine describes the family business culture that exists in their organisation, and exactly because of that reason employees need to be loyal and have good tenure as well as being committed to the company in order to be trained.

For example, if an employee is under probationary period, in their initial six months period, definitely this becomes a high risk choosing that employee for training because as for example, the employee can leave any time during probationary period without notice. So, in that aspect, we always choose employees based on their tenure and can you record their performance, et cetera. We always give preference to people with good tenure and good performance and of course we have internal procedure of setting up practice.

Participant Number Ten differentiates between the local Emirati employees and the expatriates. For the Emirati-Arab culture, personal relationships and loyalty are far more important to send an employee for training than the relationships amongst the Western expatriates:

. But with the Emiratis, then I would suggest that the relationship is much more important. If you're known to the Emirati managers if the Emirati managers like them. Or indeed if they have been loyal to the department, then I suspect the training would be more easily forthcoming, and you may or may not be more appreciated.

The next participant, Number Eleven stated that the part of the procedure to nominate someone for training has to do with their loyalty and with their relationship to their manager who suggests them:

Yes. Employees nominate themselves for training, and the organisation selects. But once they've nominated themselves, obviously, there is a selection process that goes on behind that.

The next participant, Number Twelve stated that personality characteristics, relationship building, and loyalty are the criteria for someone to be trained:

Of course. For the first question, I don't know if this is good or bad, but obviously the loyalty and the relationship building, communication skills and all of these characteristics of a person, are the candidates for choosing him or not for training. And when it comes to organisational performance of the whole organisation, I don't believe it will be, let's say, affected except if it is visible to other employees that you are selecting only people that... And you select this group consistently. Otherwise, if you give training to everybody, I mean, I don't feel it will affect.

Participant Number Thirteen stated that if an employer is subjective, they will choose an employee only based on personal relationships and family ties, and that means that even if the training takes place, it will be irrelevant to the employee, so it will not influence the overall organisational performance:

For example, if you are subjective department director and are selecting your employees on subjective reasons, you like them, you dislike them, there's a relationship, family ties, a neighbour, whatever, it means that the financial resources and the non-financial resources are dedicated or allocated to the wrong recipients, which means that even if the training happens, it's irrelevant to that person so it will not have an effect on the overall organisation performance.

The next participant, Number Fourteen stated that training will occur depending on the strong relationships an employee has with the line managers:

Obviously, I think these are factors that influence the position of the line managers as to who will basically enrol, or who would like to add for training, because to be honest, within the business, there are people who has the stronger relationship with the line managers, and they themselves can express very well if they feel that there are some aspects that they need to improve on.

Participant Number Fifteen argued that behaviour, longevity, and loyalty are important for training selection:

I think behaviour is huge in the workplace, so if I've understood you correctly, what... So if you look at behavioural, to develop somebody who displays the traits of loyalty, of wanting to get on. They're keen, they're enthusiastic.

Finally, the last participant, Number Seventeen stated that loyalty and relationships are really important factors for training:

So, I feel loyalty, responsibility, this all about the work culture and the relationship between an employer and employee. Just to give you a small example, in our organisation people have been working for years. This is basically, you know, upon the trust, the loyalty and ... How do I call it? A better relationship, a good friendly kind of relationship because people have been working here for like around 10 years, 20 years. If you don't give them the confidence that the organisation is wanting something out of it, in a positive way.

In summary, the HR-Mechanism of Compensation is made up of other sub-HR Mechanisms: the compensation techniques that have the power/tendency to positively influence performance, since the compensation techniques tend to motivate employees and give them a push to perform more, and better. However, these techniques need to be applied in the correct way, in order to have a positive influence, otherwise they are going to have negative influence and they need to be aligned with the strategic goals of the organisation. Moreover, these techniques need to be transparent, and good communication needs to exist, as well as good documentation. Finally, by managing the expectations of the employees and by using good communication, employers can avoid negativity, and manage to influence, positively, their performance.

The non-HR Mechanism that can either positively or negatively influence performance, are 'personal characteristics.' It is important for employers to understand what motivates their employees to affect their performance; like some personality characteristics. These can be their age, their self-actualisation, and personal needs. Salaries tend to be taken for granted quickly, so if you get an increase in salary at the end of the year, that might give you a small improvement in motivation and OP. But it might not last throughout the whole year. Thus, personality characteristics like age and different stages in life are factors that will influence employees' performance, positively or negatively, and that depends on if the organisation aligns with the employee's personal characteristics.

Nevertheless, compensation techniques are factors that have a positive influence on the performance of employees. However, the boost that it gives doesn't tend to last for long time because they tend to take it for granted quite quickly. It is important for employers to understand what motivates their employees to affect their performance. Money is a

motivator according to the participants, but they need to understand other factors in an employee's life that can affect them too, some personality characteristics, like their age, their self-actualisation, and needs.

Moreover, data allows us to ascertain some things. First, the non-HR Mechanism of 'nationality that affects compensation' has a power/tendency to negatively influence performance since this creates an unfair feeling among the employees, and there are a lot of comparisons between the employees, which is very demotivating. Second, there is the sub-HR Mechanisms of some special HR techniques that have a positive influence on performance. These techniques are: i) Linking individual bonuses to team performance, ii) recognition techniques iii) Sharing profits with the employees. Finally, the non-HRM mechanism of the 'opportunistic work culture' that exists in the UAE has a negative influence towards performance because in this opportunistic work culture, money plays a very important role in the employees' lives and in the country in general; thus, employees get demotivated very easily if they do not get the compensation package or the bonus they wanted, and this will have a negative influence on their performance.

#### **4.2.7 Summary and Conclusions**

In summary, the interview data allows us to ascertain that training tends to increase performance, and, secondly to answer the question "How does training influence organisational performance?" First, the evidence suggests that training causes a power/tendency to increase performance.

The following excerpts are evidence of this:

- "I think this would help you have a loyal staff member and also it helps you achieve the organisation end goals."
- "I would say, training has a positive impact on our employees. We expect that this will also lead to improved performance in terms of their job."
- "...we still expect that the training will be very much linked to improving performance"
- "Training has also shown a lot of positive motivational effect on employees in UAE, so when you send somebody in training, they're happy, they appreciate the trust, they appreciate the break-off, maybe they come back and perform in a better manner"

- “The more that people are skilled in their specific technology, the better the delivery is”
- “With the training, you can improve their skills, which will fix the company performance. So, if you train your employees of course you will improve personal performance and that will affect all the company”
- “Yes, of course. The training is important. For example, the employees, they have the skills. With the training, you can improve their skills, which will fix the company performance. So, if you train your employees of course you will improve personal performance and that will affect all the company.”

Finally, as a result, the HR Mechanism of training has the tendency/power to increase the OP. However, according to Fleetwood (2010, 2017), as has been mentioned before, since ‘tendency’ is a force that drives and pushes, but does not represent the outcome of this action, it only represents the force itself. Thus, if a configuration has a tendency to x, it does not mean that it will eventually x (Fleetwood, 2017). In open systems, like the workplace, there is no certainty of the effects that they are going to bring, but they have a tendency to cause them (Fleetwood, 2017). Thus, the HR-Mechanism of training is made up of other sub-HR Mechanisms and non-HR Mechanism sthat need to be checked on how they work. So, how does its sub-HR Mechanism and non-HR Mechanism, work when it comes to performance, due to its powers/tendencies and why? The answer, effectively, is the explanation of how the sub-HR Mechanism and the non-HR Mechanism generate their power/tendency on performance.

The non-HR Mechansm of lack of training promised (or not), has a negative influence on performance, since the employee doubts the employer if promised training is not delivered then the employee will start having second thoughts about why. The employee will get frustrated and eventually leave the company. So, training has the tendency to increase performance, but if not given, then the results are going to be negative.

Furthermore, the sub-HR Mechanism of transparency and communication in training has a positive influence on performance. Training has a positive influence on employees’ performance but if the training is not delivered for some reason this can cause negative results, however to avoid that, communication and transparency are the answer. According to the participants, even if there is a training that did not take place for some reason, although

it has been promised, transparency and communication is a way to avoid employee demotivation.

Moreover, the sub-HR Mechanism of a lack of proper L&D identification needs and ROI analysis, have a negative influence on performance. The reason is that there is a weakness in identifying learning and development needs in the companies since companies do not usually identify L&D requirements yearly. Thus, this lack of identification before the training takes place is wrong because if an organisation does not search extensively for its needs, and just sends employees for training just for the sake of sending them, then this is not going to affect a performance positively. Instead, it will do so negatively, because there is much money spent for the wrong reasons and there will be no ROI for the company.

Finally, the non-HR Mechanism of loyalty, relationships, and personality are linked to training selection, which has a neutral influence on performance. According to the participant's, for training, everything is linked to loyalty, family culture, and relationships in the UAE. Loyalty, long-serving, and personality are really important factors in the selection of an employee for training. Also, training is connected to family culture, trust, longevity, and good relationships. In the UAE, training is considered a reward for some chosen employees. However, this has no positive or negative influence on performance; It is a neutral one because all the above are the normal and a given reality for the employees. (See Figure 4.5 for all the above.)

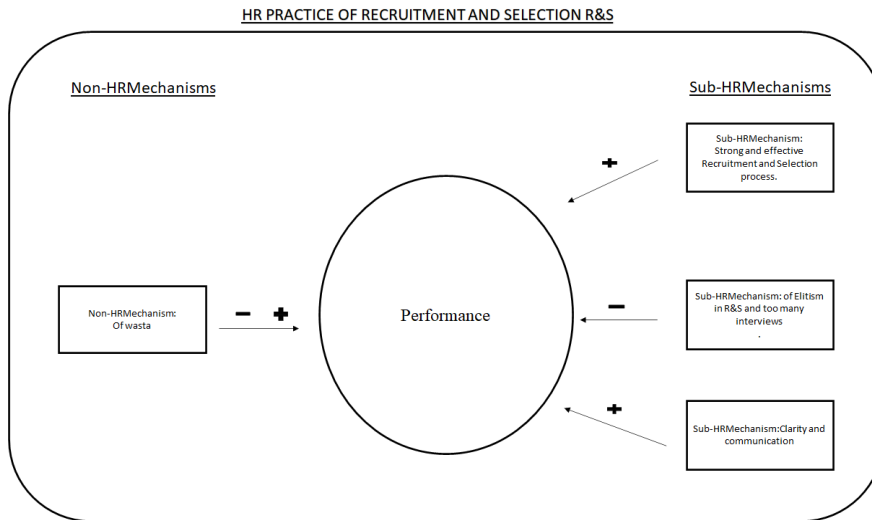
### **4.3 The HR Practice of Recruitment and Selection Analysis**

#### **4.3.1 The Model of Recruitment and Selection Practice**

The below model summarises all the themes that arose from the analysis of Recruitment and Selection Practice and dichotomises them into the non-HR Mechanism and the sub-HR Mechanism according to critical realism research. Please see below the detailed explanation for each theme:



**Figure 4.6: The HR Practice of Recruitment and Selection**



Source: Author's own

### **4.3.2 Theme: Strong and Effective Recruitment and Selection Process, Positive Influence on Organisational Performance (Deductive) (Sub-HR Mechanism)**

According to the participants, recruitment and selection techniques have a positive influence on performance, especially if they are strong and effective because, in that way, it is ensured that selected employees will be the correct fit for the company. They will have the correct behaviour, which will help organisations grow, achieve their goals, and increase the employees' performance.

Participant Number One stated that recruitment and selection (R&S) will have a positive influence on the performance of an organisation, and that this will also help the company to achieve its goals:

Of course, positively influence, because when you recruit well, you have the

technical constancies in place and you have behaviour constancies in place. You have both. So, if you have both correct, the direct for the jump ship in the organisation and you have this across, definitely this will help the organisations to grow and achieve their goals...So, yes, recruitment has a positive effect on the performance of the organisation.

The next participant, Number Two, stated that R&S is a very good filter for a company to get the correct employees, which will increase its performance eventually.

Well definitely, insofar as it is a filter for getting us the right people at the right time. So obviously, robust systems in the recruitment or what we call our talent acquisition side of things is definitely critical... We do need to make sure that those are strong and effective

They continued by mentioning that this R&S process needs to be carefully planned in order to have the desirable outcomes:

I think the effectiveness, also the recruitment, the process on the whole, it is something that I think as the talent acquisition persons and the business get together and continue to talk about, with the business partners, however it's structured anyway with the HR, once that continued conversation is happening, then you are able to start talent pooling.

Participant Number Three stated that performance will definitely be increased with a strong R&S process if this gap is filled with the right people:

It's definitely going to increase the company's performance, because nobody recruits just for the sake of recruitment or something. I mean, probably it happened during the boom of the real estate where people recruited left and right without need, but normally you recruit in order to fill in a gap so this gap is affecting the company's performance.

Also, they mentioned that the employer knows that there are high expectations from them because of the strong R&S system, so they will put in some extra effort to not disappoint their employer. Thus, performance is increased. Further, this increase comes from rigorous recruitment since the person that will end up fulfilling the role will be the correct fit, so their

performance will increase anyway because they will be the perfect match for that role:

In order to do so, I know that the expectations are high for me, if I'm the one who's selected, and I need to live up to these expectations, so it will definitely improve my performance, also because the rigorous recruitment process means that I'm selected

They finally added that if it is done properly, it will have the right results, but the correct planning needs to start in advance:

So, if it's done properly and in the right way, whether it is the role itself you're recruiting for, and be it a brand-new role or a replacement role, and a candidate, him or herself, of course will make a difference, but it has to start the year before, not a couple of weeks before filling in the position, "By the way, I need an additional person here or there."

In focus group one, a participant added that there is a very positive influence with a correct and strong R&S in organisational performance: "That's a very positive influence or impact. The stronger and more effective that recruitment system is..."

Then, another participant from the same focus group agreed with the previous one and added that a strong R&S system is very important in order to increase performance:

I think that's fine, 100% true. I think that the recruitment and selection system is the most important in the company. Why? Because we're working in data, okay? Garbage in, garbage out. So if you have a team to be hired and working together, you must have a very good system that can get you the right people to get you to the right organisational performance. So definitely that's the influence on the performance.

Then another participant from the same focus group agreed with the above and added that the R&S is very important because it brings the employees to the company, and employees are the most important asset: 'I agree with the guys. I only want to add that an asset of the company is the employees. So, recruitment, like the guys said, it's the most important. Because what you are hiring, it's what you are producing for the market.

Another participant agreed that strong R&S helps the performance of the employee because it will give them a push to give their best because they are working with high-quality employees and competing with them as well, so they will make an extra effort to match with them; therefore they need to improve themselves too:

Yeah, of course. Right. This is for sure. If you feel that the company is doing their job, select me, and I need to go through many interviews, many questions. So yes, for sure it will... I will feel that I'm joining the right company. And that will push me to give the best because I'm competing with... or I'm working, not competing with the same company. I'm working with high quality employees, which I need to grow myself.

The next participant in the same focus group agreed with the previous participant and added that strong R&S is very important, and will motivate them to try hard:

Definitely for me it's very important. Like there are levels of the interview. Like you didn't just talk five minutes and you're selected one. So, it will show the company face. How they treat you. How they will treat you in the future. And I think it will motivate me in some ways.

In focus group two, a participant added that strong R&S will have a positive influence on performance because the employee will get a tailor-made resource for their needs: "Yeah, I mean definitely a strong recruitment selection would ensure that you are filtering the best offered, the tailor-cut resource for your needs out there. It definitely has a positive effect on performance.

In the same focus group, another participant agreed that strong R&S improves the performance of the organisation because when a company is doing the correct filtering it will get the correct fit for the job. The employee will be able to start working immediately with no problems or an adjustment period during the onboarding process:

Definitely yes, because when we are doing this filtering, we are spending more time in getting the right candidate and the right fit out there. Then we are pretty sure that it's just plug and play. The best recruitment, the better recruitment, the

better you get the results. That's how I see it. I mean, for me it reduces the employee onboarding process and the more productive is shot.

Moreover, participant Number Six stated that the performance effect with strong R&S procedures will be positive. However, too many interviews can have a negative effect too (please see the elitism section below), and the whole procedure needs to be done very carefully because the senior employees can have a great influence on the company:

Of course, the effect will be more positive. People know that if they are selected after four or five interviews, they do have something in their mind. Means, in their calibre. That's why they got. Again, sometimes it can bring negative effect also. We have to be very careful when we do the recruitment. Of course, it's always affect the organisational behaviour as a whole when it comes to senior employees. Okay, for juniors it doesn't make any difference.

Participant Number Seven added that there is a link between robust R&S procedures and organisational performance and analysed the science behind the R&S, arguing that a more structured science-based process is definitely going to have a greater impact on organisational performance:

There is, most certainly, a link between a robust talent selection process, and organisations performing better, with better-engaged employees. We specialise in cognitive ability, personality, and culture fit. That's just very well, I can talk about those. But, generally, the science behind it isn't simple. Cognitive ability is strongly related to performance in general.

Participant Number Eight stated how important R&S is because it costs a lot of money for the company; it is an investment, and it needs to come back somehow so that is why they need to be very careful:

Oh yeah, absolutely. I mean, I think the thing that I'm always very conscious of is that we're trying to add skill or capability or talent for the future. It's an investment. So, I'm not playing with my money. I'm playing with the company's money, and we have shareholders. And also the fact is, if you don't do it so that it's recognised by the business, again, you go back to the businesses.

The following participant, Number Nine, argued that R&S is crucial in determining organisational performance and that for employees, in order to be a good fit, need to match the profile of the organisation in order to increase performance:

Of course. The selection is very important in determining organisational performance because if we do the wrong selection, obviously if the person is not 100% capable of doing a difficult job, it has direct impact on the output. To me, selecting the right people, giving them the right training, these are interrelated, plays actually into hiring and developing a person.

Participant Number Ten stated that the R&S procedure is very important and that it can have a positive influence on performance however, it is very important to bring the correct people, especially in the UAE. This is because if you bring the wrong people and especially if they are Emiratis it is very difficult or even impossible to fire them because the legal system protects them. So, R&S procedures in this part of the world are even more crucial:

But if you again, doing competency-based interviewing or selection on competencies that are required for the job, then once you've got the best fit, you're not always going to get the best candidate, but you're going to get the best fit. Then I think organisational performance will improve.

The next participant, Number Eleven, argued that in the past that they witnessed their current company was working without strong R&S procedures; it was working really badly, and then it changed, and there was a positive influence when the R&S system came into place:

At that point, the organisation was only four years old. Line managers were doing their own recruitment. There was no central control. I've seen how it worked badly, and I see how it operates today with HR and the line management working cooperatively together. Indeed. I've seen with and without such a system. I know it has a positive effect, so I know what that world is like today. Yes, absolutely.

They continued by adding that strong R&S makes a whole difference to the employee because they know in the end that their future is in good hands and that they have placed

them in the right job at the right time in their career; also it does make a difference in the performance:

Okay. I think it does. Because, in my experience, if a candidate gets to the end of the process and has found it tough, how they will know that we are not playing with their future. We are putting them in the right job at the right time in their career. I think it does affect their performance. It does affect how they see the organisation.

The following participant, Number Twelve, stated that they have experienced a major positive difference with a strong R&S system and that organisational performance is affected positively:

So obviously organisational performance is affected, let's say is influenced, strongly by this one... if you have proper systems and let's say selection process, it will boost the performance.

Moreover, participant Number Thirteen highlighted the fact that R&S is extremely important for many reasons because it affects the performance and reputation of the company, as well as the employee's morale, and all of these things influence the organisational and employee performance:

It's typically extremely important, for many reasons. One, it affects your performance. Second, it affects the reputation of the organisation. Third, it affects the morale of people because if you have some people that see you recruiting rubbish at the same level as usual, the new hire will come with a higher level of salary than the existing level, it's so demotivating.

The following participant, Number Fourteen, argued that a strong R&S system will give you the right talent for your organisation, it will minimise the turnover cost, and it will impact productivity positively; thus all of these aspects will have a positive influence on performance:

If you have a strong recruitment and selection process within the business, it will give you the right talent. It will minimise the cost of the business to waste for talents that are not really qualified for a specific role. And it will also impact

the productivity of the business. So proper recruitment and selection has the good benefit for the business.

And then they added that just recruiting is not going to affect the performance of an organisation, but a strong and effective recruitment process will positively influence performance:

If you have a recruit that's not good enough for the business, for the team, it will affect the productivity of the whole business, right? That's why when you do the recruitment and selection, it is always important that we have a strong and effective R&S system.

The next participant, Number Fifteen, stated that selecting the right talent is hugely important for the business and that an organisation would be in big danger of failing if it hires a lot of people that were not fit for the job. Therefore, people need to match with the company's profile, and this is something that only a strong R&S procedure can ensure:

But I think selecting the right talent is hugely important for the business. If you don't, then that person that you've brought in is not going to be able to perform his role. He may clash in terms of culture. There's not going to be cohesion between him and his team-mates, then that, I think, just rolls up the organisation

Valeria:

Great. So, you feel it has a tremendous influence on performance, and it can be positive if you bring the positive people, the right people for the job, but it can also be negative if you don't bring the correct people at the correct place, if I may summarise what you said?

Participant: 'Yeah. Yeah.'

They continued that the R&S has to be aligned with the business aim and that recruitment needs to interface very strongly with the various managers to understand what the organisation needs, so a strong R&S system will have a positive influence on performance:

I think, again, the interview and selection process has to be very much aligned to what the business is trying to achieve. Need to make sure that the people that



are employed fit criteria that the business has laid out in terms of the technical competencies, in terms of salary banding. In terms of future, looking towards the future. So yes, I think recruitment needs to interface very strongly with the various managers to understand what the organisation needs.

Moreover, participant Number Sixteen stated that without a robust R&S system, the organisation will end up with the wrong people, which will negatively influence performance. However, if an organisation has a rigorous process in place, this will have a positive influence on performance:

So, unless we have a robust recruitment or a talent acquisition team as we call them in our organisation we have them on board, we will not be able to get the right talent into the organisation which will obviously impact the organisational performance. No, absolutely it will affect.

Finally, participant Number Seventeen agreed also with the previous participants, mentioning that a strong R&S system will bring positive results to performance:

So he'll be automatically able to perform better and he'll be able to give back to the organisation because himself knows what role he is required to do, we know what is expected from the employees. I just like for recruitment and selection, particularly because that's the start of any HR activity or the start of any organisation process.

### **4.3.3 Theme: Clarity and Communication Positive Influence on Performance (Deductive) (Sub-HR Mechanism)**

Clarity and good communication during the recruitment process are crucial for the employees and the image of an organisation. It is very important that the interview is not too long and that it be structured with very clear steps so the employee does not get frustrated and lose interest. Also, all the steps of R&S need to be communicated during this period to the employee, and they should be given feedback as well in order to avoid miscommunication and negativity in the employer and employee relationship.

The first participant gave us insightful information regarding the importance of clarity and communication of the recruitment procedure and how this affects performance. In particular, they stated the problem of the long period of vague interview process that exists in the UAE. They continued saying that it is so frustrating for the employees and that at the end of the day it is possible to lose interest, especially without any clarity during the process:

Especially without any updates from the organisation on why are we conducting this or without clarity on the process from the beginning. Say for example if you want to apply, you'll go through this number of interviews for this number of months, so if this is vague or always surprised by another interview then I think the employee, or the candidate won't be very keen to join or to keep on trying.

Participant Number Eight stated that it's important to start right at the very beginning and that it is very important to have a clear image as a company about recruitment and why you are doing this because this will have an influence on performance.

Okay. I think it's really important and I think if we start right at the very beginning, I've been in this region 18 years. And one of the things that I've seen is a disconnect between what the business wants and what is recruited.

They continued that the interview process is a very important procedure where the employee has to sell themselves to the company and the company has to present its image to the employees, so all of this procedure is very important to be crystal clear for both sides in order to avoid miscommunication, and the company needs to create a desirable image of itself to the employees:

I always believe that an interview is a sales process. The candidate is selling themselves to the company and the company is selling themselves to the candidate. And I always feel that when we've done a recruitment process, the one thing I would want ..

They continued that the employees need to be happy in this company, so the recruitment process needs to be structured and very clear and informative from the beginning Also the employee needs to be briefed from the beginning regarding what is coming next and what exactly the employee is going to get as salary and benefits. Also, his exact role and responsibilities in the company need to be determined because otherwise, the employee will get frustrated if unknown responsibilities come up later:

Yeah. Well, I do, but I'm going to spend a lot of my time in this company if I get the job and I don't want to be miserable and I wouldn't be happy. So, I think when you get to recruitment process, make sure it's structured, make sure if you're using an agency, that the agency is very clear on the brief, that they've met the manager, that the manager has been very clear to the agency so if they walk away, make sure that the candidates are all briefed ... get the same brief.

Then, they added that candidates should know the exact steps that are going to be followed after the first interview, and they need to be given precise feedback, too:

You've given them time to explain feedback to them, that they understand what comes next. What's, what's the process? How many interviews, what You do it in the correct way when the employee arrives and that's when the induction process should also kick in and be efficient and effective. That employee will have as much information as possible about what they're there for.

They added that the new hire should have clear communication from the beginning regarding their responsibilities because otherwise, they will be frustrated and unproductive, and all of this costs much money to the organisation, and it is also a negative image for the company:

I think the worst thing is if an employee joins and said, "No one mentioned this in the interview. I didn't sign up for this." So, it costs in time, money, using agency fees and then if the employee joins and it's not what they want, they might leave because they might be going for multiple interviews, accepted that and then have one in the back pocket and then say, "Well actually this isn't what I signed up for.

He also added that travelling time and the money for the travelling cost for an interview are really high and a very important factor that can frustrate the candidate if there are too many interviews, for example:

And don't forget if the candidate is having to travel, say for example, you're based in Europe or for example, you're in Nicosia and the interviews in Pathos and you've been down to Pathos five times, you're going to get a bit fed up. Because one, you paid for the petrol and possibly parking and that's taking what? At least the interview time and say a couple of hours driving time depending on the traffic.

Moreover, they added that in the Middle East there are so many rounds of interviews because so many people have a say in the selection process, and this is something that the expatriates from Europe do not understand. Therefore, in order to avoid any negativity, the company needs to be very transparent regarding the recruitment process from the very beginning:

So again, if you've got a candidate and we find this a lot, I think when we get candidates who are coming from Europe, when we've been recruiting into Kuwait, that really didn't understand why they had to be interviewed by all these different people. And it's like, well it's a Kuwaiti company.

Finally, they mentioned an example from their own career. They went for an interview and because nothing was clear in the whole recruitment process, and there were a lot of miscommunications starting from before the interview, including the job description, they decided that they did not want to work for that company and left:

I mean the interview I went for in January, I was told I was going to be seen by the HR director and the recruitment person and then I was going to be seen by the general manager. Nope. All three saw me together at the same time. So, I'm thinking, well, you've told me one thing, you're doing another.

The next participant, Number Nine, highlighted that transparency in the interview process is very important:

I think it is always the best practice to declare if a candidate is known to one of the interviewers or selection committee. It is always good to declare it in the interview form or in the selection process itself, instead of not hiding that fact. I've come across many cases where the interviewer himself mentioned prior to the interview that, "I know this candidate personally."

The next participant, Number Eleven stated the fact that it is very important for the recruitment process be documented, visible to the candidate, and transparent as well, and all of these will increase performance and motivate employees. Otherwise, employees will be demotivated:

I think that any selection process has to be visible and transparent. If someone feels they have missed out on a job, because that happened to be case, because, say, the recruitment selection systems are not robust enough, you're going to

demotivate people. So, we ensure that all vacancies are published, everyone is clear about that.

#### **4.3.4 Theme: Elitism in R&S and Too Many Interviews, Negative Influence in Performance (Deductive) (sub-HR Mechanism)**

The sub-HR Mechanism of elitism and too many interviews, that can make employees feel like they belong to an elite will not positively influence performance, but the exact opposite. Employees might get tired and "CV fatigue" after a major number of interviews. There is a fine line between the correct number of interviews and the fact that too many are wrong as far as interviews are concerned. In the Middle East in general, and in the UAE specifically, according to the participant, everyone has an opinion, and they want to express it, and this has as a result, the large amount of interviews with a vague and unstructured R&S process that demotivates the employees and has a negative influence on their performance:

The following participant, Number One, stated that the candidates will lose interest and get frustrated after many interviews, and that if there are also no updates from the organisation regarding the process that goes on. And instead, there is a vague process which always surprises the candidate with another interview then the employees or candidates won't be very keen or to keep on trying:

The candidate loses interest and feels frustrated because the challenge is looking by the end of the day is looking for a job where they can secure a good future, get a salary, especially if they have not been working for some time, so this long time for example, three or four months of interviews, at the end you feel that, where is this leading me? Is it the correct choice for me?

The next participant, Number Three, did not feel that too many rounds of interviews would make them feel they belonged to an elite and they would not feel that they are the chosen one, but it would set them up with a lot of expectations: "Well, I think ... No, I think, well, if ... I don't see it that to go through a rigorous recruitment process will make me feel like, "Oh my god, I'm the chosen one." Or something like that, okay? It would rather set a lot of expectations"

The next participant from focus group one said that the feeling of elitism, which many rounds of interviews can create, will not make a major positive impact on their performance, but

maybe the opposite: "I don't think so it will have a major impact. So that's why people do that if it's a brand or something. But as a company, I mean as a growing step. It does not matter."

The next participant from focus group two stated clearly that many interviews would not make them feel like an elite and it would not help their motivation and performance: "Simple answer, Valeria, No. I guess I see that having multiple rounds of interviews doesn't make sense for me, and I guess it doesn't lead to motivation. Yeah.'

The next participant in the same focus group agreed with the previous participant that it doesn't not make sense for a small or medium-sized firm to have that many rounds of interviews and the employees will not feel that they are elite and that their performance will not increase because of that:

I mean if their interviews are that long, they use many rounds, seven, eight, nine rounds, then you get finally selected, of course there is a sense of elitism because, as an employee, you know what you have achieved and not everyone else can.

The next participant in the same focus group agreed with the previous ones as well that too many rounds of interviews do not help in anyway and this is something that will not affect their motivation or performance positively, and it did not make any sense to them:

People will be motivated more if they will go for many rounds. No, the people would be motivated if they found all the colleagues are motivated and they are talented, so they will be more motivated and they can deliver their job. It will be from one round or 10 rounds, doesn't make any sense. The next participant, Number Six stated that elitism is not a bad thing and that a normal number of interviews, like four, is fine with him and can have a positive result, but the recruitment process goes on and on forever with a huge number of interviews. This will have a negative influence on the employee and will make him feel frustrated:

Well, I don't think elitism is an evil thing. Of course, the effect will be more positive. People know that if they are selected after four or five interviews, they do have something in their mind. Means, in their calibre. That's why they got. Again, sometimes it can bring negative effect also. If somebody is looking for a job very badly. If we do interviews and if you do a lot of negotiation, push, squeeze them to get them in, of course it will be giving them a negative impact.

The next participant, Number Seven, stated that employees are not going to feel that they are in some kind of an elite organisation, if they go through too many rounds of interviews, and their performance will not be affected positively. Also, they stated that elitism has to do with the branding of the organisation and not with the recruitment process:

I think what you describe in terms of people feeling very excited about getting through the process is definitely going to have an impact of performance, but I don't think it has much to do with the recruitment selection system. That's to do with the employer brand. If I apply for Google, and it's a hard process, I don't really feel pleased to have gotten through the process itself.

They continued stating that although they are not going to feel a sense of elitism or superiority after too many rounds of interviews, instead if they go through a bad quality, unstructured interview, then they will have a bad image of that organisation and will not want to work there:

But, that sense of elitism is more about the employer brand than it is to the process. But I will, if somebody gives me some crappy, subjective unstructured interview, then I will think, "what a horrible organisation. I'm not going to join them." If I go through a robust and objective process, then I'll have a lot more respect.

The next participant, Number Eight offered a personal example where they were about to be hired as an HR manager for a company, and although they already had five interviews and gotten the job, the organisation told them that they had to go for more interviews, and that was a tiring experience. They also said that in the Middle East it is a cultural thing, and everyone has an opinion, which is why there are so many interviews to get a job. However, this is not elitism neither a motivational thing, but a tiring experience for an employee:

So everyone has to have a bit of skin in the game and have an opinion. I think sometimes employees, they're very pleased that they've got the role. But I think it, I don't think it creates an elitism. I think sometimes you get fatigue.

They continued saying that the employee, instead of feeling like a member of an elite, will feel the opposite way. They can feel demotivated and feel like it was a waste of time and energy, after so many interviews because after so many interviews, employees get "CV fatigue" and feel suspicious:

Certainly, you can get CV fatigue because if you have six interviews, you basically regurgitated the CV six times. And if certain managers don't listen or they're not very good at interviewing, a candidate can feel, "Well, I've answered that in my other interview with so-and-so and here I am saying the same thing again."

Finally, they added that if candidates had to travel as well for all these interviews, it was one more reason to get even more frustrated because they had to waste money, time, and energy for the commute time of the interviews. But this is the work culture in the Middle East, where everyone has an opinion, and this translates to a large number of interviews:

So, I think again, its very important that if you're interviewing a candidate and you've got the transparency up front to say, look, this is how it's going to be. Because again, the candidate might say, "I don't particularly want to work for a company like that."

The next participant, Number Ten argued, more important than the feeling of elitism is the team and the environment. This will help performance, and not a recruitment and selection system that is so time consuming: "I don't think any feeling or form of elitism is helpful. It's usually about working in teams, closely in teams, whether you're in the management or within a department. So, I don't think that any feeling of elitism would be helpful."

The next participant, Number Eleven, stated that it is okay to have a rigorous R&S to ensure that the correct person will be selected for the job, but there is a fine line between the correct amount and too many. A wrong number of interviews will have a negative effect:

So, I think you have to engage them to be quite certain with them to say, "Look, no, this isn't necessary. It's about data collection, information, collecting all the information we need. Now that's stopped, let's move on."

Moreover, participant Number Fourteen stated that the feeling of elitism, which a huge number of interviews can bring to the candidate, will only have a negative influence on their performance because they will start having second thoughts, and they will be negatively affected:

At the end of the day, if that is the way of thinking that an employee has, I think it affects maybe somehow negatively. Because first of all, in the recruitment



and selection process, you always consider the candidate based on their fitness and merit to work and not because of their influence or their status.

In addition, the next participant, Number Fifteen, argued that the feeling of elitism maybe can be appealing at the beginning, but it is going to fade, and the only thing that matters to keep the employee's performance up is the work culture of the company:

Okay, so I think, initially, everything's going to be great. He's going to think it's a wonderful organisation, and he's going to think it's well-structured. It's well set-up. It's elite. It's the perfect organisation. After he's been in the organisation for a few months and settles down, he's going to realize that it's not perfect. It's not completely as he thought it was. There are policies that are ambiguous. There are not quite strict salary bandings as he first thought. So again, I think it depends on the company culture

#### **4.3.5 Theme: Wasta Has a Positive and a Negative Effect on Performance (Inductive) (Non-HR Mechanism)**

According to Hutchings and Weir (2006), wasta is defined as connections, networks, contacts, and nepotism. However, the word wasta, has a negative meaning of its own, according to the participants: the influence it can have on the OP can be negative but also positive sometimes. So, wasta is translated as two sides of the same coin, with negative as well as positive effects. Referral, cost saving, and the opening of doors can have some positive effects, but it could also have quite a negative influence on people's levels of aggregation. It will depend on whether the recruitment and selection process of an organisation is used properly or not. Both effects depend on the person who has the leverage and how they are using it, and it also depends on how strong the recruiting and selection process is. If R&S works properly, it will manage to keep a candidate outside the organisation if they are not the right person for the job. Finally, the negative effects can be the bad branding of the organisation since it discriminates against its employees, the negative atmosphere between the peers that the creation of two different sides wasta can create, the negative performance of an employee that is not the correct person for the job, and the cost of the re-recruitment of an employee because a wasta employee left or was fired since they were not the right fit for the job.

Participant Number One stated that *wasta* in R&S used to take place in the past but not so much these days and on a smaller scale too. These days there are other tests that a candidate must pass that even candidates with *wasta* cannot surpass. So, *wasta* is a coin with two sides, according to the participants, it can be a negative thing, especially in the past, when the correct recruitment selection system was not in place, but now this can also have a positive effect to give a candidate just a small boost. However, if you're not the right person because you do not fit well with the organisation, at the end of the day, they're not going to choose you.

I can't see the front aspect or perspective because maybe 10 years or 15 years back, this would have worked. Nowadays it could work but in some really not on a fewer scale or not as a large scale as it used to be. But also, we have to take into consideration that when the introduction of psychometric tests and assessment centers, you're censoring people, so even if you get into *wasta*, you will not be able to pursue up and pursue on the list of short-listed candidates.

However, participant Number One added that we could not pretend that this situation was not happening until now and that sometimes the connections that someone has are stronger than their knowledge:

But also, we have to take into consideration that we cannot hide this or pretend that it's not taking place is that the people who you know, sometimes it's more important than what you know.

Finally, they added that there is a good side to *wasta*, the side of referrals that in the UAE is highly used and can be positive. The referral system in the UAE is a technique that many companies are using by asking their employees if they have a good candidate to suggest for a specific job opening, and usually, the employee whose referral is accepted will get a small amount of money or a prize:

Some organisations, we cannot call this *wasta*, but some organisations encourage employees to bring the CVs of some good candidates that they know for a specific position.

The next participant, Number Two, stated that there were two sides to *wasta*, the positive and the negative. They described a case in which someone is brought to a company through connections, maybe this is a good thing sometimes because that employee might be able to open closed doors, in the government, for example, that the company would not be able to

do it on its own; this can have a positive influence on OP. Further, maybe someone could join the company because of this connection, but they might not be a good fit in for the company; this is something that will negatively affect their performance:

It could affect it positively or negatively. Every company in every part of the world will face this at different points. And it may be, it's not necessarily a direct negative or direct positive, because there are some instances where persons may be brought before a company as an additional asset because of certain links to governments or whatever.

Participant Number Three argued that a referral can have a positive effect but also a negative one. Because there will be no competition to get the best candidate for the job, and maybe, yes, referrals can bring a very good fit. But it would be better to do it in a proper way and really have a competition choosing between the best ones and not simply just having one good one to choose from.

So, you might get something good out of the selected candidate, okay, but not the best. A referral, exactly, but, at the end of the day, you should go in the pool of candidates, and I know a lot of companies in UAE unfortunately, that's it. Less of a headache of looking for people et cetera, yeah, X knows this girl, he thinks she's good, they'd certainly interview, probably they will end up with one candidate only to select from. I know a lot of places that happen.

The following participant of focus group one stated that wasta is not going to be a negative thing for an organisation if there is a strong R&S system in place; then the correct candidate will be selected anyway:

I mean it depends on how you cheated to which level. Wasta sometimes would be direct to giving a job, right? Or sometimes Wasta could be to the level you start to look at the CVs because there are so many CVs in the market. So that puts so much adds, so not much have time to look into those CVs. At least if some people give you like 20, 30, 40 CVs, each has its own reference. At least you start to consider this... there are some good candidates.

He continued that referral is a good thing and that it does not have a negative meaning like wasta has:

But referral. That's a big difference. So when we use the word *wasta*, usually you use it if we feel that the person doesn't deserve it. Like this is not the right person to be in this position. That's why we use the other word *connection* or *referral*, that, okay I think this person to get this interview, without... It's not *wasta* because he or she went through the interviews. They passed everything. It's only giving away... this thing always has an influence on his performance.

Then another candidate in the same focus group stated that *wasta* is a negative thing, and it is usually used when a person is not the right fit for the job and it is using his influence in order to get in into something that it is not for him, and he could not reach it otherwise: "So *wasta* is the, I think we use it when the person doesn't... It's not the right fit for this place. And this will affect the workforce because even the employee who was hired with *wasta* even never get the confidence that he can do the job properly.'

Another participant from the same focus group agreed with the previous one, and stated that the person with *wasta* will feel like he is an elite and this will have a negative influence on his performance.

Especially if a company is small, it will have even a bigger, more negative influence on the performance of the company. And they would abuse it. If somebody comes with *wasta*, he comes in as an elite person and he doesn't give a damn about anybody else. He would perform very badly. And if somebody tries to talk to him, he's feeling relaxed that he came here through an influence.

Interviewer: So, you're saying it will have a negative effect on performance?

It's definitely a negative effect. It will not be a negative effect if you are operating a company like corporation ..Then you will be hurting the company in a way that you need to invest a lot of money to train these people and bring them up to competency level. Because they are incompetent. Yes.

Then another participant from the same focus group, stated that the whole *wasta* situation was going to affect him personally because it would be difficult for him to make a remark or a correction to a person with influence, and that was going to affect his personal and OP negatively: "And even at the same time it could be difficult for me to say something like, "You did it wrong, do it in correct way." So it will affect the company. It will affect me as a person. I mean the psychologically, I think.

Finally, another person from the same focus group stated that there is a positive influence on the company from the people who are joining as referrals and a negative influence from the people who are joining the company as wasta:

There is a huge difference. And a referral more than, when I come to you to let's say Ansari wants to hire someone and he tells me, "Do you know someone about you who knows one, two, three, four?"

Now, coming to focus group two, a participant argued that wasta has two sides: it can be a good thing, and it can be a bad thing. Because if you bring someone that you know, and he is good and close to the company's culture of the company, then he will be a good employee. But if someone is brought in that is not close to the work culture of the company, then this will be a negative effect on the entire organisation:

The wasta for me is divided into levels. There is a wasta which is, you select someone close to you, for example, or close to the manager, but this someone is part... and he will help. This wasta, for me it's not a major one, because at the end he will sell the target and the objectives of the opening for this job. You bring someone who is not related to your business field and he will start putting his ideas which is totally against the company culture and the company business, and this will have a major effect.

The next participant in the same focus group agreed with the previous one that one should not confuse wasta with the positive referral of an employee since the former can bring negative results but the latter positive ones:

. My only point would be not to confuse wasta with the positive reference. Wasta usually is a term when we use to influence something in a negative way. But yeah, when it comes to the positive side of it, a positive referral, that's a good thing, I think.

Another participant from the same focus group agreed with the above participants by adding that referring an employee that you know is good and a positive thing, but anyway, he must go through the same recruitment process as everybody else:

The only thing is, he has to go through the same recruitment process which others have gone. Just because I came and referred him doesn't mean the screening test is now shortened for this guy because he's already good.

Finally, the last participant of the same focus group added the same thing as the previous participants. There are two sides of *wasta*, the positive side that has to do with referring someone who is a good fit to the company, and the negative side that has to do with referring someone who is not a good fit for the company and takes place for personal reasons: "I would like to add something for *wasta*. For me, okay if this guy was referred by someone else, or he's joining the company because he can deliver at his job. But to bring someone for other reasons, this is the main issue."

Valeria: 'Mm-hmm (affirmative). You think as well there are two sides?'

Participant:

Exactly. If you are bringing someone because he's good and you are referring him or he can deliver his job in a good way, that's okay. At least he is trusted. But if you are bringing someone for other reasons, this will be a big mistake and this will affect all of the organization, not only one part.

The next participant, Number Six, stated that *wasta* has two sides, The first one is negative: the influence of *wasta* will be negative because the employee will not deserve the job that they are going to get, and they will have a big salary without doing any work and this will have a negative effect their colleagues and increase turnover as well:

The organisational behaviour may not change, but the productivity of course, it will go down. Again, as you know, *wasta* means recommendation from a guy that we cannot say no. Then we hire somebody, and the people sitting around that particular person feel that, "Okay, this guy come with a recommendation and he's getting ...Of course, they might feel that he's having a big salary and he's not doing anything. That will affect the morale of other people.

Valeria: 'So, you feel, maybe his colleagues, they're going to feel demotivated, and affect their performance as well?'

Participant:

Of course, it can happen. That could be the case. When you talk to people, you can feel that. "Oh, this guy, okay, is the relative of this guy. Okay." They don't say anything, but the body language tells you what they feel.

Then he continued with the positive side of *wasta*: that maybe they could recruit a candidate to help them but with a low salary, and maybe this person is capable, and he has a lot of skills and abilities, and he is going to have a positive influence on performance. Another positive example of an employee with *wasta* is if they hire a person with a government department recommendation, then he might be able to help them with some bureaucratic issues easier and faster.

Otherwise, they may feel that it's the other way, and it affect the organisational behaviour. You feel it can have also another side if a *wasta* person is capable, it has a lot of skill, a lot of abilities, it can affect in a positive way as well. ...Positive way.

The next participant, number Seven, stated that the negative effect of people with *wasta* is huge, and this is because people who have a famous last name with plenty of connections that will open many doors will not make any effort or try to work and achieve something because everything is given to them anyway:

I think it's hugely detrimental. If you know that you can't achieve because your family name is not the right one, how demotivating is that? And, at the other end of the spectrum, if you know that you can achieve anything because of your family name, why bother trying? So, I think a lot of the toxic cultures that we see in organisations where *wasta* is a thing, I think that is a reason

Participant Number Eight explained that this is a common thing as well in the Western world where people hire people that they know or who are from the same company or a sister company, and their peers start gossiping about it:

I think that whether you in this part of the world and you call it *wasta*, or whether you're in the Western side and they call it the boys club, I think it's one of those things where I've seen it in organisations where they start to recruit somebody at a level and all of a sudden there's all different managers coming in from.

He continued that the *wasta* employee is usually not in line with the culture of the people and that managers try to look the other way because things start becoming very political. That, he continued, is something very negative because the gossiping starts, and a lot of energy and time is spent there:

He finally added that people with *wasta* who did not really know the business start making serious business decisions that go so wrong that the whole operation fails, something that is really negative for the OP. Finally, *wasta* is a dividing factor that can create two different camps amongst the employees, and they will always think about it, whether it's in the back of their head or whether they actually start feeling that there are different camps, and it becomes a reality. This is something that senior managers need to be very conscious about it:

There was no revenue. We were going into a situation where we didn't have either equal control or more control. So, for us, it was revenue-wise, finance-wise, operations wise, was a really bad deal. And it really took digging into it and then then the MD actually saying to his boss, this is going to be a waste of money. And it will fail.

Moreover, participant Number Thirteen stated, that they also operate with *wasta*, but they have a strong requirement and selection process and that if a person is not capable, he is not going to be selected anyway, even if he has good connections; so, the whole performance of the employee is not going to be affected in a bad way:

That is also analysed in the selection process because, as I mentioned, since our company has a family-oriented business and a culture which is unique, we analyse how this person can adapt to our culture, and how he can survive in this atmosphere. All these facts are being analysed. It's not just technical.

Some candidates, particularly in the selection process, because at the end of the day it is a client-facing role, and if they are not able to perform that as standard policy, it is not going to work....because of the recruitment process that you have, if he's not the right person for the job, you're not going to hire him. So it's not going to affect the performance in a bad way.

Participant Number Ten stated that a person with *wasta* will negatively influence performance because he will not have the experience and knowledge for the job. However, nowadays, they are going to be used only in local companies and not in international companies, and what tends to happen is that friends and family are recommended or selected. Finally, he mentioned that he has been working as an HR manager for two or three years in a company. Then they moved him, and a person with *wasta* took his position, usually a local Emirati who does not have any knowledge of HR:



Well, frankly I think this has a negative effect, because it tends only to be used in local companies.

Moreover, participant Number Eleven argued that when they hired a candidate with *wasta*, because his manager was very careful with his relationship, he had a positive influence on the organisation, exactly because he was trying hard to prove himself to his manager:

This particular individual declares a conflict of interest. But after a long process, we actually honestly realised that they were the best candidate. What was very interesting afterwards, rather than *wasta* working in a positive way for the candidates, he had to jump through more hoops and achieve more in order to progress in the organisation because the line manager

However, he also mentioned that employees with *wasta* could have false confidence in a company and frequently, they are promoted too soon, and they can't cope. Also, he mentioned that *wasta* can be good if it's managed openly and knowingly with regard to performance, but it can also be quite negative due to people of getting angry:

*Wasta* can bring brings false confidence to the individual because they feel they do have that *wasta* in the organisation. Often, they are promoted too soon, and they can't cope. I've always had people come to my office to say

The next participant, Number Twelve, stated that the *wasta* influence is very negative, because sometimes, but not always, people with *wasta* are not skilled enough for a position, and this has a negative influence on their peers too, and all of this has a negative influence on their performance:

The influence is big, negatively big I mean. So their performance will be impacted negatively because people, I've seen in the past, people who are sometimes..

The next participant, Number Thirteen, highlighted that it can have a positive or negative effect, and that depends on the person with the leverage. It can have a negative influence if the candidate with *wasta* does not have the right abilities and skills and is brought to the organisation only because of his connections. It can negatively influence performance because he's not the right person for the job.

If it exists in some organisations, it can have a positive or it can have a negative because it depends. Not every roster is someone who is not good.

However, it can have a positive influence as well if the company has the correct recruitment and selection process and the correct candidate for the job is selected; then wasta can be a positive thing and cost saving for the recruiter:

It is in a way can be a cost saving because you don't have to pay for the recruitment agency or for the head-hunter. It depends on the position. For example, if I bring you with somebody to head the marketing department, I can tell you, well, you know what, I know this person.

Valeria: 'So, it can be a positive. It can be a negative. It depends on your organisation, the criteria that you have in the recruitment selection, if I may summarise it.'

Participant: 'Absolutely, absolutely.'

The next participant, Number Fourteen, stated that wasta can have both a positive and a negative influence. It can have a positive influence because if someone recommends a candidate for a job and this person is absolutely sure that this candidate will be able to do the job correctly so, if he is the right person for that job, he will be able to deliver.

Yes, positively it impacts if you know someone or if you have this influence to bring in someone in the business that you already know positively, because you will not be, I mean, if I am an average, reasonable hiring manager, I will not be referring a candidate that I do not know his performance very well.

On the other hand, he added that it could have a negative influence as well if an employee goes through the recruitment process and at the end, he understands that someone else is already there with wasta. This has a negative influence on the employees and a negative image of the organisation because his R&S is not fair and it discriminates:

Especially if the hiring managers are more conventional who are really more into referrals, candidate referrals and all that. And somehow, we have new candidates who have gone through the process of the application, and suddenly they know that there's already a selected candidate.

Valeria: 'It happens all the time. Here in UAE, you mean?'

Participant: 'Yes, yes. And not only here. I think, and sometimes it's everywhere in general. Maybe it happens. It's a part of the influences from external people.'

The next participant, Number Fifteen, stated that *wasta* can be upsetting for the company if the employee is not right for the role because of the cost of rehiring someone else.

It can be dangerous if you've got somebody who's got *wasta*, and they want to bring a person in that they know, might be doing a favour for a mate's wife, or might be doing a favour for a mate, or a mate's mate.

He continued by adding that it can have a negative influence on performance because it can slow down the organisation's efficiency:

So potentially, yes, it can. It can slow the organisation's efficiency down a bit, until that person is trained and comes up to speed. So one or two people, obviously, it's not going to dramatically affect, but if that was massive, then absolutely, it would, yeah.

The next participant, Number Sixteen, argued that *wasta* takes place mostly in small companies that can cut the cost of spending the x amount of money to have a concrete recruitment and selection system and instead, they are working through a referral system; but this is not something that is going to take place in a big company:

It will probably have to do with the company because again, if you're a smaller scale company, Valeria, you may not want to spend a lot of money on doing these LinkedIn ads or anything of that sort, in which case you might be asking your fellow colleagues to name some people who can fit the job..

Finally, the last participant, Number Seventeen, stated that *wasta* could be positive and it can be negative as well, and this depends on the way that the candidate with *wasta* has been placed in a specific role: "So, in the beginning, I would say it will be neutral, but then throughout there is this fluctuation that's my goal. It can be, the outcome can be positive, the outcome can be negative. It depends upon how it's being put out there."

#### **4.3.6 Summary and Conclusions**

To summarise, the interview data allows us to ascertain that R&S has a tendency to increase performance and, secondly, to answer the question, "How does R&S influence organisational performance?" First, evidence suggests that R&S causes a power/tendency to increase performance.

The following excerpts are evidence of this:

- “So obviously, robust systems in the recruitment or our talent acquisition side of things is critical... We do need to make sure that once those are strong and effective, I would say that definitely, they bring the right talent, help us to bring the right talent in for sure, and definitely improve then.”
- “It's definitely going to increase the company's performance”
- “That's a very positive influence or impact. The stronger and more effective that recruitment system is... ”
- “So, if you have a team to be hired and working together, you must have a very good system that can get you the right people to get you to the right organisational performance. So definitely that's the influence on the performance.”
- “Yeah, I mean definitely a strong recruitment selection would ensure that you are filtering the best offered, the tailor-cut resource for your needs out there. It definitely has a positive effect on performance”

Finally, as a result, the HR Mechanism of R&S has the tendency/power to increase the OP. However, according to Fleetwood (2010, 2017), as has been mentioned before, ‘tendency’ is a force that drives and pushes but does not represent the outcome of this action, only the force itself. Thus, the HR Mechanism of R&S is made up of other sub-HR Mechanisms and non-HR Mechanisms, that need to be checked on how they work. So, how do its sub-HR Mechanisms and non-HR Mechanisms work in performance due to its powers/tendencies and why? The answer, effectively, is the explanation of how the sub-HR Mechanism and the non-HR Mechanism generate their power/tendency on performance.

Furthermore, the sub-HR Mechanism of strong and effective R&S positively influences performance because, in that way, it is ensured that selected employees will be a correct fit for the company. They will have the correct behaviour, which will help the organisations to grow, achieve their goals, and increase their performance.

Moreover, the sub-HR Mechanism of clarity and communication positively influences performance. Clarity and good communication during the recruitment and selection period should be a short and efficient structure, with very clear steps, to prevent the employee from getting frustrated and losing interest. Finally, feedback is important in order to avoid miscommunication and negativity in the employer and employee relationship.

The sub-HR Mechanism of elitism in R&S and too many interviews have a negative influence on performance that can make employees feel like they belong to an elite however, it will not have any positive influence on the performance. Instead, it will be the exact opposite; employees might get tired after a major number of interviews.

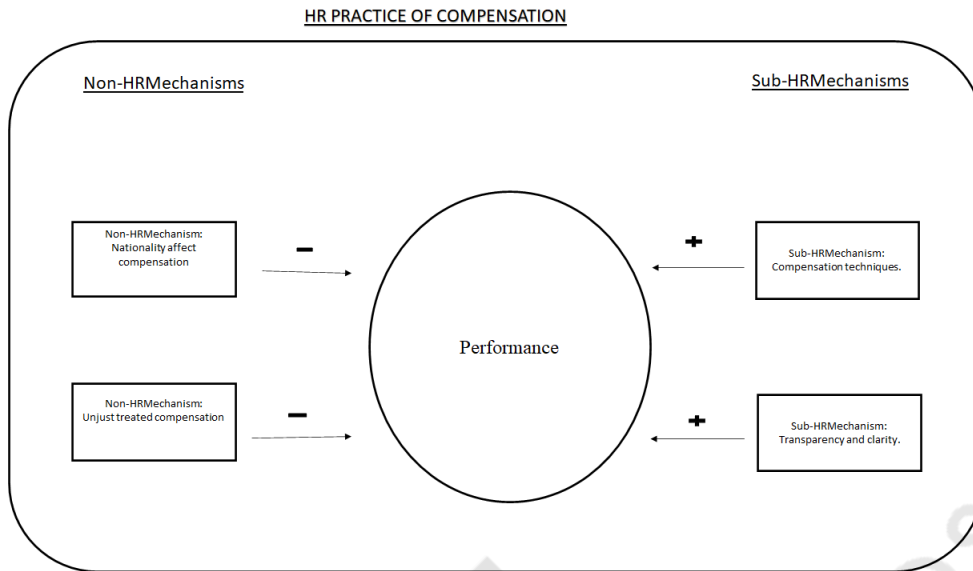
The non-HR Mechanism of *wasta*, has a positive and a negative effect on performance. *Wasta* is translated as two sides of the same coin, with negative as well as positive effects. Therefore, referral, cost saving, and opening of doors can be some of its positive effects, but it could also have quite a negative influence on people's levels of aggregation. Finally, the negative effects are the bad branding of the organisation, since it discriminates against its employees, the negative atmosphere between peers that the creation of two different sides *wasta* can create, the negative performance of an employee who is not the correct person for the job, and the cost of the re-recruitment of an employee. (See Figure 4.6 for all the above).

## **4.4 The HR Practice of Compensation Analysis**

### **4.4.1 Model of Compensation Practice**

The below model (Figure 4.7) summarises all the themes from the Compensation analysis and dichotomises them into the Non-HR Mechanism and the sub-HR Mechanism according to critical realism research. Please see below the detailed explanation for each theme:

**Figure 4.7: The HR Practice of Compensation**



Source: Author's own.

#### **4.4.2 Theme: Transparency and Clarity in Compensation Increase Performance (Inductive Approach) (Sub-HR Mechanism)**

Regarding compensation and how much this influences the organisation's performance, some factors positively and negatively affect performance. The factor that positively impacts performance, according to the interviewers, is transparency; this means how transparent the compensation policies of an organisation are, such as the grades together with different levels of compensation, the bonus, etc. The analysis of the interviews revealed that participants reported that transparency in any kind of way, with an honest conversation between the employer and the employee, with openness and transparent compensation procedures, or with predetermined compensation levels that relate to the different grades in which there is zero human interaction, create the feeling of some kind of fairness in compensation. This is very important because it gives a feeling that nothing is hidden, which

can improve their performance. Thus, the compensation or the rewards are based on real evidence, and it is important to be transparent since this helps employees to be motivated and improve their performance. Motivation is something important because if employees are demotivated, then their performance will be affected in a negative way, too. So, it is crucial to motivate them. Other than that, as it has been stated by the participants money is only a temporary motivator that can fade away quite quickly; however, transparency and the feeling of fairness improve their motivation for good.

Moreover, transparency around compensation goes together with the clarity of communication the explanation of the reasons behind different compensations, bonuses, grades, etc., is extremely important for employee performance.

An illustrative example of the aforementioned transparency is the one expressed by participant Number Three:

But if it's done in proper systematic way, where everything is explained, where no matter how much I tell ... I try to show my boss that I am, "why you're giving Valeria the promotion, I'm the one who deserves it."

At the end, he mentioned:

Plan it right and be transparent with the employees, This, is a part of transparency, so when the employees have a concern or have a complaint, you have something to tell them. You'll be like, "Look, I'm to comparing you to your market really, I'm comparing you to the market. As per the market, I'm paying you within the bandwidth, you know?"

Also another example of the aforementioned transparency is the one expressed here, Participant Number Seven:

I think, because most organisations are quite secretive about compensation, it's a very difficult question to answer, because it's not so much about how fair it actually is, it's about the perception what happens in those conversations. I'd say, in an ideal world, organisations would be very transparent. These are the different levels and these are the salary brackets for those numbers. And if you do that, there can be no argument about it.

The next quotation from participant Number Seven describes transparency well in an incident that happened accidentally, it ended up being motivational because the

compensation of a higher grade got to be known to the employee, and the transparency of the compensation motivated him:

In my own experience, I remember I once, accidentally was shown the salaries of all the employees in the company. I was accidentally sent an email, and I found that people in the level above me, there was a huge gap, and I found it quite motivating. Because I thought, "well, you know, whilst sure I'm not on a great package now, I know that if I can progress, I can get that promotion.

And he added as well: "As long as there's a sense of career mobility, you feel like you can progress and achieve. That you're not stuck in a rut. I think that can be quite motivating."

Moreover, the next quotation from participant Number Eight explains transparency and how it should be operated clearly as well:

It's super sensitive but you've just got to be transparent with people.

He continued by adding that transparency is very important to come from the management when it comes to compensation:

I think it depends on the leadership of that organisation. If the leadership of that organisation and all the way down to the management level, are very consistent like.

The next quotation shows that money is a motivating factor, but only temporarily, according to participant Number Seven:

Yeah, I suppose one other interesting factor is that, generally, there isn't a huge link, in my experience, between compensation and performance. It feels like there should be, but I've worked for organisations where, let's say, consultants are paid horrible amounts and other organisations where consultants are paid quite generously. And the performance of those individuals wasn't impacted by how much they got paid. And so that's had to do with their culture.

The next participant, Number Ten, describes the money in exactly the same way:

That's why I think there needs to be full transparency. But I think there is a lot of water cooler talk about compensation. But again, the more transparency you have, then the more open managers are with their employees about why they're



compensated and how they can improve, and how they can improve their compensation, the more helpful that can be.

Moreover, another participant, Number Eleven, came to add, regarding transparency, how important it is:

The only thing is just ensuring that there is transparency with these things. With regard to HR-related decisions around compensation and performance management generally. You don't get it right all the time, but I think there are systems that could help you to achieve that. We've certainly made some big strides in that, if we didn't have it right a few years ago.

Also participant Number Fifteen also added that even if there is a negative decision or outcome for the employee when it comes to their compensation, it is better for the company to be honest with them:

If you turn it around to make that situation or scenario a bit more positive. Let's take a scenario where you know that there's no money in the budget for promoting somebody. You know somebody deserves promotion. He's worked for it. You know there is a business need for a promotion.

In the next example, participant Number Sixteen mentioned that transparency of grades and compensation, since it comes straight from the computer HR system, could create a feeling of fairness because there is zero human interaction that could somehow influence the procedure:

We make sure that we bring in the candidate at what the system is asking us to bring, so there's absolutely zero human intervention there. So, if I was to, for example, coming to your earlier question of wasta, if I was to bring my very close friend into the company, and I say that, "No, please pay her so and so," the system will not allow me.

Finally, the last participant, Number Ten, mentioned how important transparency is in the workplace and that in the UAE, compensation is a taboo topic: "I just think that it's important to have this transparency and equitable treatment. In Europe, many companies don't have a problem publishing their salary scales.... but of course, this is fairly taboo here."

The following participant, Number Two, stated that compensation techniques may have a positive influence on performance, but states that if there is not a proper alignment of these techniques with the organisation's goals, the improvement of performance would not be successful.

One is that what we're compensating for, rewarding for is linked to achievement of goals, which in themselves are linked to the overall goals of the organisation. So, in that sense, these techniques are supposed to support positive or improve organisational performance.

They continued by saying that if an organisation does not apply these techniques in the correct way, properly aligned with the organisation's needs, then, it is going to have some functional problems:

But really, is it improving the organisational performance in the best way?  
Maybe not. So that's all

Participant Number Three highlighted how important it is to implement these compensation techniques in the correct way and to plan the whole system correctly and that in any other case, it would have a negative influence on these techniques. Moreover, he states clearly, that employees need to be transparent with compensation techniques to have a positive influence:

The only thing I see that is negative effect here is either you don't have a system, or you've implemented it completely wrong with wasta and biases and whatever. Otherwise, it's always positive... Same thing. Plan it right... And be transparent with the employees.

The next participant, Number Seven, states that it is important for the system to be implemented in the right way, for the employees to feel that they have a career there, and a progression path: "Yeah, these techniques can give you a boost. If there's a sense of career mobility, so you feel like you can progress and you can achieve. That you're not stuck in a rut, I think that can be quite motivating. Yeah."

Furthermore, participant Number Ten commented that the transparency of compensation techniques is crucial, to work positively towards performance. Also, he highlighted that the salary scales are public information for organisations in Europe, but in UAE that is not the

case and the salary is a taboo subject. Finally, he added that open communication between the employer and the employee is a positive motivator:

So, bonuses, commissions, performance-based compensation, they're all good. But again, they've got to be transparent, and they've got to be equitable across the whole ...organisation.... I just think that it's important to have this transparency and equitable treatment. In Europe, many companies don't have a problem publishing their salary scales. I mean, if it's linked to KPIs or other metrics, then this may well be a motivator.

The next participant, Number Eleven, addressed the issue of good communication between the employer and the employee and that a good way is to manage the expectations from the employee side:

It can go with training as well, or promotion, or doing that open relationship and managing expectation just to ... but certainly comes in with what we're talking about here. The only thing is just ensuring that there is transparency with these things. With regards to HR-related decisions around compensation and performance management generally.

Participant Number Thirteen stated that, of course compensation techniques improve performance, but they need to be correctly implemented and properly aligned to the organisational strategy to be able to do that:

Yeah, yeah, yeah. Absolutely. For example, management objectives are one of the key examples. I am a department director. I give you your objectives upfront that I know can be achieved easily. In a way, I am definitely ensuring your bonus at the end of the year. On the other hand, if someone is really bad and I'm giving you some unachievable objectives,

Finally, participant Number Sixteen stated how important transparency in these policies is and that zero human interaction eliminates any human influences that could harm the fairness and the clarity of the HR mechanisms, which are very important for performance. However, the talk of salary should not take place, and those employees know that there is a fair system, a transparent system that allows them to have the same salary range with their peers:

We have a very transparent process of hiring. So, if I was to hire someone, and we have the job levels that are laid out. So, the first thing's first, the hiring manager will have to agree on what kind of level is he or she hiring people on, and once they have decided on that, the person can only be hired on the midpoint of that job level. They continued that these things positively influence performance because of the motivation they offer: "So these things are in place, and they definitely play a very important role in influencing the performance positively, I would say... So it will give them the motivation they need, the push..."

Finally, they highlighted that transparency is very important, and it will even help the company to avoid any legal issues:

So, transparency is very important and you think it's really helpful in that direction to avoid affecting organisational performance in any way and avoid any kind of problems, let's say.

In focus group two, a participant highlighted the fact that properly planning, is crucial for the survival of the organisation:

Yeah. I, I believe there are two sides of coins to this. A properly planned performance-based compensation system or a bonus technique where the targets that are set are proper, or just would affect the organisational performance positively.

Participant Number Eight stated that when it comes to compensation techniques and how they influence performance, it can work in a positive way and influence their performance in a positive way, too. But it needs to be properly implemented, and that depends on the way the organisation, especially the management team, will handle the whole situation from the beginning:

I think it depends on the leadership of that organisation. If that leadership of that organisation and all the way down to the management level, are very consistent like, "We're a meritocracy. Suck it up if you don't like it. Some people will get paid more, some people get paid less by doing the same job, but that person might deliver more or will deliver more."

He continued that proper alignment of these compensation techniques with the organisation's needs are crucial:

Again, one size doesn't fit all, but I think the business ... And does it fit the strategy of the business? For example, when I was in X company, he wanted managers who were going to take him forward for the future. So, a meritocracy fits that because you would go out and you're looking for talent, you're looking for people as well as growing organically, but you're still looking

Participant Number Eleven mentioned how important it is that the correct implementation of the compensation techniques to be aligned with the corporate goals is:

It's much more effective, builds much stronger relationship, helps in protection of loyalty if you do these things. So yes, Valeria, they do influence organisational performance, without a doubt, if they are well-constructed and well-designed and relevant to performance metrics, financial, and other ones, and people can see that relationship with their own performance.

He continued by stating how important the correct implementation of the compensation techniques to have the proper results is:

It does have an effect on motivation and performance. You see it anecdotally, and you see it with people who you know have received their bonus. But in those few months after they've received a bonus, you're sitting in a meeting room, some that have received it, some haven't received it, you can actually work out who's received a bonus and who hasn't.

Further, he continued by highlighting that good communication is crucial in an organisation:

"How am I going to tell x he's not a very good," and the conversation never happens until six months later or whatever, HR will send out a communication about who's got the bonus and who hasn't. And x goes, "Boss, you didn't tell me that it wasn't very good."

Participant Number Fifteen argued that the correct implementation of these techniques, together with good communication, is so important that if it doesn't not take place correctly, it can have a negative influence on employee performance:

Not formalised, not structured. No goals set. Gets to the six-month mark, can't get hold of the manager. He says, "Yeah, yeah, I'll deal with it next pay review." That is going to have a massively negative impact on the employee.

The next participant, Number Eight, stated how important the correct way of implementation of compensation techniques is by the management from the beginning. Further, management needs to be transparent with the employees, to avoid problems with compensation techniques, as has been mentioned above as well:

I think it depends on the leadership of that organisation. If the leadership of that organisation and all the way down to the management level, are very consistent like, "We're a meritocracy. Suck it up if you don't like it. Some people will get paid more, some people get paid less by doing the same job, but that person might deliver more or will deliver more." And by the same token it can flip.

An illustrative example of the aforementioned correct way of applying the compensation techniques by the leadership is the one expressed by participant Number Thirteen:

Yeah, yeah, yeah. Absolutely. ..I know for a fact that you won't get the bonus at the end of the year. Provided that objectives are set smartly and fairly and are aligned to the organisational strategy, yes, they definitely have positive impacts on organisational performance.

As we have seen above, compensation techniques, performance-based and equity-based compensation techniques, are factors that have a positive influence on the performance of the employees. However, they need to be applied in the correct way (transparency, good communication, etc.) to have a positive influence otherwise, they are going to have a negative influence. In addition, these compensation techniques need to be aligned with the organisation's strategic goals, to positively influence performance. Moreover, equity-based and performance-based compensation techniques need to be transparent, and a proper line of communication between the employer and the employee needs to take place, as well as good documentation. Finally, by managing employees' expectations through good communication, employers can avoid negativity. Yet, transparency of the salaries is a taboo topic in the UAE.

#### **4.4.3 Theme: Feeling of Unjust Treatment in Compensation Negative Influence Toward Performance (Deductive Approach) (non-HR Mechanism)**

The unjust treatment in compensation creates feelings of frustration toward the employees, where employees lose motivation, which negatively influences their performance and their

OP. This can occur because a lot of authorisation is given to one person, or because job descriptions and evaluations are not taken seriously by the companies, or because there is lack of transparency, and equality in the workplace. Thus, all the above, can create an upsetting work environment, and it can be really demotivating and increase turnover. Moreover, employees feel unjust, so they lose their motivation, negatively influencing their performance.

Participant Number One explains that descriptions and evaluations are not taken seriously by the companies:

Also, I have to say here that many organisations take the process of job descriptions or creating job evaluations lightly. They don't take it really seriously, and this is wrong because when you do job descriptions well, when it's updated, the job description and the job is evaluated well, then your grade is correct and your entitlements are correct.

And then they continue giving examples of systemic mistakes:

And he continues with how much people are getting influenced by this feeling of unjust: Because some people would say, okay, they don't care about me. They don't care about my salary. I won't care.

Additionally, participant Number Six added to this by stating that the employees might jump to another organisation.

Unjustly remuneration, definitely it will bring negative impact on the organisational behaviour.... I mean, we cannot say two persons having the same experience and qualification have to be remunerated in the same way, because somebody has some special capabilities. We have to consider that to keep them in the organisation, otherwise, they may jump.

In the next conversation with participant Number Fifteen, the feeling of unjust treatment can be determined and that can have a negative effect on the employee's performance and finally they can lose them for another company:

So, if I may summarize what you said so far, this feeling of unjust treatment can have a negative effect on the performance, but if your manager has a good communication between the employer and the employee, this can be somehow neutralised

Participant Number Two stated the following regarding the feeling of unjust treatment that creates toxic employees, affecting their performance in a negative way:

And on the other side of it, I would say that certainly if people feel that it is not fair treatment or just treatment in terms of their reward or compensation, that they can tend to become, what I call, toxic in the organisation... Yes, I would say it would negatively impact that person's whole being within the organisation if this is a chip on their shoulder.”

Participant Numbers Three and Seven, as well as participant Number Ten stated clearly, that unjust treatment will have a negative effect on employee performance:

Participant Three: “it would definitely have a negative effect. People have the tendency to always think more ... Most people will think they're worth more than they're actually worth and very less people think they're worth less than they're actually worth.”

Participant Seven: “Yeah. I can't think in a positive way, I can only think it's negative.”

Participant Ten: “Equally if there is unjust treatment or if there is inequality, if there is a lack of transparency, then of course that can be demotivating.”

In focus group one, a participant highlighted the demotivation factor that the unjust treatment feeling can create:

Of course, it will affect you. When we're talking about the employee reality... And this really requires much awareness that people should not come and brag about how much they're getting. Because it creates demotivation amongst other employees who are the same.

Moreover, in focus group two, a participant stated how it will affect an employee negatively if they finds out that their colleagues are getting more money than them

An employee compensation is something which is very delicate, and which is very private. There might be ten employees in my company, and they might have X amount for each one of them. First of all, it's not professional to talk with each other what they are getting and then feeling down about it.

Also, participant Number Eleven came to add the same things about the demotivation that can be created with the adjustment feelings in compensation and eventually negative feelings toward performance.



I mean when it comes to the influence of justly treating the employees, as you said, the compensation. Based on let's say how it will affect the performance and the motivation, the way comes to motivation, it's a big influence. When it comes to performance, if they accept it I believe they will perform. But motivation, they will lose motivation. So, it will fade away. ...So, it is affecting performance, yes.

Finally, participant Number Thirteen mentioned that the feeling of unjust treatment in compensation will definitely influence an employee's performance if they find out about it.

In the situation that it is not true or you do not know if it's true or if it's not true, it will also affect the motivation, but ... Again, as I mentioned to you, it will the effect of motivation will rise because in one situation, you have an evidence-based demotivation...By all means, it does have an effect on motivation, yes.

Participant Number Fourteen added that being unjustly treated as an employee will affect your performance majorly and negatively:

This plays an important role in the business as a whole. If an employee is underpaid, obviously it will affect negatively towards his performance. And in return, it affects the business as a whole. That's why it is important for the businesses to streamline or to at least have a streamline or avoid discrepancy in terms of the compensation that they provide, which should always be commensurate to the years of experience that the employee has. So that it won't create discrepancy as we move along, because people talk.

Finally, employees are being influenced greatly by their peers and colleagues and spend a lot of time and energy comparing each other's compensation packages and benefits. However, they always feel that they should get more than their peers, and there is always a lot of conversations, comparisons with each other, and a lot of pressure that affects them and their performance in a negative way. Thus, such behaviour has a negative influence on their performance. Because employees spend a lot of time and energy about what other people are getting, when it comes to compensation, they feel they should get more because everyone should get more according to the beliefs of the interviewers. People have this thought that they deserve more, and this has generally a negative effect on their performance since all this environment is very pressuring and has a negative influence on their performance.

The next participant, Number One, highlighted the upsetting working environment that peer pressure can create through comparisons:

But still, for the organisations who do not update their compensation and benefit packages or don't benchmark and study the market well, they always come into such, let's say confusion, where people hear that their peers are getting more than they get and this creates an upsetting environment.

And they continued by adding that peer pressure can come through misconception of an employee's comparison in the same organisation:

Many organisations are training to have job descriptions evaluation and employees do not understand sometimes that even though we are peers, but maybe the head of a department which is a core business, makes more money than I make as, for example, head of support services because the job evaluation is different and this might create a misconception.

Also, participant Number Thirteen mentioned that the feeling of unjust treatment in compensation would definitely influence employee's performance through peer pressure in a negative way, as has been stated in the previous theme.

If they had a transparent compensation and benefits policy that employees can access, then the perception would be based on evidence, right? For example, you and me are both same grade, same experience, same everything, same position, but you are rewarded differently, then of course that would definitely affect my performance.

Participant Number Three stated that in their everyday life at work, the peer pressure is everywhere. Employees compare themselves with their peers constantly and they complain about something that they might think is not correct according to their mindset: "Why [are you] giving Valeria the promotion, I'm the one who deserves it."

Furthermore, the next participant in focus group one, stated that a lot of peer pressure can come through the negotiation skills of the employee during their initial interview. An employee can have better negotiation skills than another one, and they might end up with better compensation than their colleague and they might have the same qualifications, so, this is something that creates a lot of pressure, negative feelings, competitiveness, and jealousy:

The moment you agreed and after discussion or whatever on an offer that was given you to the from the company, that's it. You have no right whatsoever to come after six months and say, "Oh, why did X, Y, Z being hired for a compensation higher than I than the one I got?"

Another participant from the same focus group regarding peer pressure added exactly the same thing, that it is something that can create a lot of mental pressure for the employees:

You are committed for this. And of course, if you in the future after one to three months, if you understand that your management are pushing to you more than they have been promised, for example.

Yet another participant in the same focus group came to add that employees should not talk about their compensation because this can make them feel unhappy and create negative feelings if they do not get the same amount of money as their peers.

An employee compensation is something which is very delicate, and which is very private. There might be ten employees in my company, and they might have X amount for each one of them. First of all, it's not professional to talk with each other what they are getting and then feeling down about it.

Finally, participant Number Eight stated the following, clearly, regarding the complexity of the whole thing. They highlighted that in the UK no one knew their peer's salary, and that it was not even socially acceptable to talk about compensation. However, in the UAE people are more money-driven; they will ask about the money that their peers are making, and this can create complaints, comparisons, and peer pressure that works negatively towards their performance.

So, I think it's quite complex because when I was working in the UK, I didn't know what any of my peers were remunerated at. And to be honest, we were so busy doing what we doing and when we got together as a team that wasn't socially acceptable to talk about. Whereas you have to tell people here, it's not acceptable to discuss your salary

He continued with the peer pressure problem, and how much employees are influenced by their peers' earnings in a negative way:

I had another employee come up to me and say, "Why did you give her a bonus and you didn't give me one?" And I said, "Well if you look at what she

delivered, she delivered X, Y, and Z. And if you look at the profile, if you look at the work, she worked weekends, she went away, she did improvement trips. You haven't done any of that.

Finally, participant Number Thirteen came to add, regarding peer pressure that it is always there no matter what, and it is something really difficult for an employer to deal with.

Oh, gosh. When it comes to pay, that's so emotive, and I'm sure you have the same... where do you want me to start? So, everybody works harder than everybody else. Everyone deserves more money than everybody else. It's not fair that you are not on the same amount as somebody else that you've had a coffee with, and it's not fair that you're more qualified than he is.

He added that it is difficult for the employees to deal with the peer pressure that a feeling of unfairness in compensation can bring:

So, in terms of finding out that your colleague's higher paid than you, then yep, that's going to really hack you off. Again, I will say it does depend on the maturity of the employee. However, it's human nature that if you think that you are doing something the same as somebody else, you want that same reward.

#### **4.4.4 Theme: Compensation Techniques, Increase Performance (Deductive Approach) (Sub-HR Mechanism)**

Therefore, when it comes to compensation techniques (Like KPIs, equity-based compensation, performance-based compensation, bonuses) and how they influence performance, these techniques, according to the respondents, affect performance in a positive way. These compensation techniques increase employees' productivity, and they act as a motivational factor; they boost employee morale which has a direct influence on their performance. So their performance and the performance of the organisation are positively influenced. Furthermore, compensation techniques will improve an organisation's visibility on the market as well as the company's branding.

The next participant, Number Two, explained that these compensation techniques are connected to goal achievement and improvement of performance:

I mean these techniques are very much, I mean linked obviously to the performance management side of things, so they go hand in hand. So, when we're talking about utilizing these and embedding these in the organisation the hope is that, well, there are a few things. One is that what we're compensating for, rewarding for is linked to achievement of goals, which in themselves are linked to the overall goals of the organisation.

The next participant, Number Three, as well as the rest of the participants in focus group one, clearly stated that compensation techniques positively influence performance:

Participant Number Three stated: "It definitely will increase the performance, definitely, if it's ... Again, because you're saying a system, if it's a system, it should increase the performance very well."

Below the opinions of the participants in focus group one will be described:

I believe that yes, the bonus and compensation-based techniques, of course it's going to affect the performance. Because if you hear about your performance, like if I did that business, like I performed the best, and I see that the company appreciate that, and that I get awarded for it, it will affect my performance, which will give me a push to perform better.

Another participant in focus group one agreed with the previous participant in the same group and stated:

"Yeah. I agree with everyone. Actually, what can I just say? As an employee, of course the bonus, it will affect my performance, of course."

And another participant from the same focus group added:

"How important? it doesn't work without it..." and another participant totally agreed with him, and added:

"Definitely..."

Moreover, another participant came to add that compensation techniques are crucial for organisations: "But what you hit here is the key driving factor for our work."

One more participant stated that compensation techniques, like bonus, motivates employees:

"It should make them more motivated to give them a bonus"

Another participant added that these techniques, and how much they will influence employee performance, depend on the job (salespeople will get more motivated comparing with other office jobs).

It depends on the job function really. Each has its own job function, right. And differ. For sales, they are in their package nature. So, it means that support services still are benchmarked against how successful is the organisation meeting their operational needs. Rather than and everything.

Another participant agreed as well, and he added that: “Put it this way. Front end, back end. Who is interacting with the customer must have a different compensation and different way of treating, and who are the back end must be also having a different style?”

One more participant added that in any case these techniques will motivate and affect, on some level, all employees anyway: “But as you said before, it will affect anyway in some level. Yeah, I totally agree with that one. But even if I can consider myself, and if I get bonus, I could be more motivated.”

An additional participant agreed with him and said that all the employees will be affected anyway: “It should make them all more motivated to give them bonus”.

Below the participants thoughts in focus group two will be described:

A participant stated with a short answer that compensation techniques will positively affect employee’s performance:

“Short answer, positively.” And he continued:

Everything. Performance in the company, personal life, motivation. It is linked to your career growth, everything. Yes, it's directly linked and with a positive effect. It affects everything. Work life in general. And he continued by saying that everyone in every different post in an organisation will be affected positively anyway, with compensation techniques:

Every role, be it technical or non-technical. If you're even, let's say, getting trained on your soft skills. That is also important, because I know some people cannot stand on a stage, or some people cannot just go and talk to people. These are part of your soft skills, and every employee in the company has a right to develop their soft skills. In general, as a whole, it affects.

And another one came to agree with him:

Of course, this will affect the performance. It will affect everybody, by the way, in the company. They will have let's say, very motivation things to do our work, to start working let's say hardly, to get some benefits from this compensation and these things. So, I think it's affecting not just the salespeople and the technical people as well to deliver his work and these things. At all I think here it will affect in the positive way.

And one came to the same conclusion with him as well:

Yeah. I, I believe there are two sides of coins to this. A properly planned performance-based compensation system or a bonus technique where the targets that are set are proper, or just would affect the organisational performance positively.

And he added:

So, there'll be both sides of it. It has to be well planned, where it should not only motivate but challenge each of the individual on a daily basis. So, I should be a better version of myself tomorrow. That's how it should be.

An additional participant, from the same focus group added, that these techniques will give you a positive influence, a boost at his morale:

Yeah, I think compensation affects employee morale. Employee morale directly affects performance. So yeah, it has a positive effect on the morale, that you have your good morale. Your morale is good, it affects positively on your performance. When your performance has a positive effect, of course it increases overall performance of the company. So, do we give you, let's say a push...

Furthermore, participant Number Seven argued that performance techniques will positively affect the productivity of the employees, since they will be grateful and appreciative:

It affects positively and it bring more productivity. If you give a spot bonus. Look after them. If we are doing good, we share a profit with the employees. Again, it increases their productivity.

Moreover, participant Number Nine highlighted, that a bonus is a motivating factor for employees, and they can generate more revenue for the organisation like that: “For example, if every department is generating more profit or exceeds expectations and they get a percentage of the profits, so it is a motivating factor for them to generate more revenue.”

Participant Number Ten claimed something very interesting, that yes, the compensation techniques will increase performance, since they will give a boost to the employees, but that boost will be only a temporary boost, that will be forgotten quite quickly:

Well, I think overall it generally can. But unless you're in a sales organisation where you're on commission only, salaries tend to be taken for granted pretty quickly. So, if get an increase in salary at the end of the year, that might give you a small improvement in motivation and organisational performance. But it doesn't tend to last throughout the whole year.

The next participant, Number Eleven, stated that compensation techniques work in a positive way toward performance, and that there is a direct, strong link between them:

I've seen how that affects performance. I also know and here we go, 90% of employees consider that the opportunity to earn bonus as being important to them, which is from the employee satisfaction survey.

He continued by saying that these techniques have a very strong influence on employees, and it affects them so much, that it is easy to understand who received them and who did not, only by looking at the employees in a meeting room:

It does have an effect on motivation and performance. You see it anecdotally, and you see it with people who you know have received their bonus. But in those few months after they've received a bonus, you're sitting in a meeting room, some that have received it, some haven't received it, you can actually work out who's received a bonus and who hasn't.....

Moreover, according to participant Number Twelve, compensation techniques and performance influence each other, and that this is important for every role in the organisation:

The influence is huge, positively huge. I mean this is how we manage to, let's say internally, to succeed I would say. We are applying all these bonus techniques, equity-based compensation, commission schemes, et cetera. And



we see a huge growth because of that.....Every role needs it. Every role needs it. Even down to the reception, let's say, they need it. It doesn't mean that we are giving it, but in my opinion, yes it's influencing big time.

In addition, participant Numbers Thirteen and Fifteen added in a short and straightforward way that there is a positive effect between compensation and performance: “I think it has a positive effect, and I think it also increases the competition that can enhance performance,”

“Yes, yes. Obviously, it will help. Bonuses, incentives. It will help employees feel motivated towards their work. And if everyone is motivated, then it gives productivity to the whole business.”

Participant Number Fifteen mentioned that compensation techniques influence organisational performance very much, and that influence is strong:

And affects in a positive way. if the bonus or the incentive is clear and drives people to move towards the objectives, to meet the objectives of the company, it comes back to the company objectives again, that everybody achieving, yes, it has a good impact.

And he continued:

I think big-time. I think it does have a very strong influence, so you might have a sales team that are on sales incentive bonus plan. The more they sell, the more they'll get, so they're... excuse me... going to go out and do as much as they can.

Finally, participant Number Sixteen agreed on the same positive connection:

So, these things drive the performance because while ... If I was a sales guy and I know if I don't do my numbers, I will not be able to get the proper compensation, these things are definitely put in place and they are very well defined.

#### **4.4.5 Theme: Nationality Affects Compensation, Negative Influence Toward Performance (Inductive Approach) (Non-HR Mechanism)**

The nationality of the employees is another non-HR Mechanism that affects performance as well. According to the participants, the analysis of the interviews revealed that the UAE market is biased according to employee's nationality when it comes to compensation. Not everyone is paid the same compensation for the same role, and compensation is linked to nationality in the UAE market. This negatively influences performance since this creates an unfair feeling among the employees, and there are many comparisons between them in a subject that, by default in the UAE, is very sensitive. This is because of the opportunistic culture where people pay close attention to the amount and money they get. Thus, this bias creates frustration amongst the employees, and it demotivates them so much that it negatively influences their performance.

The following participant, Number Three, stated clearly that the UAE market is biased by nature, and employees receive different compensation for the same role and qualification. There are two different categories of compensation for the same role depending on the nationality. The European and Lebanese citizens will get paid more than their peers from India and the subcontinent. However, this market bias would not take place in Greece or Europe, where peers usually get paid the same amount for the same work:

When you're talking about the UAE here, that market is biased by nature.

And he continued by describing how much negative influence this market bias has on the employees, that they are frustrated with this discrimination that is taking place in their work environment, and they are stating that they are discriminated against because of their origin:

“Now, the company over here needs to be very clear, part of transparency, I had it before. People will come and say, "Why? Is it because I'm Indian?", "Okay, yeah, it has to do with it.”

Then he added that the main problem is that the market is biased, because certain nationalities accept to work for a very small salary, influencing the market. Further, even if he wants to be fair with the salaries he cannot because of this situation:

You'll be like, "Look, I'm to comparing you to your market really, I'm comparing you to the market. As per the market, I'm paying you within the bandwidth, you know?"

Then he stated that UAE market is biased, and that the major problem is the diversification has influenced the market benchmarks, and that according to the role and the position there are certain nationalities that usually fulfil these roles:

So, this is something probably for UAE to pay attention a lot because that diversification has influenced the market benchmarks.

At the end he mentioned that the recruiters are not biased but they are market-driven, because the market is like that, and the organisations need to follow the market trend:

Because you're paying low, but you're as per the market, and you might find a lot of Indian/Subcontinent people who will take on the marketing role, okay? But, again, over here, you're not biased. You are market driven. The market is biased but you have to live up to the market, so the market ... And I'm not sure if bias is the right word for the market but the market is influenced, okay?

Finally, he continued by explaining that historically the market is biased, and that certain positions are for certain nationalities only, and that this will finish only if almost all of the workforce in the UAE consists of UAE nationals:

The market is driving you. You have certain positions that are predominantly, okay.

The following participant, Number Seven agreed with the previous participant above, regarding the nationality and compensation linkage in the UAE. He stated that nationality and compensation are linked because the market is biased and that this issue negatively influences performance. He continued by saying that he even feels shameful himself that he belongs to that nationality; that he is paid more than his peers, and these differences are very demotivating for every employee, even himself:

Yeah, and I think, importantly here, in the UAE, a lot of people salaries are transparently or not, linked to their nationality. And I've never worked in an organisation where that is not aligned.

Participant Number Eight mentioned here the way the market/business thinks about the Asian and the subcontinent nationalities; they think that they are not good enough, so they will get paid less.

And also, the fact is a lot of the companies here are family businesses. So you tend to find with the Asian and the subcontinent nationalities, that they just think they're all as bad as each other.

In addition, participant Number Fifteen mentioned in a very straight way that not everyone is the same in the UAE when it comes to compensation, and that some people are more privileged than others, and that can create problems in an organisation; that in general is quite difficult to satisfy everyone:

Only that I think it's a really, really tricky subject. I think it'd be great to have a magic science where everybody was equal, but what's the saying? "All men are equal, but some more equal than others."

Finally, participant Number Fourteen stated that recruitment and selection, where compensation is a part of these procedures, in the UAE is not fair, and it discriminates against some people:

That recruitment and selection is not fair. Somehow discriminating or something like that. And it happens all the time. It happens all the time. Here in UAE, you mean? Yes, yes. And not only here. I think, and sometimes it's in general. Maybe it happens. It's a part of the influences from external people.

## **Summary and Conclusions**

### ***i) Transparency and clarity***

The interview data allows us to ascertain that transparency in compensation tend to influence performance, and secondly to answer the question "How does transparency in compensation influence organisational performance?" Evidence suggests that transparency in compensation causes a power/tendency to increase performance.

The following excerpts are evidence of this:

- “Plan it right and be transparent with the employees”
- “This goes a part of transparency, so when the employees have a concern or have a complaint, you have something to tell them. You'll be like, "Look, I'm comparing you to your market really, I'm comparing you to the market. As per the market, I'm paying you within the bandwidth, you know?”
- “It’s not so much about how fair it actually is, it's about the perception what happens in those conversations. I'd say, in an ideal world, organisations would be very transparent.”
- “In my own experience, I remember I once, accidentally, was shown the salaries of all the employees in the company. and I found it quite motivating.”
- “I just think that it's important to have this transparency and equitable treatment. In Europe, many companies don't have a problem publishing their salary scales.... But of course, this is fairly taboo over here.”
- “I think it has an alignment side in terms of linking what an individual is doing to the bigger good. And I think that these things are ultimately to support and improve organisational performance. Now, that is not to say that if it is not properly aligned, it will do the same thing.”
- “If we just have, if an organisation set up things which are just for the sake of doing it and they're not aligned to what the organisation's strategy or what they're there to achieve, it will be maybe management by certain objectives, emptying out on things.”

Thus, the sub-HR Mechanism of compensation transparency, influences performance positively since transparency in any way, with honest conversation between the employer and the employee, with openness and transparent compensation procedures or with predetermined compensation levels, creates the feeling of some kind of fairness in compensation; and it gives a feeling to the employees that there is nothing hidden; therefore, this can improve their performance.

Additionally, the HR-Mechanisms/Practices that organisations have are made up of other sub-HR Mechanisms. For instance, compensation is an HR-Mechanism/Practice, and transparency is considered a sub-HR Mechanism (Fleetwood, 2010), since it is a ‘mechanism’ inside the ‘mechanisms’ of compensation. And as it has been said and before

(see chapter sub-HR Mechanism and non-HR Mechanism), an HR Mechanism is affected by other powers/tendencies generated by other HR Mechanisms, sub-HR Mechanisms or other non-HR Mechanisms.

### *ii) Unjust treatment*

The interview data allows us to ascertain that the feeling of unjust treatment in compensation tends to influence performance, and secondly to answer the question “How does the feeling of unjust treatment in compensation influence organisational performance?” Evidence suggests that the feeling of unjust treatment in compensation causes a power/tendency to decrease performance.

The following excerpts are evidence of this:

- “Some people would say, okay, they don't care about me. They don't care about my salary. I won't care. I come to understand this time to work is official working hours, and I'll not do anything extra. This is one attitude that you can see.”
- “I'm going to work; I'm going to do my best but at the same time I'm looking for another job. As soon as I get another job, I'm leaving because nobody is taking care of my package.”
- “Unjustly remuneration, definitely it will bring negative impact”
- “So, if I may summarise what you said so far, this feeling of unjust treatment can have a negative effect on the performance”

Thus, the unjust treatment in compensation generates feelings of frustration toward the employees, and makes them lose their motivation toward their job, creating an upsetting work environment and this has a negative influence toward their performance influencing their OP in a negative way.

### *iii) Compensation techniques*

The interview data allows us to ascertain that compensation techniques have a tendency to increase performance, and secondly to answer the question: “How do compensation techniques (e.g., performance-based compensation systems, bonus techniques, equity-based compensation) influence organisational performance?” First, evidence suggests that compensation techniques cause a power/tendency to increase performance.

The following excerpts are evidence of this:

- “I mean these techniques are very much, I mean linked obviously to the performance management side of things, so they go hand in hand.....So in that sense, these techniques are supposed to support positive or improve organisational performance, and therefore people are supposed to, by way of being involved in these different types of systems and techniques, start to own their performance and try to basically achieve what they can as high as and best they can.”
- “It definitely will increase the performance, definitely”
- “I believe that yes the bonus and compensation-based techniques, of course it's going to affect the performance. Because if you hear about your performance, like if I did that business, like I performed the best, and I see that the company appreciate that and that I get awarded for it, it will affect my performance, which will give me a push to perform better.”
- “If I can consider myself, and if I get bonus, I could be more motivated.”
- “It should make them all more motivated to give them bonus”
- “Short answer, positively.”

Thus, compensation techniques increase employee’s productivity, and they act as a motivational factor; they boost employee’s morale and that has a direct influence on their performance, so their performance gets positively influenced.

### ***iii) Nationality***

The interview data allows us to ascertain that nationality has a tendency to increase performance, and secondly to answer the question “How does nationality influence organisational performance?” First, evidence suggests that nationality causes power/tendency to decrease performance.

The following excerpts are evidence of this:

- “When you're talking about UAE here, that market is biased by nature”
- “Now, the company over here needs to be very clear, part of transparency, I had it before. People will come and say, "Why? Is it because I'm Indian?", "Okay, yeah, it has to do with it.”
- “I'm comparing you to the market. As per the market, I'm paying you within the bandwidth, you know?”

- “So, this is something probably for UAE to pay attention a lot because that diversification has influenced the market benchmarks... you might not end up finding a European who will take on the logistics role, you know what I mean?”

Thus, the nationality of the employees, affects performance, since participants revealed that the UAE market is biased according to employee's nationalities, when it comes to compensation. Not everyone is paid the same compensation for the same role, and compensation is linked to nationality. Consequently, this has a negative influence on performance.

To sum up, the interview data allows us to ascertain the research question:

How does the HR Practice/Mechanism of Compensation and its sub-HR Mechanism work in performance due to its powers/tendencies and why?

Firstly, one of the questions is if the HR Mechanism of Compensation has a power/tendency to increase, decrease, or have a neutral effect on performance. Secondly, one must answer the question: how does its sub-HR Mechanism work in performance due to its powers/tendencies and why? Let us consider these in turn.

First, evidence suggests that the HR Practice/Mechanism of Compensation has a power/tendency to increase performance. The following excerpts are evidence of this:

- “Yeah, I think compensation affects an employee's morale. Employee morale directly affects his performance. So yeah, it positively affects morale, that you have your good morale. Your morale is good; it affects positively your performance. When your performance has a positive effect, of course it increases overall performance of the company. So do we give you, let's say a push...”
- “So, compensation is a major, major thing that people are looking on their everyday life. So, it is affecting performance, yes.’
- “It definitely will increase the performance, definitely”
- “Short answer, positively.”

Finally, as a result, the HR Mechanism of Compensation has the tendency/power to increase the OP. However, according to Fleetwood (2010, 2017), ‘tendency’ is a force that drives and pushes, but does not represent the outcome of this action, only the force itself. Thus, if a configuration has a tendency to x, it does not mean that it will eventually x (Fleetwood,



2017). In open systems, like the workplace, there is no certainty of the effects that will be revealed, but they tend to cause them (Fleetwood, 2017). Thus, the HR Mechanism and non-HR Mechanism of Compensation are made up of other sub-HR Mechanisms, which need to be checked on how they work. In other words, how does its sub-HR Mechanism work in performance due to its powers/tendencies and why? The answer, effectively, is the explanation of how the sub-HR Mechanism and the non-HR Mechanism generate their power/tendency on performance.

Transparency and clarity of compensation is a sub-HR Mechanism that positively affects performance in a way that the compensation policies in an organisation, like the grades (different compensation levels, bonuses, etc.), are more transparent to the employees. This will affect their performance positively and the performance of the whole organisation.

Moreover, the analysis of the interviews revealed that participants reported transparency in various ways: honest conversation between the employer and the employee, openness and transparent procedures, clarity on the rewards and open communication regarding bonuses, and creating the feeling of fairness in compensation. Thus, employees feel that there is nothing hidden. Moreover, compensation and rewards are based on objective evidence, and this whole procedure makes employees more motivated while improving their performance. However, it was stated by all the participants that money is only a temporary motivator; the feeling of transparency and fairness, together with the clarity of communication, the explanation of the reasons behind different compensations, bonuses, grades, etc., advances their motivation for feeling good and improves their performance. Furthermore, according to the participants, the correct way of applying the compensation techniques needs to be aligned with the organisation's strategic goals, transparency, and proper communication between the employer and the employee, which should always occur to increase performance.

On the contrary, there is the sub-HR Mechanism of un-just treatment that, according to the participants, has the exact opposite results on the employees. It creates feelings of frustration for the employees, making them lose their motivation, and this negatively affects their performance. Moreover, employees feel unjustly treated, so they lose their motivation, negatively influencing their performance. These feelings of frustration are created because employees feel they are being treated unfairly regarding their compensation. They think they have yet to receive the fair compensation they are supposed to get because the company does not care about their salary or future. The result is that they lose motivation and start thinking

of moving on to another company. Also, these feelings of frustration may occur because job descriptions or evaluations are not given enough attention, which can create a lot of negative feelings among the employees. One participant mentioned that the employees who feel unfairly treated will turn into 'toxic' employees, meaning that not only will they feel frustrated and have a negative performance themselves, but they will also be a negative influence in their environment and toward their colleagues. Thus, all the above can create an upsetting work environment that negatively influences employee performance.

The non-HR Mechanism of peer pressure is another mechanism that can affect its power/tendencies, yet it does not have an HR nature. Employees are significantly influenced by their peers and colleagues and spend a lot of time and energy comparing each other's compensation packages and benefits, and this, according to the participants, negatively influences their performance. This negative influence comes from the pressure the employees feel by comparing themselves with their peers regarding compensation. Since compensation is a significant topic of interest in the UAE, which affects everyone's life significantly, the influence gets more extensive and even more important.

According to the respondents, the sub-HR Mechanism of compensation techniques (like KPIs, equity base compensation, performance base compensation, bonus, ) affect their performance positively. These compensation techniques increase employee productivity by motivating them and boosting their morale, something that has a direct positive effect on their performance. Furthermore, as stated by the participants, compensation techniques are a driving factor for employees' work and help them achieve their goals, which are linked to the organisation's overall goals. Thus, with these techniques, employees are involved in these different types of systems and techniques and start to own their performance, trying to achieve what they can as high and best they can so, as it has been stated, a 'push' is given to them, and subsequently the organisational performance is improved.

The next non-HR Mechanism is of the nationality that affects performance and is another mechanism that can affect its power/tendencies, yet it does not have an HR nature. The analysis of the interviews revealed that the employee nationality is another non-HR Mechanism that affects performance because the UAE market is biased regarding employee's nationality and compensation. Participants have highlighted that not everyone is paid the same for the same role, even if they have the same qualifications; instead, compensation is linked to the employees' passports. Of course, this creates an unfair feeling among the employees that is majorly demotivating and demoralising since many



#### **4.5.2 Theme: The Employee's Involvement in Performance Appraisal, Positive Influence on Organisational Performance(Deductive) (sub-HR Mechanism)**

Participant Number One stated that employees' involvement in the PA. is something that is going to have a positive influence because as humans we like to be involved in decisions or things that are related to us and our future, and this involvement is something that will make everyone correlate in a positive way:

I think it will affect it very well in a positive way because as humans, we would like to be involved in decisions or things related to us, so jobs are something that relates to us and to what we do and to what we aspire to be in the future and our current job is affecting some to which our future plans.

Moreover, the following participant, Number Two argued that the involvement of the employees is great and it helps people take ownership of their actions, and that makes their PA. a lot more relevant for them if they feel they have a stake in it. She added that the more senior the employee the more involvement they have:

Well, I think involvement is always great and it helps people take ownership in terms of what it is they need to do. And that makes it a lot more relevant for them and they feel they have a stake in it.

He added that employees, after their involvement in the PA., accept things that they have to do more easily and they work on them; so, engagement is crucial:

But then there's still a minimum level of involvement that you can get with employees even though there's a tell approach. So, it depends to me on the levels as well, but some engagement around it I think is important.

He finished by adding that the nature of the job, plays an important role, but the involvement is always a plus:

In terms of the level of the employee. So, if we're talking blue-collar employees for example, who need to move widgets. There's a difference between that and the engagement on, you know you have to produce three widgets and the KPIs there.

The next participant, Number Three stated that involvement is a great dialogue that should continue for the whole year, and this will encourage the employee and improve their performance plus it will have many positive influences:

It has definitely a, you know, a great effect ... First of all, it will be the start of the dialogue that should continue during the year, okay? The employees should have an input, let's take a sales position, for example, okay? A salesperson should have certain expectations of what the market is.

The next participant from focus group one stated that it is a two-way street for the employee and the employer to set the correct way for the PA and if that happens then the employee will not have any reason to complain later regarding their compensation and bonus, and their performance will be positively affected:

It corresponds both for the employees and employer. So, this is employer's responsibility to set the right PA methodology, depending on what job functions they do. So, an employee during the compensation period, is not going to be complaining about this. That's it. So, his performance will be positive affected.

He continued adding that listening to employees is an excellent motivator, and if people feel like they have value in the job equation it adds value to the people; and this will make the company successful if it takes into consideration every employee:

So, take the example of the kick-off meeting, where you sit down and listen to people. Like people on your team, who stood up and shared something. If whatever they share was taken into consideration. For example, they raised concern earlier about indemnity.

In addition, in focus group two, a participant added that employees' involvement in the PA will add positive value to the organisation, and it is a good thing for employees to manage to achieve their targets; plus it will improve their performance:

Oh, of course in the positive way. This is a good thing, a good vision for me to build my responsibilities, to expand my relationship based on the organisation goals, align with organisation goals.

Another participant added that his involvement in the PA will help him understand what exactly the company and his manager are expecting from him and manage to bridge the gap between him and his expectations too:

This project would also give me a chance to understand that what exactly is the company expecting out of me.

Another participant added that his involvement in the PA means that the company values him as an employee, and the way that an employee is treated is very important and it means that the organisation is open-minded.

So, my point was, when an employee is involved in deciding what's the next year goal, that means that the organisation is already valuing that employee. There are two things that motivate an employee. One is money, that I always believe, and second, how he's being treated.

He continued by adding that the employee is not going to be frustrated because he is not going to be forced to do something that he does not want. Further, even if he does not manage to fulfil his target completely, he will be very close to it, exactly because he is involved in his own PA, and this will motivate him and give him a good push:

This makes sure that the employee, while achieving those goals, is not getting frustrated thinking that, "I didn't want to do it. They're forcing me to do it." Rather than that, they have given a choice and they plan with him.

Another one agreed with the previous participant in the same focus group and added that employees' involvement in the PA will affect their performance positively and will self-motivate them:

Definitely will affect your performance positively. Because at least it's okay to fail after trying everything. But rather than trying anything you just say, "You know what? I can't do it." At least the employer will try. So, you'll be motivated to do that. So, you'll be self-motivated within, is what I think.

Another participant agreed with the previous speakers in the same focus group that employees' involvement would be a positive thing, and this is the way for employees' and employer's targets to be aligned:

I think it is again yes, positively related, and it also, let's say for future planning of the company, it is very important, right? Because when a company sets its mission and vision, it is important to know the workforce that you have. Where are you going along with them? Right? Yes,

Moreover, another speaker in the same focus group stated that it is very motivating for every employee to participate in the setting of goals,

My style is that everyone should participate in setting his goal. This is mandatory because this will make them motivated. Also, we have to see the vision from the company side and from the personal side.

Furthermore, the next participant, Number Six, argued that employees' involvement in the PA has a positive effect:

Of course, it affects in a positive way. When an organisation does care about their employees, especially those who are loyal to the company, and they mean good things for the company, of course. Even if they don't set their performance and goals, we set the goal for them. "This is what you have to do. You have to achieve it. You can be into the next level."

He continued by mentioning that employees will benefit from that involvement, and they want to participate and prove themselves, enhance their career, and set their own goals:

I think, more than fifty per cent of the employees benefit from it, and they do really want to participate, and want to prove themselves, and want to increase their career perspective. For an organisation like us, we have a very young employee. Means, fifty per cent of our employees are less than 30, 35.

The next participant, Number Seven, stated that for himself, the involvement in the PA has a neutral effect, but for other employees it has a positive influence, and it is motivating and self-driven when trying to achieve certain goals:

For me, I think it's kind of neutral, but for others I think it's important. I think it links again to the compensation/bonus related questions. Someone who's good at, I keep on defaulting to sales because it's such an easy thing to measure, but somebody who's good at sales is going to want it, they're going to find it motivating, they'll be engaged in those targets are, and then they'll be driven to achieve it.

He continued by adding that some targets may be hard to measure in a PA, so that's why it is always better to have a discussion between the employee and the employer: and it will have a significant positive impact:

I think though, that's in kind of hard targets that are easy to set. A lot of targets, behavioural targets, for example, taking more of a leadership role or influencing others, or taking the lead in designing solutions, things that are harder to measure, I think they're great to discuss. I think it's obviously going to have a significant impact.

He continued that if the employees do not come with their own targets, he helps them by asking them for suggestions:

In my experience, I always try and do that, but I, honestly, I don't often get much input from the employees. And, to the point where now I will go, "look fine, I've come up with some targets for you. I want to add some more but I want you to make suggestions." I do that consistently.

The next participant gave an example from his HR career as an HR manager when he was doing a PA for an employee, and he was trying to convince him to participate in the PA with his thoughts and to explain to him that this needs to be a partnership:

"Look forward to having a chat and learning a bit more," because I was fairly new at that time. So, we sat down and he brought the form in and it was blank.

He continued that the PA is all about the employee and that it is a window of opportunity and employees' contribution; the involvement is very important, and it has a positive effect on performance through motivation:

I think the appraisal, PA, or whatever you want to call it, the employee has to feel comfortable, and it's all about them. It's not about the manager. It's their window of opportunity. Well, I think if they feel they're part of the process that they're contributing, I think they're going to drive it.

He continued that the discussion between the line manager and the employee is very important in order to motivate the employee:

I think if you've got a line manager who's very clear. And yes, loyalty is important to the team, but they are very clear on what they've got to deliver and



that they'd be part of that process, then I think you'd get a very motivated employee. And also, the fact is when you sit down to do reviews, you've got something to concretely talk about. So, you talk about their goals.

The next participant, Number Nine stated that if you had the luxury of the employees participating in the PA and the time to give them some participation, this would affect their performance in a positive way. However, unfortunately, according to him, they are not doing that at his company now:

It is possible if they can contribute to this planning, but in our organisational culture there's the year-end performance is producing output and department heads, they're presenting these numbers. They are not directly involved, but indirectly their numbers are speaking for them.

He continued by adding that if employees were involved in the PA then this would be a positive aspect since employees would start presenting their ideas and feedback, and this would be very helpful for the company:

It definitely helps if they can participate in goal setting for the next year.

Moreover, the next participant, Number Ten, stated that employee involvement in the PA is something really helpful because if employees come up with their objectives, then they will be committed to them, and they will have the feeling that they can achieve them too:

So, if they come up with the objectives, then they're a lot more likely to be committed to them.

The next participant, Number Eleven, said that employees' involvement in the PA is very critical and that at his company now, they even have little workshops regarding the employee's objectives for the next year. However, that was not always the case at his company. Now they have seen the difference in the performance of the employees, as well as their rate of satisfaction.

Yeah, absolutely critical to do this. There's a process we go through that ensures that, so the minute we get the corporate goals and the strategic objectives, that's cascaded through our whole organization.

He continued by giving some very specific percentages of positive effects that his company received from employees' satisfaction and how they have positively increased especially after involving the employees in the PA:

So, absolutely it does have a positive effect. So, eighty-six per cent of employees feel well-informed about what's expected of them, eighty-seven per cent feel comfortable giving feedback to their line manager, and that's something that you have to do if you're going to design relevant objectives that are co-owned by the employee and the line manager have often...their overlapping objectives anyway.

He finished by saying that there is a mutual benefit for the employer and the employee if the latter is involved in the PA, and he has seen the same in all of the companies that he has worked for:

So, there's mutual benefit. I've seen benefits of a good system and not just my current employer, but other employers over the years where that's in place. As long as there is regular formal evaluation of how the employee's doing, so okay, we do it twice a year. And actually, it could happen as often as you like because the system now facilitates what we put in place.

The following participant, Number Twelve stated that at his company, they do not have employee involvement in the PA, however, he thinks that employees' engagement will be very helpful, and will affect performance in a positive way:

This is true. Maybe employers feel that they are part of this, but most of the time they are not. So yes, if we could establish a system where there is a real mutual, let's say involvement, I believe it would affect the performance in a very good way. Their performance would be much better because they will be part of it. They can help on establishing the goals, performance objectives, etc. Which will be also more realistic even and clearer.

Participant Number Thirteen stated that the employees' involvement is very important, and they need to be initialised by the employee and take place as a discussion in order to give significant ownership to the employee. This will positively affect performance:

Very important. It's very important. Objectives actually from past experience as well, objectives need to be initialized from the employee, not from the

employer, all right? Then you come to me, for example, with your objective, and we sit together.

The next participant, Number Fourteen, stated that the employee's participation in the PA will help their productivity:

Then again, it's also what is done to productivity. If the employee is involved in this, it's always their productivity that's being... And I mean, it's an outcome. It's a straight outcome. If the employees are involved, then it will help them be productive at the end of the day

Then the next participant, Number Fifteen argued, that the PA cannot work if it is not a dialogue between the employer and the employee:

Well done, I'd call it, if I can, a performance management system, so an appraisal... the word appraisal to me conjures up one formal meeting a year. Tick-box exercise. "You've done good. You've done bad. I'm going to tell you how you've performed. Thank you very much. Goodbye. Carry on. We'll speak next year."

Then he continued that there needs to be honest communication that will give to the employee a sense of belonging, autonomy, and accountability; like the employee feels that they are being trusted, and this is something crucial:

It gives them a sense of being valued, and not just being told what to do. "I have the autonomy to do my job that I have been employed for. The trust has been put in me, so I'm going to respect all of that. I'm in a good place," so yeah. To have the employee get involved, absolutely, is crucial, I think.

In addition, the next participant, Number Seventeen stated that the performance of the employee will be increased if he is involved in the PA because he will be more aware of the exact goals that he has to set. He will be more self-confident, and he will understand that he has been appreciated by his company:

So here the employee, so I would say it will increase, I will say like it will increase a lot, because since the process, the PA process, he's involved in it, he's very aware of what the organisation wants, what the organisation wants from the employee, what I ... Like the goals it needs to achieve, the years end target. So, this simplifies a lot of things. Firstly, a clarification of the work.

### **4.5.3 Theme: Clarity, Communication and Continuous Feedback, Positive Influence on Organisational Performance (Deductive), (Sub-HR Mechanism)**

The next participant, Number One, stated that clarity, communication, and proper feedback will create a certain environment, with no misunderstandings and that is something positive since most people do not like to work within vague situations:

It will really affect them a lot because when those things are clear and when those things are set on the right time of the year, and when there is proper feedback and let's say open communication between the line management and his subordinates or her subordinates, then employees would be working in a more certain environment and let's face it, most of the people don't like risk taking without understanding their line manager's view, and most people don't like to work in vague situations.

He continued by adding that continual and clear feedback is very important in order to keep the employees happy and comfortable:

And also, this is not enough because if you don't do continuous feedback and open conversations also people will not be happy even if you set goals in place and targets are really clear but there's just no feedback on continuous support, also not on the feedback, support and having learning and development opportunities based on the performance during the year until the final appraisal takes place, then employees might not be that comfortable.

The following participant, Number Two stated, that clarity is key for the employees, and it linked the bigger good of the organisation with the enhancement of performance; however, ambiguity of the targets could negatively influence performance:

Well. we think that those are very important areas that will positively impact an employee's performance, make them perform better. Because we know that clarity is key for people.

Then he added that they have contacted many researchers in order to check if employees have a clear vision of their targets and their job clarity, because they know that these are things that will positively impact their performance:

And we have done many surveys. Companies, we do surveys to see in terms of engagement as well what... We want to know about these things. We want to know about if they feel that their targets are set, we want to know if they know what they're to do in their job. And we want to know those things because we already know through lots of research that these are the things that will improve their performance.

The next participant, Number Three stated, that when companies set targets properly, smart targets, then definitely people will go ahead and move strongly toward achieving these targets, and it will have a positive influence on performance; however, this is not happening in the UAE:

I think it will have a positive effect because I'll tell you why. Targets are where do you improve your performance, improve your output, improve yourself, et cetera, et cetera.

He continued by adding that clarity, communication, proper planning, and continuous feedback of PA is very important:

Look, again, it should be properly planned, it should be very clear, it should not be, look, PA, yeah, the only I would like to add, whatever I was going to say, I said it before on the compensation and the training, it should be properly planned but it should be in there, it should be transparent, it should influence compensation, it should influence.

Finally, he highlighted the importance of PA's meaningful and constant communication between the employee and the employer:

I mentioned the word dialogue between it but it's not a document when it's done and it's signed, you throw it at the ... If there is ... You know, you throw it in the drawer and never open it again. If there is proper targets checking, there should be quarterly, maybe monthly discussions or quarterly discussions, year reviews, et cetera, et cetera. So, this is on one side, okay, that I think I would like to add.

Moreover, in focus group one, a participant argued that clarity and communication in PA will increase efficiency and it will make employees more focused:

It will make them push their job efficiency. That will be more focus. I will always run to achieve it. So, this is the push I'm talking about. It pushes me to achieve something. If I know what I need to achieve, it will really help.

Another participant from the same focus group added that if she knows her role better, she will be able to achieve her target: "If I know my role I will achieve it."

Another one from the same focus group added that clarity is very important, and it makes the employee achieve their targets: "Just one word, what I said, that's it. It makes the person do what they're supposed to do. No ambiguity means 100% clarity, and that's it."

In focus group two, a participant stated that clarity would have a positive effect, but the constant feedback of PA is crucial:

I would say it would positively affect, but there is one more question to this, which was subliminal. What's the duration of this PA? How frequent are we expecting this? Depending on that it will happen.

Another participant from the same focus group stated that clear targets and proper communication with the manager, as well as job clarity, will make employees perform positively:

If there is a clear target setting and there is proper communication with your line manager, I always believe that the employee will perform properly.

Another one from the same focus group stated the importance of clarity in PA. clearly: "The clarity of the expectation is very important." Another one agreed with him too: "It has to be there!" Another one from the same focus group stated that clarity and communication will improve employee performance: "It will help you achieve your goals, your performance, whatever is expected from you."

Another participant from the same focus group agreed with the previous participant that clarity will help employees improve their performance, and this will reflect of the company:

Correct. An open culture where everything is streamlined plus there is clarity of thoughts and people want to share their ideas. Do not have any grey area. That organisation will always do better because their employees will perform the best and the entire team in fact will reflect that.

One more participant from the same focus group stated that clarity will positively affect the performance of the employees: "It's okay. About the clarity of expectations. If everything is clear for you, this will affect your performance.'

Yet another participant agreed with the previous one in the same focus group and stated that clarity and communication positively affect performance, and he added that positive criticism has a positive impact too:

Yes. Yes. I mean, of course it does. Yeah. Okay. The point I was thinking in my head was, let's say when you say job ambiguity or your PA has to be very clear here, but with a positive criticism along the way.

Another one from the same focus group agreed with the previous speaker that it will have a positive influence: "Yeah in a positive way.'

Another participant stated as well that clarity, communication, and constant feedback are very important for the employees and if the opposite is happening, it is not fair for the employees:

I agree with X that this will motivate all employees. if I have a clear position, a clear responsibility with clear target. For sure with periodic check rather than the opposite. I think weekly, monthly, quarterly based on the timing. Is that clarity also based on this target? For example, if it is a target for the sales guys, for example relative to money, so we have to sit with them and also mention.

One more came to complete the previous speaker by adding that if all the above are not happening this will have a negative influence, so positive criticism in the PA. is necessary:

Totally a negative way. So, this also... Sorry. What I was saying that this also puts the question that are you a good leader or a good manager. A good leader will always try to cover your negatives and portray them in a positive way to yourself so that you can improve. So again, coming back to my point, positive criticism has to be a part of employees' performance and these KPIs linked to it.

Yet another participant in the same focus group agreed with the previous speakers and added that clarity and communication will affect performance in a positive way:

Yes of course. I think this is it will affect in a positive way, the clarity, and our performance. Let's say, my performance, but with understanding the current situations like what we are doing now, let's say, for that.

The next participant in the same focus group stated that clarity is essential, and it will affect the employees positively:

So, based on that, clarity is very much essential because at the kind of frequency that things will come in to you. You need to be prepared for that one and according to deliver. What I need to do on a daily basis or maybe event day, something which was planned something else before, but I have to do something else today.

One more participant agreed with the above speakers from the same focus group that the clarity in the PA. will give him a chance to understand what exactly the company is expecting from him and what his expectation are, as well as how to bridge the gap there:

This project would also give me a chance to understand that what exactly is the company expecting out of me. I mean, these kinds of meeting. So probably I have a certain direction for myself, but if that needs to be enhanced or maybe suppose someone sees that I have some other quality

The final participant of this focus group agreed as well with the previous speakers and stated that the most important thing is clarity:

The most important thing is the clarity. If you are setting target for someone, it has to be clear and you prefer loyalty to skills, this is a different story, and it has to be out of any company because if you are referring someone because he is only loyal for you, this will affect the organization and you will keep only the low skills in your organization.

Furthermore, the next participant, number six stated that proper communication is very important:

Communicate properly, set the targets. The employees say, "I have this capability. I can do it." The line manager, if he doesn't realize that it's a chance for them to identify it and set the goal in a clear, two-way communication. Then once they reach an agreement, they both sign it off, and it comes automatically.



And he continued that all this clarity and communication will affect it in a positive way:

Of course, it affects in a positive way. When an organization do care about their employees, especially those who are loyal to the company, and they mean good things for the company, of course. Even if they don't set their performance and goals, we set the goal for them.

He continued by adding that employee's PA. should be well communicated and measurable in order to be successful:

Of course, don't have to make five sheets PA form. Employee, scratch his head, "What should I write here?" At the same time, the manager cannot evaluate it. It has to be a simple, communicable, measurable...Measure it. If we can't measure it, so it's become a failure. You write things there, and maybe people google it and find something and write it there.

Moreover, the next participant, number seven, stated that the PA. that are taking place right now are old-fashioned, and they need to be constantly re-evaluated with feedback and be absolutely clear when it comes to the targets in order to have a positive influence:

I think PAs are, just a bit, old school. Having them annually, or even with a midyear, it's so easy to have a great conversation and to settle these targets and make it really clear, and then people just go back to their day job, they don't look at that documents again. And you come back in a year and it's like, "oh I didn't do this, or I didn't do that" and the whole conversations just excuses about, "oh but I was busy doing this or I was busy doing that."

The next participant, number eight highlighted how important the communication between the employer and the employee is; and so is the clarity and how much both of these influence performance:

I think it's a big one. I think that if you say you're going to give someone a target and this is what they need to achieve and then you change, or when you sit down with the employee you say

He continued by adding that his company has changed the performance review by including more communication in the PA. between the employer and the employee:

Because one of the things I have found with talking to employees is often managers will do a performance review, and now we're changing the way we do performance reviews as well, because we're going away from that one hour every 12 months to regular check-ins. Maybe initiating one on ones with your key team members each week so that you know where they're going, you can have that conversation.

Finally, he added that communication in PA., sometimes needs to be properly documented to avoid misunderstandings because managers do not like to give bad reviews in PA.s and also they sometimes do not have the correct skills for a PA.:

Managers do not like giving bad reviews, they do not like saying negative things and they would rather go ... And in some cases, a blatant lie. And then what will then happen is that will manifest itself later and someone would say, "Oh well I was promised this and it never happened." "Well, who promised it?" "My line manager." And that line manager may have moved on or may have moved on in the company or left..

He continued that when a PA. is taking place, it should be crystal clear since the communication between the employer and the employee is the most important thing:

I'll give you another example. I had an HR director in X company, and I sat down for my performance review, and she said, "Okay, you run a tight ship." "What does that mean? What am I supposed to do? Is that good, bad?" And then she's, "So what do you want to do in three, five years' time?" I don't know. You haven't discussed a career with me.

Then he added that the clarity of the PA. process is very important, and there needs to be structure. Further, steps need to be defined and clarified and consist of good communication from the beginning:

I had another HR guy called Ali and when I gave him his annual salary increment letter he opened it, looked at it, and gave it me back and said, "No, thank you." Because it wasn't what he expected, and it wasn't what he wanted. So, it was like,

Finally, he added that the line manager of the employee needs to be very clear, and when the PA. is taking place, the communication needs to be in a specific framework in order the employees to be able to talk about their goals:

Whereas I think if you've got a line manager who's very clear. And yes, loyalty is important to the team, but they are very clear on what they've got to deliver and that they'd be part of that process, then I think you'd get a very motivated employee.

The next participant, number nine stated that job clarity and continuous feedback is affects in a positive way, the performance of an employee:

In the half year, this discussion will happen, and it will be documented. That's for the year-end review. Half year document is also transferred for the year-end review. So, the manager, he gives an opportunity if the objective was not clear or it was ignored over a period of time, so it gives an opportunity for both parties in the half-year review can discuss and make necessary changes.

He continued by adding that it is very important to have a continued discussion in the half year review of the PA. because it is always good to clarify, and to reiterate their points:

There may be an argument that the outcome of the performance review is it's not so much obvious in the half-year discussion. People may say that they know where is it heading. From the half-year conversation, it is obvious that I'm going to get this, but it is an argument, but it is always good to have it to point and clarify, to reiterate the points.

He added that if there is no communication, clarity of communication, and a bond between the employer and the employee, this will affect performance negatively:

If the communication is not clear enough, if the relationship with the manager and employee is not good enough or when there is no rapport, it can damage the situation. It can adversely affect the performance. So, it is very important to ensure that the performance review is happening as expected in a clear and efficient manner.

Finally, he added that Covid-19 makes communication even more difficult, but employers need to update their employees about the market situation:

And the third one is market situation because sometimes, and as we face challenge of Covid-19 this year, it is quite a challenge to the communication. The government one is an equivalent in this year. So, there is an answer to it in there. We cannot completely eliminate that because we have to be realistic. And of course, it is good to communicate with staff periodically, at department level like this to explain about the situation so this is their expectation.

Participant number 10 stated that clarity of expectations and less job ambiguity makes employees more able to perform better and deliver their targets, and he emphasized that the feedback should be given even on daily basis:

I think these are the areas that have most effect.

Moreover, the next participant, number 11 stated that employees have the right to know exactly what it is expected from them by the organisation, and if there is no clarity then employees will not be able to perform as they should exactly, because of miscommunication:

Everyone deserves and expects to know what's expected of them from the organization with regards to their annual tasks, the KPIs (Key Performance Indicators). Where that is not clear, you get people doing maybe the right things at the wrong time or the wrong things at ... and not performing as they should do. So, objective setting all that, absolutely critical. And as I say, for every single person in your organization now, we have an alignment map that goes from their .

He continued by giving some specific data from his organisation stating that clear guidance and communication regarding employee's responsibilities and continuous and systematic PA. feedback will satisfy the employees and improve their performance, plus it will have a positive effect on them:

Here's some data. The question is, my manager gives me clear guidance about my responsibilities, 84% satisfaction, so that's good. Yeah, the PA system is applied consistently and systematically. In 2017, that was at 61%, it's now at 77%. 86% of employees feel well-informed about what's expected of them. That's a lot of data, but I worked on it now. That all suggests to me though that that is having a positive effect on people's ... What with these having a positive effect on the employee's performance.

The following participant, number 12 argued that if there is ambiguity and there is no clarity in the PA. this will have a negative influence on the performance of the employees:

It will affect negatively. I mean, if there is no clarity, there is ambiguity. And if you don't do it properly, it will affect negatively big time. And on the other hand, if you do it properly, it will affect them positively because everybody, he will do his job properly. As for his expectations, he will be happy.

The following participant, 13 stated that clarity and less job ambiguity in PA. will have a significant positive influence on employee's performance, and the exact opposite will set employees up for failure. However, their objectives need to be reviewed constantly just to make sure that the objectives are still the same objectives that have been targeted for the year, and to ensure as well that the employees have the tools to achieve these objectives:

Significant, positively correlated, significantly positively correlated. A few minutes ago, I said to you just that unclear and unachievable, unrealistic, not time-bound, of course I'm setting you for failure, you know?

He continued saying how important it is for the employee to be involved in the PA. by creating his own targets and the communication that needs to exist between the employer and the employee when it comes to the PA. and setting of objectives:

Very important. It's very important. Objectives actually from past experience as well, objectives need to be initialized from the employee, not from the employer, all right?

The next participant, 14, said that clarity and communication in the PA. will positively affect the productivity of the employees since they will be able to know exactly what they are doing, and they will be confident about it. Also, their expectations will be able to be managed right from the beginning and this will help employees to focus on their productivity:

It will affect positively in terms of their productivity. If you know exactly what you're doing, and if you're confident with what you're doing, and if the expectations are managed right from the very start, it will help the employees have focus, and then be productive at the end of the day. Yeah. It will affect positively the company as a whole. Yes, exactly.

The following participant, number 15, argued that performance objectives need to be very clear and PA. and continuous feedback is necessary:

Well done, I'd call it, if I can, a performance management system, so an appraisal... the word appraisal to me conjures up one formal meeting a year. Tick-box exercise. "You've done good. You've done bad. I'm going to tell you how you've performed. Thank you very much. Goodbye. Carry on. We'll speak next year." That doesn't work.

The next participant, number 16, stated that clarity of communication and continuous feedback are absolutely important for a good PA and positive O.P:

So, all these three affecting in a very positive way the employee's performance and the organizational performance.

And finally, he highlighted how important transparency and openness in communication are:

So again, I'm talking about transparency and openness we have in the organisation. We definitely give them a right to speak up at any point in time if they are not feeling comfortable with the quota they are carrying or the goals they have put in place.

The next participant, number 17, stated that clarity in employees' goals and communication will increase employee's performance:

See if the employee, if the organization is being cleared about the employees' goals, employee tasks, that, okay, this particular year or by the end of this year you have this much target that you need to achieve. If you achieve, obviously that will impact on your performance.

He continued that if there is clarity and good communication on the job that needs to take place, then the employee's performance will be positively influenced:

Because if, in the process, like if in the PA the employees have a good number of results, the good amount of outcomes that means that the structure is clear. The employee has understood their role. The employee knows the work that the organisation wants.

#### **4.5.4 Theme: Ineffective Performance Appraisal, Negative for Organisational Performance (Deductive)(Sub-Mechanism)**

Participant Number Two stated that ineffective PA will be detrimental to the company and the employee's performance:

An ineffective one would be detrimental to the company and the employee's performance. I don't know how else to put it. But certainly, if the wrong, if favouritism, or loyalty, or so on is the only aspect and they're not looking at say, Oh, what is, you mentioned, your efficiencies or so. I think that it is going to have a negative impact for sure.

The next participant, Number Three, stated that ineffective PA would negatively influence the employees' performance.

Well, it will have ... First of all, the other side, I mean, you're not going to learn right. You will have objections on your target. You're not going to become a better boss if you wish and when appraising others, et cetera. So, it will have this negative effect if you wish, okay, on the employee and the employee will always have some objection regarding this. Now, improper PAs, not necessarily meaning not only involving the employee.

The next participant from focus group one argued that ineffective PA has a negative influence on OP since employees will get demotivated:

It's a negative effect. If somebody performed better, and if it is not being reported, rather than concerning loyalty and all the experience and everything, it is difficult.

The next participant from focus group two stated that ineffective PA will negatively affect employees' performance because employees' will not be motivated:

I believe this is straightforward affecting my performance, anybody's performance. If I say if I'm not being consulted or without giving for a PA, I'm not being given the showing the improvement areas or the what I have done better, what that could be done great next time, it will definitely motivate me to accelerate.

The next participant agreed with the previous one and stated that ineffective PA that has no communication between the employer and employee will have a negative influence on employee's performance:

So, let's say there is no communication at all. I would definitely feel that I'm not being trusted around, I would not be respected well. Obviously as a human being, I feel negativity, to be very honest, to be very open with you. I guess, yeah, it will definitely affect my performance as it is indirectly affecting the organisational performance.

The next participant agreed with the previous one that ineffective PA will have a negative influence on performance:

In this case, Valeria, the loyalty wouldn't be loyalty. In this case, loyalty would be termed as favouritism. That is how I would see it. Definitely, this is going to impact me as employee and eventually the organisation's performance as well negatively.

The next participant, Number Six added, that if the PA is ineffective and without and true meaning and it is happening just for the sake of happening, then employee performance will be negatively influenced:

If there is no PAs, it's like just filling up sheets to put in the file, it is ineffective. It will not bring any good.. Negative will be there, but I don't know in such companies, the negative behaviour, they can easily mitigate by making some people happy.

The next participant, Number Nine, stated that ineffective PA can damage the performance of the organisation:

If the communication is not clear enough, if the relationship with the manager and employee is not good enough or when there is no rapport, it can damage the situation. It can adversely affect the performance. So, it is very important to ensure that the performance review is happening as expected in a clear and efficient manner.

The next participant, Number Ten, stated if there is ineffective PA in an organisation, then the employee is not going to be committed to the organisation and miscommunication is going to take place, which is going to have negative and misleading results:



Yeah. Well, without consultation, then obviously the employee has no commitment or involvement in the process. This is where the bias and the subjectivity of managers and supervisors can come in. And again, if you're not honest in your feedback, in the PA feedback, if your ...

Moreover, Participant Number 11, stated that an ineffective PA can have a negative role on the performance of the employees:

Yes. I think it results in all of management core system ends up with an employee doing the wrong things or not doing them to the required standards. We were talking earlier about managing expectations.

In addition, the next participant, Number Twelve, stated that if a PA is ineffective, it is going to have a negative influence on employee performance:

So again, we need the proper effective appraisal system, which will take into consideration all these things rather than only treating loyalty or other factors' monolithic order, let's say old ones. You need the 360. So yeah, this is a difficult thing by the way. If you ask my opinion.

The next participant, Number Thirteen, stated that an ineffective PA affects your valued proposition as an employer and demoralises all the employees:

.In normal circumstances, of course, if it's a one-way direction, it has a negative impact on morale, on motivation, and on your value proposition in the market among your competitors. Great. You think, of course if it is an ineffective PA system it's going to have a negative effect.

The next participant, Number Fourteen, stated that ineffective PA will disappoint the employees and demotivate them as well:

But it's more or less like 360 feedbacking. You know, feedback on your performance and all that. If this is not happening, then this will disappoint the employees and, in turn, demotivate them as they perform their tasks, so there is a negative effect of that. So, it is important all the time that these PA are always done in parallel or in consultation with the employees.

Also, he added that if the PA is not effective, the employees will endure the feeling of unfairness:

I think an employee would feel unfair. They have this feeling of unfairness. And not justly treated, because they will not be given the opportunity to refute if there's a need to or defend themselves if there's a need to.

The next participant, Number Fifteen, stated, that employees are going to feel undervalued if the PA is not effective, and they are going to question their being in the company since it will make them feel unsure about their future in the company and have a negative impact on them:

The employee's going to feel undervalued. They're going to feel that their boss has no time for them. That they're going to possibly question their being in the company. Can make them feel unsure about the future, uncertain. It can make them feel that maybe they're not as good as they thought they were. They'll lose confidence.

Moreover, the next participant, Number Sixteen, stated that if PA is not effective or not taken seriously by the company, then there's no point in having it, and it is going to have a negative effect:

I would say drastic, and if the PA is not done effectively or not taken seriously by the company, then obviously, there's no point in having it in the first place because it's just not supposed to be a check in the box. It is something that has to be really understood very well by all the stakeholders.

#### **4.5.5 Theme: Difficulty in Creating Meaningful Performance Appraisal Process, Negative for Organisational Performance (Inductive), (Sub-HR Mechanism)**

The next participant, Number Two, stated that many companies are still struggling to make the PA processes meaningful so that they can really make a positive impact and not be something that is just more paperwork:

I just would like to say that with all the best intentions in mind, many companies are still struggling with the best way to have the processes go in terms of really not making it an administration aspect, but making it something more real and something more ongoing with employees so that it can itself, almost appraisal

in itself becomes a lot more meaningful and a lot less, "Oh, something else to do for HR," or something.

The next participant, Number Six, argued that some measures in the PA are intangible, and that makes it difficult to quantify them in comparison with some others that are easy to measure and bring a positive outcome:

For them, they set the goals, and we measure it. Some of them are intangible measures. We cannot measure it tangibly. As a whole, from the whole performance of the year, we can make some assessment, and we discuss it, and it brings a positive outcome. Some of them it's just like, "Okay, it's going on." I think no organisation expect that everybody perform 100 plus, percentage all the time.

The next participant, Number Seven, stated, that the way appraisals are taking place are a little bit old school, and a lot of targets that they already agreed upon are quickly forgotten. There is a struggle to create something that is meaningful and employees will stick to:

But I think PA are, just a bit, old school. Having them annually, or even with a midyear, it's so easy to have a great conversation and to settle these targets and make it really clear, and then people just go back to their day job, they don't look at that document again.

The next participant, number nine stated that it is tough to create a meaningful PA. since managers do not like giving bad reviews, or say negative things, and they prefer to avoid an inconvenient conversation by saying nothing at all:

Managers do not like giving bad reviews, they do not like saying negative things and they would rather go

Moreover, the next participant, Number Twelve, stated, that PA is something complicated, time consuming and it has to be designed appropriately and involve the employees too:

So practically, this is something which is, let's say, the only comment, it's something difficult. It has to be properly designed and involving the employees. So, it will take time. This is my only comment. It's a project, I would say, on its own in the company.

In addition, the next participant, Number Sixteen, stated that the PA is something difficult to create because it needs to be carefully calculated to be up to the market standards and competitive:

Definitely keep up to the market keep looking through the market practices.

Additionally, the next participant, Number Two stated, that many companies are still struggling to find the best way to create something meaningful for their PA:

I just would like to say that with all the best intentions in mind, many companies are still struggling with the best way to have the processes go in terms of really not making it an administration aspect, but making it something more real and something more ongoing with employees so that it can itself, almost appraisal in itself becomes a lot more meaningful and a lot less, "Oh, something else to do for HR," or something.

The next participant, Number Six, stated that PA is difficult to measure because it has some intangible parts:

For them, they set the goals and we measure it. Some of them are intangible measures. We cannot measure it tangibly. As a whole, from the whole performance of the year, we can make some assessment, and we discuss it, and it brings a positive outcome. Some of them it's just like, "Okay, it's going on." I think, no organization expect that everybody performs 100 plus, percentage all the time.

The next participant, Number Seven argued that the PA is old school and they do not have any new way to form it so far:

But I think PAs are, just a bit, old school. Having them annually, or even with a midyear, it's so easy to have a great conversation and to settle these targets and make it really clear, and then people just go back to their day job, they don't look at that document again.

The next participant, Number Eight highlighted the problem of creating a meaningful PA because managers don't like giving bad reviews or saying negative things, also they do not have the right education to conduct PA:

But because that conversation was between two people, you've got no evidence, but that employee that's theirs. It's in their memory bank and they're not going to forget that

The next participant, Number Twelve stated, that PA is something difficult and it is not an easy task to create a meaningful PA:

So practically, this is something which is, let's say the only comment, it's something difficult. It has to be properly designed and involving the employees. So, it will take time. This is my only comment. It's a project, I would say, on its own in the company.

The next participant, Number Sixteen stated, that in order to have a meaningful PA and compensation packages from it, employers need to keep track of the market trends:

because definitely UAE is a market where you have a lot of allowances like schooling and housing and transport, and all those beautiful things, but definitely it's important to keep up to the mark on these things, to be able to retain the employees and manage the performance in a way.

#### **4.5.7 Theme: The Challenge in COVID-19 Years to Engage, Communicate, and Motivate Employees, Negative for Organisational Performance (Inductive) (non-HR Mechanism)**

The next participant, Number Eight stated that the employee's PA is becoming very difficult during COVID-19 because their engagement and communication are challenging because of the lockdowns. Further, working from home creates a distance between the employer and the employee and motivation and communication are challenging:

What will performance and business values look like? How are we going to be able to motivate employees? What will we be doing? Will we be doing more of this because there's going to be more remote working? How are we going to maintain the mental wellbeing? Because it might say, How are you going to motivate your team?

He continued by commenting that it is tough to continue motivating, engaging, and creating committed employees with remote work and that it is also difficult to remain a team if you

do not see each other physically because in remote work, it is very difficult to maintain people's interest and focus on work let alone evaluate them for it:

Especially if some of your team are in the office and some of your team are remote working, how can they remain a team? And I mean, we've all been on video conferences where you've got a video conference and most people are on mute, and most people are typing away, and they're doing emails and memos and all sorts. We've all been there. And that's what's just,

He continued giving examples of employees sleeping during working hours because they were working remotely, and they felt that they had free time since there was no physical control. He concluded by saying that it is tough to lead a business like that and to advise them on how to move forward:

So, I mean, if I only see you in the office on a Sunday morning and by Sunday lunch time you're off and you're going to work from home, how do I know that you're not sitting at eight o'clock with the tele on and your toast and your tea and...

The next participant from focus group one stated that it is challenging to stay committed in a company because companies terminate people immediately in times of a crisis like that of Corona. Thus, employee engagement is challenging:

Loyalty. Loyalty is not something that I would say applicable, because even the company has no such term used for the company itself. When the company goes into a crisis and they start terminating and laying off thousands of people, where is the loyalty in that? So, there's no loyalty here applicable.

The next participant, Number Nine stated that it is very difficult to appraise, motivate and communicate with people during COVID-19 because of remote work:

And the third one is market situation because sometimes, and as we face challenge of COVID-19 this year, it is quite a challenge to the appraise remote work. The government one is an equivalent in this year. So, there is an answer to it in there.

Moreover, the next participant, Number Thirteen stated that in the 'Corona days' there is a 'war' and that makes it very difficult to communicate with employees and so he decided in PA to regard common goals and make decisions. Thus, employers need to make independent

decisions therefore, not ask the employee to agree about his goals during his next PA because the company is now in survival mode:

In a forced measure situation, let's say now, corona, for example, there is a war and a virus. I don't know, whatever it is, of course you're not going to wait for you and me to sit together and agree on your objectives and so on.

In addition, the next participant, Number Sixteen, stated that mutual agreements on PA regarding the target is impossible, and it creates a sort of subjectivity during the 'Corona days' so all employees do not like to have any marks because of the current situation:

It would drive subjectivity, I guess, because I may want to just have a lower target because of ... for example, in the current situation we are, which is led by corona, unfortunately we're not able to deliver the numbers. And if I were to give employees the right to choose what they want for this year, they would probably ask for nothing.

The next participant, Number Twelve, stated, that it was tough during the 'Corona days' to have the correct PA because communication is complex. You can have results and a decision in a personal meeting in five minutes. In contrast, meetings drag on forever when the session is not in person, and there is no personable communication.

Zoom meetings will take forever to make a decision. However, in-person communication, the same conclusion of PA or whatever will be taken in five minutes, but Corona and remote working make challenging communication, motivation and decision making.

#### **4.5.8 Summary and Conclusions**

In summary, the interview data allows us to ascertain that PA tends to increase performance, and secondly, to answer the question "How does PA influence organisational performance?" First, evidence suggests that R&S cause a power/tendency to increase performance.

The following excerpts are evidence of this:

- "It has a, you know, a great effect ... First of all, it will be the start of the dialogue that should continue during the year."

- “I think proper PA definitely will have a positive effect on employee's performance.”
- “Definitely will affect your performance positively”.
- “I think it is, again, positively related, and it also, let's say, for future company planning, it is essential.”
- “So, his performance will be positively affected.”
- “Just having that meeting that we had last time is by itself an excellent motivator and an appraisal. That my word is being heard. I'm not being considered just a zero on the equation's left. To make them feel that they are an essential element of this organisation.”
- “Oh, of course, in a positive way. This is a good thing, a good vision for me to build my responsibilities, expand my relationship based on the organisation's goals, and align with the organisation's goals. So, it's a good thing to have.”

Finally, as a result, the HR Mechanism of PA has the power/tendency to increase the OP. However, according to Fleetwood (2010, 2017), as mentioned before, ‘tendency’ is a force that drives and pushes but does not represent the outcome of this action, only the party itself. Thus, the HR Mechanism of PA comprises other sub-HR Mechanisms and non-HR Mechanisms that need to be checked on. So, how does its sub-HR Mechanism work in performance due to its powers/tendencies and why? The answer, effectively, is the explanation of how the sub-HR Mechanism and the non-HR Mechanism generate their power/tendency on performance.

Some factors that influence performance are:

According to the participant, the sub-Mechanism of employee involvement in the PA has a positive influence on the employee’s performance since it helps people take ownership of what they need to do and make their job more relevant when they feel they have a stake in it. Also, it creates accountability and responsibility for the employees and motivates them because they think that the organisation values them, giving them a sense of autonomy. In addition, if they are involved in the PA, They feel that they are a part of the process, so they feel like an essential element of the organisation; they feel like they contribute and add value. Thus, they become committed to the organisation.

The sub-Mechanism of clarity, communication, and continuous feedback will positively influence OP, too. All these factors will create a particular environment with no misunderstandings, which is positive since most people do not like to work in vague



situations. Continuous feedback, re-evaluation, R&D opportunities, support, and open communication positively influence the OP. It allows both parties in the half-year review to discuss and make necessary changes. The frequency of the PA is fundamental, too. Finally, clarity is critical for the employees, and it is linked to the organisation's greater good and performance enhancement. However, the ambiguity of the targets can negatively influence performance.

Moreover, all the participants above stated that the sub-Mechanism of ineffective PA will hurt employee performance because employees will not be motivated, and their performance will be negatively influenced. Moreover, if the PA is ineffective and without a true meaning and is happening just for the sake of happening, the employee's performance will be negatively influenced, too. Thus, improper PA will always have a negative effect. Even if the boss is fair with the employee, he will always feel undervalued, or there is no time for him, and he will feel uncertain about his future in the company. Then he will start looking for another job, and his work will deteriorate, and he will lose motivation.

Additionally, the participants above stated that the sub-Mechanism of many companies needs help to make a meaningful PA process that can make a positive impact and not remain paperwork. This is because some measures in the PA are intangible, which makes it difficult to quantify them. Also, the company's line managers must have the proper knowledge of conducting a PA; lastly, they prefer giving good reviews.

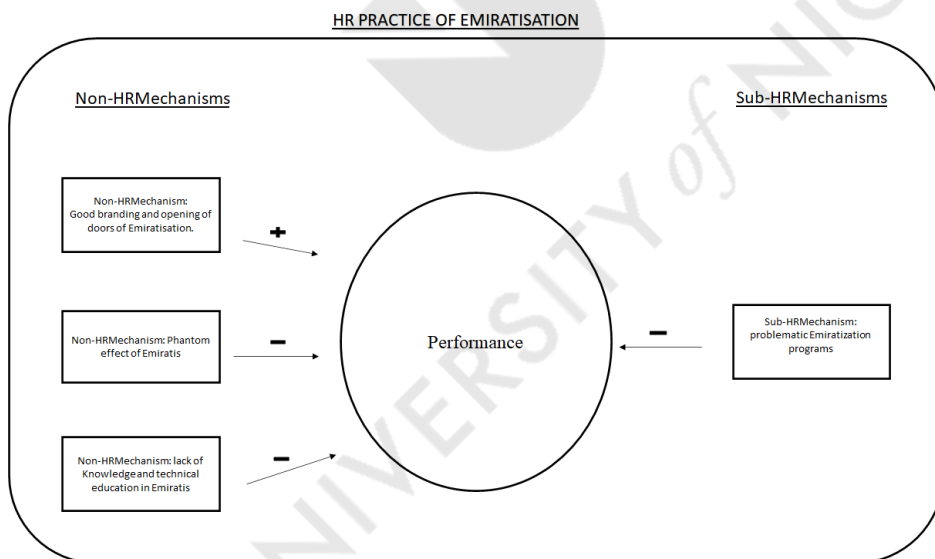
Finally, the non-HR Mechanism because of the difficulty in the COVID-19 years to motivate employees since remote work is challenging. Also, during 'Corona days' employees want small targets because they are scared that they will not deliver, and since 'Corona days' there is a "war" as a participant stated, it is tough to communicate with employees and decide in PA regarding common goals and make mutual decisions. Thus, employers need to make independent decisions without asking the employee to agree with their goals on their next PA because the company is in survival mode and all of the above negatively influence performance. (See the Figure 4.8 above for all the above).

## 4.6 The HR Practice of Emiratisation Analysis

### 4.6.1 The Model of Emiratisation Practice

The below model summarises all the themes that came up from the analysis of Emiratisation Practice and dichotomises them into the non-HR Mechanism and the sub-HR Mechanism according to critical realism research. Please see below the detailed explanation for each theme:

**Figure 4.9: The HR Practice of Emiratisation**



Source: Author's own.

### 4.6.2 Theme: The Problematic Emiratisation Programs, Negative Influence on Organisational Performance (Deductive Approach) (Sub-HR Mechanism)

Participant Number Thirteen stated that the Emiratisation program would have a negative influence on performance and suggested some ways to try and avoid this negativity. This will be done by communicating clearly with the employees from the beginning to know that they are in this job temporarily, so they can know exactly what they should expect and how long. Finally, he stated that employees need to understand that Emiratis are those who are permanently residing in the country and Emiratisation programs are like positive discrimination to help the national population:

Employees need to know that if you are here on temporary basis in the sense that you have a contract. The contract will expire. It might be renewed. It might not be renewed At the end of the day, it will affect negatively the organisational performance, so believing in the culture, believing in the initiative will allow positive relationship.

Moreover, he added that the way that the Emiratisation program is now performed, employees will feel that Emirati nationals will take their place after are trained. So, the employee will try to avoid sharing important knowledge with him and this is something that will have a negative influence on the whole process:

Furthermore, the company ... The Emirate is learning. You are not second. Maybe you will be promoted to another place, and that all will definitely link to an enhanced performance rather than the situation when you feel, ah, they got an Emirati who's going to take my position,

The next participant, Number One, stated that there are a lot of issues in the Emiratisation programs, such as procedures and clarity towards the employees who create problems and thus, they are not helping performance. Further, he stated that problems are created when there is no clarity or when there are no policies and procedures in place for national, as well as expatriate employees:

We have to look at this in a different maybe perspective than is usually publicised or introduced. I think and there is a term of Emiratisation literature which says sometimes you have to do some positive discrimination.

He continued that clarity and collaboration with the correct government organisations can reverse all of these problems and make a positive impact by finding the appropriate employees for the job who have a suitable education:

So, clarity, for example, procedures systems in place, and I don't think that will cause an effect of the organisations immediately unless the organisation is not taking it seriously in the sense that, oh, it's another number that we have to add.

In addition, the next participant, Number Two, stated that companies feel that they are under pressure with the Emiratisation programs since they have to fulfil certain quotas for Emirati employees, and this is something that has a negative influence on performance. Also, the different salaries between the Emirati employees and the non-Emirati employees are a demotivating factor:

However, I do know also that there are companies that can feel undue pressure and then they pretty much just want to get a number in. So, it will have an influence depending on how companies approach it if they have to do a quarter thing.

He continued by suggesting ways to improve the problematic Emiratisation programs, starting from the expectations of the employees and the rest of the population and then discussing the correct recruitment process to ensure that the company will get the right synergies from the beginning. Then they would integrate the Emiratis with the organisation just like any other employee; and finally, if they do not perform or they have disciplinary issues, there should be no restriction on firing them, just like any other employee, because now there are very powerful restrictions in place, which do not allow companies to fire Emiratis:

So, it really needs to be as best as possible integrated into the expectations that you would expect of the rest of the population. Well, the correct way is, first of all, in your recruitment and selection process. It's not about just taking numbers, first of all, that come in. You want to get and vet for the right people to help the organisation along or people who want to be developed and trained.

Likewise, the next participant, Number Three, stated that Emiratisation is a corporate responsibility and should take place, but the way that Emiratisation programs are implemented are problematic. Expatriates see the local population as an enemy and vice versa because people are losing their jobs because of the Emiratisation, and this will make the employees' performance decline:

. So, if I am in a job and I see my colleagues being fired and replaced with Emiratis, yes, my performance will go down. I'll be waiting for my time and I

will be demotivated et cetera. Okay? While, I mean, this will always have a negative effect, nevertheless, it's a corporate citizenship responsibility. Corporates cannot just ignore it. One thing about. Okay?

Then he added that Emiratisation had been overlooked for a while, and then when it was again implemented, companies were not ready to adjust to the new reality, although this law was there a long time ago. Finally, he added the big problem of how expensive it is to hire a local employee, and although he, as an HR manager may want to hire a local Emirati, he cannot afford to:

It was overlooked for a while, long back, and then when a new minister comes and he enforces this or that law, companies start complaining. The companies are asked to shut up because, hey, this law's been here forever, you guys have not been implementing it. It didn't just drop from the sky. So, the same thing.

He continued by adding that there is a very good opportunity now that the UAE is subsidising the salaries of Emirati employees. However, the ex-pats are looking at this as a threat:

The difference in salary, we'll subsidize. But you have to start taking Emiratis." Okay. So, and expats, like ourselves, should have looked at this as coming, you know? Number one, okay, the expats are looking at this as a threat and once it starts increasing, it will be more of a threat and it's getting closer to their own necks, and they will be worried rather than focusing on work.

Finally, he added that another major issue is that companies are not able to fire Emiratis if they are not performing because the law does not allow them to, and this is something negative for performance:

Maybe on the longer term, it should be, because once I force Emiratisation on you, also, believe you me, and you can look at appraisal, for example, I'll give you, in Saudi Arabia, okay, over here in Oman, you cannot fire people easily.

In focus group one, the participants stated that they have the feeling that their existence in the company and in the country is threatened by the way that Emiratisation programs have been implemented. Even if they have the required qualifications for a certain position, they cannot reach it because of their nationality, and this is something demotivating that has a negative impact on the employees. Moreover, they stated that another problem with the Emiratisation programs is that Emiratis are very expensive, and they only want to go to

government positions where they can make more money and have more power and more days off; this is making it very difficult for private sector companies to retain them for long:

Deep down, emotionally, we feel bad because it threatens our existence here and our jobs. But up in the brain, when you... we think about it in the same way you said. It's their country. They have all the right to do what they are doing  
This country belongs to these people.

Participant: "I understand it has a good positive impact, but realistically speaking, right? When you're going to hire these people, when there is an opportunity for them to work in the government, they always prefer to move on. Right?"

In focus group two, the participants stated that the way that Emiratisation is implemented now has to do with *wasta*, and personal connections, which many Emiratis have and use to get certain jobs. However, they are not knowledgeable enough to get them, and this has a negative effect on the company and on his department specifically:

Participant: "Totally negative. If someone finds that someone is coming because of *wasta* or because of his ID, coming to affect his work, this will totally affect him in a negative way. He will affect the organisation at all. It does not affect me."

Participant: "As a department, not me. As a department, like the sales department, he is one of my team."

Another participant in the same focus group came to add to the problem that Emirati employees are not treated equally with the other nationalities; they have special, better treatment and this is something that has a negative influence on the performance of the employee and the company:

I think there are three parts to this question. One is, of course, you're asking about the employee performance. Now, me as an employee or all other employees, and let's say an Emirati is hired, if we are treated equally ... Of course, not in terms money, that is irrelevant. ...

The next participant, Number Six, stated that the mindset and the way the Emiratisation programs are implemented need to change in order for the whole system, the whole initiative, to work in a better way and for all the employees to perform in a better way. According to him, Emiratis feel that they have certain privileges yet are inferior to everyone else, and they just want the paycheck and to be away from work. So, they are not given crucial roles in the

company, but roles in order just to fulfil the necessary quota of the government initiatives. However, according to the participant, the private sector was already used to this kind of practice, but now they have to change many things because the government is making the Emiratisation initiative even harder. Now in order to hire personnel, first they need to go through an Emirati hiring process, and then if they do not find an available Emirati for their job, they start looking for an expat. According to him, all of these issues are very problematic, and they need a different kind of approach and implementation:

Well, in private sector, when we are working in UAE, it's like a phantom effect. You hire someone to complete the quota. Put him some corner of the office, or put them in the reception, or make him as the PRO, or send him as a messenger.. They should not feel that "Okay, I am a local. I have some privilege here. I don't have to do certain things." No. You compete, you prove yourself, and then you have the opportunity.

The next participant, Number Seven, stated that Emiratisation programs affect performance in a negative way. However, Emiratisation is a brilliant thing for the country in how it is implemented, but how it has been practised all of these years is problematic. For Emirati nationalss, everything is already a given, and they are kind of untouchable by the system, if they try or not, which affects everyone and creates a negative atmosphere in the company. Finally, he added that the policy of forced quota is not something that it works, and it doesn't help either however, according to him things have started to change towards a more positive direction:

I will have to start with the Emiratis. I think Emiratisation is a brilliant thing. I think it's necessary. I think, it's in fact, fundamental for the future success of this country.

The next participant, Number Eight stated that Emiratisation initiatives are problematic, and he stated that having jobs that only an Emirati is required to fulfil is incorrect; it doesn't develop competitiveness in the UAE. Furthermore, he stated that Emiratis were placed as managers although they were not really needed and that is wrong for the economy of the company. Additionally, another mistake is that often the person that has been placed in charge can't do the job, and it sets a very bad example for the whole company because everyone thinks that nationals are just lazy and don't want to work; it fulfils a stereotype, that divides the company:

I think that having jobs that only a national can do is wrong. I think that it doesn't develop the competitiveness for the host national, and I'll base this on Whereas we'd have people that were, so the general manager and then you'd have a different nationality recruited who actually did the job.

Then he continued by adding that that whole thing is problematic, because some people are hard workers among the nationals, and they are mocked because of this stereotype. He gives an example by an employee who used to be on his team and was told not to do any work in the company because she is a national. However, this lady wanted to work and be useful and came and told him this, so he used her appropriately and she thrived:

So, I got chatting and he said, "Look, I'm just told to play games on the computer and I want to do something." So, I brought him into my team, into their head office, and gave him a task. Got him busy and he thrived.

He added that the whole thing is wrong and that Emiratisation initiatives need a big review. He adds that in the UAE, asking for a certain nationality in a job is something normal, but in the UK it is discrimination and is considered racism:

I think that we're not going to change it, but I do think that it needs a bigger review. And I don't think you can say that job title must be that nationality. At the end of the day, I think, between you and me, and

Finally, he added that the salary discrimination of the Emiratis is creating a big problem among the employees, and it has a negative influence on performance:

I think people are dubious about it and I certainly have found that in some of the companies I've worked with is that they'll complain about salaries that these people are paid compared to the salaries that others are paid. They all complain about the entitlement.

The next participant, Number Nine, stated that in order to overcome the challenges of Emiratisation initiatives, the companies hire young Emiratis so they are younger and cheaper, and they can stay a little bit longer with them since other Emiratis prefer the government sector for better pay, power, and days off:

Of course, for us we have been recruiting fresh graduates to overcome this challenge and the other challenges that we have is most of the Emirati graduates, they prefer to work in government centre because they have certain



obvious benefits like working hours and in the militaries. Other than compensation, they get more benefits, more leap days, more holidays at the present time.

Then he added that companies with more Emiratis on their payroll get better treatment from the government and more privileges in order to motivate them to employ Emiratis:

Essential, central points because I'm very interested to talk about Emiratisation because this was an ongoing assignment for me and a quite challenging one. When we interview candidates, they always match private sector benefits, or leap days for example, maternity leave.

Finally, he suggested something that would make things better, and this is the standardisation between the private and the government sectors which would bring a balance and would actually help and have a positive influence:

A standardisation of benefits are required to strike a balance in public and private sector, but again we are... All of the companies are successful in attracting people in different ways and different strategies are being developed, but it would be good to have benefits and a match in private, public sector. It really is.

The next participant, Number Ten, stated, that the problem with Emiratisation initiatives is that they are moving too quickly, and Emiratis get frustrated because they do not have the skills or the experience yet in order to be competitive. Further, expatriates are getting frustrated too because they are the ones that they are doing the training, teaching, and most of the work. However, they are being paid significantly less for it. Moreover, the Emiratisation programs, according to the participant, who has been an HR director for more than thirty years in the UAE, are not based on data but on emotions, feelings, intuition, and gut feelings. Thus, all of the above have a negative influence on OP:

I wasn't aware that there are any wage restraints for Emiratis. So, I think the challenge is that most of the Emiratisation programs are moving too quickly. Well, it affects the Emiratis too, because they're frustrated. They don't have the skills and experience to sustain the business.

He continued by saying that Emiratisation is good as a concept, but the way that it is implemented is a little bit too quick, and it needs to move more slowly, and not include

forced quotas but really look at the needs of each individual sector and industry and adjust accordingly. He gives an example from an industry where the quota was very high, 50 %, and that destroyed the company because the employees they lost were very highly technical people and so they lost all of their experience and knowledge; thus, performance declined:

No. No. Well, they laid all the expats off. And with that, they lose all that experience. Yeah, for sure the performance will decline. Yeah. Because the ones that are left do not have the experience, and the skillset to undertake the jobs that they need to deliver. Many of them are highly technical in aviation. Well, many of them are highly technical in the industries that Abu Dhabi have invested in.

Finally, he argued that the problem of Emiratisation is also that because Emiratis are paid such high salaries, private sector companies cannot afford to pay them:

So even the government themselves are pushing more and more women into senior management positions. Because the ones that are left do not have the experience, and the skillset to undertake the jobs that they need to deliver. Many of them are highly technical in aviation. Well, many of them are highly technical in the industries that Abu Dhabi have invested in.

Moreover, the next participant, Number Eleven also mentioned that the problem of Emiratisation initiatives is that it is moving too quickly, and employees are worried that they are going to lose their jobs; and they know that Emiratis will get higher salaries that the rest of the employees are not going to get:

I think this is because of the way that we manage this situation with regards to and Emiratisation initiatives. Once there are, they tend to be with regards to UAE national allowances. Again, they're published, they're in our employee handbook, so people can see there are certain allowances that a UAE national would get that an expat would not get.

The next participant, Number Twelve stated that Emiratisation initiatives are problematic because of the way they are implemented, and they have a negative influence on performance because they are forced and everything that it is forced is not good or helpful. However, if it was applied in a different way with no force it would have positive results because there are Emiratis that have knowledge and connections that can be very helpful in an organisation:

It is affecting, I believe, the performance of the organisation. Because, as per your question, you are saying, "forcing" or, "forced." So, something which is forced, normally is not helping the organisational performance.. So, the problem is the forcing.

Valeria Gkoura: 'Okay. So, for you it's not itself the program, but it's the way that it is implemented?'

Participant: 'Yes. Yes, exactly'

Valeria: 'And this supposed to happen in a different way. You think if it was happening in a different way, do we have different results?'

Participant:

Yes, I believe so. I believe so, yes. Yes, because even we need, In our organisation we don't have currently, but why not if we had.

The next participant, Number Fourteen stated that Emiratisation initiatives are problematic and affect employees negatively, since Emiratis are getting higher salaries only because of their nationality regardless of their experience; and this is demotivating for the other employees:

Employee's performance, somehow this Emiratisation has affected our employees, Emiratis have higher salary expectation regardless of the experiences that they have. The real experience that they have, or the ones that are written in their profiles. It impacts negatively somehow

Then he continued that Emiratis have feelings of superiority, expectations of a high salary, but with a very limited education, and this is something that has a negative influence since it discourages the other employees who have capabilities and knowledge:

I mean, I have this experience and how come this guy is, just because he's Emirati and all that, but it will happen fast, because it's part of the process. And its part of the requirement for the company to have these Emiratis in order for them to exist generally. Yeah.

And he continued by saying that forced quotas systems are so problematic that they will hire any available Emirati for the job, just in order to fulfil the quota. He concluded this since

Emiratis are overpaid only because of their nationality, and as a result, the rest of the employees are demotivated:

Of the employees that are already in the business, negatively. Negatively for sure, because...

But the negative impact is within the employees who are already in the company. employees are really affected, because for the company it will give a positive standing, because they have Emiratis.

The next participant has a very long experience in the country, more than fifteen years, and stated that the forced quota system is wrong because there was a lack of Emirati engineers when the first Emiratisation initiatives started to appear. So, he concluded that all of this had a negative influence on performance because there was a lack of the skills that they needed:

"I think this one is a very difficult subject, because the government is forcing, in private sector, to hire Emiratis. From a personal experience when, in a previous company, when we were looking to hire to meet a quota, it was very difficult. At the time, there did not appear to be many Emirati engineers around

The next participant, number three argued that the good thing of the Emiratisation programs is that the UAE government subsidises the salaries of the Emiratis that will get paid more than everyone else only because of their nationality, but still all this has a negative influence on performance:

So but nevertheless, yes, unfortunately, it is still looked at as kind of like influencing the performance negatively on two sides. So I imagine it will start to have negative influence. I think it needs time. For the time being, I think it will have a negative effect. On both. Company and employee.

He continued by giving advise on how to minimize the negative influence of the Emiratisation programs, by adding that as many Emirati employees that are on the payroll now, the government subsidizes their salaries and tries to keep them until the time that the government will stop doing so; by then, they will already be trained:

The UAE is capable, and it's subsidising. Oman is not subsidising. They're enforcing Omanisation and they're not subsidising the salary. So, of this subsidising your salaries, try to get the rest of the Emiratis that you can and let

the government pay the rest for the salary in order to minimise the negative effect

The participant in focus group one stated that in the Emiratisation program, they are creating a burden on the business and its performance. Further, it is something very negative for an employee if he is not able to apply for a job although he has the technical skills, only because of his nationality:

Participant: "It will create a burden."

Valeria: "Okay."

Participant:

To the business. Yes. I've been there, and I've touched it. It affected me in a way because some positions were Saudised. I couldn't get that position although I'm eligible for that position, but I have to report to a manager.

Valeria: "So, you think you are eligible in that position, but you cannot touch that position?"

Participant one: "Yes, but let's taste this Emiratisation."

The next participant, Number Thirteen described, what employees might think about the Emiratisation program. He describes that the whole thing is something very negative, because employees have the fear that Emiratis will steal their job and they do not try to teach their colleagues, help them, or make any effort in the company because they think the colleague will be out of the company sooner or later:

The situation when you feel, ah, they got an Emirati who's going to take my position, if I teach him or teach her, which means that my job will become redundant, so I better not teach him or teach her. I better be careful of this company because they're going through Emiratisation, so they're going to ... Why should I work and put effort when they're going to kick me out? You get what I mean?

#### **4.6.3 Theme: Lack of Knowledge and Technical Education in Emiratis Negative Influence on Organisational Performance (Deductive Approach) (Non-HR Mechanism)**

In focus group one, participants stated that it is better to hire other nationalities that are more knowledgeable than Emiratis, who are difficult, according to the participant, to work with and they will have a negative effect on productivity:

Okay, I would say that it is better to hire to other nationalities that are more productive than local. That are more knowledgeable. I think productivity will be low. This is my opinion and what I heard from people who in different companies. Companies with local people. It is difficult for company to work with them.

Also, another participant stated that they have lack of actual knowledge for the managerial positions that they want, and this has a negative influence on performance:

Emiratis have different money expectations and career. They wanted to become managers quickly. Also, Emiratis mostly managerial positions without the actual knowledge of the position, so this has a negative influence on performance of the organisation but not in personal performance.

The next participant, number two stated that if Emiratis are not the correct fit for a certain job and they are hiring them just because of their nationality that will have a negative influence on performance:

But yet I will say on the other front that if it is that you're not getting the right talent or people are coming in and they're really not the right fit, that it'll be negative for the morale of your people that are there already, and it will not help.

In focus group two, participants stated that Emiratis cannot be in technical positions because they do not have the appropriate knowledge for those positions, and they want to become managers as well. Yet they do not have the knowledge for that position either, and this whole thing affects employees and performance negatively; especially if the other employees find out that Emiratis are hired only because of wasta:

. This will affect to the organisation if we bring someone just because he's Emirati or he's coming because of his wasta. Totally negative. If someone finds that someone is coming because of wasta or because of his ID, coming to affect his work, this will totally affect in a negative.

Participant: “Let me tell you something, X, if your manager tomorrow will be Emirati and he didn't understand what you are doing and he's managing you, of course this will have a negative influence on you.”

Participant: “Yeah, yeah. In this way, it's based on him. Yeah. We cannot imagine what”

Participant: “Exactly. As I mentioned it, linked to the wasta. If he's coming without knowledge, without any experience”

Participant: “He will affect the organisation at all. It does not affect me.”

Here the same participant, although before he stated that the lack of knowledge and effort of the Emirati colleague or manager would not affect him personally, but would only affect the OP, now changed his views and argued that eventually it would affect him personally too; in a negative way:

Participant:

Yes. From the sales perspective, I have to add something here. I think sales guys room, they're bringing the money to the company, yes. If it is someone, he didn't do his own work properly, let's say Emirati or local guy, he just taking a salary, so he will affect me as well, my target now. He will taking from me.

Valeria: “Okay. You think it will affect you as well, not only the organisation, but it will affect you personally?”

Participant:

Organisation negative all because ... the organisation at all because my target based on the schema, on some schema, let's say, of the company, but the organisation at all, they will, let's say start increasing the target for me because of some employee it's coming and he's, let's say. Imagine if he is from the sales team, what we will do? I will pay from my target, yes?

Valeria: “Maybe.”

Participant: “Sometimes, maybe. Maybe it's something like this, but I don't know what's the exact case.”

Valeria: “Okay. You feel like it's not going to affect only the organisation, but it will affect you as well personally and your performance”.

Moreover, the next participant, Number Six, stated that although he went four times to an Emirati recruitment process meeting and he waited there for hours, he was unable find the correct person for the job. The reason was that no Emirati had the kind of knowledge, that he needed, and it that the specialisation he was looking for was not even taught in the UAE universities:

We know companies where two or three Emiratis sitting in a room, just doing nothing. We should not approach them with a mindset that these guys are just coming just for the money, or we just keep them for money. No, we should use them any other employee.'

He then added that the government should do more when it comes to education because there is lack of education amongst the Emiratis. It should also teach them the value of education itself. As he mentioned exactly, it teaches them that they should not consider themselves superior, but they should learn how to survive in a society where you are equal among other people; and then things will improve:

Emiratisation, I think the government should do more in the education itself. They have to teach the value of work in the school itself. They should not send someone after graduation. "

Participant Number Eight made a deep analysis regarding the Emiratis and stated that there is lack of technical education but also of social education. He explained that the problem starts in their very early years because they are told that they will have everything, and they believe that they are entitled without even trying. He added that the whole educational system of the UAE needs enhancement and improvement:

They're told that they're entitled, they're told that they will have this, they get You look at your education system and if your education system where people can pay people to write theses, people can get degrees that a person maybe in another country's worked really, really hard for.

Moreover, participant Number Nine stated that there is obviously a skill shortage in the Emirate population, and to find the good ones and keep them is very difficult because they tend to go to governmental positions since there are very few who are very qualified; and he describes the way to solve this problem is by hiring freshly graduated Emiratis:



it is obviously very challenging to retain them in the payroll for longer periods. There is obviously a skill shortage because the Emirate population is not as diverse a population. But obviously retaining some of those roles are quite challenging.

He continued by adding that there is a skill shortage in the Emirati population, and he was trying to find an experienced Emirati employee, but he was not able to do that:

What we are trying is, since we have a skill shortage, I have been trying to find out at twenty years of experience with consultant, a UAE national, but I couldn't. So those skills are not available because Emirates population is small and even if I want to hire a director in safety, they are not delivering them. You cannot find them.

Moreover, participant Number Ten described, that Emiratis in Emiratisation initiatives were moved too quickly into senior and technical positions; however, they did not have the experience, the knowledge required, the training and probably the work ethic for that. Additionally, according to the participant, women are coming up now when it comes to education and work experience, and finally as has been stated before Emiratis are moving too fast into managerial positions although they do not have the knowledge and experience for it; however, they are very highly paid:

So, by moving the Emiratis into senior and technical positions too quickly, they didn't have the experience and the skills to continue the programs that the expats had set up. They're not based often on the data. They are based on well, emotional feelings, intuition, gut feelings.

He continued by supporting the idea of the Emiratisation program but with slower rhythms, so Emiratis have the time to get the appropriate knowledge and experience, and can replace the expats that already have all this experience:

I think as I said, the concept is good. They just need to move a little more slowly. And rather than force it with quotas, really look at each individual industry or sector, or business. And see to what extent they can develop the Emiratis that work with them.

The next participant Number Twelve, stated that if Emiratis were better educated, up to global standards, he would like to have them in his organisation:

Yes, I believe so. I believe so, yes. Yes, because even we need, in our organization we don't have currently, but why not if we had.... Yeah. To be educated, to have the proper skillset compared to the European, US, Australia, whatever standards, I mean the global standards. If they are up to standards, then there's no need for the government to force. They will be in the same pool of possible resources, let's say.

The next participant, Number Fourteen highlighted the fact that, at the moment there is a feeling of superiority among the Emiratis, however they do not have the education and the experience, and with just a high school diploma, not even with a true bachelor's degree they have expectations of a high salary so, things need to change in order to have a positive influence on the organisation:

Their expectations should be managed, so that the salaries and the budgets for the role as well would be acceptable for them. I mean, it's not all the time where we can give them exemptions, because they're Emiratis. So, it's okay.

The next participant, Number Fifteen stated that Emiratis are not highly educated, and they do not have the correct work culture, but they always have expectations of a high salary:

The culture that they were brought up in certainly did not align with the Western workforce culture.. They were really keen, but at the end of the day, they were nationals, so they did expect more money.

Then he mentioned that the problem with Emiratis is that they want to become managers in six months however, they do not have the appropriate knowledge for that:

Maybe not as well-deserved as that employee who has been working in the company for a long time and has not been elevated. I'm not saying that you're not going to get good talent, but if you've got talent with a very different work ethic culture, that the talent is not quite as you need, and you're spending time to develop them, then it is going to impact again.

#### **4.6.4 Theme: The of Phantom Effect of Emiratis, Negative Effect for Organisational Performance (Deductive Approach)(Non-HR Mechanism)**

Moreover, participant Number Eight describes in detail the phantom effect in the Emirati workforce, meaning that Emiratis do not go to the office at all, or they go to the office in

order just to get paid, and they do not work. Further, if there is someone who does not want to work, they just keep him on the payroll in order to fulfil the quota and they tell him just to play games on the computer and do nothing:

So, if you... I mean you've got two sides to it there. You've got someone who's just been told to play computer games and I can't be bothered with you. By the same token, I've had ones that don't want to work so I just say, "Well if you don't want to work, I don't want you in this team." It's as simple as that.

Then he continued by exactly describing the negative influence of the phantom effect in detail: that companies are trying to meet the quota of Emiratisation initiatives, and for that reason they are desperate, and they hire any Emirati employee, just in order to have him on the payroll. However, those Emiratis do not really work in the company and usually they do not even come to the office, that's why they've named it the 'phantom effect' amongst the participants:

Companies are trying to get around Emiratisation and they just have them on their payroll, but they do not really work companies are trying to fabricate evidence that they have Emiratis on their payroll, in order to be politically correct. Emiratis do not come to the office they are just on the payroll.

The next participant, Number Three, stated that the phantom effect has a negative influence on performance, and he is describing the ways that companies try to comply with the quota of Emiratisation programs by using Emirati employees by just having them on their payroll and not as normal employees in the office working for the company. Further, since the government has come to know about this 'phantom effect' of the Emirati employees, now they have started having audits in order to check that the Emirati employees are actually in the office and not only on the payroll:

And the country will start having other effects. Now, some companies will try to get sneaky as before by putting additional UAE people on their payroll.

Valeria: "Even here, even here in UAE they have started."

Participant: "Oh, there you go. So, my imagination it will start to have influence. I think it needs time. For the time being, I think it will have a negative effect."

Moreover, focus group one stated that the same situation with phantom effect employees took place in Saudi Arabia years ago, and now it is happening in the UAE, so companies are

using Emirati employees that are only on the payroll but do not actually work in the company. This is happening in order to meet the government quota. However, the government is making a lot of effort to make the new generation of Emiratis skilled and productive:

Participant: “So, in what sense? You have to meet the quota, which means you have to have... You need to hire virtual Emiratis, just like it happened in Saudi Arabia 20 years ago.”

Valeria: “Yeah?”

Participant:

You will start hiring people who will not be actually in your system working efficiently, but they will be on your payroll, so that will increase your operation cost. Your GP will be affected. Your net profit will be affected. Everything will be affected because you will still hire the same people that you want to hire to run the business.

... because as you mentioned, training, education, certifications, governments with all the initiatives are heavily investing to make the new... the Emirati generation to be as productive, as efficient, as expected to deliver.

Participant Number Six again mentioned the ‘phantom effect’ and the negative influence that it has; that there are many companies that have Emirati employees that are phantom employees in the company; just sitting in a room and doing nothing at all:

Lately during last year, we had to go through this interview cycle. We had to go register it, and go and sit there for two hours, and we couldn't find anybody. We know companies where two or three Emiratis sitting in a room, just doing nothing.

#### **4.6.5 Theme: The Good Branding and Door-pening, that Emiratisation Brings to a Company, Positive Influence on Organisational Performance (Inductive Approach) (non-HR Mechanism)**

The next participant, number two stated, that how companies see and approach Emiratisation, is very important. Also, he argued that Emiratisation is a good way to open

doors that can help the business, since Emiratis have a lot of connections at many levels, and this is something that can add value to the organisation:

Because positive from the point of view again is that we usually have some really great insights from our local talent as well and opening up doors and helping the business, to be quite frank, along a number of levels. But again, I would say so that would be very positive for the organisation.

In focus group one, the next two participants stated that Emiratisation is a program that we need to respect, since it is good for the country. Further, it can add value to the organisation if you hire an Emirati, although they are more expensive, the government will subsidise their salaries, and they will add the necessary prestige to the organisation, they will open locked doors in the government for example with their connections, something that plays a huge role in the UAE, and at the end of the day, they are a good branding for the company. The smartest approach according to him is to hire junior Emiratis; they are not that costly:

First, we need to understand from a country's perspective, right? So, when you have a country, their more first priority would be to have their own people to be happy. Because Emiratisation is because the country values their local talents to be recognised, and they have to be sufficient with some government and cash flows.... This country belongs to these people.

“Okay. For our image in the market, for me... If I'm selling a product from a company that's in UAE, I have to present the right image in UAE, right?”

Valeria: “Okay, so it's about the image?”

Participant:

So, it's about the image of the company. We are meeting our Emiratisation standards and the Ministry of Labour requirements. This is very important. If it's not important now, it will be important in two, three years, which we really have to be proactive about that.

Valeria: “So, you think it will bring a prestige to the company if we have Emiratis?”

Participant:

It will be prestigious. It will be proactive action.

Participant:

It's important. Yes. That cost will be covered also. There are laws in UAE that... Ministry of Labour or something. They will pay half. Half, subsidized wage. Yes. They will be paying half.

Development fund paying 60%. I'll tell you why. It will make a huge difference when you have someone from your company inside this government account from that family, than one of us expats to go there and try to sell. Definitely.

Then in the same focus group another participant stated that, yes it will make a positive impact if you hire an Emirati, but the problem is that they always want to move to governmental positions, which have more power and money; but they can compensate that issue with hiring young inexperienced Emiratis.

Participant:

I understand it has a good positive impact, but realistically speaking, right? When you're going to hire these people, when there is an opportunity for them to work in the government they always prefer to move on. Right? If our company wants to hire someone an Emirati, either it's expensive. or you can start with junior guys who are less costly.

Then, in the same focus group, another participant added that hiring an Emirati employee, even though they are more expensive, will add value to the company because it will give them good connections with the government, and this is something that is crucial and very beneficial for negotiations. Also, it will provide more prestige to the company and respect from the government and other companies if there are Emiratis on their payroll:

Participant 5:

The cost will be good for the company, and train them and get them to grow with our company. But I think it's really a plus for the company and something really good.

Participant: "Or just have one of them as a PRO, public relation officer."

Valeria: “So, you think it will add value?”

Participant: “The respect in the room”

Participant: “Yes.”

Participant: “... the environment, the whole thing changes.”

Participant: “Because it's a culture of respect for them.”

Participant:

Because, yeah, they will see that, "Oh, wow, you have a PRO who is from Emirates." They will say it's good to you. They will respect you.

Then, in the same focus group they continued talking regarding the positive image that an Emirati employee will give to the company that has him on the payroll, and even puts him on all advertisements as a front man:

Participant: Okay? Even LinkedIn posts they mention them. They put them in the front because they want people to know that we are Saudi or Emirati company. But in the kitchen, people coming from Jordan, from India, from Pakistan, all doing the job.

Valeria: “So, you think the image will be upscaled?”

Participant: “See? The image...”

Participant: “Yes.”

And then they continued by adding that it will be even beneficial if they want to add the organisation in the contracts negotiations that they have:

Participant:

Absolutely. I got contracts because of the GOSI certificate, the General Organisation for Social Insurance, because I have high level of Saudisation or Emiratisation same thing in my organisation. I got contracts because of this.

Then they added, in the same focus group that Emiratis represent the company in the public relations image, and this is something very valuable for the company. Also, they added that if they are hired in the company just to fulfil the quotas that are forced by the government

they will have a negative influence on the OP, but if they are hired in a company for the correct reasons and they are used as well properly then they will add value to the organisation and the performance:

Participant: "... just to represent us in the public relations image."

Participant:

It will have a bad thing on the productivity if you start hiring just to fill the quota. Just staffing. That's bad, if you're filling the quota. But if you are investing and selecting the right people...

Participant: "They became efficient."

In focus group two, the participants below had the same points of view as the previous focus group. They stated that having an Emirati employee on the payroll of a company will add value to the company because of the government relationships that the Emiratis have and the good connections that can offer a lot to an organisation. However, suppose a company hires an Emirati just for the sake of hiring him to fulfil the quota, and he does not have any knowledge or influence in the government or any connections. In that case, the performance will have a negative impact since he is not going to add any value, plus he is an expensive employee:

In my opinion, I don't know. There is a two way. If he has knowledge, if he has a connection, if he has a relationship with the local guys or the government's accounts, so it will be good for us and we will work together on that.

Then another participant from the same focus group added that it can have both a good and a bad influence, and that depends on the way that you are using them. But the government will look positively, at the organisation that will have Emiratis on their payroll since it will enhance their image:

Participant:

The government will value the companies who are private who are hiring more Emiratis. But yes, so it's a balance situation, a chicken and egg situation. You hire more Emiratis...



“Okay. You think it can have positive effects and negative effects?”

Participant:

It can have both. It can have both. As I mentioned, if the government is valuing in you as a company, as a private organisation hiring more Emiratis, and in return if government is, I don't know, subsidising you or giving you something back in return, it would be better. But again, I don't have answer to third one.

The next participant, Number Six, stated that an Emirati on the payroll of an organisation will bring a good image to the company itself. Still, of course, that depends on the person himself and how willing they are to work and provide for the company: “Those kinds of people they want to do something. He just came and inquired about the company itself. It's a consulting engineering firm. Okay, let me try and go. Such people are there.”

Valeria: You feel they can bring positive stuff to the organisation's performance?

. It can have a negative result, and the negative result on their performance, but it can have the positive result as well. It depends on the person and how he thinks about his career, his future, and stuff.

The next participant, Number Nine, whose company has value because they have Emiratis in their organisation, says that the right way is to use cheaper first-year students that will stay longer in his organisation. He compares them with more senior employees who are usually looking for governmental positions with power, more money, and days off when compared to the private sector:

...It is not easy to identify a candidate and maintain them in the payroll for a longer period because the market is very competitive, since it is a compliance issue for private sector companies, it is obviously very challenging to retain them in the payroll for longer periods. Yes. It would be easier for private sector companies to attract more talent because obviously for the young graduates, their vast preference is government jobs..

In addition, the next participant, Number Twelve stated, that there are Emiratis that are very skilled, and they add value to the organisation: “And we have seen it in this case by case

because there are some Emiratis who are very skilled. So they are, let's say, offering value to the organisation.”

In addition, the next participant, Number Fourteen, stated that if a company has Emiratis on its payroll, it will give excellent branding to the company and an edge in the government since the company will be able to fulfil the quota. Then, it will be easier for it to bring other nationalities because the system will allow them to:

The business and the organisation as a whole give a good branding. This is a good, good practice that the UAE has initiated.

He continued by adding that hiring Emiratis gives a diverse kind of image to the organisation; that the company is not discriminating with their employees based on their nationality, and this will have a positive effect in general:

No organisation it's always positive because, as I've said, it will give it positive branding. The more diverse a business is, the more it's suitable for the whole organisation.

Additionally, the next participant, Number Fifteen, stated that Emiratis in an organisation can bring a positive image to the company, opening doors that nobody else could open, and this will bestow a positive image to the company of integration and diversification:

If you bring in an Emirati who is well-qualified, he might have been educated in the Western world. He might have been educated here. He might just fit right in with the culture, then I think you're in a really strong position, because he's treated like anybody else.

Valeria: “And this can affect in a positive way?”

Participant:

Depending on the company, yeah. I think integration and diversity are good, so as long as you get the right talent, Emirati, Emiratisation, I think it is excellent.

The next participant, Number Sixteen, stated that Emiratis in an organisation would have a positive impact on performance since it will bring value and prestige to the company in the eyes of its customers, who are also Arab, and this is also a plus. Thus, Emiratis can add value to the image of the organisation in terms of sales, in terms of appearance, and how local

companies perceive it. Finally, he said that since the government is subsidising their salaries too and they promote the companies that are hiring them, then this is a positive thing:

So, it plays a significant role because if they're seeing the sales person coming as an Emirati national, they will value that this company is going by the process and the requirements of the UAE. I wouldn't say it has any negative impact on the performance and organisation; it brings us some good returns because when you also have these Emirati nationals, sometimes you get some sort of subsidy from the government institutes to expand your business and do certain good things.

The next participant, Number Seventeen, stated that Emiratis are not the 'lazy' employees that we have as a stereotype in our mind anymore; that they have changed, and they can add value to the company and to the organisation:

not the lazy guys that we used to think. It has completely changed. They have the same amount of knowledge, experience, creativeness, thinking. They work towards having something better and improving the work, the organisation.

#### 4.6.6 Summary

The interview data allows us to ascertain that Emiratisation has a tendency to decrease performance, however, there are some positive factors like good branding and the opening of doors. Overall, though, the conclusion is negative according to the participants.

Secondly there is the answer to the question "How does Emiratisation influence organisational performance?" First, evidence suggests that Emiratisation causes a power/tendency to decrease performance.

The following excerpts are evidence of this:

- "So, something which is forced, normally is not helping the organisational performance"
- "Well, as I say, it's moving Emiratis too far. Too far up the chain, too fast.... And they don't have the skills and the training, the experience, and probably the work ethic many of them, to fulfil the senior jobs...So this affects the performance. Yeah. Well, performance is weak."
- "It impacts negatively somehow"

- “It is still looked at as kind of like influencing the performance negatively on two sides. So, I imagine it will start to have negative influence. I think it needs time. For the time being, I think it will have a negative effect. On both. Company and employee”
- “It will create a burden to the business”
- “So, if I am in a job and I see my colleagues being fired and replaced with Emiratis, yes, my performance will go down. I'll be waiting for my time and I will be demotivated et cetera. Okay? While, I mean, this will always have a negative effect.”
- “Okay, I would say that it is better to hire to other nationalities that are more productive than local. That are more knowledgeable. I think productivity will be low.”
- “Emiratis have different money expectations and careers. They wanted to become managers quickly. Also, Emiratis mostly managerial positions without the actual knowledge of the position, so this has a negative influence on performance of the organisation”

Finally, as a result, the HR Mechanism of Emiratisation has the tendency/power to decrease the OP. However, according to Fleetwood (2010, 2017), as has been mentioned before, ‘tendency’ is a force that drives and pushes but does not represent the outcome of this action, only the party itself. Thus, the HR-Mechanism of Emiratisation comprises other sub-HR Mechanisms and non-HR Mechanisms that need to be checked on how they work. So, how do its sub-HR Mechanism and non-HR Mechanism work in performance due to its powers/tendencies and why? The answer, effectively, is the explanation of how the sub-HR Mechanism and the non-HR Mechanism generate their power/tendency on performance. When it comes to Emiratisation, some factors influence performance; these factors are The non-HR Mechanism of good branding that Emiratisation offers to a company, increased OP, which can open locked doors with Emirati connections, add value and give an edge to the company that has Emiratis on its payroll. Suppose a company hires Emiratis, even though they are more expensive. In that case, the government will subsidise their salaries, giving a certain prestige to the company in the eyes of its Arab and local customers. Furthermore, Emiratis will be able to open closed doors for the company, especially with the government, when other Emiratis are usually working there as well, so they will prefer to collaborate, which plays a massive role in this country. Finally, they offer good branding for the company because they can afford and honour the local population.

Moreover, according to the participants, Emiratisation is a program that needs to be respected since it is good for the country. Still, it needs time to move slowly, and the way it is implemented needs to change not with quotas but with careful consideration of the needs of each industry; when percentages are too high, then this is very challenging, and performance usually declines. Also, the Emiratisation programs move too quickly, and the expats with the experience have to leave too soon, without leaving their replacement Emirati with the knowledge and expertise to successfully occupy the role, so performance declines. Moreover, until now, the local population does not have the right skillset for the job, or the expertise. Some Emiratis do because they have been educated abroad but not enough to successfully occupy all the positions the Government is encouraging companies to hire nationals for.. So, the problem is that there needs to be more proper candidates. It is also difficult for the private sector to maintain those because they usually want to move as quickly as possible to the public sector, where they receive more privileges, such as fewer working hours, more paid holidays, more enormous salaries, and higher status and power.

The sub-Mechanism of problematic Emiratisation programs negatively influences the OP. There are many issues in the Emiratisation programs, like procedures and clarity towards the employees, which create problems and do not help performance. Moreover, according to the participants, the way the Emiratisation program is now performed makes employees feel that Emiratis will take their place after they train them, so they will try to avoid sharing essential knowledge and information. Furthermore, companies think that they are under pressure with the Emiratisation programs, that have to fulfil specific quotas for Emirati employees, which negatively influences performance because nothing that is forced is helpful. Moreover, lately, the government has made Emiratisation initiatives even harder, and now, to hire personnel, companies need first to go through an Emirati hiring process. Usually, if they do not find any available Emirati for their job, they start looking for an expatriate employee.

Additionally, Emiratisation initiatives are problematic since having jobs for Emiratis only is incorrect and doesn't develop competitiveness in the Emirati workforce. Also, salary discrimination among Emiratis is creating a big problem among the employees and negatively influences performance. Another problem is that Emiratis have been placed as managers too quickly, and the company does not need them; that is wrong for the economy and OP. Also, the discrimination of salaries between the Emirati employees and the non-Emirati employees is a demotivating factor, and restrictions in firing an underperforming Emirati employee should not exist; they should be treated like any other employee, according to the participants. Finally, Emiratisation initiatives are problematic because of how they are

implemented and negatively influence performance. This is so because they are forced, , but if it is applied slowly and in a different way with no force, it will have different results.

The non-HR Mechanism of lack of knowledge and technical education of Emiratis negatively influences OP. The participants stated a skill shortage and a need for more technical expertise and education in the Emirati population. Also, there needs to be more knowledge about the managerial positions that the Emiratis want, and they are usually moved there very quickly. However, sometimes, there is no real need for this executive role to be created. Moreover, the participants described that Emiratis were moved too soon into senior and technical positions; however, they did not have the experience, the knowledge required, the training and probably the work ethic for that, and this is something very harmful for the OP. Besides, as has been stated by an HR manager, although he went four times through an Emirati recruitment process meeting, (that is nowadays obligatory to go through before you hire someone) where he was waiting for hours, he was unable find the correct person for the job because no Emiratis had the kind of knowledge, that he needed. That particular specialisation he was looking for was not even taught in the universities of the UAE. Then he added that the government should do more regarding education because there is a lack of education within the Emirati population. Also, they should be taught the value of education itself. He explained that the problem starts in their early years because they were told they would have everything. They believe they are entitled to everything without even trying, which is not helpful to their competitiveness as part of the UAE workforce in a globalised economy.

Yet, all the participants supported the Emiratisation program as a necessity for the survival of a country with a small local population. So, all of the participants supported the idea of the Emiratisation program. Still, with slower rhythms, Emiratis could have the time to get the appropriate knowledge and experience and replace the expats who were more knowledgeable when they were ready.

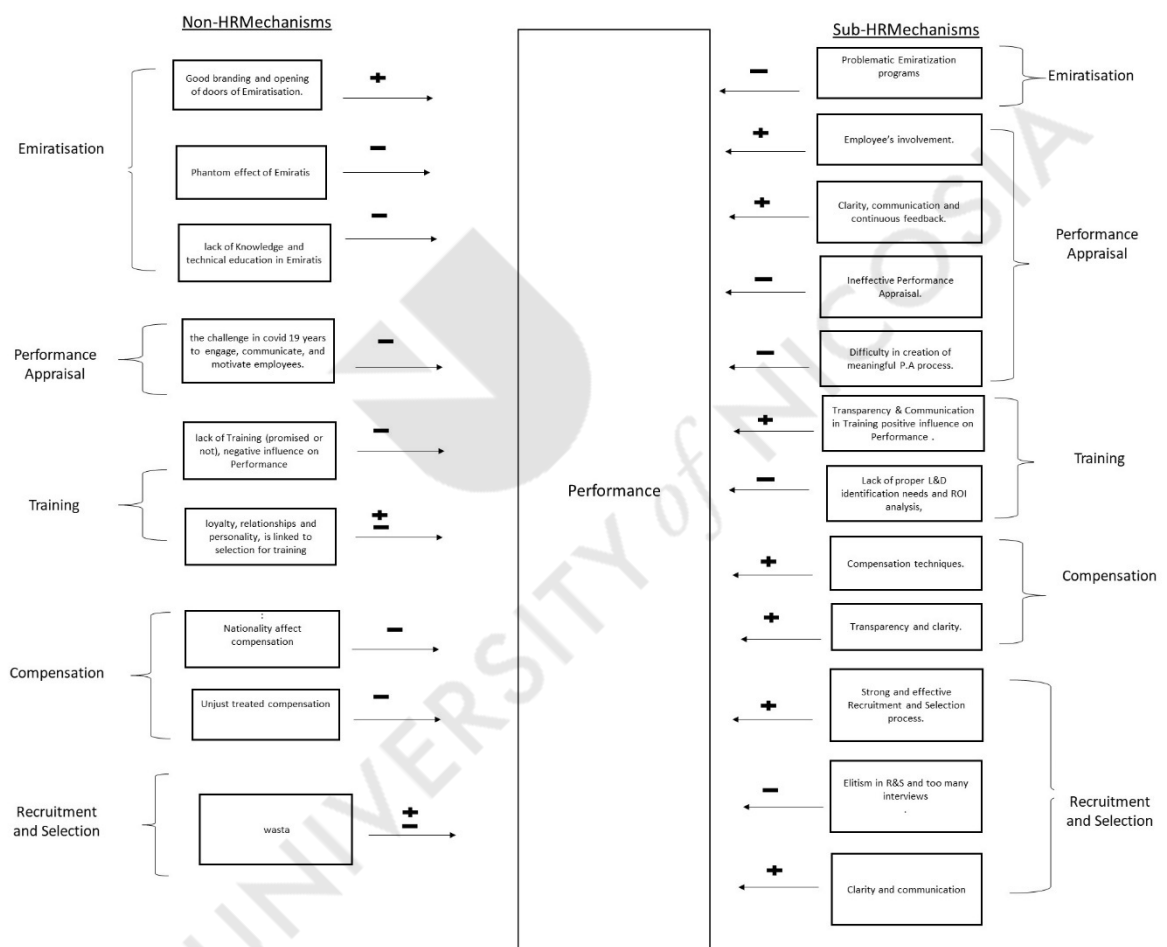
Another problem with the lack of local talent is that the few well-educated are very hard to find and want to move as fast as possible to governmental positions. Some participants stated that the solution to this problem is recruiting fresh graduate Emiratis, and this will not affect OP negatively. Thus, since there is a need for more local talent, they offer them the career path they need, and they can learn to find career opportunities in the government and private sector. The private sector can afford their salaries since they are fresh graduates, and it does not have many expectations from them, so it is beneficial for both.

The non-HR Mechanism of the 'phantom effect' of Emiratis has a negative influence on OP. Companies are trying desperately to meet the quota of the Emiratisation initiatives. Therefore, they hire an Emirati employee to have him on the payroll to fulfil the quota. However, those Emiratis do not really work in the company and usually do not even come to the office, so they have named it the 'phantom effect,' according to the participants. Thus, these Emiratis do not go to the office at all or go to the office just to get paid, and they do not work. The negative consequence of this effect is that sometimes, if someone wants to work, they keep him on the payroll to fulfil the quota and tell him to play games on the computer and do nothing. So, when the government found out about this phantom effect of the Emirati employees, they started audits to check that the Emirati employees were actually in the office and not only on the payroll.

Finally, according to the participants, the mindset needs to change regarding having jobs only for the nationals. This needs to be corrected and does not develop the competitiveness of the host nation; job titles should not be based on nationality or passport. Also, the educational level that comes with it needs a re-evaluation for the whole system, the entire initiative, to work better and perform well. Education is crucial for Emiratisation initiatives, so the government should expose the correct talent in the private sector rather than forcing things. If locals are educated, and up to standards, the government does not need to move them. Thus, much work should be done in educating Emiratis to be competitive and live in an equal society. (See the Figure 4.9 above for all the above).

## 4.7 The Final Model of the Research that Combines all HR Practices

Figure 4.10: The final model that combines all HR practices



Source: Author's own.



## 4.8 Word Frequency Query Results NVivo

In Figure 4.11 you can see the frequency query of words that it I created by NVivo and represents the words or concepts that have been mostly used in the interviews data. The most commonly occurring words in the interview data are, role, compensation, affect, bonus, and performance, represented in the large orange font.

Figure 4.11: Word Frequency Query



Source: Author's own.

## **Chapter 5: Conclusion**

### **5.0 Introduction**

This final chapter is about theoretical and practical implications and it elaborates on the conceptual contributions of the research. Moreover, the researcher describes the study's limitations and future research paths.

### **5.1 Theoretical and Practical implications**

This current doctoral investigation focuses on exploring the relationship linkage between human resource management practices/mechanism and OP via an empirical investigation in the UAE. The researcher analysed the interviews in order to provide answers to the research questions analysed in Chapter 2.

Summarizing the current research adds some theoretical values of:

- 1) Training: i) lack of training promised (or not) has a negative influence on performance. These findings come in contrast with some researchers who have stated that low-performance orientation societies like those in the Middle East (Egypt, Kuwait, Morocco, Qatar, Turkey) emphasize harmony over performance (Thomas et al., 2003) and are likely not to challenge employees for underachieving or resigning (Rahman et al., 2017). But are in line with some others that stated that a psychological contract breach has as a consequence a negative influence on an employee's performance in the organization (Turnley et al., 2003; Zhao et al. 2007).
- ii) Transparency and communication in training have a positive influence on performance. These findings are in line with the literature that highlights the importance of clarity of expectation and good communication between the employer and the employee (Farooq and Aslam, 2011; Eaisalou, 2014; Mathew and Johnson, 2015; Kisang and Kirai, 2016; Obi, 2016; Oluwayemisi and Taiwo 2021).
- iii) Lack of proper learning and development (L&D) identification needs analysis, as it has a negative influence on performance. The current findings are along the same line as the literature and state that training has significantly increased all over the world (Cascio and Boudreau, 2008), but evaluation continues to be a challenge for L&D of professionals in the workplace (Hall, 2008; Srimannarayana, 2017) and there is a lack of training evaluation in organizations, and it hasn't helped them (Moller and Mallin, 1996; Twitchell et al., 2000; Pulichno, 2007; Kennedy et al., 2014;

Srimannarayana, 2017). Iv) Loyalty, relationships, and personality are linked to the selection for training and the neutral influence on performance. While personality traits can influence training selection, their impact on performance can vary. It's important to note that personality traits alone may not directly determine performance outcomes, as other factors like skills, abilities, and training effectiveness come into play, and they have a neutral influence on performance. Other researchers have noticed that training in the UAE mostly correlates with personal relationships and not so much with the performance of an employee or his/her skills. Scott-Jackson et al. (2014)

- 2) The theoretical values of Recruitment and Selection: i) A strong and effective Selection process has a positive influence on organizational performance. Various researchers agree that effective R&S systems in an organization will bring a competitive advantage and higher organizational performance (Singh, 2004; Storey, 2007; Dyer and Reda, 2010; Amin, 2014; Gamage, 2014; El Ghalayini, 2018). ii) clarity and communication have a positive influence on performance. The literature so far highlights that the setting of goals for realizing the desired performance is crucial (West and Anderson, 1996; Kramer et al., 2013; Budhwar et al. 2018)). iii) elitism in R&S and too many interviews, however, has a negative influence on performance. The current findings are in contrast with some researchers like Pfeffer (2005) that states that if an employee goes through a rigorous R&S process, that employee is going to feel that he/she is entering an elite organization and he/she has high outlook for his/her performance. However, the Harvard Business Review (2019) when it states the mistakes of today's hiring highlighted the fact that the amount of time that organisations and employers are spending now on interviews has almost been doubled since 2009, and this offers at least a fractional explanation for why it takes longer to fill jobs nowadays. Iv) Wasta has mostly a negative effect on performance, but it has some positive aspects, too. When it comes to the negative influence, many researchers are in the same line of thought (Tlaiss and Kauser, 2011; Ali et al., 2013; Budhwar et al. 2018; Alsarhan and Valax, 2020). On the opposite side, some scholars describe the wasta system as the most effective way for Arabs to get employed (Branine and Analoui, 2006; Aladwan et al., 2014). Finally, the current study and the literature confirm that it may offer some positive aspects, like opening doors and that it is time-saving; however, the overall influence on performance is mostly negative (Budhwar et al. 2018; Alsarhan and Valax, 2020).

- 3) The theoretical values of Compensation influence employees' Performance positively and are coming in the same line with the literature, which states that there is increasing agreement for the importance of Compensation and the positive influence that it has on OP. (Suri, 2016; Lee et al. 2017; Hartati (2020). i) The Sub-HRMechanism of transparency and clarity, etc., in compensation increase performance. The current findings are in line with the literature that states that clarity of compensation is becoming more and more important these days in order to improve the discrimination between male and female employees and to help avoid huge pay gaps between the employees (Suri 2016; Bryant et al. 2020, Gambhir et al. 2020; Papilaya et al. 2019). ii) the feeling of unjust treatment in compensation has a negative influence on performance. Researchers have also highlighted the important role of fairness in compensation, Gelard and Rezaei, 2016; Mabaso and Dlamini, 2017; Castellanos et al., 2021). iii) compensation techniques increase performance. Some researchers agree with the current statement. Jean et al. (2017) conclude that employment benefits such as allowances, incentives, and bonuses have a positive effect on employee performance. Yang (2019) states that an additional signing bonus could constantly push employees to improve their productivity. On the opposite side, there is research that states that the market tends to overrate the incentive effect arising from employee bonuses (Chen, 2011; Yoo, 2018). Iv) nationality affects compensation and has a negative influence on performance. Literature confirms this negative influence as well and that nationality is a big bias (Tavolleti et al., 2022; Budig et al., 2021; Mjaarib, 2018; Waxim et al., 2018).
- 4) The theoretical values of Compensation of P.A influence employees' Performance positively and comes in the same line with the literature (Latham and Lock, 1991, 2013; Day and Unsworth, 2013; Hoek et al., 2018); as humans, we like to be involved in decisions or things that are related to us and our future. I) Employees' involvement in PA. Positively influence organisational performance. The findings of the current research are confirmed by some researchers (Huselid, 1995; Freeman and Kleiner, 2000; Batt, 2002; Bartel, 2004; Black and Lynch, 2004a, 2005; Chi et al., 2011; Sepahvand et al. 2020). Yet, Godard (2004) argues that employees' involvement is not a universal solution to an organization's problems. Other research emphasises a diversity of effects (Huselid, 1995; Youndt et al., 1996; Chi et al., 2011). Furthermore, Naeem (2017) argues that research cannot be generalised across the board as developing countries differ from developed countries in many aspects. Finally, there is limited research regarding PA. in developing countries (Naeem,

2017). ii) clarity, communication, and continuous feedback in P-APA. Positively influences organisational performance. These findings are in line with the literature that highlights the importance of clarity of expectation, continuous feedback, and good communication between the employer and the employee (Farooq and Aslam, 2011; Eaisalou, 2014; Mathew and Johnson, 2015; Kisang and Kirai, 2016; Obi, 2016; Bryant et al., 2020; Oluwayemisi and Taiwo 2021. iii) ineffective PA. Negatively influences organizational performance. Researchers confirm these results (Singh and Rana, 2013; Selvarajan et al., 2018). Iv) Difficulty in creating meaningful PA. has a negative influence on organizational performance, and literature confirms the results (Fletcher, 2001; Vasset et al., 2011; Dirpal, 2015; Bryant et al., 2020). And P.A creators should take into consideration that Western management techniques cannot broadly be applied to non-Western contexts since these practices might not work or work differently in a non-Western context as there is a strong influence of the local culture (Matic 2008; Palrecha, 2009; Wang, 2010; Elbanna and Gherib, 2012; Waal et al., 2017). v) The challenge COVID-19 years to engage, communicate, and motivate employees has a negative influence on performance. The literature confirms these findings too (Tziner and Rabenu, 2021)

- 5) The theoretical values of Emiratisation influence employees' Performance positively and come in the same line with the literature. I) Problematic Emiratisation programs tend to negatively influence O.P. Many researchers have further highlighted their concerns that localisation initiatives and the way they are applied are not helping either the private sector or multinational firms to accomplish rationalisation of their HRM systems (Ahmad, 2004; Rees et al. 2007; Al-Waqfi and Forstenlechner, 2014, Budhwar et al. 2018). Lack of knowledge and technical education of Emiratis negatively affect their performance. These findings regarding the lack of education in the Emirati population are on the same page with other research (Pech, 2009; Waxim and Bateman, 2016; Waxin et al., 2018; Sarker and Rahman, 2020).iii) the phantom effect of Emiratis tends to negatively affect the O.P.The current findings agree with the literature as well, which states that companies try to surpass the difficulties of the forced quota system by hiring phantom employees who are encouraged not to work (Al-Dosary and Rahman, 2005; Aljanahi, 2017; Salem, 2010; Budhwar, 2018). Iv) Good branding and opening of doors that Emiratisation brings to a company and has a positive effect on performance. This is a unique conclusion, which the researcher could not find in the literature exactly because there is a lack of studies in the UAE that investigate HR practices and performance. In

particular, as has been stated by Agrawal and Baltazar (2019), there is a gap in the literature on HRM studies in the UAE compared with the U.S., Europe, and parts of Asia. Moreover, according to Waxin and Bateman (2016) and Randeree (2012), there is still an absence of academic and empirical research on Emiratisation programs and HRM practices specifically where there has been no comprehensive study encompassing the key HR processes.

## **5.2 Research Question 1**

What is the influence that the HR practice/mechanism of training and its sub-HR Mechanism have on organisational performance due to its powers/tendencies and why?

The semi-structured interviews aided the researcher to respond to research question one and reveal the perceptions of employees on how and why training and its sub-mechanism, due to its powers and tendencies, influence organizational performance.

Our findings from the interviews, show that training influences employees performance positively and is in the same line with the literature, which states that there is a robust agreement, concerning the importance of training and the positive influence that it has on OP. (Tharenou et al., 2007; Millar and Stevens, 2012; Jiang et al., 2012; Riley et al., 2017; Wright and McMahon, 2011; Kim and Ployhart, 2014; Garavan et al., 2020). Specifically, Garavan et al. (2020), states that training is directly and positively related to OP, and that aligns with other research as well (Combs et al., 2006; Subramony, 2009; Tharenou et al., 2007). It also is in line with empirical studies that have shown the positive contribution of general training enhancing OP (Aragon et al. 2001; Beugelsdijk, 2008; Riley et al., 2017), as well as previously reported meta-analyses (Combs et al., 2006; Subramony, 2009; Tharenou et al., 2007; Garavan et al., 2020). Thus, the current finding agrees with the literature that training is a significant HR practice and there is a positive link between training and OP (Riley et al., 2017; Wright and McMahon, 2011; Kim and Ployhart, 2014). Foremost, training enhances employees' knowledge skills and abilities and that results in elevating OP (Wright and McMahan, 2011; Kim and Ployhart, 2014), and making employees more flexible and able to accomplish diverse tasks more efficiently (Somaya et al., 2008) with more specialised knowledge; that in turn results in improving P. Furthermore,

training has been recognised as an HR practice that helps in improving the morale of the employees as well as the OP and productivity (Tharenou et al., 2007; Sun and Choi, 2014). Aladwan et al. (2015) also state that the HR practice of training plays an important role in the organisational commitment of the employees. Simultaneously, research shows that when an organisation invests in training, it will eventually contribute to improving individual and OP (Bartel, 2000; Garavan et al., 2020; Newman, 2011).

However, the strength of the training and OP link may also depend on external institutional factors within which the organisation takes place (Farndale and Paauwe, 2018; Budhwar et al., 2018). Tzabber et al. (2016) state that training has a stronger relationship with OP in the service sector and Tzabbar et al. (2017), found that training had the strongest impact on medium rather than large firms, which is our current research sector and size too, thus this research is in line with our findings. This can be justified since organisations in the service sector use their employee capabilities that are key to accomplishing the goals of the organisation while the manufacturing sector relies on technology and equipment to achieve organisational goals. Training opportunities, predominantly development-focused training, might act as a motivational tool for service sector employees to establish extra role behaviours and discretionary effort (Tharenou et al., 2007) that is predominantly significant in customer service companies. This finding also lends support to the adaptation principle of systems theory (Von Bertalanffy, 1968), which designates that training must acclimatise to changing environmental conditions in order to achieve OP (Garavan et al., 2020)

When it comes to training there are some factors that influence performance. According to the current research, these factors are:

- i) The non-HR Mechanism of lack of training promised (or not), negatively influences performance. According to the interviewees, lack of training is a factor that affects, in a negative way, organisational performance. The employee doubts the employer if the promised training is not delivered and has a negative impact. Also, employees will start having second thoughts about why the employer is not training them, and as a consequence, employees will get frustrated and decide to find a way to leave the organisation sooner or later. This can be explained by the psychological contract which employees have with their employer and the promises that have been made to them. According to Rousseau (1995, p.5): a psychological contract is: “individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation” (Rousseau, 1995, p.9). Thus, if a breach

of a contract takes place such as the non-delivery of a training, (however the psychological contract is more subjective than a legal contract), it will have some significant consequences on the employee and their performance since the company has not succeeded in fulfilling its promises or obligations (Robinson and Rousseau, 1994) and this breach can cause feelings of frustration and anger (Morrison and Robinson, 1997), as well as increase the feelings of violation (Raja et al., 2004). It is also expected to lower employee commitment and performance to the company or to push an employee to permanently withdraw from it (Zhao et al., 2007). So, according to many researchers the turnover of employees is the result of the breach of the psychological contract and this 'punishes' the organisation since the turnover usually results in high costs to employers due to the considerable time and money since it is obliged to refill positions in R&S, and training; plus it can hurt everyday business operations along with the employees morale (Kacmar et al., 2006; Zhao et al., 2007; Jayaweera et al., 2020). Thus, a psychological contract breach has, as a consequence, the negative influence on an employee's performance in the organisation (Turnley et al., 2003; Zhao et al., 2007).

Justice theory (Greenberg, 1990) and social exchange theory (Blau, 1964) are usually the theoretical frameworks that justify an employee's behaviour. The general foundation is that employees calculate the output–input ratio and do the comparison of it with some standard, and when seeing a divergence, they adjust their inputs in an effort to accomplish a balance in the relationship (Zhao et al., 2007). Finally, according to Jayaweera et al. (2020), the bridge of a psychological contract is something that is very risky for an organisation since it means that the promises that were given in the past were not kept, and that the promises which will be given in the future might not be kept either, so this might push the employees to leave and decrease their job performance (Lu and Lin, 2014). Thus, managers should not make unrealistic promises, because even though this might have a motivational short-term effect, in the long run it will affect the performance of the employees negatively, and it will have a negative influence on the organisation too (Jayaweera et al., 2020). These findings come into contrast with some researchers who have stated that low performance orientation societies like those in the Middle East (Egypt, Kuwait, Morocco, Qatar, Turkey) emphasise harmony over performance (Thomas et al., 2003) and are likely not to challenge employees for underachieving or resigning (Rahman et al., 2017). Performance-orientation practices also have a direct link with



work outcomes such as performance (Jackofsky, 1987) and turnover (Sturman et al., 2012). Perhaps the justification is that the UAE is not included in the GLOBE study, and it might be different since its leadership pays a lot of attention to innovation and actually rewards it (2015 was the ‘Year of Innovation’ for the UAE, innovation is part of the pillar 'United in Knowledge' Vision of 2021, which focuses on innovative Emiratis building a competitive economy). Also, the UAE has a top position in the world innovation index as the most innovative country in the Arab world (UAE government portal, 2022).

- ii) The sub-HR Mechanism of transparency and communication in training’s positive influence on performance: The analysis of the interviews revealed that participants reported that transparency and communication, when it comes to training, have a positive influence on employees’ performance. According to the participants even if there is a training that did not take place for some reason, although it has been promised, transparency and communication is a way to avoid employees demotivation, which will come (according to the above findings) with an undelivered but promised training. Thus, if the employer clearly communicates the reason behind the cancellation or the training delay, then the employee will feel that they are valued and appreciated, acts that always have a positive influence on an employee’s performance and the demotivation, if it comes, will be absolutely minimum. Thus, transparency, clarity, and continuous dialogue between the employer and the employee are crucial and can avoid problems and instead motivate employees. Moreover, clarity and communication are very important because if an employee knows their target during training better, with proper and continuous feedback and clarity of expectation, they will be able to achieve it. Thus, it is very important for an organisation to give a chance to its employees to understand what exactly the company expects from them and what their expectations are, to bridge the gap between the two sides. These findings are in line with the literature that highlights the importance of clarity of expectation and good communication between the employer and the employee (Farooq and Aslam, 2011; Eaisalou, 2014; Mathew and Johnson, 2015; Kisang and Kirai, 2016; Obi, 2016; Oluwayemisi and Taiwo 2021). In particular, job clarification and supervision of employee’s performance, could lead to job satisfaction, professional commitment, higher productivity (Bashir and Ramay, 2010) and it could minimize roles’ ambiguity (Yousif El Ghalayini, 2018). However, if a communication is not direct and it has a tendency to hide the speaker’s true purpose, hence, it might be tough for an employee to correctly decode their real performance when managers internalise their information in this way, depriving the employee of explicitly obtaining feedback (Scheerer et al., 2017). The above reasoning

is consistent with the communicative responsibility theory (Aune et al., 2005). The communication theory suggests that people who comprehend that different people may have a different understanding of an identical message, will assume more communication responsibility and will be “increasingly explicit and redundant about what they are trying to communicate” (Aune et al., 2005, p. 360). So good communication and transparency in the workplace is crucial for an organisation.

- iii) The sub-HR Mechanism of lack of proper learning and development (L&D) identification needs an analysis, of negative influence on performance. According to the participants, organisations do not usually identify L&D requirements on a yearly basis, so there is a weakness in the identification of L&D needs in the companies. Goldstein and Ford, (2007), argue regarding this, that training evaluation is the systematic assembly of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, values, and modification of various training activities. Moreover, there is this lack of identification, and if an organisation does not search extensively for its needs, then this is not going to positively affect its performance, but negatively, because there is a lot of money spent for the wrong reasons and there will be no return of investment (ROI) for the company. Therefore, an insufficient ROI analysis of employees' training needs, to understand the real value for employees and the organisation, affects performance negatively. There are two kinds of training evaluations, the formative and the summative (Tarenou et al., 2007); the first has to do with the evaluation of training before it actually occurs, during the design and development stage (Brown and Gerhardt, 2002), and the second has to do with the evaluation of training and of its objectives, which have been accomplished (Srimannarayana, 2017). In summary, there needs to be clarity about training needs and why a certain employee has been sent for training as well as how the training went. This assessment needs to be done to have specific expectations from the employees in the workplace as well as showing expectations about the investment in the training. Participants stated that the lack of proper L&D identification and ROI will bring negative results when it comes to training since the company's needs were not properly identified from the beginning. So, when they used the same training, for example, as the previous year without properly looking for the new needs for training it was just a waste of money; something that had a negative influence on organisational performance. The current findings are along the same

line as the literature and state that training has significantly increased all over the world (Cascio and Boudreau, 2008), but evaluation continues to be a challenge for L&D of professionals in the workplace (Srimannarayana, 2017). Hall (2008) argues that ‘what the organization gains out of its investment in training’ is an issue of concern for the management and only three percent of CEOs have been satisfied with their corporate training. Finally, a previous researcher also confirmed that there is a lack of training evaluation in organisations, and it hasn’t helped them (Moller and Mallin, 1996; Twitchell et al., 2000; Pulichno, 2007; ASTD, 2009; Kennedy et. al., 2014; Srimannarayana, 2017). The reasons behind this are: lack of support, resources and time, the high cost that an evaluation for training can have, the struggle in retrieving as well as accessing the right training data, and last but not least, the lack of expertise between the HR professionals.

iv) The non-HR Mechanism of loyalty, relationships, and personality is linked to the selection for training and the neutral influence on performance. According to the participants, training is linked to loyalty, family culture, and relationships in the UAE. Loyalty, length of service, and personality are very important factors for the selection of an employee for training. The more loyal the employee, close to the management, and trustworthy, the more and better training programs will be assigned to them as a reward for their behaviour. Personality can play a significant role in the selection for training programs and can have both direct and indirect effects on performance. According to the participants, personality relates to selection for training. Organisations often consider personality traits when selecting employees for training programs. Certain traits are believed to be conducive to effective training and learning, while others may not align as well with the training objectives. For instance, Openness to Experience: individuals high in openness tend to be curious, open-minded, and eager to learn. They might be more receptive to new ideas and training content, making them strong candidates for training programs that involve creativity, innovation, or adapting to change. Conscientiousness: This trait is associated with diligence, organisation, and attention to detail. Employees high in conscientiousness might excel in training that requires following procedures, adhering to guidelines, and completing tasks accurately. Agreeableness: People high in agreeableness tend to be cooperative, empathetic, and good team players. They might thrive in training focused on interpersonal skills, collaboration, and customer service. Emotional Stability: Also known as neuroticism, emotional stability relates to emotional resilience and stability under pressure. Employees with high emotional stability might handle the challenges and pressures of

training better, leading to more positive outcomes. Also, employees that tend to be more stable and loyal as personalities to the organisation and liked more by the management they tend to be chosen more for training, since training is treated mostly as a reward in UAE. While personality traits can influence training selection, their impact on performance can vary. It's important to note that personality traits alone may not directly determine performance outcomes, as other factors like skills, abilities, and training effectiveness come into play and it has a neutral influence on performance. Other researchers have noticed that training in the UAE mostly correlates with personal relationships and not so much with the performance of an employee or their skills. Scott-Jackson et al. (2014) state that the relation of training and development to career development could be somewhat weak, given the significance of personality characteristics like relationship building and loyalty. Capability might not automatically be the most significant criteria for enhancement in a patriarchal hierarchy. L&D serves the purpose of strengthening, confirming respect upwards, nurturing downwards and preserving the leader's jurisdiction and effect. Employees are usually sent to train as a result of their loyalty or as a validation of their status, with no anticipation of education or enhancement of performance. Scott-Jackson et al. (2014) justified this reaction towards training based on the fact that the entire GCC business population was a pretty small affair and had to do mostly with the family where almost every person was a family member or very well connected to the family, thus the relationship building and the loyalty to the family was a significant factor. Businesses have been run like families have a similar orientation. Currently some efforts have been made, in order to introduce the proper training and certification for GCC HR professionals (Scott-Jackson, 2012, Scott-Jackson, 2014). But then again, the suitability of the training has become a subject as to whether HR practices need to be localised (contingent HRM), or if it is possible to be grounded on a global, Western model. On this ground, according to Budhwar and Mellahi (2006) cited by Scott-Jackson, (2014), regardless of globalisation and the influence that the expatriates have, the Middle Eastern countries reserve a discrete work culture and attitudes towards work. This unique work culture has to do with the values of Islam, the Arab traditions, the excessive respect for authority, loyalty to the group and the family, high-powered distance collectivism, centralised but unified decisions, the small amount of delegation of tasks, and last but not least, the inflexible HR practices and policies in the organisation. Thus, these kinds of differences have a lot of consequences on plenty HR policies, such as recruitment and selection (R&S), performance appraisal, management, as well as HR rewards. This is in line with other

researchers who have also noticed that the external institutional factors inside which a company operates play a significant role and can affect the relationship between the strength of the training and organisational performance (Budhwar, Pereira, Mellahi, and Singh, 2018; Farndale and Paauwe, 2018; Garavan et al., 2020). There is now increasing evidence that individual decision-making does not just occur in isolation but is increasingly dependent on context (Johns, 2018; Jayaweera et al., 2020). Now, when it comes to a neutral relationship with a performance where the results of the current study show that the loyalty of relationships and personality, are linked to selection for training, evidence advocates those employees who live in collectivist societies (like the UAE) are inclined to have stronger psychological contracts with their employers. In this case, they have less of a tendency to underachieve or leave, despite personal issues or displeasure (Maertz, 2004), in contrast with the employees who live in individualist societies (Cruz et al., 2018; Thomas et al., 2003). Generally, collectivist societies have a habit of disheartening an employee to show their opposition to their corresponding group of reference (Fischer and Mansell, 2009), and consequently, they will more probably be accepting of something they do not agree with (Jayaweera et al., 2020). These employees are more likely to emphasise group commonality (Cohen et al., 2016) and they are likely to react less strongly to any breach by underperforming or leaving their jobs (Vantilborgh et al., 2013; Zagenczyk et al., 2015). Probably these employees will accept managerial decisions and respect authority (Daniels and Greguras, 2014; Ghosh, 2011) even when they experience negative events. Finally, according to Garavan et al. (2020), in HRM and organisational performance, external institutional factors and internal organisational context characteristics have an influence on both (Farndale and Paauwe, 2018; Jackson, Schuler and Jiang, 2014).

The concept of fit or congruence, which is embedded in systems theory, between external and internal context factors and HR practices provides a theoretical logic for understanding the role of external moderators of the relationship between training and OP (country's labour cost and country performance orientation), along with significant institutional factors (size, technology intensity, and sector) impacting HR and training policy and practice (Meyer and Peng, 2016). Therefore, because of the impact of the country performance orientation along with the fact that training is linked to loyalty, family, culture, relationships, and the length of service, the better training programs will be assigned to the employee who fits that mould; and the employee's performance will not be affected by any dissatisfaction they might have. Finally, according to the

participants, trust is a crucial factor in the context of training practices, especially in Arab countries. Trust forms the foundation of professional relationships and interactions, and when it comes to promised training that isn't delivered, it can have significant consequences for both the employees and the organisation. In the UAE, trust is deeply embedded in their cultural and societal norms. People value personal relationships and integrity in business dealings. When a manager or HR representative promises training and fails to deliver, it can undermine the trust that employees have in the leadership and the organisation as a whole. Here's how this situation can impact different aspects: Employee Morale: employees might feel demotivated and undervalued if promised training doesn't materialise. This can lead to decreased job satisfaction and productivity. Credibility of Leadership: failing to fulfil training promises can erode the credibility of managers and HR professionals. Employees may start questioning the authenticity of future commitments. Retention and Turnover: a loss of trust due to unfulfilled promises can contribute to higher turnover rates. Employees might seek opportunities elsewhere if they feel that their development needs are not being met. Workplace Atmosphere: distrust can lead to a negative work environment characterised by skepticism and cynicism. This can hinder collaboration and hinder the overall organisational culture. Employee Development: lack of training opportunities can hinder the growth and development of employees. This can lead to a skills gap and impact the organisation's long-term success. To avoid such negative outcomes, it's important for organisations to prioritize trust and follow through on their commitments.

### **5.3 Research Question 2**

What is the influence that the HR practice/mechanism of recruitment and selections (R&S) and its sub-HR Mechanism have on organisational performance, due to its powers/tendencies and why?

The semi-structured interviews aided the researcher to respond to research question two and reveal the perceptions of employees on how and why R&S and its sub-mechanism, due to its powers and tendencies influence organisational performance.

When it comes to R&S there are some factors that influence performance, these factors are:

- i) The sub-HR Mechanism of strong and effective recruitment and selection process'

positive influence on organisational performance: The current research revealed that the participants' R&S techniques have a positive influence on performance, especially if they are strong and effective because in that way it is ensured that selected employees will be the correct fit for the company, they will have the correct behaviour, and this will help the organisation to grow and achieve their goals and the employee will increase their performance. Moreover, according to the participants, R&S is a very good filter for a company to get the correct employees, and the person that will end up fulfilling a role will be the correct fit. Thus, they will end up increasing organisational performance since employees are the most important assets in an organisation. Lin et al. (2017) state that the most extensive problem in the R&S process are weak HR strategies. The current findings are in line with the literature review so far. Various researchers agree that effective R&S systems in an organisation will bring a competitive advantage, and higher organisational performance (Singh, 2004; Storey, 2007; Dyer and Reda, 2010; Amin, 2014; Gamage, 2014; El Ghalayini, 2018). Aladwan, et al. (2015) also stated that the HR practice of R&S has an important role to play on the organisational commitment of the employees. Further, Agyei et al. (2016) states that effective R&S would have a substantially positive impact on organisational performance (Agyei et al., 2016). Specifically, Senase (2018) states that R&S has a significant outcome on the performance of the organisation, and the more objective and stronger the R&S, the better the organisation's performance. Djabaty (2012) also argues that the right staff, that comes through an objective and fair R&S process can offer an organisation a competitive edge in the market. Moreover, other researchers have also highlighted, that R&S of human resources are in correlation with organisational performance (Sang, 2005; Wright et al., 2005; Katou and Budhwar, 2006; Syed and Jama, 2012; Gamage, 2014; Klepic, 2019).

- ii) The sub-HR Mechanism of clarity and communication have a positive influence on performance. Clarity and good communication during the recruitment process is crucial for the employees and for the image of an organisation. The interview needs to be short, structured, and with clear steps in order for the employee not to get frustrated and lose interest. Also, R&S steps need to be communicated to the employee from the beginning and the company needs to give feedback as well. Moreover, the new hire should be communicated to clearly from the beginning

regarding their responsibilities, to avoid any frustration and unproductive behaviour. Additionally, it is very important for a company to have a clear image regarding the recruitment needs and the reasons behind hiring, because this will have an influence on the new employee's performance. The literature so far highlights that the setting of goals for realising the desired performance is crucial (West and Anderson, 1996; Kramer et al., 2013).

According to many researchers regarding the R&S in the Middle East, HR practices need to distance themselves from the old type of relationship-based practices and have more performance-based criteria in R&S, as well as change the old mentality of top managers whose views are entrenched in routines and the old ways of performing things. In doing so they will bring transparency and fairness into HR practices and might create a win-win situation (Mellahi, 2003; Mellahi and Budhwar, 2006; Zaitouni et al. 2011; Khan et al. 2015; Budhwar et al., 2018). Moreover, sharing work-related information and viewpoints can stimulate mutual understanding and cooperation and will benefit the performance of all involved (Van Knippenberg et al., 2004; Ginkel and Knippenberg, 2008). According to Hoegl and Parboteeah, (2003) sharing perspectives and experiences can only have positive effects on performance. Clarity and good communication are always the best way to have a better understanding of a work task (Hoek, 2018) since, according to Santos et al. (2019) mistakes during R&S will generate fatal new problems for the organisation in the future. Furthermore, Cameron et al. (2010) argues that that the better the R&S strategy of an organisation, the better the results. R&S is the beginning of the success or failure of a company since the R&S procedure should be carried out seriously by using trusted standards to find the most appropriate candidates, and this influences employee performance too. Thus, establishing clear policies and procedures when a company is designing the R&S procedure is crucial (Florea and Mihai, 2014) because the R&S process has a significant influence on the performance of employees as well as the performance of an organisation (Shin and Konrad, 2017).

- iii) The sub-HR Mechanism of elitism in R&S and too many interviews, however, has a negative influence on performance. According to the participants there are too many interviews. Instead of making them feel like they belong to an elite group and feeling good about it, they feel like the organisation is scrutinising them (the



candidates) and they start to feel "CV fatigue" after a large number of interviews. There is a fine line between the correct number of interviews and too many. In the Middle East in general, and in the UAE specifically, according to the participants, everyone has an opinion and they want to express it, and this results in a large number of interviews with a lengthy R&S process that demotivates the employees and has a negative influence on their performance. Candidates lose interest after too many interviews, they get frustrated, and they stop trying if there are no updates from the organisation regarding the R&S process, which goes on and on. This happens especially if it's a long process, very vague and full of surprise interviews. The current findings are in contrast with some researchers like Pfeffer (2005), that states that if an employee goes through a rigorous R&S process that employee is going to feel that they are entering an elite organisation and they have high outlooks for their performance and they get the message from the organisation that employees matter and are valuable for the company. However, the Harvard Business Review (2019), when it stated the mistakes of today's hiring, highlighted the fact that the amount of time that organisations and employers are spending now on interviews has almost been doubled since 2009, and this offers at least a fractional explanation for why it takes longer to fill jobs nowadays. According to research that Glassdoor (one of the biggest recruitment websites globally) made, interviews are possibly the most difficult procedure to succeed in since interviewers must stick to questions that forecast good hires, mostly about past performance or conduct that is pertinent to the tasks of the job and ask them consistently across candidates (Harvard Business Review, 2019). Finally, it is concluded that R&S urgently need new tools, because the existing ones, personality tests, unstructured interviews, personal referrals, are not very effective, thus, they conclude that the advice for R&S is to test for skills. This way they can show evidence that the company can actually predict who the good employees will be and finally they will have fewer, more consistent interviews (Harvard Business Review. 2019).

- iv) Theme: The non-HR Mechanism of *wasta* has mostly a negative effect on performance, but it has some positive aspects too. The word *wasta*, has a negative meaning on its own, however, the use of *wasta* in everyday transactions is predominant throughout the Arab world and it is significant when it comes to serious decisions and processes (de Waal and Frijns, 2016). It has been however, unresearched and not much evidence is available concerning it (Budhwar et al.,

2018). The *wasta* phenomenon is intensely rooted in the society to the point where it turns out to be accepted in many situations as a normal feature (Weir et al., 2019). Thus, according to the participants the influence that *wasta* can have on organizational performance can be negative but it could also have some positive effects. So, referral, cost saving, and opening of doors are the positive effects, but introducing a person that does not fit and does not have the right knowledge for the role will have a negative influence on that person's performance. When it comes to the negative influence, the literature is in the same line of thought. As stated by Adam's equity theory (1965), inequity among employees exists for a person whenever they feel that the ratio of their outcome to input being their contribution that they bring to work, like education and skills, and the ratio of others' outcomes to their input are inadequate. Therefore, this situation creates dissatisfaction and low morale among all the employees (Adams, 1965). Moreover, Alsarhan and Valax (2020) state, that in Arab countries the inequality and lack of fairness in the distribution of power, wealth, and opportunities play a crucial role in strengthening the use of *wasta*, leading to increased discrimination between several segments of the population and the establishment of hierarchal social orders. In the recruitment process too, there is the use of *wasta*, which has, as a result, an unfair recruitment process that reduces employees' motivation, and it creates a lot of challenges (Iles et al., 2012). Therefore, employees that have used *wasta* to enter an organisation will not have any motivation to advance their performance, and they will probably be able to enhance their position in the company because of their personal connections (Alsarhan and Valax, 2020). In contrast, actually skilled employees who get hired based on their experiences, and knowledge probably would, in response, not care to sustain their good performance in the organisation because they would observe this unfairness (Alsarhan, 2019). So *wasta* creates a lack of justice, transparency, and motivation, as well as frustration and disappointment among all the employees, making them feel insecure, uncomfortable, and unstable, leading to lack of gratitude toward the significance of work and achievement or satisfaction; and this has a negative influence on their performance and will eventually create a feeling of general discouragement (Alsarhan and Valax, 2020). Griffeth and Gaertner (2001) state that employees that feel they have been treated unfairly will be dissatisfied, and they will try to find another job. Accordingly, Judge and Klinger (2000) argue that an employee who is satisfied with their job has the tendency to perform better. *Wasta* also creates a lack of diversity because the

people that will be hired will all be from the same origin or tribe, so *wasta* will hinder workplace diversity, and it will create a homogeneous group of employees (Ali et al., 2013).

Conversely, according to Korn Ferry Institute (2013), diversity will bring to an organisation highly committed employees that will be more engaged with that organisation, and they will perform better. So, diversity in the workplace can improve organisational performance (Albdour and Altarawneh, 2012). Furthermore, *wasta* in the workplace will give a negative image to the organisation that is using it, the lack of justice and liability will be exposed; and the nonappearance of equal opportunities in a company will make some employees render other employees not to respect and trust that organisation (Tlaiss and Kauser, 2011; Ali et al., 2013; Budhwar et al., 2018, Alsarhan and Valax, 2020). On the other side, a different viewpoint advocates that despite the negative perceptions in the direction of employees involved in *wasta*, the collaboration between employees will continue. While barriers and distances between employees may appear in the beginning, they will eventually fade out over time (Alsarhan and Valax, 2020) Also, some scholars describe the *wasta* system as the most effective way for Arabs to get employed (Branine and Analoui, 2006; Aladwan et al., 2014). Finally, the current study and the literature confirms that it may offer some positive aspects, like opening doors and that it is time saving; however, the overall influence on performance is mostly negative (Budhwar et al., 2018; Alsarhan and Valax, 2020).

According to the participants *wasta* in the Arab world and informal networks in Western countries share similarities as informal methods of social influence and relationship-building. *Wasta* is deeply rooted in Arab cultures and signifies using personal connections and relationships to gain favors, opportunities, or assistance. It reflects the value placed on interpersonal relationships and trust. In hierarchical Arab societies, *wasta* often involves seeking assistance from someone with higher status or authority. The person providing *wasta* is often expected to help due to their social position. *Wasta* is based on mutual obligations and loyalty. If someone uses *wasta* to help, then it is expected to reciprocate when called upon. The use of *wasta* is often an unspoken agreement based on trust and social norms. It's not always explicitly requested but is understood within the context. *Wasta* serves to maintain social cohesion and interconnectedness within the community. It reinforces the sense of belonging and reciprocity. However informal networks in Western countries work very differently, it involves building relationships with colleagues, peers, and acquaintances

to exchange information, advice, and support. While personal relationships matter, they are often more focused on professional goals. Western cultures often prioritise meritocracy, where individuals are rewarded based on their skills and abilities rather than personal connections. Informal networks are often explicitly recognised and encouraged, especially in business settings. Networking events, conferences, and social media platforms are commonly used to expand networks. Informal networks are often formed through explicit communication. Requests for assistance or information are more direct, and reciprocity is not always an implied expectation. Informal networks are often seen as tools for professional development and career advancement. They focus on efficiency and skill-sharing. In summary, while *wasta* in the Arab world and informal networks in Western countries both involve using relationships to achieve goals, their underlying cultural values, expectations, and the context in which they operate differentiate them. *Wasta* is closely tied to loyalty, hierarchy, and social obligations, while informal networks in Western countries are more focused on professional development, information exchange, and meritocratic principles.

In summary, the interview data allows us to ascertain that R&S has a tendency to increase performance. This finding is consistent with the literature studies as well. Effective R&S has a substantial impact on OP (Agyei et al., 2016) Moreover, prior research (Karami et al., 2004; Ho, 2007; Ekwoaba et al., 2015) and has come to the same conclusion that the recruitment process is a key determinant of performance. Thus, R&S is a significant HR practice which positively influences organisational performance (Basheer et al., 2015; Costello, 2006; Siam, 2017; Basheer, 2017; Alansari et al., 2019). Likewise, other researchers have revealed that there was a strong and significant positive relationship between R&S and OP (Omolo et al., 2012; Mustapha et al., 2013, Naveen and Raju, 2014; Gamage, 2014; Ghader et al., 2015; Eddy et al., 2016, Anyango et al., 2018; Santos et al., 2019)

Finally, the contextual factors that influence Human Resource practices are:

Recruitment and selection in the United Arab Emirates (UAE), as in other countries, are influenced by various contextual factors. However, given the UAE's unique cultural, economic, and political landscape, certain factors have a more pronounced impact. Additionally, the Emiratisation policy and training practices are crucial aspects of HRM in the UAE. Here's an overview of these factors: 1. Cultural Diversity: The UAE is characterised by a highly diverse workforce with a significant number of expatriates from

various countries. This diversity requires recruitment and selection processes to be sensitive to cultural differences, language barriers, and varying work-related expectations (Goby et al., 2015). 2. Emiratisation Policy: A key factor in the UAE's HRM landscape is the Emiratisation policy, which aims to increase the number of Emirati nationals in the workforce, particularly in the private sector. This policy affects recruitment and selection strategies, as companies need to balance the integration of Emirati nationals while maintaining a skilled and diverse workforce (Aljanahi, M. H., 2016). 3. Economic Diversification: The UAE's shift from an oil-dependent economy to a more diversified economy impacts recruitment and selection. There's a growing need for skills in sectors like tourism, finance, and technology, influencing the kind of talent that organisations seek (Randeree K., 2012). 4. Labour Laws and Regulations: The UAE's labour laws, including those governing work visas for expatriates, impact recruitment processes. These laws influence the duration of employment, benefits, and other employment terms, which must be considered during the selection process (Manseau G. S., 2007). 5. Technology and Digitalisation: With a strong emphasis on digital transformation in the UAE, companies are increasingly using technology in recruitment and selection processes. This includes AI-driven applicant tracking systems, online assessments, and digital interviews. 6. Training and Development: The focus on training is significant in the UAE, especially with the push for Emiratisation. Companies often invest in training programs to develop the skills of Emirati nationals, aligning with the government's aim to enhance their role in the economy (Sarker et al., 2020). 7. Global Mobility and Flexibility: Due to its strategic location and economic status, the UAE is a hub for international business. This global perspective requires recruitment and selection practices that favour candidates with international experience and adaptability to different cultures and business environments Scott-Jackson WB et al. (2014). 8. Corporate Governance and Ethics: With an increasing focus on corporate governance, companies in the UAE are keen on recruiting individuals who not only have the necessary skills but also align with ethical standards and corporate values Scott-Jackson WB et al. (2014).

The compensation practices in UAE are influenced by various contextual factors, like different aspects of human resource management, corporate governance, and industry-specific practices, in particular: 1) Economic Factors: The overall economic environment, including the cost of living, inflation rates, and economic growth, plays a crucial role in shaping compensation practices. The literature indicates that in the UAE, firms with robust corporate governance structures may adopt compensation practices that are more closely tied

to accounting and economic performance, especially during times of financial crisis (Al-Gamrh et al., 2018). 2) Labour Market Dynamics: Supply and demand for labour, particularly for certain skills or unskilled professions, can significantly impact compensation levels. In the UAE, the labour market is unique due to a high proportion of expatriate workers (Albattah et al., 2021). 3) Government Regulations and Policies: In the UAE, labour laws and regulations, including those pertaining to minimum wages, end-of-service benefits, and expatriate labour policies, influence compensation practices (International Monetary Fund (IMF), 2006a, b.; Barnett, 2015). 4) Cultural Factors: Local cultural norms and values can also impact compensation practices. In the UAE, this might include considerations related to social status, expatriate versus local employee compensation, and other societal norms. (Elamin, 2011). 5) Industry-Specific Factors: Different industries may have varying compensation standards influenced by global industry trends, the sector's economic health, and specific occupational demands. Alhanouti and Farrell, (2021) suggest that commitment to environmental management and health and safety (H&S) can influence compensation practices, especially in industries like construction where H&S is critical. The study implies that firms in the UAE that prioritise H&S and environmental management may also adopt more comprehensive and responsible compensation practices to align with these values. 6) Corporate Governance and HR Practices: Corporate governance and HRM practices within individual organisations play a significant role in shaping compensation strategies. BaniMelhem et al., (2018) suggest that effective HRM practices, such as fair and competitive compensation, can increase staff satisfaction and reduce turnover intentions, thereby retaining valuable professionals in the healthcare sector. This indicates that compensation practices in the UAE are closely linked to HRM strategies aimed at managing employee turnover. 7) Globalisation and International Trends: The UAE's compensation practices are influenced by several factors under the umbrella of globalisation. Firstly, the presence of a large expatriate workforce in the UAE necessitates compensation packages that are competitive on a global scale. This includes not only base salary but also benefits like housing, education, and health insurance, which are often expected by international employees (Elamin, 2011). Being a global business hub, the UAE's compensation practices are also influenced by international trends and practices, especially in sectors like finance, technology, and oil and gas. The influence of globalisation and international trends on compensation practices in the UAE is a multifaceted issue, reflecting the country's unique position in the global economy. The influx of multinational corporations and the integration of global financial markets have led to a competitive environment where compensation

practices are increasingly influenced by international standards (Han, Kim, and Chi, 2015). This trend necessitates the adoption of global best practices in compensation to attract and retain top talent from around the world.

Now regarding the contextual factors influencing Emiratisation in the UAE are: 1. National Economic Diversification: The UAE's shift from an oil-reliant economy to a more diverse economy impacts Emiratisation. There's an increasing need for skilled Emirati professionals in new sectors like technology, tourism, healthcare, and renewable energy (Umar et al., 2020). 2. Educational System and Skill Development: The alignment of the UAE's educational system with market needs is crucial. The focus is on equipping Emirati citizens with skills and qualifications that meet the demands of the evolving job market (Khan, 2019). 3. Government Policies and Regulations: The UAE government's policies, including quotas and incentives for employing Emirati nationals in the private sector, play a significant role (Government of the United Arab Emirates (2022). The effectiveness of these policies in encouraging or mandating the employment of nationals is a key factor (Zeffane and Kemp, 2020). 4. Cultural and Social Attitudes: Social and cultural perceptions regarding certain types of jobs and sectors can influence Emiratisation. There's often a preference for government jobs among Emirati nationals, influenced by factors like job security, benefits, and social status (Sarker and Rahman, 2020). 5. Private Sector Dynamics: The willingness and ability of the private sector to integrate Emirati employees, including adapting workplace environments and providing necessary training, are crucial factors (Rutledge and Al Kaabi, 2023). 6. Globalisation and Labour Market Trends: The impact of globalisation on the UAE's labour market, including the presence of a large expatriate workforce, presents both challenges and opportunities for Emiratisation (Al Awad, 2020). 7. Economic Incentives and Support Programs: The effectiveness of economic incentives for companies that hire Emirati nationals and the availability of support programs for Emirati job-seekers are influential (Emiratisation Survey, PWC Middle East, 2023). 8. Demographic Factors: The demographic composition of the UAE, including the ratio of nationals to expatriates, age distribution, and gender balance, influences the scope and focus of Emiratisation efforts. 9. Technological Advancements: The growing emphasis on technology and digital skills in the job market impacts the kinds of training and education Emirati nationals need to be competitive. 10. Political Stability and Governance: The UAE's political environment and governance model play a role in how Emiratisation policies are formulated and implemented (Emiratisation Survey, PWC Middle East, 2023).

When exploring the contextual factors influencing training in the United Arab Emirates (UAE), it's essential to consider a range of elements that shape the approach and effectiveness of training programs in this unique setting. Here are some of the key factors:

1. **Economic Diversification:** The UAE's ongoing shift from an oil-based economy to a more diversified one greatly impacts the training needs of the workforce. There's an increasing demand for skills in emerging sectors like technology, renewable energy, tourism, and finance.
2. **Cultural Diversity:** The UAE's workforce is highly diverse, with a substantial expatriate population. This diversity necessitates culturally sensitive training approaches that consider varied backgrounds, languages, and professional norms (Mouawiya and Qingxia, 2014).
3. **Emiratisation Policy:** This government initiative to increase the employment of UAE nationals in both the public and private sectors influences training programs, focusing on developing skills and competencies among Emirati citizens (Al-Nasser and Behery, 2015).
4. **Technological Advancement:** As the UAE is rapidly embracing digital transformation and technological innovation, there's a growing need for training in digital literacy, technology use, and adapting to new technological tools and platforms (International Trade Administration, 2023).
5. **Globalisation and International Standards:** The UAE's position as a global business hub means that training often needs to align with international standards and practices, especially in industries like aviation, finance, and hospitality (Gallagher et al 2022).
6. **Government Initiatives and Policies:** Government-led initiatives and policies, particularly those related to education and vocational training, significantly influence the training landscape in the UAE (O'Sullivan, 2015).
7. **Labour Market Needs:** The evolving labor market in the UAE, characterized by changing job roles and required skill sets, directly impacts the focus areas and content of training programs (Ministry of Human Resource and Emiratisation, 2023).
8. **Educational Infrastructure and Resources:** The quality and availability of educational institutions and resources in the UAE, including universities and vocational training centres, play a crucial role in training and development (Warner and Burton, 2017).
9. **Social and Demographic Trends:** Demographic factors such as age distribution, gender balance, and population growth can influence the demand for and design of training programs.
10. **Legal and Regulatory Framework:** Laws and regulations related to labour and employment, including those governing expatriate workers and workplace standards, can impact training requirements and practices.
11. **Corporate Governance and Ethics:** With an increasing focus on corporate governance and ethical business practices, there's a need for training in areas like compliance, ethics, and corporate social responsibility.



Performance appraisal, an essential component of human resource management, is influenced by various contextual factors, especially in diverse cultural settings like the United Arab Emirates (UAE). In the UAE, the impact of these factors can be significant due to its unique cultural, economic, and social landscape. Here are some key contextual factors that influence performance appraisal in the UAE, with a focus on the impact of emotional relationships:

1. **Cultural Norms and Values:** The UAE's culture, deeply rooted in Islamic traditions and Arab customs, emphasises respect, loyalty, and relationships. These cultural values can influence how performance appraisals are conducted. For instance, managers might give more weight to an employee's commitment and loyalty to the company than to individual achievement (William Scott-Jackson et al., 2014a).
2. **Emotional Relationships:** In Arab cultures, 'Wasta,' which refers to using one's connections or influence to gain benefits, can play a role in performance appraisals. Emotional relationships, whether through family ties or personal networks, can impact the fairness and objectivity of appraisals. Employees with strong connections may receive more favourable evaluations, which can affect morale and perceptions of equity among staff (Alsarhan and Valax, 2020).
3. **Leadership Style:** The prevalent leadership style in the UAE tends towards paternalism, where leaders take a more directive, protective role. This can impact performance appraisals, as leaders may consider the welfare and personal circumstances of employees, potentially leading to more lenient or subjective appraisals (Scott-Jackson et al., 2014).
4. **High Power Distance:** The UAE's high power distance culture, where hierarchy and respect for authority are important, can influence appraisal processes. Subordinates might be less likely to receive critical feedback, and there may be less emphasis on participative goal setting or two-way feedback during appraisals (Hofstede, and Minkov, 2010).
5. **Expatriate Workforce:** With a significant expatriate population in the workforce, cultural diversity can impact performance appraisal (Waxin et al., 2018). Differences in work ethics, communication styles, and expectations can lead to misunderstandings and biases in appraisals (Scott-Jackson et al., 2014).
6. **Legal and Regulatory Framework:** The UAE's labour laws and regulations might also influence appraisal systems, especially concerning termination, promotion, and compensation decisions.
7. **Economic Factors:** The UAE's dynamic and fast-growing economy requires a flexible and adaptable workforce. This can influence the emphasis on certain competencies and skills during appraisals, such as adaptability, innovation, and customer orientation.
8. **Technological Advancements:** With the UAE's focus on technological advancement and digital transformation, employees' technical skills and ability to adapt to new technologies might be crucial factors in performance appraisals.

In conclusion, in the UAE, performance appraisal is not just a tool for evaluating employee

performance but is also deeply intertwined with cultural, social, and emotional factors. Understanding these influences is crucial for designing fair and effective appraisal systems that align with the unique context of the UAE (Scott-Jackson et al., 2014).

### **5.4 Research Question 3**

What influence do the HR practice/mechanism of compensation and its sub-HR Mechanism have on organizational performance due to its powers/tendencies, and why?

Our findings from the interviews show that compensation influences employee performance positively. These findings are in line with the literature, which stated that there is an increasing agreement, for the importance of compensation and the positive influence that it has on OP. According to Suri (2016), compensation plays a key role in appealing and retaining high yielding employees and has a positive influence on employee performance. On the opposite side, Lee et al. (2017) found that low compensation is a major issue that induces an employee to leave an organisation. Finally, Hartati (2020) stated that the provision of compensation is influencing employee's performance is the existence of fair and reasonable compensation. Finally, previous researchers have empirically established that compensation has a positive and substantial effect on employee performance (Ramzan et al., 2014; Darma et al., 2018; Dwianto and Aprurroji, 2019).

The semi-structured interviews aided the researcher to respond to Research Question three and reveal the perceptions of employees on how and why compensation and its sub-HR Mechanism, (because of its powers and tendencies) influence organisational performance.

When it comes to compensation there are some factors that influence performance. These factors are:

1. The Sub-HR Mechanism of transparency and clarity in compensation increase performance (deductive approach). So, when it comes to compensation, according to the literature review and the participants, transparency and good communication are key factors in the organisation, and they have a positive influence on performance.

Transparency in compensation has to do with how transparent the compensation policies of an organisation are. This refers to the grades, together with different levels of compensation, bonus etc. The analysis of the interviews revealed that the participants stated that transparency with honest conversations between the employer and the employee, and with openness and transparent compensation procedures or with predetermined compensation levels that are connected with the different grades in which there is zero human interaction, create the feeling of some kind of fairness in their compensation. This is very important because it gives the employees that there is nothing hidden, and this can improve their performance. Thus, the compensation or the rewards are based on real evidence, and it is important to be transparent since this helps employees to become motivated and improve their performance. Besides, money is only a temporary motivator, but the feeling of transparency and fairness improves motivation. Moreover, the transparency of compensation goes together with the clarity of communication, the explanation of the reasons behind different compensations, bonus, grades etc., and this is something very important for an employee's performance.

The current findings are in line with the literature that states that clarity of compensation is becoming more and more important these days in order to improve the discrimination between male and female employees and to help avoid huge pay gaps between the employees (Suri 2016; Bryant et al., 2020; Gambhir et al. 2020; Papilaya et al., 2019). Gambhir et al. (2020) state that transparency is a very good tool to help decrease salary gender discrimination and motivate employees in an organisation. Further, they continue that per the California Public Records Act, compensation is considered a public record. Also, several groups have called for increasing transparency through publicly accessible methods as a main solution to decrease this gender salary gap. Finally, they add that more transparency in the literature with regard to productivity bonuses might further allow for a better understanding of the many contributing factors of the persistent discrimination in the gender pay gap (Gambhir et al., 2020). Moreover, other researchers also agree that transparency in pay and equal compensation can give a push to employees and have positive effects on them such as making them become more hardworking and creative (Riana, 1996; Li and Zhou, 2017). Thus, adequate compensation raises the employees' satisfaction, so they feel more motivated to hone their skills and abilities that are needed to do their work

(Papilaya et al., 2019). Furthermore Papilaya et al. (2019) stated that compensation contributes 23% to an employee's performance indirectly because of transparency. If compensation is increased, employees automatically are going to trust their manager and consequently they will become more motivated to perform better at their work, and as has been stated by Rahabav (2014) work performance is highly related to motivation, so for employees to perform, they need to be motivated. Moreover, Aprijon (2014) has confirmed that compensation and teacher's performance have a robust connection, as 51% of a teacher's performance is affected by compensation. As he states, a respectable performance is going to result in a good job, which will glean gratitude and it will positively influence compensation (Papilaya et al., 2019). Furthermore, Darma (2007) argues that the principle of transparency in the context of schools can even advance a teacher's performance. With the same point of view, Utama (2014), states that transparency, accountability, and financial responsibility play an important role on a teacher's performance and thus, advises that transparency contributes 23% to a teacher's performance through motivation and building trust. The school must, therefore, stay away from corrupt practices; and again, compensation contributes 23% to a teacher's performance, indirectly, through transparency. If compensation is improved, teachers immediately will show faith in the management, and consequently they will be further stimulated to improve their performance.

Moreover, transparency has been given a lot of attention by the UK government and the corporate governance reforms, growing transparency, and stakeholders' voices about reward packages paid to CEOs and senior officials. From 2020, it is has been required that many listed companies report and elucidate the 'pay ratio' that makes comparisons between the pay of the CEO and to their median employees' pay (CIPD-HPC, 2019). In addition, according to Ejiogu, et al. (2019) the quality of information disclosed is a key prerequisite of transparency and this could improve organisational accountability, reveal corrupt practices, and impact OP. Additionally, superior transparency in compensation in addition to the financial and non-financial measures used to determine executive pay and performance is important in evaluating organisational corporate governance, and ethical behaviour. Adhering to the same point of view, the UK and the US have made efforts to increase transparency in compensation since much research has highlighted that transparency has many benefits like improved understanding, better perceptions of fairness and trust, higher employee engagement, and narrower pay gaps. Finally, according to Bryant et al. (2020) compensation

transparency is going to become more crucial than ever in the future and a detailed explanation of the value of each job will come along as well as compensation. HR professionals will spend a lot of time dealing with compensation and transparency and provide support to line managers to be more open regarding compensation.

2. The non-HR Mechanism of the feeling of unjust treatment in compensation is a negative influence on performance (deductive approach). The unjust treatment in compensation creates a feeling of frustration toward the employees, where employees lose motivation and this negatively influences performance. This can occur because a lot of authority is given to one person, or because the companies' job descriptions and evaluations are not taken seriously, or even because there is a lack of transparency, and equality in the workplace. Thus, these create an upsetting work environment that creates feelings of frustration, and it demotivates employees, and their performance is negatively influenced. The justice theory proposes that people who feel fairly treated have a higher motivation to pay back the company by working hard (Lavelle et al., 2007; Colquitt et al., 2013). Moreover, transparency will enable fairness in compensation and this will positively impact organisational performance as well as justice (CIPD-HPC, 2019). And as has been stated by Adams (1965), fairness is judged by comparison, comparison for example between input and output, or comparison between self and referent groups. Thus, fairness and equity in compensation is an important part of the compensation issue in an organisation as it is in society, to promote ethical practices and stay away from corruption. The literature so far has also referred to the importance of fairness in compensation: Lavelle et al. (2007) stated that employees who feel that they are fairly paid by organisations would exhibit more prosocial behaviours, such as organisational citizenship behaviours (OCBs) which are individual, discretionary actions by employees that are outside their formal job description. Also, (Colquitt et al., 2013) reveals that employees are more likely to engage in OCB if they believe compensation is fairly distributed. Moreover, according to Bozeman and Gaughan (2011), when compensation is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to result. Further, according to them again, the perception of being paid what one is worth predicts job satisfaction, something very important for employees' elevated performance. Additionally, Bryant et al.'s (2020), fairness of reward process and outcomes is going to be a very

important matter for corporate stakeholders, and in the future we will face a new reality with written definitions of fairness in order for corporations to explain their corporate decisions and actions. Plus, worries regarding the size of pay gaps and fairness on compensation issues are going to have, as a result, more and more employers making compensation data public, and explaining the compensation numbers as well as an action plan in order to help low paid employees; in this way they will come closer to a livable wage, equitable opportunities, and bonuses (Bryant et al., 2020). Furthermore, with many compensations appearing in the public eye, throughout the next couple of years employers will see that transparency will help them, and this will prove the fairness of the compensation packages they offer (Bryant et al., 2020). Consequently, according to Suri (2016) compensation and its fairness has an impact on organisational effectiveness since it is logical to provide the employees fair and just compensation for their work if it is a great amount to motivate them to perform even better.

However, according to Rasheed et al. (2020), salary on its own it is not the only motivator at the workplace for employees in an organisation, and they have established a link between employee motivation for their work and perceived compensation fairness. Besides if there is any imbalance between the inputs, which are expected by an organisation and the output that are expected by an employee, predominantly due to perceived unfairness, it could create dissatisfaction among the employees (Rasheed et al. 2020). Moreover, other researchers have also highlighted the important role of fairness in compensation, Gelard and Rezaei (2016) stated that that justice in compensation in a company is very significant because the employees that feel financially discriminated against, have low job satisfaction and motivation. Along the same lines, Mabaso and Dlamini (2017) talk about the importance of fair compensation not only to retain the employees, but also to keep them motivated, thus compensation and a fair reward system are connected with employee motivation. Finally, according to Castellanos (2021), compensation that is not proportional to a job description and specification, is a main reason for job dissatisfaction in an organisation, so employees feel that their work is not properly recognised and they are not properly motivated or satisfied and this can increase the absenteeism and their turnover. So, to avoid this problem, fair compensation is really crucial, through a fair salary structure and a fair remuneration system (Castellanos et al., 2021)

3. The sub-HR Mechanism of compensation techniques increase performance, (like KPI's, equity-based compensation, performance-based compensation, and bonus) and, how these influence performance: These techniques according to the respondents affect, in a positive way, their performance, increase their productivity, react as a motivating factor, boost employee morale, and this has a direct positive influence on their performance. The current findings agree with some findings in the literature but contradict some other findings. So far, there are mixed messages in the literature regarding this matter, with some researchers agreeing that the compensation techniques like bonus, and performance-based compensation have a positive influence on employees and their performance (DeNisi and Griffin, 2014; Ongori, 2015) and with some others arguing that bonuses are a myth and don't really help performance (Fleming, 2011). Performance-based compensation is the dominant human resource practice that firms use to evaluate and reward employees' efforts (Collins and Clark, 2003) cited by Suri (2016). According to Aranda et al. (2019) the goal-setting theory (Latham and Pinder, 2005) forecasts that more demanding targets advances employees' performance up to a point where employees have so much confidence that targets are unattainable, however then employees' motivation drops and as a result, they lower their effort (Fisher et al., 2003). Gomez et al. (2012) state that it benefits indirect compensation as it is given to employees in the form of a plan rather than cash to improve their performance; in this way they provide security for employees and their family members. Moreover, Jean et al. (2017) conclude that employment benefits such as allowances, incentives, and bonuses have a positive effect on employee performance. Mayson and Barret (2016) state that a firm's capability to motivate, attract, and retain employees by offering competitive salaries and suitable rewards is linked to firm performance and growth. Long (2017), states that companies tend to initiate compensation strategies in the aspects of direct and indirect financial compensation as well as benefits that motivate and ultimately improve performance. Furthermore, according to Ejiogu, and Ogamba, (2021) other forms of compensation are: shares that can be purchased or granted and bonuses that typically are paid in cash and may vary conditionally upon meeting or exceeding pre-set performance targets. Bonus or stock options may be awarded conditionally to individuals, groups, or through corporate performance. Yang (2019) states that an additional signing bonus could constantly push employees to improve their productivity. On the opposite side there is research that states that the market tends to overrate the incentive effect ascending from the employee bonuses (Chen, 2011). Yoo (2018) stated that performance-based compensation programs did not help Korean

teachers improve their performance or positively influence their work, because they had an unclear understanding of the evaluation system and they felt that the process was unreasonable, so they had low expectancy probabilities from the evaluation program and a reduced possibility of improving their instructional performance. Chimhutu et al. (2016) also states that the pay for performance schemes lack results in the health sectors of many low-income countries, and he suggests that the experience of unfairness in the way bonuses are distributed and administered undermine the legitimacy of the pay for performance scheme. He also highlights that fairness is an important factor (as we have discovered above) and that attention should be paid to aspects of workplace justice when bonuses are designed (Chimhutu et al., 2016). Finally, the current results can probably be justified because employees in the UAE are money driven, and they see their stay in the country as a short-term money-driven opportunity journey, and as it has been stated by the respondents there is an opportunistic work culture in UAE.

4. The non-HR Mechanism of nationality affects compensation and is a negative influence toward performance (inductive approach): According to the participants, an analysis of the interviews revealed that the UAE market is biased when confronting an employee's nationality, and when it comes to compensation. Not everyone gets the same compensation for the same role, and compensation is often linked to nationality in the UAE market. This has a negative influence on performance, since it creates a feeling of unfairness among the employees, and a lot of comparisons ensue, on a subject that by default in the UAE is a very sensitive one. This is because of the opportunistic culture that exists in the market and people pay close attention to the numbers and to the money they get. Thus, this bias creates feelings of frustration among the employees, and it demotivates them so much that it has a negative influence on their performance. This unjust phenomenon of the nationality that affects their performance has also been observed by other researchers in different countries. Castilla (2008) describes that there is a racial inequality in compensation in the U.S and women and minorities obtain less compensation in comparison with white men with equal scores on performance evaluations. Budig et al. (2021) also describe the racial and gender pay discrepancies that are taking place in US today; in particular, they have discovered differences in compensation even at the same levels of education, depending on the race and sex of the employees. Furthermore, Chen et al. (2021), observed that there is an Anglo-Saxon premium in foreign CEO compensation, specifically, Anglo-Saxon (Australia, Canada, Ireland, New Zealand, and the UK) foreign CEOs receive higher levels of remuneration



compared to their non-Anglo-Saxon counterparts in the USA. In fact, an Anglo-Saxon CEO is associated with a 15.8% higher level of total compensation. Tavoletti et al. (2022) also states that nationality affects the way that an employer sees employees and compensates them in their PA evaluation, and he goes on to mention how nationality is a still a big bias.

When it comes to the Arab world, Bitton and Kricheli-Katz (2022), discovered inequalities on the basis of nationality in compensation in Israel. Also, Adnan and Miaarib (2018), describe the wage gap in Israel between men and women and Arab minorities, Israel's gender wage gap remains one of the highest among developed countries. When it comes to UAE there is very little sporadic research regarding this matter of discrimination, however, the citizens of the UAE and the HR managers are very well aware of this issue, and there is a research gap that it is lying there, which the current research is trying to complete. Some of this evidence is the following: Renard (2021) has in her book, clearly described the situation that exists in Dubai's reality and in many global cities today. Employees who hold Western passports share specific advantages like respected careers and higher salaries than other nationalities, instead, the non-Western passport holder employees always have lower salaries, career expectations, and lifestyles. Furthermore, the local Emirati population by default expect higher salaries and managerial roles in a company even more than the Western employees who have a better education and more diverse work experience (Waxim et al., 2018). According to the participants and the literature review the feeling unfair treatment (see above unfair treatment in compensation) and discrimination that is taking place between the employees is not helping their performance, instead it has a negative influence on it.

## **5.5 Research Question 4**

What is the influence that the HR practice/mechanism of performance appraisal (PA) and its sub-HR mechanism have on organisational performance due to its powers/tendencies, and why?

PA is defined as a formal process that is permitted for determining the extent to which an organisation's present employees have complied with their jobs per the company's predefined criteria (Malik and Aslam, 2013). PA is a key instrument for an organisation to

handle employee performance (DeNisi and Smith, 2014; Aguinis, 2013; Schaerer et al., 2017).

The semi-structured interviews aided the researcher in responding to research question four and revealing employees' perceptions on how and why PA and its sub-mechanism influence organisational performance due to its powers and tendencies. PA is an official mechanism that evaluates the individual employees' performance.

When it comes to PA, some factors influence performance; these factors are:

- i. The sub-HR Mechanism of employees' involvement in PA positively influence organisational performance. The findings of the current research revealed that employees' involvement in PA is something that is going to have a positive influence. According to the participants, as humans, we like to be involved in decisions or things that are related to us and our future, and this involvement will make everyone agree on a positive note. Furthermore, the involvement of the employees helps people take ownership of their actions. Thus, they will be more committed, better understand and accept their work tasks, feeling they can achieve them too, so engagement is crucial. Many researchers have stated that there is a positive influence on performance when employees are involved with setting goals (Latham and Lock, 1991, 2013; Day and Unsworth, 2013; Hoek et al., 2018). Also, the current findings of the research are in the same line as the literature that states that employees' involvement in PA is crucial because it increases employee commitment, motivation, and loyalty to the company, and this has a positive influence on their work (Vasset et al., 2011; Sepahvand et al., 2020). Moreover, including employees in the career development decision-making process and carrying transparency and fairness to the whole PA can create a win-win situation for both parties, employers and employees (Mellahi and Budhwar, 2006; Zaitouni et al., 2011; Khan et al., 2015; Budhwar et al., 2018). Moreover, employee participation in PA is significant because it could increase the feeling of fairness of PA, which could inspire and encourage other employees. Additionally, studies show that employee involvement endorses higher productivity, advances quality, and improves worker satisfaction and commitment, reducing turnover (Huselid, 1995; Freeman and Kleiner, 2000; Batt, 2002; Bartel, 2004; Black and Lynch, 2004a, 2005;

Chi et al., 2011; Sepahvand et al., 2020). Moreover, Fakhimi and Raisy (2013) argued that to strengthen PA, the employee perspective of things should be considered and incorporated into the process.

Yet, Godard (2004) argues that employee involvement is not a universal solution to an organisation's problems. Other research emphasises a diversity of effects since business characteristics, strategies, and market factors are intermediaries in the relationship between employees' involvement and financial performance (Huselid, 1995; Youndt et al., 1996; Chi et al., 2011). Furthermore, Naeem (2017) argues that research cannot be generalised across the board as developing countries differ from developed countries in many aspects. Finally, there is limited research regarding PA in developing countries (Naeem, 2017), and this shortage of research is the essential inspiration behind the present study.

- ii. The sub-HR Mechanism of clarity, communication, and continuous feedback in PA positively influences organisational performance. According to the participants, clarity, communication, and proper feedback will create a certain environment with no misunderstandings, which is positive since most people do not like to work in vague situations. Also, clarity and communication in PA will increase efficiency, making employees more focused. Finally, if an employee knows their role better, with proper and continuous feedback and clarity of expectation, they can achieve their target. Thus, an organisation needs to give a chance to its employees to understand what exactly the company expects from them and what their expectations are and, in that way, bridge the gap. These findings are in line with the literature that highlights the importance of clarity of expectation, continuous feedback, and good communication between the employer and the employee (Farooq and Aslam, 2011; Eaisalou, 2014; Mathew and Johnson, 2015; Kisang and Kirai, 2016; Obi, 2016; Bryant et al., 2020; Oluwayemisi and Taiwo, 2021). In particular, job clarification and the supervision of an employee's performance could lead to job satisfaction, professional commitment, and higher productivity (Bashir and Ramay, 2010). They could minimize ambiguity as far as roles are concerned (Yousif El Ghalayini, 2018).

Moreover, Marthouret and Sigvardsson (2016), with grounded theory research in a Swedish insurance company, discovered the importance of feedback in the workplace and concluded that it could have an influence on the employee's motivation, behaviour, and, eventually, their performance. Bryant et al. (2020) discuss the importance of communication and feedback in the PA, especially during COVID-19. However, as has been stated by many researchers, proper feedback and communication in PA is something difficult to take place, and there are a lot of obstacles to it that have to do with the difficulty of the managers delivering negative feedback to their employees, so its delivery is not taking place effectively (Bies, 2013; Scheerer et al., 2017). According to Scott-Jackson (2014), it is human nature that people do not like to give negative news, and they tend to avoid 'difficult' conversations, so sometimes the honest feedback of the PA is not given, and this can have negative results. Consequently, employees do not understand what they did wrong and have no chance to correct it, everything negative will come as a surprise, and they will take it personally.

According to Yahoui et al. (2021) in the MENA region, performance appraisal practices are profoundly influenced by cultural norms, pride and compassion, leading to a distinct approach compared to Western methods. Central to this approach is the emphasis on maintaining face and social harmony. This cultural backdrop makes it challenging for managers to provide negative feedback, as it's often perceived as a personal attack on the employee, risking loss of face and disruption of group harmony. Consequently, managers in MENA tend to avoid direct negative feedback, opting instead for more indirect, subtle, and private ways of communication. This preference for maintaining face and avoiding confrontation shapes the overall framework of performance appraisals in the region, where subjective criteria are favoured over the objective, quantifiable metrics commonly used in the West. The reluctance to give negative feedback stems from the potential impact on interpersonal relationships and the desire to preserve a harmonious working environment. Communication straightforwardness is an essential element in the PA, and it has to do with the degree to which feedback providers "reveal their intentions through explicit communication" (Gudykunst & Ting-Toomey, 1988, p. 100). Consequently, if managers

believe that their employees observe situations the same way they do, they might not clearly communicate their aims (Manzoni, 2002; Cannon and Witherspoon, 2005). If communication is not direct and has a tendency to hide the speaker's true purpose, it might be tough for an employee to correctly decode their real performance when their managers internalise this information, so they are deprived of explicitly receiving the feedback (Scheerer et al., 2017). This is happening because managers find these discussions uncomfortable and fear that they adversely affect the well-being of their employees (Bies, 2013) or because of the 'illusion of transparency' that happens with the managers when they are delivering the PA to the employees (Scheerer et al., 2017). Thus, failing to provide the employees's accurate feedback regarding their performance can lead to misunderstandings that destabilize the employees' perceptions of fairness and motivation. It can also change an employee's work behaviour and willingness to engage in the company and can be extremely costly (Mercer, 2013; DeNisi and Smith, 2014; Scheerer et al., 2017). Additionally, other researchers (Paul et al., 2015; Obi, 2016; Okoth, 2016; Oluwayemisi and Taiwo, 2021) highlighted the importance of feedback in order for the PA to be successful as a process and to enhance the organisation's efficiency by contributing to the decision-making process. Bayo-Moriones et al. (2019) stated that continuous formal and informal performance feedback is vital for an effective appraisal system. Thus, feedback is believed to be effective in the appraisal procedure (Okoth, 2016). Finally, simply training and educating managers to be able to provide accurate feedback (Fischhoff, 1982) and constantly reminding them of the fact that they may be subject to biases during feedback delivery is very important for the organisation (Scheerer et al., 2017).

- iii. The sub-HR Mechanism of ineffective PA negatively influences organisational performance. According to the participants, an ineffective PA system will demotivate employees and harm the company and the employees' performance. Therefore, if the PA is ineffective and without any true meaning, or it is happening just for the sake of happening, then the employees' performance will be negatively influenced. Moreover, an ineffective PA will create employees who are not committed, and miscommunication will occur, which will have negative and misleading

results. Finally, an ineffective PA can create a feeling of unfairness in the employees, and consequently, they will be demoralised, demotivated, and undervalued. These findings regarding the ineffective PA and its negative influence on performance align with the literature. Plenty of researchers have highlighted the danger of an ineffective PA, and despite all the benefits PA includes, it could have negative consequences on employees too if it is ineffective. For example, if the employees are discriminated against regarding their performance because of an appraiser's biases, prejudices, and stereotypical attitudes, they can suffer overwhelming negative consequences (Selvarajan et al., 2018).

Research also concludes that there is a positive relationship between an employee's satisfaction during PA and an employee's performance (Roberts & Reed, 1996; Pettijohn et al., 2001). Furthermore, if employees feel that their performance has not been fairly appraised, they will feel demotivated, influencing their work effort (Cook and Crossman, 2004). Moreover, if employees are not evaluated for their good performance, then next time, they will not do that work again. Hence, this reveals a positive correlation between an employee's PA.Satisfaction and their performance (Pettijohn et al., 2001). Furthermore, Singh and Rana (2013) emphasize the importance of fairness in appraisal and how much this can influence employee performance. This also is very important because if employees feel that their PA is not fair to them and is ineffective, this could negatively influence them and increase turnover (Bekele and Shigutu, 2014). Thus, organisations should implement PA properly, carefully, and effectively. Many researchers advise that perception and the image that employees have of PA could have an impact on its efficiency (Levy and Williams, 2004; Pichler, 2012), predominantly when it comes to justice and satisfaction (Thurston and McNall, 2010). Yet, to increase employees' perceptions of fairness towards PA, the person who conducts the appraisal must do that in an impersonal way and style; they must be knowledgeable, have clear objectives, and able to explain their expectations very well. They must also have skills for delivering feedback and the ability to justify decisions. Something that is not so easy because, according to Sidani et al. (2015), there is a scarcity of skilled HR professionals in most Middle Eastern countries. However, it is very important

for managers to have emotional intelligence to increase job performance and lower employee turnover (Maamari and Majdalani, 2017). Finally, the employee should have the liberty to express their opinion regarding their PA and correct it if possible, and the performance rating should be based on an employee's performance only and not on the interviewer's personal standards (Harbi et al., 2016).

According to Aryee et al. (2002), organisational justice is linked to the group, as well as to the individual feelings regarding their treatment and their reaction to other's perceptions. Thus, the notion of justice in an organisation is evocative and idiosyncratic since it captures what individuals think is fair. It includes a personal assessment of morals, beliefs, and ethics of managers' behaviour (Cropanzano et al., 2007). Consequently, managers in an organisation need to make an effort to comprehend and reflect on their employees' perspectives to achieve this feeling of fairness and justice because an employee's perception of PA regarding fairness and satisfaction has a direct influence on its effectiveness (Jawahar, 2007; Pichler, 2012; Thurston and McNall, 2010; Shrivastava and Purang, 2011; Harbi et al., 2016). An effective PA system should include an overall framework that allows the complete process to function at the optimum level of performance (Giles et al., 1997). Finally, another issue concerning fairness and ineffective PA is according to Scott-Jackson (2014), who states that in the UAE and the GCC generally, PA is not the key assessment criteria since loyalty is more likely to be rewarded than simple performance. Thus, PA needs to be designed and applied on a different basis – for instance, by including loyalty or relationship building as one of the assessment criteria. PA and reward might be anticipated by emphasising relationship building, loyalty, and group input rather than simple capability or meeting tangible objectives. Therefore, the manager must judge the merits of those he manages and have the autonomy to reward accordingly.

- iv. The sub-HR Mechanism of difficulty in creating meaningful PA has a negative influence on organisational performance. Many companies are still struggling to make meaningful PA processes that really can make a positive impact and not be something that is just some more paperwork (Bryant et al.,

2020). According to the participants, PA is a difficult task. It is time-consuming and has to be properly designed to involve the employees, too. Moreover, difficulties in creating a hard PA occur because some measures in the PA are intangible, making it very difficult to quantify them. Another problem is that managers do not like giving bad reviews or saying negative things, and they prefer to avoid an inconvenient conversation by saying nothing at all. Finally, the education of the managers is a critical factor as well. According to the participants, managers usually do not have the right education to implement PA, a task that needs special treatment and is quite difficult and sensitive. The findings align with the current literature, which highlights the problems that come with PA, and despite the process seeming to be systematic, sometimes it is ineffective (Dirpal, 2015; Bryant et al., 2020). Much of the research suggests that it is very difficult to define the best way to conduct a PA (Vasset et al., 2011; Bryant et al., 2020). The problems behind this are complexity, bias, difficulty in use, lack of objectivity, cost, difficulties in setting performance objectives, and the intangibles of performance (Redman, 1991; Grint, 1995; Smith, 1996; Fletcher, 2001; Vasset et al., 2011; Dirpal, 2015). Also, PA practices depend a lot on the specific circumstances that an organisation may have to face, as well as, the leader-member exchanges (Vasset et al., 2011). According to Waal et al. (2017), when a company applies management techniques, it should consider the context in which they are used (Holtbrugge, 2013; Rees-Caldwell and Pinnington, 2013). The reason is, according to the literature, that Western management techniques cannot broadly be applied to non-Western contexts since these practices might not work or work differently in a non-Western context as there is a strong influence of the local culture (Matic 2008; Palrecha, 2009; Wang, 2010; Elbanna and Gherib, 2012; Waal et al., 2017). Thus, this problem makes the PA process a difficult task for the companies, and they should really pay extra attention when they are trying to introduce or implement these techniques like that of PA in organisations of the UAE.

- V. The non –HR Mechanism of the challenge COVID-19 years to engage, communicate, and motivate employees: PA is one of the areas that during the years of the COVID-19 crisis, the HR department needed to make tough



decisions to either cut the bonus or even the salaries of employees for the organisation to survive. Yet it is very important to somehow increase the loyalty of the employees even more during these times. According to the participants of the current research, employees' PA has become very difficult during the years of the COVID-19 crisis since employees' engagement and communication have become arduous because of the lockdowns and the plentiful work-from-home hours, which have created a distance between the employer and the employee. Thus, motivation and communication have become a challenging task.

Bryant et al. (2020) discuss the difficulties of PA during the COVID-19 crisis and the importance of good communication and feedback between the management and the employees. Furthermore, motivating but engaging employees maintaining team spirit, keeping people's interest, and focusing on work is very difficult, let alone evaluating them if you do not see each other psychically. Additionally, the participants said employees slept during working hours because they felt they had free time since there was no physical control. Thus, leading the business as well as advising the company on how to move forward during these strange times has been challenging. Another issue, according to the participants, is that in a time of a crisis like that of the coronavirus, employees find it difficult to stay committed to a company since companies frequently terminate people; thus, employee turnover increases, and engagement and loyalty decline. Finally, the participants stated that during the coronavirus, there is a 'war' that is driven subjectively where employers need to make independent decisions without asking the employee to agree with their goals on their next PA. This happens because the company is on a survival mode, and this makes it very difficult to communicate with employees and make decisions regarding common goals regarding PA. The current findings align with the COVID-19 literature and its consequences in the workforce, which exist up to now. Kaushik and Arora (2020) state that working from home during the COVID-19 era is the new normal. Managers are worried that the distance that working from home is causing between them and their employees will have negative consequences since they are losing the direct contact and supervision they used to have before, and this is quite an issue for their performance and assessment. Also, employees have different needs, and they require more

liberty when working from home; this situation is very challenging for the PA as well as the performance of the employees. According to Bajrami et al. (2020), job insecurity produced by a crisis, which in the current situation is COVID-19, dramatically reduces the level of motivation of employees (and that is in line with the earlier research too), like the world economic crisis in 2008-2009; a critical alteration in employees' motivation was noted then too (Hitka and Sirotiakova, 2011; Mehri et al., 2011). This low motivation and job insecurity caused a low level of job satisfaction, and it was a strong predictor of a higher turnover since employees immediately started to consider looking for a new job. However, the crisis was an external factor; changes within a company are perceived as less fair and indicate that employees blame an organisation's internal problems for job insecurity (Van Hootegem et al., 2018). Moreover, Tziner and Rabenu (2021), in the same line as the current research, state that a main source of work-related anxiety in the current period during the COVID-19 crisis affects the practice of PA. Thus, PA has become an even bigger challenge for employees and employers. During the years of the COVID-19 crisis, the possibilities for distant staff to get a promotion and confirm their performance is seen and appreciated are reduced significantly, particularly when their work needs to be valued (Tziner and Rabenu, 2021). In face-to-face meetings, it is easier to give an emphasis on the employees and their accomplishments. Nunamaker et al. (2009, p. 115) state, 'It only takes ten minutes for some virtual team members to forget with whom they are working, something that never happens with face-to-face teams. It is, therefore important to establish and maintain a virtual presence—reminders of who is participating. Moreover, according to Tziner and Rabenu, (2021), COVID-19 is a major stress factor in the PA process, as are the lockdowns and working from home, which are issues that have created major challenges to the PA. Some of these challenges have to do with the pressure and anxiety that managers have put on their employees to accomplish the work objectives; and they must empower and trust their team virtually. However, as has been stated in the literature, trust is a major challenge in virtual employment (Hossain and Wigand, 2004; Francovich et al., 2008). According to Lee-Kelley et al. (2004, p. 656), who recognized the trust issue stated that: "Trust is a critical factor in the development and performance of virtual teams [more] than in their non-virtual counterparts, as

many of the trust-building social representations, rituals, and behaviours are absent.” Furthermore, the virtual supervisor and appraisal that the COVID-19 era has brought can create stress and trust issues for the employees since they are under constant surveillance. So, these measures could also bring negative results because employees feel they are being checked on how long they are spending for lunch or even in the bathroom, which can negatively influence their performance (Tziner & Rabenu, 2018). Finally, to try to find a solution to these problems, the PA should be more individualistic and not used as a ‘one size fits all’ approach, and the managers should be more knowledgeable in order to conduct a PA that suits the needs of the COVID-19 era. Moreover, clarity, communication, and openness regarding this situation of the company are important. They will help the employee and the manager understand the exact situation that the organisation is in to avoid unreachable targets and negative performance.

In summary, the interview data allows us to ascertain that PA has a tendency to increase performance. This finding is consistent with the literature studies as well. According to Yousif El Ghalayini (2016), PA as an HR practice has a powerful positive association with employees’ commitment and satisfaction through the PA processes. Moreover, the HR literature shows that there is a substantial relationship between PA and OP (Qureshi et al., 2010; Amin, 2014; Oluwayemisi and Taiwo, 2021). According to Sepahvand (2022), appraisal has a significant positive impact on motivation thus, if employees perceive that the PA is accurate, effective, and fair, they try more to accomplish the organisational goals (Nikpeyma, et al., 2014; Aly and Moustafa, 2016). Furthermore, PA can enhance employee and organisational performance (Hunnes, et al., 2012; Fakhimi and Raisy, 2013), and PA has progressively been considered a vital instrument for efficiently controlling the performance of employees in an organisation (Igbojekwe and Ugo-Okoro, 2015; Riaaz 2017; Salvarajan et al., 2018; Jamal and Tomilayo, 2020).

## 5.6 Research Question 5

What is the influence that the HR practice/mechanism of Emiratisation initiatives and its sub-HR mechanism have on organisational performance due to its powers/tendencies, and why?

The Emiratisation initiative is the nationalisation program created by the UAE government to encourage and support the employment of nationals in preference to expatriates. Ministerial orders impose on private-sector employers a quota system whereby every company with more than 100 employees is obliged to recruit and retain a stipulated number of UAE nationals on the payroll to ensure the minimum percentage of participation of Emirati nationals in the workforce. Other moves to encourage private-sector Emiratisation are wage subsidies, wage restraint for government employees, quotas on expatriate labour in the private sector, and employment targets for UAE nationals as a whole (Government of the United Arab Emirates, 2020). Furthermore, Emiratisation programs include measures to increase education and training for nationals and actions to diversify the UAE economy. However, the dominant feature of the program is applying quotas on the employment of Emirati workers throughout the private sector (Barnett, 2015).

The semi-structured interviews helped the researcher answer research question five and reveal the perceptions of employees on how and why Emiratisation (and its sub-Mechanism), due to its powers and tendencies, influence organisational performance. Rees et al. (2007) state that nationalisation programs are created in order to encourage and support the employment of nationals in preference to expatriates; however, according to Barnett et al. (2015), nationalisation policies are in this list of counter-productive policies that reduce economic growth and have largely escaped serious economic analysis. Moreover, despite various policies of the Emiratisation initiatives, the goals of Emiratisation remain unfulfilled, mainly in the private sector. Consequently, Emiratisation nowadays is considered a challenging issue with many unsolved problems, while the Emiratisation programs have not offered any crucial results (Rahman, 2020). The current findings cover this gap by an in-depth analysis of what Emiratisation initiatives are causing to the OP and why.

The finding is that Emiratisation programs, which are the HR-Mechanism of Emiratisation are made up of other sub-HR Mechanisms and non-HR Mechanisms and that they need to be checked on how they work. So, how do its sub-HR Mechanisms and non-HR Mechanisms work in performance due to its powers/tendencies and why? The answer, effectively, is the

explanation of how the sub-HR Mechanism and the non-HR Mechanism generate their power/tendency on performance.

When it comes to Emiratisation some factors influence performance. These factors are:

- i) The sub-HR Mechanism of the problematic Emiratisation programs tends to negatively influence OP. In detail, the challenging Emiratisation programs are considered sub-HR Mechanisms (Fleetwood, 2010) since it is a 'mechanism' inside the 'mechanisms' of the HR practice of Emiratisation. Besides, as has been stated before (see chapter sub-HR Mechanism and non-HR Mechanism), an HR practice/mechanism is affected by other powers/tendencies generated by other HR Mechanisms, sub-HR Mechanisms or other non-HR Mechanisms. So, according to the participants, the negative influence comes because in the way that the Emiratisation programs are implemented, foreign employees feel that Emirati nationals will take their jobs after they train them, so they will try to avoid sharing essential knowledge and information, and they will stop caring or trying harder for the organisation. Eventually, they will start looking for another job. This situation creates negative stereotypes that expatriate employees have towards Emirati nationals (Al-Waqfi and Forstenlechner, 2010; Ramady, 2005, Aljanahi, 2017; Budhwar et al., 2018); like calling them 'lazy Emiratis', insufficient, unskilled, etc. Moreover, the forced quotas by the program put the companies under pressure to fulfil them for Emirati employees, which negatively influences performance because, according to the participants, nothing forced can have any positive results in business. Many researchers have further highlighted their concerns that localisation initiatives and the way they are applied are not helping either the private sector or multinational firms to accomplish rationalisation of their HRM systems (Ahmad, 2004; Rees et al., 2007; Al-Waqfi and Forstenlechner, 2014, Budhwar et al., 2018). Additionally, according to Budhwar et al. (2018), companies are pressured to lower their R&S criteria and cannot find strong candidates for the needed positions. So, they hire candidates without sufficient work experience to hire Emiratis. Moreover, since the Emiratisation programs do not allow an organisation to fire any Emirati who is not performing and is also very expensive (Waxin et al., 2018), this is, according to the participants, a

'burden' to the general performance. These findings are in line with the literature review that states that Emirati employees are far more expensive and less educated than expatriate employees (Dosary and Rahman, 2005; Ramady, 2005; Al-Asfour and Khan, 2014; Salih, 2010; Aljanahi, 2017; Sarker and Rahman, 2020). The International Monetary Fund (IMF) and the UAE government publications have both stated that Emirati workers with college degrees are paid 32% more than expatriate workers with similar qualifications (International Monetary Fund (IMF), 2006a, b.; Barnett, 2015). Also, Emirati nationals usually leave pretty quickly for the government sector because they eventually want to end up there since the government sector has many privileges that the private sector does not have, like better salaries, holidays, working hours, influence, power, and prestige. These findings are in line with other researchers, who state that Emiratis prefer the government sector for the same reasons (Ryan, 2016; Al-Ali, 2008; Daleure, 2017; Al-Waqfi and Forstenlechner, 2014; Budhwar et al., 2018; Sarker and Raham, 2020). As a result, the private sector has to pay more for an employee who, if they underperform, cannot be fired and will leave the company as soon as they find a job in the government. These findings align with the literature: Barnett (2015) stated that the government provides substantial compensation packages and low work hours. Also, at the end of 2011, the UAE government raised all government employees from 30% to 100% (Financial Times, 2011). However, as stated by the IMF (2006a, b), wage increases are not sufficiently connected to productivity in the government, and they have far outperformed productivity increases in general. With these kinds of wages, the private sector cannot compete with the government, and as soon as Emiratis find an opportunity in the government, they will immediately leave the private sector; other researchers have highlighted the same challenge concerning Emirati retention (Forstenlechner, 2010; Waxin and Bateman, 2016). Thus, this seems to contribute to the unwillingness of the private sector to hire and offer training (same findings regarding the refusal to train Emirati employees with Scott-Jackson et al., 2014c; Waxin and Batemena, 2016) to an employee that will stay in the company for a short period (Barnett, 2015). So, these issues put organisations under pressure and not helping their performance.

In addition to the above, the Emiratisation program has created its hiring process. This consists of the following procedure: every company that wants to hire an employee needs to send the hiring manager to a specific hiring location and, according to the participants, have to go there and wait for four or five hours (usually there is very low percentage of hires who show up), and when and if someone comes they do not even have the qualification for the job, so it's a waste of time, money, and energy, something that is not helpful for performance. Furthermore, other participants stated that another problem is that Emiratisation initiatives are moving too quickly and need to move slowly instead and that they are not based on data but on emotions, intuition, and gut feelings. Finally, most participants stated that Emiratisation is good as a concept, but its implementation is problematic; the forced quotas are counterproductive. Yet, they should concentrate on the needs of each sector and industry and adjust accordingly. When quotas are too high, they can destroy the company because the organisation loses employees who are very highly technical people too quickly. They lose all of their experience and knowledge, too. Thus, all of the above negatively influence the OP. Therefore, how Emiratisation programs are implemented must change for the whole initiative to work positively.

- ii) The non-HR Mechanism of lack of knowledge and technical education of Emiratis: In an organisation, except for the sub-HR Mechanisms, there are other non-HR Mechanisms, which can affect their power/tendencies, yet they do not have an HR nature. Thus, the non-HR Mechanism of lack of knowledge and technical education of the Emiratis tends to negatively affect organisational performance. And beyond that, there needs to be more knowledge of managerial positions, too, which are usually offered quite quickly. Yet, they need the background to support them. Moreover, as has been stated, HR managers are trying to find specific knowledge, but there needs to be more local talent to cover those positions since these skills were not even taught in universities in the UAE (particular specialisations that managers might be looking for). This gap in the UAE education system has been highlighted by other researchers, too (Lootah and Simon, 2009; Gallup, 2010; Waxin and Bateman, 2016; Waxin et al., 2018). Specifically, Budhwar

et al. (2018) stated that the education system needs to provide an adequate supply of talent to the market because of the lack of quality education. Moreover, these findings regarding the lack of education in the Emirati population are on the same page with other research too: Al-Dosary and Rahman, 2005; Stasz et al., 2007; Budhwar and Mellahi, 2007; Lootah and Simon, 2009; Pech, 2009; Waxim and Bateman, 2016; Waxin et al., 2018; Sarker and Rahman, 2020). In particular, Aljanahi's (2017) research analysed 88 articles and reports in the UAE using content analysis and found a mismatch between Emirati nationals' skills, education, technical, and soft skills, and employers' required skills.

So, an inefficient education system in the UAE does not help the private sector hire Emirati employees because there is no alignment between their needs and the education system. Thus, it is not effective for the private sector to hire employees who do not have the necessary education, which is a big challenge. Moreover, Emiratis, as argued by the participants, lack technical education and a social education, and the problem starts in their very early years because they have been told that they are entitled to everything without having to try. Finally, the female Emirati population are mostly not educated, and only lately have they been in the position to be hired too. These findings are also in line with the literature (Barnett, 2015, Waxin et al. 2018, Sarker and Rahman, 2020).

Furthermore, Price-Waterhouse-Coopers, has published a report stating that regarding the high-skilled employees there is a lack of local talent, and 94% of CEOs sampled from the UAE argued to be reliant on expatriate workers and only 12% were 'satisfied' with the number of skilled Emirati employees available (Barnett, 2015). Finally, if an organisation manages to find a well-educated Emirati, something that is very rare and difficult, they cannot keep them for long, because very soon they will try to move to the government sector. These findings are in line with the findings in the literature that Emiratis do not work hard, that they find the private sector to be of low prestige, and that's why they always want to work in the government sector that has the prestige that they want (Barnett, 2015, Budhwar et al., 2018). The British Council of the UAE highlights the widening gap among employer



requirements and the Emirati skills. Forty per cent of the employers believe that lack of skills is the focal reason for entry-level job vacancies, while 60% perceive that new graduates have not been sufficiently prepared for the world of work (British Council, 2018). Thus, the whole education system of the UAE needs enhancement and improvement. A solution to the above problem, according to the participants is to hire young Emiratis that are not that expensive and are not that knowledgeable anyway but are looking for some experience before they move to the government sector. This way they hire them in order to fulfil the quota in a less expensive way and train these young Emiratis who might be useful to the company eventually. Along with this same suggestion, another researcher devised a sustainable way to develop the UAE's national workforce, by hiring national employees in the private sector first at an entry-level (Randeree, 2012).

- iii) Finally, the non-HR Mechanism of the phantom effect of Emiratis, tends to negatively affect the OP. This phenomenon according to the participants, has been created because of the forced quota systems of the Emiratisation programs. The companies in the UAE are desperate to be able to fulfil the obligatory quota. Still, since there is a lack of local talent, the companies are finding desperate measures, like hiring an Emirati without the appropriate knowledge. The organisations just have them on the payroll of the company, without them doing any work, and most of the times they do not even show up at the workplace, and that's why they call it the phantom effect. The current findings agree with the literature as well, that states that companies try to surpass the difficulties of the forced quota system by hiring phantom employees that are encouraged not to work (Al-Dosary and Rahman, 2005; Aljanahi, 2017; Salem, 2010; Budhwar, 2018). And since the government has caught on to this phantom effect of the Emirati employees, they have now started having audits in order to check that the Emirati employees are actually in the office and not only on the payroll, and they fine the companies that adopt this kind of technique (Salem, 2010).
- iv) The last factor that affects OP is the non-HR Mechanism of good branding and opening of doors that Emiratisation brings to a company and has a positive effect on performance. The non-HR Mechanism of good branding

and opening of doors, as the participants have stated, adds value to the organisation. So, if an Emirati national is hired, although they are more expensive, the government will subsidise their salaries, and they will add prestige to the organisation, they also can open locked doors in the government and other companies with their connections; something that is very important in the country for business and that influences organisational performance positively. Finally, according to the participants, if a company has Emiratis as employees, they offer good branding and connections to the company as a whole, because it shows that the company respects and hires local talent, something that has a positive influence on the company's image. This is a unique conclusion, which the researcher could not find in the literature exactly because there is a lack of studies in the UAE that investigate HR practices and performance. In particular, as has been stated by Agrawal and Baltazar (2019), there is a gap in literature in the UAE of HRM studies compared with the US, Europe, and parts of Asia. Moreover, according to Waxin and Bateman (2016) and Randeree (2012), there is still an absence of academic and empirical research on Emiratisation programs and the HRM practices in specific where there has been no comprehensive study encompassing the key HR processes. The problem may lie in the struggle to collect reliable statistical and empirical data and the challenges of conducting research in the region generally. All of the above may contribute to this deficit (Harry, 2007; William et al., 2011; Waxin and Bateman, 2016).

Also, the nature of the qualitative study plays an important role by providing insights that are hard to produce with quantitative measures. This research offers robust, in-depth descriptions (Gephart, 2004; Theophilus Azungah, 2018) of HRM practices in real-life contexts that a quantitative study could not get out of the participants. As they speak out about the reality of working with Emiratis, and although there may be some negative issues, it can open a lot of closed doors too, which is very positive. However, this is a susceptible topic, and only through a qualitative study could some facts be revealed, which the participants would be able to open up and speak about.

In summary, the current research has come to the same conclusion as the existing literature that Emiratisation programs negatively influence OP. As Barnett (2015) has stated: "At its

core, Emiratisation misses the mark by targeting employment rather than productivity,” and the way that Emiratisation initiatives are implemented is problematic, not the concept of the program itself. Thus, the problem lies in forcing; as stated by the participants, nothing that is caused is helpful. Also, another major issue is the non-detailed consideration of every industry’s needs of the quotas, and this is something that is killing the performance of the employees and the organisation as well. Moreover, the inequality in salaries of Emiratis and non-Emiratis creates problems. The discrimination between Emiratis and non-Emiratis in the work environment, different salaries, jobs only for Emiratis, the feeling of superiority at the workplace, not being able to be fired if they are not performing, are some counterproductive issues too. However, there is one point where there is differentiation with the current literature, and that is, according to the participants, Emiratisation can offer good branding and prestige to the company by hiring local talent and making a company stand out among other companies. In addition to that, Emirati employees can open many closed doors, especially in the government sector, because they have many connections, which are very important for the UAE business sector and can use for the benefit of their company. Yet just because this is one non-HR Mechanisms that has a tendency to bring a positive influence on performance, it does not mean that in the end, it is going to get the actual positive effect; this is because of the reasons we mentioned earlier, which are the counterproductive policies that remain dominant.

Some final points that needed to be added are, that in order for companies to be able to manage the performance of their employees with less skilled Emirati managers and to ensure that their employees have the equity feeling of balance, business owners have to follow some steps. Business owners are already recognising the role of knowledge management as a key factor in improving their performance (Battisti et al., 2022). So, if there is lack of knowledge in management in a company this is for sure a negative factor for the performance. So, if companies have less skilled Emirati employees, in order to manage the performance, they need to take some further steps in order to ensure organisational performance: i) Skill Development and Training, emphasises the importance of continuous training and development programs for Emirati managers; and highlights how these programs can bridge skill gaps and enhance managerial competencies. Research shows, that when an organisation invests in training, it will eventually contribute to improving individual and organisational performance (Newman, 2011; Garavan et al., 2020). According to “A Comprehensive Guide to Hiring Emirati Talent: Driving Emiratisation” by William (2023) stated that providing training for Emiratis, particularly through reputable institutions like Abu Dhabi Global

Market Academy (ADGM Academy) and its School of National Development, can help bridge skill gaps. ADGM Academy specialises in enhancing the skills of Emirati nationals, helping them to excel in their roles. They are currently offering free training to recently hired Emiratis. This emphasis on training will not only boost the confidence of new hires but also contribute to the organisation's growth by nurturing well-prepared, capable employees. Furthermore, To facilitate the implementation of Workforce Localisation (WL) programs, HR managers design, implement, and monitor strategic human resource management (HRM) and diversity management practices. ii) Mentorship Programs: the role of mentorship in UAE is very well known, mostly for expatriates (Tahir, 2021), but it can support less experienced Emirati managers too. Pairing them with experienced mentors, either locally or internationally, can provide on-the-job learning and guidance. Many mentoring programs are already in place in many organisations and they work officially according to the participants when they take Emiratis when they are young in order to train them and guide them all the way into a successful carrier. Finally, iii) Performance Management Systems, suggest the implementation of robust performance management systems that are transparent and objective. This can help in setting clear expectations and fair evaluation criteria.

Furthermore, in the United Arab Emirates, a significant focus has been placed on integrating National Citizens (NCs) into the workforce, particularly in private organisations (PRIVOs) and public organisations (PUBOs). This integration is crucial for the socio-economic development of the country and involves a series of strategic organisational socialisation (OS) practices. These practices are designed to ensure that NCs are not only employed but are also effectively integrated into their roles and the organisational culture (Waxim et al., 2020). To summarise, in order to help companies and Emiratis to be more knowledgeable and enhance their performance there are some other initiatives for that: i) Orientation and Induction Programs: A key component of this integration process is the implementation of formal orientation or induction programs. These programs, lasting from two to seven days, provide NCs with a comprehensive understanding of the organisation's mission, vision, values, and objectives. They also include specific job content, career information, and introductions to future collaborators and managers. Notably, these induction programs for NCs are more extensive than those for non-NCs, emphasising potential career paths and including high-profile managers and NCs to enhance the experience from the outset. ii) Training and Development Initiatives: Training and development form a critical part of the OS process. This includes: 1. Formal Skills Training: Customised based on individual needs assessments, these programs use various methods like on-the-job training, online modules,

and mentoring to enhance the skills of NCs. 2. Diversity/Cultural Awareness Training: Aimed at all employees, this training focuses on overcoming cultural stereotypes and creating a diverse and accepting climate. 3. Supervisor Training: This training equips supervisors with the necessary skills to create a welcoming environment for NCs, focusing on cultural understanding and effective management practices. 4. Mentoring and Coaching: Experienced managers, both expatriates and nationals, mentor new NCs, providing guidance and support. Some organisations also implement a 'buddy system' for peer-level support. 5. Team Building: For significant projects involving NCs, team building exercises are conducted to ensure effective communication and trust between NCs and expatriates. iii) Job and Team Redesign: Organisations have also taken steps to redesign the jobs and work teams of NCs. This involves clarifying and sometimes simplifying job roles, facilitating collaboration between NCs and experienced expatriates, and ensuring equal distribution of responsibilities. Some organisations adapt work schedules to accommodate personal needs, and team building activities are added when new project teams involving NCs and expatriates are formed. iv) Engaging Expatriates in OS Processes: To reduce resistance from expatriates and enhance the OS process's effectiveness, expatriates are actively involved in various stages, from recruitment to socialisation and training of NCs. Performance evaluations of expatriate managers are sometimes linked to achieving workforce localisation targets, emphasising their role in successfully integrating NCs. v) Networking and Social Events: Finally, structured social and networking events are organised to facilitate social interactions and support among all organisation members. These events, ranging from quarterly gatherings to informal lunches and dinners, promote integration and collaboration across cultural groups and hierarchical levels. In addition, the comprehensive approach adopted by organisations in the UAE to socialise NCs into the workforce reflects a deep commitment to not only employ but also fully integrate NCs into the organisational fabric. These practices, ranging from extensive orientation programs to engaging expatriates in the OS process, demonstrate a holistic strategy aimed at building a cohesive and inclusive workforce that will expand their knowledge and enhance their performance. This approach serves as a model for other regions seeking to integrate minority or underrepresented groups into their workforces effectively.

Before, coming towards our final conclusion summary, some final points need to be discussed. The literature highlights that there is a significant relationship between Knowledge Management practices and financial performance (Battisti et al., 2020). In addition, the importance of intercultural training to support communication and clarify

individual expectations. Differences in corporate and national cultures, particularly between the firms, significantly impact how collaboration and knowledge should take place (Yahiaoui et al. 2016). So, when it comes to training in the United Arab Emirates (U.A.E), it suggests a unique approach where personal relationships, loyalty, and family culture play a central role in the selection of employees for training. Key points from the mentioned sources (Scott-Jackson et al., 2014; Budhwar et al., 2018; Farndale and Paauwe, 2018; Garavan et al., 2020) include: 1) Training Linked to Personal Relationships: In the U.A.E, training opportunities are closely associated with personal relationships within the company. Employees who have stronger ties and loyalty to the management are more likely to be selected for training programs. 2. Loyalty and Longevity over Capability: The decision to provide training is less about the employee's skill level or performance and more about their loyalty, length of service, and relationship with management. Loyalty and trustworthiness are highly valued, often more than actual job competence. 3. Training as a Reward: Unlike some other regions where training might be considered a basic employee right or a tool for performance enhancement, in the U.A.E, it is often treated as a reward for loyal and long-serving employees. This implies that training is not necessarily aimed at improving performance but is more a validation of the employee's status within the company (Scott-Jackson et al., 2014a). 4. Neutral Impact on Performance: The focus on loyalty and relationships means that the allocation of training does not necessarily have a direct positive or negative impact on employee performance. It's more about maintaining and honoring the existing company culture and hierarchy. 5. Importance of Family Culture: The U.A.E work environment emphasizes a family-like culture where personal relationships and bonds are crucial. This cultural aspect significantly influences the decision-making process regarding who receives training opportunities. In summary, in the U.A.E, training selection is heavily influenced by factors like loyalty, relationships, and family culture within the company, with less emphasis on the actual skills or performance of the employees. This approach reflects the unique cultural and organizational values prevalent in the U.A. E's corporate environment.

Yahiaoui et al. (2021) highlights several socio-cultural factors that significantly influence how these P. A practices are implemented and internalized: 1. Cultural Distance and Ceremonial Adoption: Due to the cultural distance between the MENA subsidiaries and headquarters, performance appraisal practices were often adopted ceremonially rather than actively. This resulted in practices being reinterpreted locally to align with cultural expectations, leading to a lack of confidence in their effectiveness among local business

managers. 2. Socio-Cultural Factors Influencing Appraisal Practices: Emotional Relationship: A strong bond of trust and loyalty between MENA employees and their managers, leading to a preference for subjective performance criteria and avoidance of forced ranking and disciplinary actions. Fear of Losing Face: Managers in the MENA region faced difficulty in giving low performance ratings and managing promotions, prioritizing maintaining their word and interpersonal support. - High Power Distance and Paternalism: Performance appraisals were conducted subjectively, with local managers establishing their own performance criteria. - Avoiding Confrontation: Managers adopted a more humane approach in dealing with negative performance feedback, focusing on protecting employees' dignity and feelings of pride. - High-context Communication: Managers used indirect communication techniques for performance feedback, leading to multiple interpretations of messages.

Now when it comes to *wasta* and informal network according to Weir and Ali (2022), there has been a growing body of research on *wasta*, a form of social networking in the Middle East and North Africa (MENA) region, particularly in business practices. Starting with Cunningham and Sarayrah's 1993 book, which described *wasta* as a hidden force in the Middle East, to more recent systematic reviews, research has increasingly focused on this topic. Recent studies, mostly published in Western journals, focus on business practices influenced by *wasta*, incorporating frameworks like social capital and institutionalism (Ali & Weir, 2020; AL-Twal, 2021; Alsarhan et al., 2021).

Finally, Yahiaoui et al. (2021), suggest that employees in the Middle East and North Africa (MENA) region have a strong emotional connection with their managers and value respect in their relationships. Consequently, managers in this region tend to prioritize subjective performance appraisal criteria over objective ones, aligning with existing literature (Aycan, 2005; Pichler, 2012). The use of "*wasta*," a system of connections and influence, helps foster trust and loyalty between managers and employees, thus avoiding practices like forced ranking and conducting disciplinary actions in private to maintain employee loyalty to both the manager and the organization (Hutchings & Weir, 2006; Yahiaoui, 2015). Moreover, managers in MENA countries emphasize fairness towards their employees rather than fully embracing the conventional performance appraisal process, as they are driven by a sense of responsibility toward their employees and their cultural and religious values, including their fear of a higher power and their belongingness to the "*Umma*" or community (Hutchings & Weir, 2006). Fear of "*losing face*" is a significant concern for local managers in the MENA

region, making it challenging for them to give low performance ratings to employees. Maintaining one's reputation and credibility in collectivist Arab countries is essential, and managers feel obligated to uphold their promises to employees, even if it means only partially implementing performance appraisal guidelines (Clarke, Alshenalfi, & Garavan, 2019). Managers also provide interpersonal support to employees receiving negative feedback, as a negative attitude toward an employee could reflect poorly on the manager and the organization (Iles et al., 2012). Despite the potential benefits of objective performance appraisal methods, local managers in the MENA region tend to conduct appraisals subjectively and implicitly, deviating from headquarters' intentions. This preference for subjective evaluation may be influenced by the paternalistic management style preferred by Arab employees, contributing to employee perceptions of manager trustworthiness in altering performance criteria (Yahiaoui & Zoubir, 2006).

Now regarding the concept of 'Wasta' according to Baranik et al. (2021) is, form of social capital prevalent in the Arab Middle East. Wasta is typically acquired early in life and is disproportionately accessible to specific groups such as men, elites, and native-born individuals (Caspi et al., 1998; O'Connor, 2013; Sanders and Nee, 1996; Vacchiano et al., 2019). Scholars like Banihani (2020) and Mohamed and Mohamad (2011) utilize social capital theories to understand wasta, while others like Alwerthan et al. (2018) view it positively as a means to strengthen social bonds. Conversely, researchers like Aldossari and Robertson (2016) highlight wasta's negative aspects, including its unethical use for economic and political gain (Berger et al., 2015). This concept is likened to other global influence methods, such as guanxi in China or blat in Russia (Abalkhail and Allan, 2016; Lin, 2001). However, Smith et al. (2012) argue that wasta is a distinctive form of influence. Empirical studies suggest that wasta usage correlates with better employment status and higher incomes, particularly for those with lower education levels (Baranik et al., 2018). Baranik and Gorman (2021) demonstrates wasta's role in accessing gatekeepers crucial for career success, thereby influencing income and employment outcomes (Caspi et al., 1998; Hamm and McDonald, 2015; Kwon et al., 2013; O'Connor, 2013; Paultny et al., 2019; Pedulla and Pager, 2019; Seibert et al., 2001).

However, Baranik et al. (2021) also shows the darker side of social capital. Wasta can lead to perceptions of bribery and corruption, and its use may contribute to economic inefficiencies and inequality (Loewe et al., 2008; Makhoul and Harrison, 2004). Furthermore, education plays a moderating role in the relationship between wasta and family



income, suggesting that wasta's benefits vary based on educational background (Cunningham and Sarayrah, 1993).

## 5.7 Summary

The linkage between organisational performance and HRM, named the "black box," has been the 'holy grail' for many researchers. However, the nature of this interaction and, especially, the search for conclusive evidence has been unsatisfactory so far. The "black box" has only been partially filled (Paauwe, 2020), and there are many still existing challenges regarding missing elements and inappropriate theorising (Paauwe and Farndale, 2017). So far, in the literature, quantitative researchers have established a statistical connection between HRM and performance to predict what will happen if HRM practices are involved in representing the method of scientism. However, Fleetwood and Hesketh (2011) highlight that we should be skeptical regarding the belief that transposing techniques that work in natural science will work in social science, too. Thus, this research took Fleetwood and Hesketh's work as a starting point and explored how HR practices work their power-tendencies. Also, it examines four HR practices: compensation, training, recruitment and selection, and PA. The research identified 18 articles that focused on the HRM–performance relationship, published in critical journals over the last decade; however, it mainly focused on the top four most often studied HR practices. Moreover, these four have been widely used in almost all UAE-based organisations, where the current research was conducted.

Furthermore, Emiratisation is a potent practice in the UAE, and it is related to the contextual environment of the region, a phenomenon that has primarily been understudied (Elbanna, 2012). Using a qualitative approach, 15 semi-structured interviews (and two focus groups with seven to ten participants) from medium-sized UAE services-providing private sector companies were conducted. Conclusively, in the current research, the interview data were analysed by content analysis, allowing us to ascertain compensation, training, recruitment and selection, and PA tend to increase performance. On the other hand, Emiratisation tends to decrease performance. In each HR practice, some sub-HR Mechanisms and non-HR Mechanisms have their influence on performance. Hence, in open systems like the workplace, there is no certainty about the effects that HR practices may bring, but they do have a tendency to cause them (Fleetwood, 2017). Subsequently, the conclusion is that each

HR practice has a tendency to have some influence. Still, the actual condition that will result depends on each sub-HR Mechanism and non-HR Mechanism and on how the management of each organisation has handled these. Thus, HR managers will be aware of the mechanisms and how they work in specific contextual factors to influence performance.

## 5.8 Contribution

### I) Theoretical Added Values

The topic of this study was crucial, since it has been the 'holy grail' for many researchers (Boselie, 2005) so the current research contributes to theoretical added values of the OP and HR relationship, and it has to do with the novel issue of the role that HR practices play concerning the improvement of OP (Abudakar et al., 2013). As stated before, the nature of this interaction and, especially, the search for conclusive evidence has been the 'holy grail' of the HR research world (Boselie, 2005). The current study tried to contribute to the knowledge by attempting to propel this "black box" in a unique way and place by eliciting fresh insights by starting from the beginning and looking into how complex processes in HRM unfold in a qualitative method that is not usually the preferred study approach. According to Theophilus Azungah (2018), quantitative approaches have conquered the business field with quantitative studies in the main stage and qualitative methods in a supporting role most of the time. Thus, scholars interpret this as a loss for the field because qualitative methods can shed light on complex issues like cultural and institutional settings of multinational organisations; this is what the current study has attempted to accomplish. Hence, theoretical added values of this research is that it tried to connect certain HR practices and OP with society to find better relationships and investigate the nature of the relationship. This was done by putting employees back into the centre of the equation and asking HRM to forgo its one-sided understanding of performance and instead emphasise the human nature residing inside HRM. This would succeed through a qualitative methodology enabling the researcher to go deeper into the core of HRM-performance linkage. And this is something that was confirmed by the literature as well, since, many researchers stated that, qualitative research offers insights that are hard to produce with quantitative measures by offering thick, in-depth descriptions (Gephart, 2004; Azungah, 2018) of HRM practices in real-life contexts, which the current study has succeeded in doing. Finally, the present study tries to contribute to the theoretical added values of the specific subject by addressing the call for

research in a non-Western context. And, as has been confirmed by the current research as well as by the literature that comes in an agreement (Fey et al., 2008; Abdulrahman Alyousif et al., 2010; Nakhle, 2011; Mellahi et al., 2013; Spyridonidis and Currie, 2016; Yahiaoui and Zoubir, 2016; Farndale and Paauwe, 2017; Samaras, 2021), the analysis of HR practices and mechanisms that are working in in Western countries it is not necessarily functional in the rest of the world; and specifically not in UAE (Scott-Jackson et al., 2014a); plus, according to my research and the literature review confirms that too, the Mideastern region, has been left behind in terms of management research (Farouk et al., 2016; Scott-Jackson et al., 2014a) with little available HRM literature (Budhwar et al., 2018). Furthermore, this study proves HRM value as there was a clear failure in GCC countries for that; and come in an agreement with literature review too,(William Scott-Jackson et al. (2014a). Scott-Jackson et al., 2014a stated, that there was clearly a failure of HR in GCC countries communicate its importance and contribute to the organisations' strategic goals. Moreover, this study also responded to the call for research in a non-Western context and confirms this need with the literature as well (Paauwe and Farndale, 2017). As Paauwe and Farndale (2017) stated, the vast majority of HR performance research has occurred either in the USA or the UK, concluding that the analysis in these countries is only sometimes functional in the rest of the world. Researchers have frequently observed and confirmed the same results as the current research too, that there are challenges of applying and effectively transferring HR practices of Western multinational organisations in the Middle Eastern context (Nakhle, 2011; Mellahi et al., 2013; Spyridonidis and Currie, 2016). This whole thing ,as has been stated by the current research and confirmed by the literature, challenges HR managers in choosing which approach to adopt when developing their HRM systems (Yahiaoui and Zoubir; 2016 ;Budhwar et al., 2018).

## ii) Managerial Implications

The current study will have many managerial contributions since it will help the HR managers and the line managers to get to know their employees better; what motivates them, what will help them get up in the morning and come to work in a happy mood, what will give them the edge they need to work better and become better employees, better co-workers and better performers too. It will also help the managers handling the Emiratisation practices understand that they need to take a step back and listen to the needs of the companies and their employees to help them grow and not force their programs at a breakneck pace that they are counterproductive. The manager need to enable both the Emiratis and the

expatriates, and the organisation with the speed the Government are currently enforcing. It will also help them understand that they need to give more emphasis to education and slow down their pace until their citizens, especially the new generation of Emiratis, manage to be well-educated and experienced before they become managers very quickly because this is not going to help them or the companies either. Furthermore, another managerial contribution would be understanding that HR managers should avoid easily giving promises they cannot keep for training or compensation. Employees get too attached to their managers' words, a psychological contract is created there, and if training is deprived, they can avoid facing the opposite result. So, managers should always be transparent with their employees regarding all issues, from training to compensation. According to the results, employees can easily forget and forgive if their manager is open and transparent with them, but if they are not, there is an excellent reason to leave the company. Moreover, managers should be very aware that this study supports the direction that employee involvement in decisions is significant and should be considered. In addition, PA is a challenging task and should be done correctly by highly educated people rather than simply by anyone, and just for the sake of doing it also because it can have the opposite results. Also, this study will contribute to the understanding of how socio-cultural values interact with local approaches to performance appraisal, highlighting the adaptation of practices to fit local values. It emphasizes to the managers the importance of considering local values and cultural contexts in the implementation of performance appraisal systems (Yahiaoui et al. 2021). Since the findings suggest that while standardization of practices might be pursued for global consistency, it is crucial to recognize and accommodate cultural differences for effective implementation.

Furthermore, the current research will contribute to the knowledge of the Middle East region, which has been left behind in international management research, and most of the Arab world (Farouk et al., 2016).

Many researchers (Williams, Bhanugopan and Fish, 2011; Harry, 2007; Waxim, 2016; Budhwar et al., 2018) have highlighted the challenges and difficulties of conducting research in the region, as well as the problems of gathering reliable statistical and empirical data. Thus, this could be a contributing factor to this deficit. So, this kind of research is essential to be conducted and encouraged (Moideenkutty et al., 2010) since, in comparison to other parts of the world, the Middle East has less available literature related to the field of HRM (Lages, 2015; Budhwar et al., 2018). Moreover, this study is vital since, as William Scott-Jackson et al. (2014a) stated, HR in GCC countries needs to communicate its value and

contribute to the organisations' strategic goals; the current research contributes towards this direction. The innovating point of the recent study is that it continued beyond Emiratisation as an HR practice and the problems it faces. Still, it has investigated more plunging into the effects on performance and that it has yet to be investigated so far.

HR practices in the UAE, like in many countries, are shaped by a confluence of various factors – historical, cultural, economic, and social as they have been stated by many researchers Khalaf, (1999); Heard-Bey (2004); Davidson, (2008); Krane, (2009); Davidson, (2012); Ridge, (2014); Morton, (2016); Mohmmad et al. (2014); Samier (2018); Yahiaoui (2015). Some of these influences on HR practices in the UAE are: 1. Colonial Influence: The UAE was a British protectorate from the early 19th century until its independence in 1971. While the British did not have direct colonial control as in other regions, they had considerable influence. This legacy is evident in various institutional frameworks in the UAE. For instance, the legal system in parts of the UAE is based on British common law. This influence extends to HR practices. There's an adoption of Western organisational structures, professional development strategies, and managerial practices which have their roots in the British system. 2. Economic Factors and Globalisation: The discovery of oil and the subsequent development thrust made the UAE an attractive destination for global businesses. The need to match international standards meant importing best HR practices, especially from Western corporations with a global footprint. 3. Educational Background of Managers: Many Emiratis have studied abroad, particularly in Western countries. On returning home, they often bring with them the practices, ideals, and methods they've been exposed to during their educational tenure. This naturally influences organisational and HR strategies. 4. Fascination Effect: There is a fascination, not just in the UAE but globally, with certain successful corporate cultures, particularly those from the US, such as the Silicon Valley startup culture. This fascination drives the adoption of certain HR practices, like flat organisational structures, open office spaces, and employee perks. 5. Cultural and Traditional Elements: While there are influences from outside, it's essential to remember that the UAE also has a rich culture and tradition of its own. Emiratisation, for instance, is a policy that aims at employing its citizens in a meaningful and efficient manner in the public and private sectors. This is an HR practice rooted deeply in the local context. 6. Presence of Expatriates: The UAE has a significant expatriate population. Companies often have to adapt their HR practices to cater to this diverse workforce, often borrowing elements from the practices prevalent in the expatriates' home countries. 7. Adaptive vs. Adoptive Practices: It's essential to distinguish between practices that are adopted wholesale and those adapted

to the local context. While there might be a borrowing of HR practices, many times these practices are adapted to suit the local cultural and organisational context. Finally, the post-colonial context of the UAE further influences the nature of HR practices. Drawing parallels from Yahiaoui's (2015) study on the hybridisation of HRM practices in French multinational corporations operating in Tunisia, it can be inferred that similar processes occur in the UAE.

In post-colonial settings like the UAE, foreign HR practices are often amalgamated with local customs and requirements, resulting in a distinctive hybrid model of HRM. This hybridisation is indicative of a conscious effort to balance the adoption of international HR practices with the need to respect and integrate local cultural values and business practices. Additionally, the broader regional context, as explored by Samier (2018) in the context of educational change in the Middle East and North Africa, provides insights into how external influences shape various institutional practices, including HRM. The historical events and external forces that have shaped the educational systems in the region likely have parallels in the business and HR domains, where external influences are adapted to meet local needs and contexts.

In conclusion, the HR practices in the UAE represent a complex blend of imported ideas, colonial legacy, education abroad, and local adaptations. Influenced by global management trends, post-colonial legacies, and the unique cultural and business landscape of the UAE, these practices are not mere replicas of foreign models but are nuanced adaptations that reflect the specific requirements of the UAE's socio-economic context. They are a blend of external influences and deeply rooted local traditions and needs. Understanding this hybrid nature of HR practices is crucial for managers and practitioners in the UAE, as it underscores the importance of contextualizing global HR practices within the local cultural and business milieu. Future research could delve deeper into specific HR practices and their origins to provide a more granular understanding since this is not the main topic of the current research.

Finally, it's imperative to dissect their roots to clearly describe HR practices used in the UAE offer a clear description of the HR practices used in the UAE, it's imperative to dissect their roots. This understanding will empower managers in the UAE with knowledge of the origins and influences shaping their HR practices, facilitating informed decision-making and potentially fostering innovation in the field. According to the literature as well as the current findings, HR practices in the UAE are often imported to some extent due to the country's

diverse expatriate population. The UAE has become a hub for global business and a melting pot of cultures, influencing the adoption of HR practices from various parts of the world. Many companies operating in the UAE are multinational or have ties to international markets, leading to the transfer and adaptation of HR practices from their home countries or other countries with established business norms. Several factors influence HR practices in the UAE:

- 1) International Workforce: The UAE hosts a significant expatriate workforce from around the world. With employees coming from diverse backgrounds, companies often need to implement practices that can accommodate different cultural expectations and preferences.
- 2) Globalization: UAE's status as a global business hub encourages adopting best practices from other successful economies. This can include HR practices that are deemed effective in different international contexts.
- 3) Educational Backgrounds: Many managers and HR professionals in the UAE have studied abroad, gaining exposure to various HR approaches. This international education can influence the adoption of practices they have encountered during their studies.
- 4) Market Competition: As businesses in the UAE strive to attract international talent and compete globally, they may adopt HR practices that are considered competitive and attractive to a diverse workforce.
- 5) MNC Influence: The presence of multinational corporations (MNCs) in the UAE often results in the transfer of HR practices from headquarters to regional subsidiaries.
- 6) Post-Colonial Effect: The historical legacy of English colonialism and its influence on institutional frameworks can play a role. Some HR practices may have been introduced during colonial times and continue to shape the business landscape.
- 7) Fascination Effect: UAE often looks to developed and successful economies as models. This fascination with advanced economies can lead to the adoption of practices from countries that are adopting practices from countries admired for their economic progress.
- 8) International Competition: Companies operating in the UAE may need to align with international best practices to remain competitive. recognised HR practices can help attract top talent and compete effectively.
- 9) Legal and Regulatory Factors: In some cases, like Emiratisation, the legal and regulatory environment in the UAE may encourage or require companies to adopt certain HR practices. However, while there is a notable degree of importation, it's important to recognise that it isn't always straightforward and can sometimes be a complex replication. Cultural, legal, and organisational contexts in the UAE can lead to the adaptation, hybridisation, or even rejection of certain imported practices. HR professionals in the UAE often work to balance global best practices with local needs and cultural sensitivities to create HR strategies that align with the country's specific context. In summary, HR practices in the UAE combine international best practices and cultural considerations. They are designed to create a supportive, diverse, and engaging work

environment that aligns with the UAE's global outlook and rich cultural heritage. As a manager, understanding and embracing these practices will contribute to effective talent management and organisational success in the UAE's dynamic business landscape.

## **5.9 Limitations – Avenues for Further Research**

Beyond the valuable insights into the field of HRM and performance, the current research has several limitations. This section clarifies the study's limitations and uses them in recommending future studies that could further the recent research. Despite making significant contributions in the field of HRM and Performance, the review has several limitations that need to be noted. First, the study included articles from electronic databases that include only the four most common HR practices, including the HR practice of Emiratisation. Consequently, these databases might have omitted some relevant literature that provides for other HR practices, which would be helpful to investigate along with their influence on performance. Furthermore, the current research has investigated only UAE service-providing companies in the private sector; this investigation could also go further into other companies and the public sector. Moreover, the recent research has only focused on the UAE, and it would be interesting to continue this kind of research in other Arab countries that (as has been stated above) the literature has left behind when it comes to managerial research. The current analysis is cross-sectional and occurred in a specific time frame. However, it would have been beneficial for another study to be longitudinal and to arise through a series of snapshots over a precise period to investigate, for example, the influence of specific HR practices on OP before and after they were applied to an organisation. Finally, it would also be crucial for future research to cover the gaps the current analysis did not manage to cover in the Gap Net model (please see the section above: the Gaps the present study covers).



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## Appendices

### 1) Interview Questions and Research Questions and Back up with Citation

RQ 1 / How does the HR Practice/Mechanism of Training and Development and its sub-HRMechanism work, when it comes to performance, due to its Powers/Tendencies and why?

Interview Question 1-4:

List the question:

What is Training for you? Does Training help improve your performance/or your employees' performance?

If yes or not, how and in what ways?

Explain how and why, as a result of Training, you (or your employees) are working harder/better the same, or worst?

What other things/ issues (Mechanism) regarding Training, affect in a positive, neutral or negative way your performance /or your employees' performance?

What will this question assess? These questions will be used to explore the role that training is playing in organizational performance.

Backup with citation: A critical realism approach to Training from an HRM-Organizational Performance perspective is crucial because as it has been stated by Paauwe and Farndale (2017) literature is in need for studies that include more proximal, micro-level HRM measures and outcomes to help understand this HRM–performance relationship in greater detail. This will also address the calls by critical theorists (e.g. Fleetwood and Hesketh, 2010) regarding the sometimes overly managerialist focus of HRM research.

- Paauwe, J., D. Guest & P.M. Wright, 2013. HRM and Performance: Achievements and Challenges. Chichester, West Sussex: Wiley.

- Fleetwood, S. & A. Hesketh, 2011. Explaining the Performance of Human Resource Management. Cambridge: Cambridge University Press.

- Guest, D.E. (2011) 'H.R.M. .and performance: still searching for some answers H.R.M Journal 21:1, 3–13.

- Banks, G.C. & Kepes, S., 2015. The influence of internal HRM activity fit on the dynamics within the 'black box'. H.R.M. Review, 25(4), pp.352–367.

Which study goal does this question address?

These interview questions should help the researcher answer the research question one. Therefore, these interview question proposes to reveal the perceptions of employees on how and why training (and its sub-Mechanism), due to its powers and tendencies influence organizational performance, increase, decrease or has no effect on O.P.

RQ 2: How does the HR Practice/Mechanism of Recruitment and Selection ((R&S) and its sub HRMechanism work, when it comes to performance, due to its Powers/Tendencies and why?

Interview Question 5- 8

List the question:

What is Recruitment and Selection (R&S) for you? Does R&S help improve your performance/or your employees' performance?

If yes or not, how and in what ways?

Explain how and why, as a result of Training, you (or your employees) are working harder/better the same or worst?

What other things/ issues (Mechanism) regarding Training, affect in a positive, neutral or negative way your performance /or your employees' performance?

What will this question assess? These questions will be used to explore the role that Recruitment and Selection(R&S) is playing in organizational performance.

Literature Support: A critical realism approach to R&S from an HRM-Organizational Performance perspective is crucial because as it has been stated by Paauwe and Farndale (2017) literature is in need for studies that include more proximal, micro-level HRM measures and outcomes to help understand this HRM–performance relationship in greater detail. This will also address the calls by critical theorists (e.g. Fleetwood and Hesketh, 2010) regarding the sometimes overly managerialist focus of HRM research.

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- Banks, G.C. & Kepes, S., 2015. The influence of internal HRM activity fit on the dynamics within the 'black box'. H.R.M. .Review, 25(4), pp.352–367.

**Which study goal does this question address?** These interview questions should help the researcher answer the research question two. Therefore, these interview question proposes to reveal the perceptions of employees on how and why R&S (and its sub-Mechanism), due to its powers and tendencies influence organizational performance, increase, decrease or has no effect on O.P.



**RQ3:** *How does the HR Practice/Mechanism of Compensation and its sub-HRMechanism work, when it comes to performance, due to its Powers/Tendencies and why?*

**Interview Question 9-12**

**List the question:**

- 1) What is Compensation for you? Does Compensation help improve your performance/or your employees' performance?
- 2) If yes or not, how and in what ways?
- 3) Explain how and why, as a result of Compensation, you (or your employees) are working harder/better the same or worst?
- 4) What other things/ issues (Mechanism) regarding Compensation, affect in a positive, neutral or negative way your performance /or your employees' performance?

**What will this question assess?** These questions will be used to explore the role that Compensation is playing in organizational performance.

**Literature Support:** A critical realism approach to Compensation from an HRM-Organizational Performance perspective is crucial because as it has been stated by Paauwe and Farndale (2017) literature is in need for studies that include more proximal, micro-level HRM measures and outcomes to help understand this HRM–performance relationship in greater detail. This will also address the calls by critical theorists (e.g. Fleetwood and Hesketh, 2010) regarding the sometimes overly managerialist focus of HRM research.

- Paauwe, J., D. Guest & P.M. Wright, 2013. HRM and Performance: Achievements and Challenges. Chichester, West Sussex: Wiley.

- Fleetwood, S. & A. Hesketh, 2011. Explaining the Performance of Human Resource Management. Cambridge: Cambridge University Press.

- Guest, D.E. (2011) ‘H.R.M. .and performance: still searching for some answers H.R.M Journal 21:1, 3–13.

- Banks, G.C. & Kepes, S., 2015. The influence of internal HRM activity fit on the dynamics within the ‘black box’. H.R.M. .Review, 25(4), pp.352–367.

**Which study goal does this question address?** These interview questions should help the researcher answer the research question three. Therefore, these interview question proposes to reveal the perceptions of employees on how and why Compensation (and its sub-Mechanism), due to its powers and tendencies influence organizational performance, increase, decrease or has no effect on O.P.

**RQ4:** *How does the HR Practice/Mechanism of Appraisal (PA) and its sub-HRMechanism work, when it comes to performance, due to its Powers/Tendencies and why?*

**Question 13 -16:**

**List the question:**

- 5) What is PA for you? Does PA help improve your performance/or your employees' performance?
- 6) If yes or not, how and in what ways?
- 7) Explain how and why, as a result of PA, you (or your employees) are working harder/better the same or worst?
- 8) What other things/ issues (Mechanism) regarding PA, affect in a positive, neutral or negative, way your performance /or your employees' performance?

**What will this question assess?** These questions will be used to explore the role that PA is playing in organizational performance.

**Literature Support:** A critical realism approach to PA from an HRM-Organizational Performance perspective is crucial because as it has been stated by Paauwe and Farndale (2017) literature is in need for studies that include more proximal, micro-level HRM measures and outcomes to help understand this HRM–performance relationship in greater detail. This will also address the calls by critical theorists (e.g. Fleetwood and Hesketh, 2010) regarding the sometimes overly managerialist focus of HRM research.

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- Fleetwood, S. & A. Hesketh, 2011. Explaining the Performance of Human Resource Management. Cambridge: Cambridge University Press.

- Guest, D.E. (2011) 'H.R.M. .and performance: still searching for some answers H.R.M Journal 21:1, 3–13.

- Banks, G.C. & Kepes, S., 2015. The influence of internal HRM activity fit on the dynamics within the 'black box'. H.R.M. .Review, 25(4), pp.352–367.

**Which study goal does this question address?** These interview questions should help the researcher answer the research question four. Therefore, these interview question proposes to reveal the perceptions of employees on how and why PA (and its sub-Mechanism), due to its powers and tendencies influence organizational performance, increase, decrease or has no effect on O.P.

**RQ5:** *How does the HR Practice/Mechanism of Emiratization and its sub-HRMechanism work, when it comes to performance, due to its Powers/Tendencies and why?*

**Question 13-16:**

**List the question:**

- 13) What is Emiratization for you? Does Emiratization help improve your performance/or your employees' performance?
- 14) If yes or not, how and in what ways?
- 15) Explain how and why, as a result of Emiratization, you (or your employees) are working harder/better the same or worst?
- 16) What other things/ issues (Mechanism) regarding Emiratization, affect in a positive, neutral or negative way your performance /or your employees' performance?

**What will this question assess?** These questions will be used to explore the role that Emiratization is playing in organizational performance.

**Literature Support:** A critical realism approach to Emiratization from an HRM-Organizational Performance perspective is crucial because as it has been stated by Paauwe and Farndale (2017) literature is in need for studies that include more proximal, micro-level HRM measures and outcomes to help understand this HRM–performance relationship in greater detail. This will also address the calls by critical theorists (e.g. Fleetwood and Hesketh, 2010) regarding the sometimes overly managerialist focus of HRM research.

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- Fleetwood, S. & A. Hesketh, 2011. Explaining the Performance of Human Resource Management. Cambridge: Cambridge University Press.

- Guest, D.E. (2011) 'H.R.M. .and performance: still searching for some answers H.R.M Journal 21:1, 3–13.

- Banks, G.C. & Kepes, S., 2015. The influence of internal HRM activity fit on the dynamics within the 'black box'. H.R.M. .Review, 25(4), pp.352–367.

**Which study goal does this question address?** These interview questions should help the researcher answer the research question five. Therefore, these interview question proposes to reveal the perceptions of employees on how and why Emiratization (and its sub-Mechanism), due to its powers and tendencies influence organizational performance, increase, decrease or has no effect on O.P.

## 2) HR Practices & Organisational Performance: Codes\\thematic Codes

Name	Description	Files	References
Compensation influence on O. P		16	84
DEDUCTIVE APPROACH ANALYSIS THEMES		16	84
Compensation techniques influence on O. P		16	45
POSIT IVE		15	44
	These compensation techniques increase performance, productivity and they react as a motivator factor, these compensation techniques boost employee's morale that has a direct influence on their performance. Compensation techniques will improve the organisation visibility on the market and their branding as a whole. Like KPI's, equity base compensation, performance base compensation, bonus etc all help to increase performance	15	44

Name	Description	Files	References
Justly and unjustly treated compensation influence on O. P		14	39
NEGATIVE		13	31

Name	Description	Files	References
	<p>unjust treatment feelings in compensation, employee lose motivation, creates frustration feelings, and influence employee's performance negatively, because a lot of authorization is given in one person, creates an upsetting environment. If there is unjust treatment or if there is inequality, if there is a lack of transparency, then that can be demotivating. job descriptions and evaluations not taken seriously from the companies, creates the unjust treatment feeling in compensation. Increase turnover.</p>	13	31



Name	Description	Files	References
POSITIVE or NEGATIVE		6	8


Name	Description	Files	References
	<p>people get motivated by different things, and this has to do with their character and with their culture, with their maturity, employers should know what motivates their employees and what does not. character of the employee important, if money is a motivator factor for him then compensation will affect him</p>	6	8



Name	Description	Files	References
Emiratization influence on O. P		17	173
DEDUCTIVE APPROACH ANALYSIS THEME.	categories which have been created more by inductive qualitative analysis (research questions not closely derived from the literature or from unsolicited answers of interviewees)	16	102
Interface between Emiratization and O. P		16	102
NEGATIVE	negative influence to O.P	16	102

Name	Description	Files	References
	<p>Mindset and education level need to change in order Emiratisation to work and perform better. Having jobs only for national is wrong does not develop the competitiveness of the host national, job titles should not be based on nationality or passport. Emirati look expats as threats and vice versa. expats got too comfortable and Emiratis see them as threats and expats see Emiratis as threats too, as they see their colleagues getting fired and replaced by locals and they get demotivated and influence their perf</p>	15	67

Name	Description	Files	References
	<p>Emiratis' different money expectations and career. They wanted to become managers quickly. Also, Emiratis mostly managerial positions without the actual knowledge of the position, so this has a negative influence on performance of the organisation but not in personal performance</p>	10	32

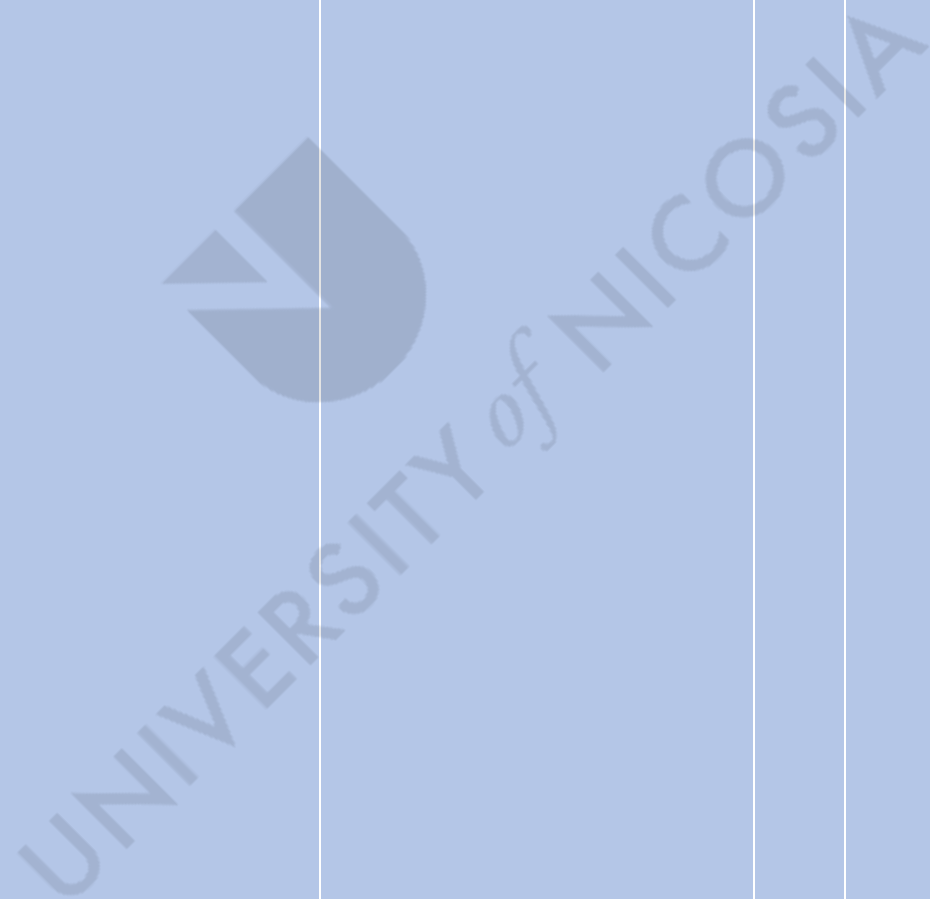
Name	Description	Files	References
 UNIVERSITY of NICOSIA			

Name	Description	Files	References
	<p>Companies are trying to get around Emiratisation and they just have them on their payroll, but they do not really work companies are trying to fabricate evidence that they have Emiratis on their payroll, in order to be politically correct. Emiratis do not come to the office they are just in the payroll</p>	3	3
<p>INDUCTIVE APPROACH ANALYSIS THEME</p>	<p>Research questions that they have been closely derived from the literature review of the author (deductive qualitative analysis)</p>	17	71

Name	Description	Files	References
Forced quota systems, wage restraint & payroll retain influence on O.P		17	71
POSITIVE	They create a positive influence in O.P	17	71
	Emiratization gives a good branding to the company and can open doors with connections, and adds value, and it will give an edge to the company. Also, its Emiratis have connections with other Emiratis or with the government it will give an edge to the company and open some doors. o you feel like when it comes to employee's performance with a correct way of approaching the subject with clarity of expectation, you can manage to influence in a positive way and avoid any negativity.	17	71



Name	Description	Files	References
PA influence on O. P		17	191



Name	Description	Files	References
DEDUCTIVE APPROACH ANALYSIS THEMES	Research questions that they have been closely derived from the literature review of the author (deductive qualitative analysis)	17	168
Effective and an ineffective PA and its influence on O. P		14	27
NEGATIVE	NEGATIVE INFLUENCE ON ORGANISATIONALL PERORMANCE	13	25
	Improper PA will always have a negative effect, even if the boss was fair. Employee feels undervalued, no time for them, uncertain about future, lose confidence, less results, lose confidence, impact at work, no communication, no motivation, no new ideas, turnover, no undervalued, no PA means, not involving the employees, just PA on the job description, and not monitoring by the HR, not monitoring by the manager. So improper PA will always have a negative effect,	13	25

Name	Description	Files	References
Employee's involvement influence on O.P		17	52
POSITIVE	positive influence to O.P	17	52
	involvement in PA and objectives, helps people take ownership what they need to do and make their job more relevant if they feel they have a stake on it, creates accountability and responsibility. Employees get motivated with involvement since org. is valuing them, sense of autonomy. if they are part of the process, they feel an essential element of the organisation then they contribute, add value, need employee important for the success. Objectives need to be initiative by the employee to make them committed	17	52

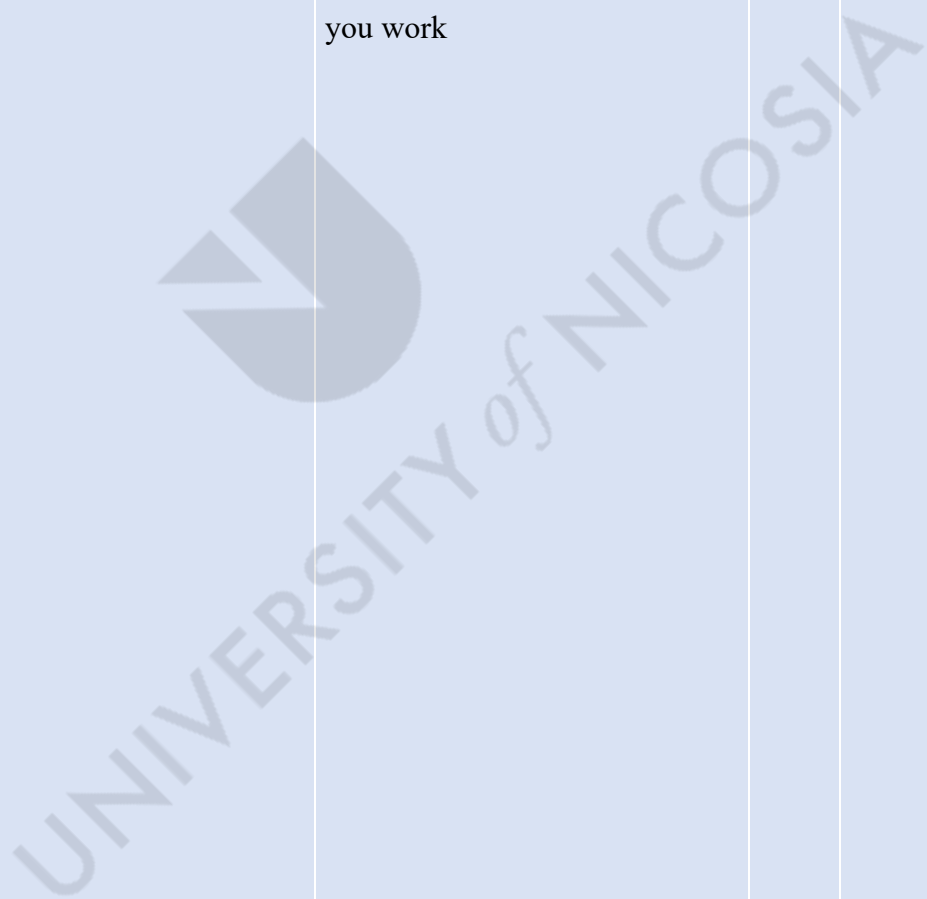
Name	Description	Files	References
<p>Target setting, clarity of expectations, less job ambiguity influence on O. P</p>		17	89
<p>POSIT IVE</p>	<p>POSITIVE INFLUENCE ON THE O. P</p>	17	61

Name	Description	Files	References
	<p>since employees know what they are doing, they are focused and they have confidence, people need to know what is expected from them, there is a need of a clear path, knowing what you need to achieve, it will help your performance, good communication important. Clarity is key, people do not like risks and to work in vague situations, otherwise negative influence.</p>	17	61




Name	Description	Files	References
INDUCTIVE APPROACH ANALYSIS THEME	categories which have been created more by inductive qualitative analysis (research questions not closely derived from the literature or from unsolicited answers of interviewees)	10	23
Interface between PA. and O. P		10	23
NEGATIVE	negative influence on O.P	10	23

Name	Description	Files	References
	<p>although they have the best intentions, managers do not like to give bad reviews, PA evaluation is difficult to appraise in covid 19 years, Also, PA is old school, The understanding of performance and business values in PA is challenging, biggest PA challenge getting managers to understand performance and business values, U.A.E culture they want to see you in the office in order to believe that you work</p>	6	9



Name	Description	Files	References
	<p>in covid 19 years its difficult how to motivate employees also remote work is challenging and mental wellbeing too. In PA is difficult to motivate all you need to motivate the managers and they should motivate their employees. Corona negative influence on PA and on O.P. in corona days employees want small targets in PA because they are scared that they will not deliver, loyalty is default to be achieved during crisis</p>	7	14




Name	Description	Files	References
 UNIVERSITY of NICOSIA			

Name	Description	Files	References
Recruitment & Selection influence on O. P		17	155
DEDUCTIVE APPROACH ANALYSIS THEMES		17	104
NEGATIVE	NEGATIVE INFLUENCE ON O. P	16	43
Elitism and too many rounds of interviews negative influence on O. P	employees after too many interviews from all these different people are getting tired from many interviews, from all these different people, cultural thing here in UAE (a lot of people have opinions). Rigorous R&S process creates stress to the employee as he needs to live up to the expectations. Rigorous R&S process sets a lot of expectations to the employees and make them anxious	16	43
POSITIVE	POSITIVE INFLUENCE ON O. P	17	61

Name	Description	Files	References
Clarity , Comm unicati on positiv e influen ce	clarity of the recruitment process very important so the interview is not taking too long and the employee loose interest. Also, all the steps of R&S need to be communicated to avoid miscommunication and negativity. Recruitment needs to have a clear process, otherwise it is discouraging for the employees	6	14
Strong and effecti ve R&S affects positiv ely organi zationa l perfor mance	R&S affects performance positively, affects reputation of the organisation, and it affects employee's morale	17	47
INDUCTIVE APPROACH ANALYSIS THEMES		17	51
POSITIVE AND NEGATIVE		17	51

Name	Description	Files	References
Wasta positive and negative influence on O. P	Wasta-2 sides of the same coin positive and negative effect. Cost saving.it can be good if it's managed openly and knowingly with regards to performance, but it could be quite negative for people's levels of aggregation. It will depend on if that roster is used properly or not. Both effects, depending on the person who is leveraging this and the person who is recruited. If it is the right person, yes, the use of influence can be a positive thing and can influence the person for the job, it can influence negatively	17	51
Training influence on O. P		17	211
DEDUCTIVE APPROACH ANALYSIS THEMES	Research questions that they have been closely derived from the literature review of the author (deductive qualitative analysis)	17	175
Personality Characteristics influence on O. P		8	22
POSITIVE		8	22
	Communication important in order to avoid problems. If a training program is not delivered, then it has to be communicated in order to avoid problems.	8	22


Name	Description	Files	References
 UNIVERSITY of NICOSIA			

Name	Description	Files	References
Psychological Contract influence on O. P		17	153
NEGATIVE		11	32
	<p>lack of promised training is a demotivator factor will certainly lead to disengagement of the employees. Employee doubts employer if promised training not delivered and has a negative impact. They will start having second thought about the employer is training not delivered. Lack of promised training and delivered. Lack potentially have negative results employee might get frustrated and leave. So, training has the tendency to increase performance but if not given then negative results Fleetwood (2010, 2017),</p>	11	32

Name	Description	Files	References
NEUTRAL	neutral influence to performance	17	53

Name	Description	Files	References
	<p>The moment training is linked to the loyalty and not to skill level, then training is considering as something entertaining or Training selection negative results.</p> <p>Training in UAE is connected to family culture. Company will send someone for training if they trust him, in EU training is a culture. Company contract more important than written contract. if there is trust, and believes that the employer will look after him, and stick up for him. Incorrect selection for training negative performance</p>	17	53




Name	Description	Files	References
 UNIVERSITY of NICOSIA			

Name	Description	Files	References
POSITIVE		15	68
	<p>Training is an investment for the company, a reward for employees that makes them loyal, that shows faith and care and improve their performance. Training is part of their compensation package, and L&amp;D opportunities is a way to reward the employees, because the feel that the organisation cares, and that makes them loyal, and when they come back, they perform better and stay longer to the organisation. Training makes the employees feel that the organisations cares for them and shows them faith.</p>	15	68

Name	Description	Files	References
INDUCTIVE APPROACH ANALYSIS THEMES	categories which have been created more by inductive qualitative analysis (research questions not closely derived from the literature or from unsolicited answers of interviewees)	12	36
Interface between Training and O.P		12	36
NEGATIVE	POSITIVE INFLUENCE TO O.P if actual training and culture of the organisation is aligned, but if not aligned then negative influence	12	36

Name	Description	Files	References
	<p>Company weakness in the identification of learning of development needs. So, when the input is wrong, then the output will be wrong too. Lack of identification before the training takes place so the output is wrong, Organizations do not usually identify L&amp;D requirements on a year basis. Lack of ROI analysis of employees' training in order to understand the real value basis. Lack believe that L&amp;D is not a priority. Training needs to be clear why is happening. Why the employee was sent and the expectations</p>	12	36

Name	Description	Files	References
 UNIVERSITY of NICOSIA			

### 3) The Way to Pick HR practices that have been Analysed in the Current Research: Frequency of Various HRM Practices included in Research Studies

Frequency of various HRM practices included in previous studies			
Name of the author	Year	Journal	HR Practices
1 ABUBAKAR TABIU	2013	Journal of Business studies Quarterly	<ol style="list-style-type: none"> <li>Recruitment/Selection</li> <li>Training/development</li> <li>Employee Involvement</li> <li>Reward/Compensation</li> <li>Maintenance</li> <li>Separation</li> </ol>
2 KERSTIN ALFES,	2015	Wiley Online Library	<ol style="list-style-type: none"> <li>Employee skills, including selective recruitment/selection process;</li> <li>Motivation, including such practices as performance based rewards systems</li> <li>empowerment, including participation and feedback mechanism</li> <li>training and development opportunities</li> <li>career management</li> </ol>
3 Gould-Williams and Davies's	2005	Public Management review	<ol style="list-style-type: none"> <li>Employee skills, including selective recruitment/selection process;</li> <li>Motivation, including such practices as performance based rewards systems</li> <li>empowerment, including participation and feedback mechanism</li> <li>training and development opportunities</li> <li>career management</li> </ol>
4 AlexandroBello -Pintado	2015	Human Resource Management journal	<ol style="list-style-type: none"> <li>Selectivity techniques in staffing procedure</li> <li>Selection criteria (consider employees' capability to learn, interpersonal abilities, cultural fit and attitudes, or even personality)</li> <li>Extensive training</li> <li>job security</li> <li>internal promotion</li> <li>High-performance compensation</li> <li>formal performance evaluation</li> </ol>
			<ol style="list-style-type: none"> <li>job autonomy</li> <li>Information sharing</li> <li>Employees participation</li> </ol>
5 Bouali et al.	2010	Journal of Management studies	<ol style="list-style-type: none"> <li>Training</li> <li>Career development</li> <li>Supervisory style</li> </ol>
6 Chadwick et al.	2014	Strategic Management Journal	<p>Commitment based HR practices only</p> <ol style="list-style-type: none"> <li>Staffing/Recruiting</li> <li>Training</li> <li>Performance Appraisal</li> <li>Pay for Performance</li> <li>Job Design</li> <li>Communication and Participation</li> </ol>
7 Chowhan	2016	Human Resource Management Journal	<ol style="list-style-type: none"> <li>Selection methods</li> <li>Recruitment methods</li> <li>Unfilled position vacancies</li> <li>Training</li> <li>Direct compensation,</li> <li>Indirect compensation</li> <li>Benefits (i.e. indirect compensation)</li> <li>Work practices</li> <li>Autonomy</li> </ol>
			<ol style="list-style-type: none"> <li>Grievance process.</li> </ol>
8 Darwish et al.	2015	Wiley Online Library	<ol style="list-style-type: none"> <li>Recruitment and selection</li> <li>HR planning</li> <li>Appraisals and rewards</li> <li>Training and development</li> </ol>
9 Mike Leat & Ghada El Kot	2007	The International Journal of Human Resource Management	<ol style="list-style-type: none"> <li>job descriptions</li> <li>recruitment and selection,</li> <li>training and development</li> <li>compensation</li> <li>employment security</li> <li>performance appraisal</li> </ol>
10 Almutawa et al.	2015	The Journal of Developing Areas	<ol style="list-style-type: none"> <li>Job design</li> <li>Recruitment</li> <li>Selection</li> <li>Training</li> <li>Appraisal</li> <li>Compensation</li> </ol>
11 Aftzibet Irtundia and Jon Landeta	2011	The International Journal of HRM	<ol style="list-style-type: none"> <li>Training</li> <li>Selection</li> <li>Communication</li> <li>Compensation</li> <li>Participation</li> <li>Team work</li> </ol>
12 Falou and Budhwar	2007	International Business Review	<ol style="list-style-type: none"> <li>Recruitment</li> </ol>

Summary of all the studies
18 /18 studies used Training
16 /18 studies used recruiting and selection
13 /18 studies used performance appraisal
13 /18 studies used empowerment/communication, participation
13 /18 studies used compensation
2/18 studies used job security
2 /18 studies used job autonomy
2 /18 studies used Supervisory style
1/18 studies used career planning
1/18 studies used job definition
1/18 studies used Incentives
1/18 studies used Benefits
1/18 studies used Involvement
1/18 studies used Health and safety
1/18 studies used Relations
1/18 studies used Separation
1/18 studies used Flexible work Practices
1/18 studies used Carriers
1/18 studies used Work design
1/18 studies used Job evaluation
1/18 stu+127:442dies used team work
1/18 studies used employee's security
1/18 studies used Unfilled position vacancies
1/18 studies used Benefits (i.e. indirect compensation)
1/18 studies used Work practices
1/18 studies used Autonomy
1/18 studies used Grievance process.
1/18 studies used Maintenance
1/18 studies used Separation
1/18 studies used information sharing
1/18 studies used Commitment based HR practices
1/18 studies used Job Design
1/18 studies used Unfilled position vacancies

		<ul style="list-style-type: none"> <li>2 Selection</li> <li>3 Separation</li> <li>4 Flexible work Practices</li> <li>5 Training</li> <li>6 Career training</li> <li>6 Carriers</li> <li>7 Work design</li> <li>8 Performance Appraisal</li> <li>9 Job evaluation</li> <li>10 Compensation</li> <li>11 Promotion</li> <li>12 Incentives</li> <li>13 Benefits</li> <li>14 Participation</li> <li>15 Involvement</li> <li>16 Communication</li> <li>17 Health and safety</li> </ul>	
13	Katou and Budhwar	2012 2012 Wiley Periodicals,	<ul style="list-style-type: none"> <li>1 Resourcing</li> <li>2 Training</li> <li>3 Rewards</li> <li>4 Relations</li> </ul>
14	Carl F Fey et al.	2008 Journal of International Business Studies	<ul style="list-style-type: none"> <li>1 Training</li> <li>2 Compensation</li> <li>3 Communication</li> <li>4 Appraisal</li> <li>5 Promotion</li> </ul>
15	Qureshi et al.	2010 African Journal of Business Management,	<ul style="list-style-type: none"> <li>1 selection system</li> <li>2 performance appraisal system</li> </ul>

			<ul style="list-style-type: none"> <li>3 compensation system</li> <li>4 employee participation</li> <li>5 job definition,</li> <li>6 Training</li> <li>7 Career planning system</li> </ul>
16	Amin et al.	2014 TQM Journal	<ul style="list-style-type: none"> <li>1 recruitment,</li> <li>2 Training,</li> <li>3 participation,</li> <li>4 performance appraisal,</li> <li>5 career planning,</li> <li>6 job definition,</li> <li>7 compensation.</li> </ul>
17	Kuldeep Singh	2004 Asia Pacific Journal of Human Resources	<ul style="list-style-type: none"> <li>1 Selection system</li> <li>2 Job definition</li> <li>3 Training system</li> <li>4 Performance appraisal system</li> <li>5 Compensation system</li> <li>6 Career planning system</li> <li>7 Employee's participation</li> </ul>
18	Queresh	2010 African Journal of Business Management	<ul style="list-style-type: none"> <li>1 Selection system</li> <li>2 Training</li> <li>3 Job definition</li> <li>4 Performance Appraisal system</li> <li>5 Compensation system</li> <li>6 Career planning system</li> <li>7 Employee participation</li> </ul>
19	Tessima and Soeters	2006 The International Journal of HRM	<ul style="list-style-type: none"> <li>1 Recruitment and Selection</li> </ul>
			<ul style="list-style-type: none"> <li>2 Placement</li> <li>3 Training</li> <li>4 Employee performance evaluation</li> <li>5 Compensation</li> <li>6 Promotion and transfer</li> <li>7 Grievance procedure</li> <li>8 Pension programs</li> </ul>
20	Shazad et al.	2008 International Review of Business Research Papers	<ul style="list-style-type: none"> <li>1 Compensation Practices</li> <li>2 Promotion practices</li> <li>3 Performance evaluation practices</li> </ul>
21	Guest	1997 The International Journal of Human Resource Management	<ul style="list-style-type: none"> <li>1 Selection</li> <li>2 Training</li> <li>3 Appraisal</li> <li>4 Rewards</li> <li>5 Job designs</li> <li>6 Involvement</li> <li>7 Status and security</li> </ul>
22	Huselid	1995 Academy of Management Journal	<ul style="list-style-type: none"> <li>1 personnel selection</li> <li>2 performance appraisal</li> <li>3 incentive compensation</li> <li>4 job design</li> <li>5 grievance procedures</li> <li>6 information sharing</li> <li>7 attitude assessment</li> <li>8 labor management participation</li> <li>9 recruitment efforts(selection ration)</li> <li>10 training for employee</li> <li>11 promotion criteria</li> </ul>

23	Ichniowski et al.	1997 THE AMERICAN ECONOMIC REVIEW	1 Incentive pay 2 Recruiting and selection 3 Teamwork 4 Employment security 5 Flexible job assignment 6 Skills training 7 Communication
24	JOHN PAUL MACDUFFIE	1995 Industrial and Labor Relations Review	1 Contingent Compensation 2 Status Differentiation 3 Training of New Employees 4 Training of Experienced Employees 5 Recruitment and Hiring
25	DeLery and Doty	1996 Academy of Management Journal	1 Internal career opportunities 2 Training 3 Results-oriented appraisals 4 Profit sharing 5 Employment security 6 Participation 7 Job descriptions
26	Paauwe and Richardson	1997 The International Journal of Human Resource Management	1 recruitment/selection 2 human resource planning 3 rewards (motivation) 4 participation, (commitment) 5 internally consistent, HR bundles 6 decentralization 7 training/employee development 8 organiz. structures/internal labour market
			9 formal procedures
27	GERHART et al.	2000 PERSONNEL PSYCHOLOGY	1 Problem solving groups/quality circles 2 Group contingent pay (group bonuses, gainsharing) 3 Formal information sharing systems 4 Formal job analysis 5 Attitude surveys 6 Formal grievance procedure/open door 7 Employment tests used for hiring 8 Hours of training provided employees each year 9 Formal performance appraisal 10 Individual contingent pay
28	David Guess	1997 Human resource management and performance	1 Selection 2 Training 3 Appraisal 4 Rewards 5 Job design 6 Involvement 7 Status and security
29	Boselie et al.	2005 Human Resource Management Journal,	1 training and development 2 contingent pay and reward schemes 3 performance management (including appraisal) 4 careful recruitment and selection
30	Jiang et al.	2012 Academy of Management Journal	1 Recruitment and selection 2 Training 3 Performance Appraisal 4 compensation 5 job design

6 employee's involvement

<b>Summary of all the studies</b>		practices
29 /30 studies used Training		1
26 /30 studies used recruiting and selection		2
25 /30 studies used compensation		3
22 /30 studies used performance appraisal		4
19 /30 studies used empowerment/communication, participation		5
15/30 studies used internal career opportunities		6
7/30 studies used Job design		7
6/30 studies used job security		8
6/30 studies used career planning		9
4/30 studies used Grievance process.		10
2/30 studies used job definition		11
2 /30 studies used job autonomy		12
2/30 studies used Flexible work Practices		13
2/30 studies used Separation		14
1 /30 studies used Supervisory style		15
1/30 studies used Incentives		16
1/30 studies used Health and safety		17
1/30 studies used Relations		18
1/30 studies used Carriers		19
1/30 studies used Attitude surveys		20
1/30 studies used job analysis		21
1/30 studies used job analysis problem solving groups/quality circles		22
1/30 studies used formal procedures		23



1/30 studies used organiz. structures/internal labour market	24
1/30 studies used internally consistent, HR bundles	25
2/30 studies used job description	26
2/30 studies used profit sharing	27
1/30 studies used team work	28
1/30 studies used pension programs	29
1/30 studies used Unfilled position vacancies	30
1/30 studies used Work practices	31
1/30 studies used Grievance process.	32
1/30 studies used Maintenance	33
1/30 studies used Selection criteria (consider employees' capability to learn, interpersonal abilities, cultural fit and attitudes, or even personality	34
1/30 studies used Commitment based HR practices only	35



## 4) Transcriptions

### 1. Transcription speaker Number One

Valeria: Good, how are you.

Speaker n.1: Fine. I'm good, love. Are you able to listen to me well?

Valeria: Yes, yes. Fine.

Speaker n.1: Okay. All right, because I'm wearing this watch, and I'm having a walk, so I'm not sure whether you're able to hear me well.

Valeria: No, no. I'm listening to you perfectly actually.

Speaker n.1: Okay, perfect.

Valeria: Great. So Speaker n.1, Mark told me that you will be willing to help me for my interview questions that I have for you.

Speaker n.1: Yeah, yeah, sure.

Valeria: Great. So do you want to start?

Speaker n.1: Yeah, definitely.

Valeria: Great. So, you want to have a small introduction about yourself?

Speaker n.1: Yeah, sure.

Valeria: Yeah.

Speaker n.1: Well, my name is Speaker n.1, as you know, and in 2012, sorry, in 2010, I established an HR consultancy firm, and I worked since then with several entities, and the city government in the private sector, in different management relations consultancy projects, but with a focus on HR mainly.

Speaker n.1: Before that, I used to work as an operations and quality manager supervising the areas where HR and support services, the organizations are used to working.

Speaker n.1: So I do consulting and training projects, mainly.

Valeria: Great. Great, Speaker n.1. So the interviews are only for me. It's going to be totally anonymous, and it's going to be only for my Ph.D. research. My

name is Valeria Goura, and an HR monitor as well here in Abu Dhabi at an IT company, but now I'm doing my Ph.D. part time in Cyprus and these interviews, they will be used only for my Ph.D. data analysis, and they have to do with how HR practices affect organizational performance.

Speaker n.1: Yeah. Perfect. I actually congratulate you for this stuff. It's a good thing to do. Bravo.

Valeria: Thank you. Thank you so much. Thank you so much. And you as well, you have done great things from what I hear so far.

Speaker n.1: Hopefully.

Valeria: So, Speaker n.1, let's start.

Speaker n.1: Sure.

Valeria: Okay, great. So how do you think formal training as a part of psychological contract between the employer and the employee influence employee's performance, the psychological contract is not the written contract what it has been promised, like the mutual expectation and understanding, beliefs, commitments between the employer and the employee. It's nothing written, only what has been promised orally, let's say.

Valeria: So how do you think that training, as a part of this, let's say agreement, between the employer and the employee influence the employee's performance?

Speaker n.1: Let me talk first in general about a bit of how training is printed and the organization stuff I support. Here's one here, training is formalized. And in a sense, they present to have it based on specific requirements and specific guidelines set by either the organization or the government which oversees those organizations.

Speaker n.1: So I haven't come across organizations that have promises related to training without formally documenting and without formally having them as part of their learning identification process.

Valeria: Great. I understand. But in general, what do you think? What is your opinion? How in general training, if it deliberate or if it is not deliberate, as this problem is that we send you to training, maybe maybe I didn't it. How do you think this will affect the employee's performance in general?

Speaker n.1: In general, I don't think that there is a real link between the outcomes of learning and development and the improvements of performance. Of course this doesn't apply to all organizations, but I believe that this is mostly what is taking place in many organizations because first they have sometimes a

weakness in the identification and the learning of development needs. So when this is wrong, when the input is wrong, then the output will be wrong.

Speaker n.1: Or sometimes they, for example, say, okay, you're in this position. Let's say that you have to work with customers. So they take you or they register you in customer service training on a yearly basis, even though sometimes the information is the same. They don't put some effort maybe into looking into okay, are the deliverables of the training or the learning and development intervention this year is different from the previous year? What is the return on investment from last year's training on the performance of the employee? And I have to say, with a great consternance maybe, a great level of consternance, that it's rare to identify the return on investment on training.

Speaker n.1: So from a performance perspective, this is very important because by understanding the return on investment, we'd be able to understand did the performance really improve or not? I believe that this is lacking.

Valeria: And it has to do with the [UIE 00:06:36] in general? The culture? Why do you think this is happening?

Speaker n.1: I don't think that it has to do specifically with the country or with the I think it's different in most of the operating countries. They assume that learning and development interventions maybe are not a priority because sometimes they believe that also we have to take into consideration how much year the organization is. For example, if you have a small organization, you want to hire people who are even to operate.

Speaker n.1: The training comes, or learning and development intervention comes when the organization is really a mature one, and they have established processes, established points and procedures and you have time to train people. You don't need experts from the beginning. So also this has to take into, you have to take into consideration the size, the history of the organization, how long it has been in the market, those are some factors.

Speaker n.1: And then learning and development is something, again I will say it's not really a priority in some times because when you think about this, if anything happens, for example, to the economy, the first cost to cut is the training. And maybe the second or maybe on an equal basis the equipment expenses also. So people don't think, in light of and generally, not say in all organizations but many organizations, don't think that it's really a necessity.

Speaker n.1: And sometimes they think of it as something that they can't do internally instead of spending money on expending resources, they mi think of, okay, let's have internal experts providing training to the other people in the organization so that they don't pay on it. And sometimes they rely on, especially during the last two years, we've heard a lot about reading initiatives and it was the year of reading, so there was some emphasis on

creating libraries inside your organization and enriching it with some good books. But the thing is, not all people are interested in reading, let's face it.

Valeria: Yeah. So do you agree with this approach?

Speaker n.1: Which approach?

Valeria: The last one that you said that in general organizations don't believe so much into training that it's going to give them return on investment. Do you agree or you find it negative, positive, neutral? What's your opinion?

Speaker n.1: For me, I don't see that learning and development is only classical training, and I do not agree with the approach where it says learning and development is not a priority because learning and development is also, in addition to helping the organization achieve its goals, it's also a way to reward employees. It's part of their compensation package, because compensation, it's not only money. It's also how do you reward your employees and learning and development opportunities is a way to reward employees.

Valeria: Of course.

Speaker n.1: Because they feel that you care, they feel that you're interested in their growth and this makes them loyal.

Valeria: Of course. Yeah. So if I may summarize you feel like the training, it's not a straight line influenced by the performance. It's just kind of a neutral let's say relationship but it can be given as a reward in order to motivate your employees to stay longer with you, to be more loyal, et cetera.

Speaker n.1: Yeah.

Valeria: Great. Let's move on.

Speaker n.1: I think it serves the potential or the growth of the organization as well as the growth of the employee.

Valeria: Great. Let's move on now to the next question, again about training. What is the influence that personality characteristic of an employee like loyalty, relationship building, has on the selection of the employee for training and how this can affect organization performance? So, let's say you really like an employee, he's loyal, he has this personality characteristic that the line manager would like. Do you think that this would play at all for your selection for the employees for training?

Speaker n.1: If I may summarize the question, you need to know whether there is an importance of personality when you do the selection and [crosstalk 00:11:44] process?

- Valeria: Exactly. Exactly.
- Speaker n.1: Okay. Well let's talk about maybe trust. Nowadays, especially in the last at least, let's say, in the last five years, many organizations now are inclined to conduct full fledged assessment centers, sometimes, especially for redistrict positions and sometimes they do psychometric tests. The main aim of this is to be able to identify the personality of this person, how would they anticipate the performance of this person based on personality traits? And some literature we do understand that such assessments or such tests give you a percentage of 60 to 65 percent of accuracy.
- Speaker n.1: Many organizations are stopping to look at this as an important factor, the link between the personality and the position that you're hiring for. So I think yeah, personality plays a role but we don't have to take it into consideration as a standalone factor. I think you have to look also into the previous work, education, trainings, qualifications, this makes a full rounded person, not only a psychometric fact.
- Valeria: Exactly. Great. And how do you think this, let's say if it plays a role because I really like this employee and he's loyal, blah, blah, blah, he's going to stay to the company. I choose him for the training. How do you think this will affect his performance and at the end of the day the performance of the organization as a whole?
- Speaker n.1: When you train them?
- Valeria: No. When I choose him because he's let's say loyal or because I like him to send him for the training, how this will affect the performance in general?
- Speaker n.1: Yes, it can create higher level of loyalty and from several surveys that I've conducted for some organizations, we have noticed the link between providing proper learning and development opportunities and loyalty of employees or their interest to stay with the organization for the next five years for example. So I believe yes, there is a connection, but also you have to take into consideration that it's not, again, not a standalone factor because you can provide someone with learning and development opportunities but at the same time maybe there is a manager or a line manager who doesn't give the opportunities for the implementation of the learning and there the employee gets frustrated and feels no, I don't think that this is the right place.
- Speaker n.1: I too believe in that the thing that says an employee leaves an organization because of a manager not because of an assistant in the organization.
- Valeria: Exactly.
- Speaker n.1: So it has different aspects and different factors if you want to look at this.

- Valeria: Great. So if I will summarize, you feel like the training as like any word it can influence the loyalty of the employee and this can have a positive affect on the performance but at the same time there are a lot of positive aspects that play a huge role in order to let's say establish the relationship.
- Speaker n.1: That is true.
- Valeria: Okay. Great. So my last question about training, if there is anything else that you would like to add about the interface between training and performance organization performance.
- Speaker n.1: No, not really, not as you do a proper identification of learning and development needs and as long as you provide such opportunities for the people to implement what they learned and show serious curiosity or interest in what they are achieving, I think this would help you have a loyal staff member and also it helps you achieve the organization end goals.
- Valeria: Great. Amazing insights Speaker n.1. Let's go now to the next set of questions. It has to do with recruitment.
- Valeria: What is the influence that's strong and effective Recruitment and Selection system have on an organizational performance?
- Speaker n.1: Again to summary.
- Valeria: What, sorry?
- Speaker n.1: What was the question again?
- Valeria: Yes, yes. What is the influence that's strong and effective Recruitment and Selection system have on an organizational performance? So if you have a strong and a very effective recruitment system, how do you think this will influence the performance of the whole organization?
- Speaker n.1: Of course positively because when you recruit well, you have the technical constancies in place and you have behavior constancies in place. You have both. So if you have both correct, the direct for the jump ship in the organization and you have this across, definitely this will help the organizations to grow and achieve their goals.
- Valeria: Great. So you feel there's a straight line a positive relationship between Recruitment and Selection of organizational performance, if I may summarize what you said?
- Speaker n.1: Yeah but also as we said in the previous examples even if you provide, for example, if you get the right people in the right places, if you don't provide them with incentive for learning and development and growth then they might be frustrated and this will affect their performance and therefore

organization. Also if you get them on board and you don't listen to what they're saying, so to their expert opinion or to their life expertise also they see in that you're not taking good care of them or they don't matter for you. So yes, recruitment has a positive effect on the performance of the organization but at the same time you have to take into consideration the other factors.

Valeria: Great. Great. So now what is the influence that a rigorous Recruitment and Selection system that could create the feeling of validism and significance between the employees has an employee's performance? So if I may let's say rephrase the question, if let's say you have been through five, six, seven interviews, test and whatever everything else, you manage to get to a very high company, let's say Apple, Google, whatever, and you have this feeling of validism because I man it, and I got it, I'm the one. How do you think this will effect the performance of the employee, positively, negatively, neutral? What do you think?

Speaker n.1: Maybe I did not get the question.

Valeria: Okay. So let me try again. So let's say after you... you want to go to a very prestigious company that they have a lot of rounds of interviews. Do you think if you manage to get in, do you think that the feeling that you will get the time you want, that they managed to get you to last for long in order to affect your performance or do you think this not going to play any role for you for your employees as well?

Speaker n.1: If I was selected, I don't think that will affect my performance because my performance is my performance if the other factors are in place. However the several rounds of interviews might make me think that aren't they sure of their Why is this taking so long? Am I willing to wait until they take a decision because you know what I have stories, for example, especially with big organizations such as Google or the high-tech organizations operating in Dubai, I heard that they do interviews but those interviews are for several levels. First you meet a manager then a director then the CEO then I don't know the VP. The candidate loses interest and feels frustrated because the challenge is looking by the end of the day is looking for a job where he can secure a good future, get a salary, especially if they have not been working for some time, so this long time for example, three or four months of interviews, at the end you feel that, where is this leading me? Is it the correct choice for me? Should I remain conducting such interviews or it's a waste of my time?

Valeria: So you feel-

Speaker n.1: Especially without any updates from the organization on why are we conducting this or without clarity on the process from the beginning. Say



for example if you want to apply, you'll go through this number of interviews for this number of months, so if this is vague or always surprised by another interview then I think the employee or the candidate won't be very much keen to join or to keep on trying.

Valeria: So you feel it's possible to have the opposite results and to make the interviewee, the employee to feel frustrated? To feel there is too much waste of time especially if there is no clarity, very important role you think is clarity of the recruitment process, and it can have a negative effect even if this process is taking too long and the employee can lose even interest?

Speaker n.1: Yes. True.

Valeria: Great. My next question has to do with the influence that [Gwasta 00:22:49] in Arabic user influence in the Recruitment and Selection has on organizational performance. So what do you think Gwasta is playing a role and if it's playing a role, what role it plays to the performance?

Speaker n.1: I can't see the front aspect or perspective because maybe 10 years or 15 years back, this would have worked. Nowadays it could work but in some really not on a fewer scale or not as a large scale as it used to be. But also we have to take into consideration that when the introduction of psychometric tests and assessment centers, you're censoring people, so even if you get into Gwasta, you will not be able to pursue up and pursue on the list of short listed candidates.

Speaker n.1: But also we have to take into consideration that we cannot hide this or pretend that it's not taking place is that the people who you know, sometimes it's more important than what you know.

Valeria: Exactly.

Speaker n.1: A lot of times you can apply to jobs through LinkedIn or through some recruitment agency, but if you don't know an insider I don't know whether somebody will even look at your CV unless it's very impressive. So maybe what that can get you inside or at least put your CV on the desk of the recruitment manager but after that I don't think that it has an effect, especially with this introduction of psychometric tests and assessment factors.

Valeria: I understand. So you feel Gwasta has two signs of the same coin, it can be a negative thing especially in the passage, they were not the correct recruitment selection system but now this it can have a positive effect in order to give just a small boost, but if you're not the right person because you're not fit to the organization because your culture is different, at the end of the day they're not going to choose you because of their recruitment

selection system is the correct one then it will have a positive effect and Gwasta effect of performance in the correct and positive way.

Speaker n.1: Very true. And also may I add that sometimes the person who forces the organization to recruit another person, it goes, maybe it goes ahead and maybe he or she is recruited, but then if this person is not really the good fit for the organization you start not to think performance issues, you start not think people pinpointing to the person who recruited this person or talking aside about what contributions this is worth.

Speaker n.1: The second thing, we have to take into consideration also that some organization that we cannot call this Gwasta but some organization what they encourage employees to bring the CVs of some good candidates that they know [crosstalk 00:26:26] position, so that they aren't... yeah, it's hell, and in this case, look, if you look at it, it's Gwasta in a way or another, but Gwasta was just sort of which complies with the policies and procedures of the organization and with or without [If I recommend someone who's great, I the organizations that pay for such talent.

Valeria: Yes, yes. It's very true. Great. Is there anything else you'd like to add about interface between Recruitment and Selection and organization performance?

Speaker n.1: No. Not really. Maybe if one thing to highlight is that even if I bring somebody who's excellent and the organization is also excellent but I don't do the proper induction or employee orientation programs are not in place, then I'm at the risk of having those people leave the organization before even I gain from their expertise.

Valeria: Okay. Great insights. Really amazing. Okay, no let's go to compensation. What is the influence that feeling of treatment of compensation has on employee's motivation and performance? What is the influence in the performance if it is the feeling of a treatment? And if I phrased the question, let's say you get to know that someone is paid and he's paid more than you and you know we're people, they start talking and you start feeling that this is not this is treatment from the employer to you and how do you think this will affect your performance? If you feel like, okay, they are giving you the correct compensation or if they're giving you the not the correct compensation you feel like I was treated?

Speaker n.1: Okay. Now this used to happen in many organizations. I would say that it happens also in some organizations despite the fact there are some compensation and benefit structures in place and despite of the fact that there are some policies and procedures where a CEO has the authority to let's say increase the salary of a certain person at this stage of recruitment or later on for the best of the employee and the organization.

- Speaker n.1: But still, for the organizations who do not update their compensation and benefit packages or don't benchmark and study the market well, they always come into such let's say or confusion where people hear that their peers are getting more than they get and this creates an upsetting environment.
- Speaker n.1: Also I have to say here that many organizations take the process of job descriptions or job descriptions at creating job evaluations lightly. They don't take it really seriously, and this is wrong because when you do job descriptions well, when it's updated, the job description and the job is evaluated well, then you're grade is correct and your entitlements are correct. And unfortunately many organizations lack this part or they cannot see the link between, what's the link between a job description and my package? Well the job description is the starting point for giving your position a total number of points which are translated into a grade and then into a salary.
- Speaker n.1: Many organizations are training to have job descriptions are evaluation and employees do not understand sometimes that even though we are peers, but maybe the head of a department which is a core business, makes more money than I make as, for example, head of support services because the job evaluation is different and this might create a misconception. It doesn't mean that I and this person should be on the same job grade because core business is different than support services. So you can see that there are different aspects to it.
- Speaker n.1: Either systems are not in place or systems are implemented quarterly are not up to HR standards or maybe because sometimes I am so maybe sometimes because of the advice of let's say performance evaluation, I might give somebody a promotion and get him or her on a higher level salary while in reality they're not as good as the other people who are on his or her level.
- Valeria: I understand. And how do you think this feeling of unjustly is going to affect their performance or no?
- Speaker n.1: Yes, definitely. Because some people would say, okay, they don't care about me. They don't care about my salary. I won't care. I come to understand this time to work is official working hours, and I'll not do anything extra. This is one attitude that you can see.
- Speaker n.1: The other attitude is well, no, I'm going to work, I'm going to do my best but at the same time I'm looking for another job. As soon as I get another job, I'm leaving because nobody is taking care of my package. And the other person, there is also a third attitude, let's say, where this person says, okay, this is the concern of the organization, I don't care, I'm happy with the amount of money I'm getting despite the fact that other people are getting higher and we're on the same level of service and skills and knowledge. The

most important thing for me is the amount of money and the package that I'm getting. I'm happy with it, and this is okay for me.

Valeria: But in general Speaker n.1, the whole organization, how do you feel it's going to affect it?

Speaker n.1: No. It's a bad environment. It will show in the satisfaction surveys. It's that

Valeria: Great. Great insights. So let's go to the next question.

Speaker n.1: Sure.

Valeria: It has to do with how compensation techniques like performance based compensation system, bonus techniques, equity-based compensation, can influence organizational performance.

Speaker n.1: Okay. How could compensation techniques influence the performance of the organization?

Valeria: Yeah, like bond news, like equity based compensation, performance based compensation. Do you think these techniques can affect the organizational performance?

Speaker n.1: Now also we can say it depends because you have also to look into what motivates people to work for you. Is it really the bonus by the end of the year or is it the name of your organization to put on their CV so that they can get better opportunities? Let's face it a lot of people go work hard for the big four, the organizations such as Deloitte, Ernst and Young, [BPMG 00:34:13], PwC and also we have in the Arab world [foreign language 00:34:17]. People fight in order to get a position over there, but for minimum or really not that much in compared with the market.

Speaker n.1: But the gain is or the catch is whenever they work there for some number of years, they can go and work for any other organization for a really high salary. So it really depends on how people perceive things. What motivates me? For example, if you have a senior person let's say that your view for retirement soon, you don't really, I don't know, most of them are not really interested in a bonus or performance merits. They are interested in having a smooth transfer from their work life to their retirement life. Maybe if you give them the opportunity to train other junior employees or to be mentors and coaches, it's not important for them than having a bonus or a monetary award.

Valeria: So you feel-

Speaker n.1: You have to understand the motivations of your employees.

- Valeria: Mm-hmm (affirmative). So you think there are other things that they can play a huge role and not everyone is motivated by the money, there are different personalities, different ways to motivate employees?
- Speaker n.1: Yes. Different personalities and different stages of life.
- Valeria: Yes, of course.
- Speaker n.1: Because if you are a new employee, a new fresh graduate, your ambitions or your future how you look at your future is different from somebody in his or her and the difference from somebody who is due to retirement, in my opinion.
- Valeria: So you feel like if you are younger, it will affect maybe more your performance because you want more money, you want to establish yourself, blah, blah, blah, but if you're let's say more established, or you don't care so much about monetary compensation system that much. But for different things.
- Speaker n.1: Most of the... in my opinion, yes, which is how I think about it.
- Valeria: No, no, no. You're right. You're right. Now is there anything else you would like to tell me about compensation and performance, organization performance?
- Speaker n.1: No. Not really. No.
- Valeria: Great. So now let's go to PA. What is the influence that target setting, clarity of expectations and less job ambiguity of PA can have on employee's performance? So let's say when you do the PA and you have clear targets, no ambiguity of what you need to do. You know exactly what you need to do at your job. There is the job clarity. Because of the PA, how do you think this will affect employee's performance?
- Speaker n.1: It will really affect them a lot because when those things are clear and when those things are set on the right time of the year, and when there is proper feedback and let's say open communication between the line management and his subordinates or her subordinates, then employees would be working in a more certain environment and let's face it, most of the people don't like risk taking without understanding their line manager's view, and most people don't like to work in vague situations.
- Speaker n.1: Not all people prefer this. So the majority of is to work in an environment where I understand where am I heading, what is expected from me and what type of authorities and interests that I have under my control.
- Speaker n.1: And also this is not enough because if you don't do continuous feedback and open conversations also people will not be happy even if you set goals

in place and targets are really clear but there's just no feedback on continuous support, also not on the feedback, support and having learning and development opportunities based on the performance during the year until the final appraisal takes place, then employees might not be that comfortable.

Valeria: Okay. So you feel there is a straight line positive influence but there are other things that play in a huge role like the clarity, the performance represents needs to take care of place regularly and you need to provide them training. There are a lot of other things that play an important role that if you wanted to do them then it will affect in a positive way as well. If you don't, then it might have a negative influence.

Speaker n.1: True.

Valeria: Great. So now my next question is, what is the influence that the employee's involvement in establishing next year's goals and performance standards so PA has on employee's performance? So if the employee is involved in this PA establishment and he's taken like a vital role in this procedure. How do you think this will affect his performance?

Speaker n.1: I think it will affect it very well in a positive way because as humans, we would like to be involved in decisions or things related to us, so jobs is something that relates to us and to what we do and to what we aspire to be in the future and our current job is affecting some to which our future plans. So if I'm involved as I know and I understand and I have this space for asking delicate questions that help me better do my job then I think, yes, it will correlate in a positive way.

Speaker n.1: But also we have to take into consideration, what level of education those people have. For example, let's say that you are a manager for a blue-collar employee. Are those people or... you have to work hard in order to stand right at least the targets so that they see that there is equity but at the same time I don't know to what level can you involve them, especially if you have things that you can calculate in a certain formula or a certain mechanism, let's say on a production line.

Speaker n.1: Yes, you can say, okay, I'm going to involve them and say, okay, guys, you have to produce 10 items of this today. But what if the manufacturing specifications tell you that they are able to do 20? So also we have to take into consideration the level of the job, the level of education and the way I have to involve them.

Valeria: So you feel like yes, it can have a positive affect, but a lot of other roles, a lot of other issues play an important role like the education of the employees, like the specific job that they are doing and some other

specifications that are very important in order to affect the performance of the employees.

Speaker n.1: Yeah. Yep.

Valeria: Great. So is there anything else you would like to add about PA and organizational performance?

Speaker n.1: No. No.

Valeria: Great.

Speaker n.1: Ah, maybe one thing. Sometimes organizations do not have this properly between the organization involved and the business units involved and the employees goals. They don't just say it. So you have the organization goals are in the one direction. The employees are working in another direction or not really or having at least a 60 percent match of organizational goals and maybe there's a lot of who is taking the role or championing, if for example the HR is known a number or if the HR is not qualified, how to link or who ensures the presence of a link between organizational goals and employees' goals?

Valeria: So you feel like the strategy [crosstalk 00:43:26] of the management and the employees needs to match in order for an organization to increase their performance and actually do well in general?

Speaker n.1: Yes.

Valeria: Great. Really great insights Speaker n.1.

Speaker n.1: Thank you dear.

Valeria: I'm impressed.

Valeria: Let's go now to the emiritization. This is our last set of questions. I'm sure you're aware of what emiritization is?

Speaker n.1: Yes.

Valeria: So what is the influence of the force for the system, wage restraints and payroll that emiritizations have on employees' performance and an organization's performance in general?

Speaker n.1: Okay. We have to look at this in a different maybe perspective than is usually publicized or introduced. I think and there is a term of literature which says sometimes you have to do some positive discrimination. What does positive discrimination mean? Positive discrimination, in a sense you do sometimes discriminate in the population of the organization for a

certain minority or for a certain people for whom you as an organization serve in their country and those are to the agent to help support them do well and on the long term this organization is serving the country where it's operating.

- Speaker n.1: So I think if people understood it this way as the let's say the communication messages inside the organization are proper and are clear, then I think this should be no problem.
- Speaker n.1: The problems are created when there is no clarity or when there's no policies and procedures in place for that the local and unlocal, I don't know why is this person considered this way or thinking this way or getting more training and learning and development opportunities while the others are not at the same level?
- Speaker n.1: So clarity, for example, procedures systems in place, and I don't think that will cause a effect of the organization's immediately unless the organization is not taking it seriously in the sense that, oh, it's another number that we have to add. Maybe they're not looking for candidates in the right places. Maybe for example because let's face it, who graduate are graduating from Germany, from Europe, from the U.S., from the UK, why try to find those people to recruit and then be happy with their performance? Why don't you collaborate with the ministry of the human resources and emiritization in order to put in place some plans that support those unemployed Iraqis to find their potential? Of course, you cannot do the whole job, but at least we can contribute by saying, okay, let me interview some and my success will be in their success. I can see my success in their success by developing them, by seeing them grow in their organization, so why not?
- Valeria: So you feel it can have a positive effect if the company has established the correct ways to introduce the emiritization and you should have seen in a nice way, for everyone to feel comfortable and understand why there is the need, and this can have a positive effect on performance as well?
- Speaker n.1: Yes.
- Valeria: Great. And what about the employees' performance? Do you think it will be affected in a positive way as well? Neutral way, negative, what do you think?
- Speaker n.1: I don't feel that... let me put it the right way, I don't think that the in place performance is really or it can be affected. I think it's neutral. I don't think that it's affected by the emiritization quotas that I have in my organization because the policy and procedures, my HR puts in procedures that says I have to have this number and I have to provide this and that and this is their compensation and this is their job and this is your job. Their expectations



are clear. Your expectations are clear. Then I think that it has minimal impact on performance.

Speaker n.1: Unless you hire somebody and you put them in leadership position and you don't give them learning and development interventions, proper ones, and then you make them advantage of others who are highly educated or who really do better, so we have to look into this in a proper way where we can help those leadership positions kill the gap of performance quicker and faster.

Valeria: This thing has happened to your career so far? Have you seen this bad example, let's say?

Speaker n.1: I've seen it in some organization. Because I do consultancy projects and training, so those things usually are raised during conversations.

Valeria: And how do you think this will affect the performance of the organization if something like that is taking place

Speaker n.1: Frankly I think it has neutral affect. I don't think that, okay, they will feel bad at the beginning, but then employees would get used to it, and they'd say okay, as long as I have a job and as long as my objectives are clear and as long as I have this personality of understanding my manager and being able to also hunt and develop things him or her, then I don't see anything negative with it.

Valeria: The organization for four months let's say stays. What do you think it will be things that's neutral again?

Speaker n.1: Neutral. Yeah.

Valeria: Neutral. Okay. Great. So is there anything more you would like to tell me about the interface between emiritization initiatives and job performance?

Speaker n.1: No.

Valeria: Great. So that's it. That was the interview. You have amazing insights.

Speaker n.1: I think something else to add, but it's specifically to one, let's say to one factor or aspect of the question. I think that the HR professors or HR operations are very interrelated, so if you mess with one of them, if you mess with performance you mess with learning and development. If you messed with recruitment, you're messing with the whole system. If you missed also with the policies and procedures between of the two systems. If you miss with the systems, establish systems in place, or you don't have them very well established then also you're going to have a problem. So just inter-relation you have to be good in all of them and you feel that they are

integrated in each and every aspect of the HR work. Otherwise you'd have problem.s

Valeria: Speaker n.1, what can I say? You have amazing insights, and I think you were the best interview I had so far and I had a lot, trust me.

Speaker n.1: Thank you.

Valeria: Seriously, thank you so much. You had tremendous ideas and insights about HR in general, and it was a great pleasure that I took your very interview with you.

## 2. Transcription Speaker Number Two

Speaker n. 2: ... really not enough prepared.

valeria: Don't worry. Look at me, I'm also a mess. It doesn't matter. We are at home right now.

Speaker n. 2: Oh no, it's fine.

valeria: Great. Thank you for accepting to have the interview with me.

Speaker n. 2: Sure.

valeria: Matt told me great words about you, that you have an amazing experience, so it's a pleasure for me to interview you.

Speaker n. 2: Oh, thank you. Thank you. I must admit that it's actually quite very, very busy for me in the office.

valeria: I'm sure.

Speaker n. 2: So, I haven't been as responsive, but-

valeria: No, no, no. Thank you for accepting me.

Speaker n. 2: ... Yes. At the same time, I'm just trying to assist where I can.

valeria: Thank you so much. Thank you so much. So the interview will not going to take long. Only 45 minutes approximately. It's totally anonymous. It's only for my PhD research and analysis. My name is Valeria Gkoura. I'm also an HR manager in IT company here in Abu Dhabi. And I'm doing part time my PhD, that's why I'm doing now the interviews. So when we finish I can give you the results that can help you with the performance of your organization,

with your personal performance, whatever you want, we can be in touch and I can share with you the results.

Speaker n. 2: Sure. Thank you.

valeria: Great. So let's start.

Speaker n. 2: Okay.

valeria: Great. So do you want to start off with a small introduction of yourself?

Speaker n. 2: Sure. So I'm the senior HR business partner with DP World. So I'm based at the corporate head office here in Dubai. And my immediate focus is on the some 400 persons at the corporate head office. But of course, we are a global company of probably nearly 60,000 by now, across the world.

valeria: Great. So I'm going to ask you some things regarding HR practices, and you can just answer to me your opinion. There is no right or wrong answer. Whatever you believe, whatever you think from your experience so far.

Speaker n. 2: Okay. Sure.

valeria: Okay, let's start. So the first questions it has to do with training. So how formal training as a part of an unwritten psychological contract between the employer and the employee influence employee's performance. The psychological contract is the, it has nothing to do with a formal contract, it is the, let's say, psychological contract describes the unwritten and untouchable set of mutual expectation, understandings, beliefs between the employee and the employer. So let's say, what it has been promised. So how do you feel training as a part of this, let's say, agreement between the employer and the employee influence the performance of the employee?

Speaker n. 2: Well, certainly for a number of the employees that join us, I would say that growth and development, career advancement, things along that nature are critical for them as individuals. And certainly that's the type of people you would employ anyway. So when it comes to the training and development, learning and development, it definitely is something that would be part of our value proposition upfront, which is in itself an unwritten thing. So in terms of their psychological contract, it further strengthens when we do the formal training, or learning interventions I would say, it has a positive impact on our employees and we expect that this will also lead to improved performance in terms of their job because the training that obviously we'll focus on is first of all training around the business, so that people understand what we do and how we do it.

Speaker n. 2: There's also training around the soft skills, leadership and things of this nature. And there's technical training as well around what specific subject

matter expertise people are doing. So while we hire a lot of experts, we still expect that the training will be very much linked to improving performance, whether that performance is on a technical nature, or on a soft skill nature. And it should feed into what their expectation is, i.e. through the psychological contract that they will continue to grow and develop. What I cannot a 100% tell you at this stage is in terms of the ROI and whether or not we have a scientific way of measuring to the full extent the performance. But we certainly have some of that, and undoubtedly through the projects, which they will do as part of the training, which in fact is related to how they perform.

valeria: Great. And how do you feel if this psychological contract is not delivered? So let's say it has been promised to an employee that he's going to go for training, but for the X, Y, Z reason the employer didn't manage to deliver. Do you think this will affect his performance?

Speaker n. 2: Well if people are not able to do certain formal trainings and so on. I mean this is part of the employee life, but there are other things. And for me, and I'm not sure what your baseline of definition is? For us, formal training, we try to encourage it in the broader sense. So it's not just about the courses and classes, it is about exposure and it's about other things which were traditionally not considered formal training. It's about shadowing, it's about getting on projects and so on as well. So from the point of view, if it is that none of these areas are really open for that employee who is expecting to get that exposure and that growth, we'll certainly expect it to be a demotivator and to impact negatively on their performance from the point of view that they may become, as I said, demotivated and disgruntled.

valeria: So if I may summarize what you're saying, you think that there is a straight line relationship, a positive relationship between the training and the performance. And if this is not delivered for any reason, it's going to have a negative effect, the demotivation of the employees and other negative consequences?

Speaker n. 2: Yes, in a nutshell, yes. However, I will still say that if there was lots of training, formal training and so on, but it is still not related to what it is they are doing, there is not a definite answer that there's a straight line on employee performance if it's not in fact linked to what is going to help them to perform better. If you see what I mean?

valeria: Yes. Yes.

Speaker n. 2: You can have a happy employee who's not performing at their maximum, if you see what I mean.

valeria: Yes, yes, of course.

Speaker n. 2: Okay.

valeria: Of course.

Speaker n. 2: Good.

valeria: Great. So let's go to the next question. What is the influence that personality characteristics of an employee like loyalty, relationship building has on the selection of the employee for the training and how this consequently can affect organization performance?

Speaker n. 2: Well, I would say that personality characteristics, I think, will have some impact on selection to training, especially if there is specific training geared toward high potentials within our organization, because those persons are usually holistically very, very sharp in the organization on the soft skills front, as well as on the technical front and potential front. So if it is that a person's personality is very much withdrawn or they're not very keen to collaborate or something like this, maybe that could have an impact and ultimately not be a positive for organizational performance insofar as things like collaboration, and working together and that is required.

valeria: What about loyalty?

Speaker n. 2: In the sense of...?

valeria: In the sense of, do you think loyalty's playing a role in the selection?

Speaker n. 2: Well, I'll say this, if we think that there's a definite known flight risk of an individual, we will take great care as to whether or not we need to invest high amounts, certainly in training, or you know? For sure. So if it is that we feel that an employee is not committed to the organization, not loyal to the organization, we definitely would be looking at it through other measures as well and not just the training. So yes, it would impact.

valeria: Okay. So if I may summarize, you feel like yes, there are some personality characteristics plus loyalty, that will play a holistic role in order to select people to do the training, because they need to be loyal, they need to have certain skills in order to choose them to go further for training and other kind of training skills that they need to have in order to go higher to the organization.

Speaker n. 2: Yes. I've just mentioned though that there's definitely learning and interventions that are done for persons who are not obviously performing up to standard. And loyalty aside, we would still focus on those persons of course, because the learning itself may be focused on changing, or supporting them, or making them aware of certain characteristic that we need to amend or to adapt. So yes. All right?

- valeria: Great. Is there anything else you'd like to tell me about the interface between HR training and development activities and organization performance?
- Speaker n. 2: Just that I think that once it is well aligned and that there's a definite focus on the actual training, and the strategy and the culture of the organization. That once those are well aligned, it will definitely, and no doubt about, have a very positive impact on organizational performance.
- valeria: Great. Okay. Let's move on now to the next HR practice. It has to do with recruitment. What is the influence that strong and effective Recruitment and Selection systems has on organizational performance?
- Speaker n. 2: So in terms of this year, you're saying in terms of the actual system?
- valeria: Yeah. So if you have like a strong Recruitment and Selection system in place, do you think this will affect the performance of the whole organization, of the whole company?
- Speaker n. 2: Well definitely, insofar as it is a filter for getting us the right people at the right time. So obviously, robust systems in the recruitment or what we call our talent acquisition side of things is definitely critical. And I will extend those recruitment systems to mean also not just those Taleos or the systems out there, but also the newer "social media systems" like LinkedIn and so on. We do need to make sure that once those are strong and effective, I would say that definitely, they bring the right talent, help us to bring the right talent in for sure, and definitely improve then performance on that basis once they're able to do what we expect them to be able to do, yes.
- valeria: Great. So if I may summarize it, you're saying that there is a relationship, there is a positive relationship, and exactly it's a straight line relationship because if you bring the right people in then their performance is going to have a positive impact.
- Speaker n. 2: I would say yes.
- valeria: Okay. Great. So my next question is, what is the influence that [foreign language 00:12:42], in Arabic, the use of influence in Recruitment and Selection system has on organizational performance?
- Speaker n. 2: So you mean in terms of influence, right?
- valeria: Yes. So if you have like a [foreign language 00:00:12:58], someone it was brought to the company because of some influence, some people he knew, some connections. So do you feel like this [foreign language 00:00:13:10] in recruitment is going to affect the performance of the whole organization?

Speaker n. 2: Yes, it could and it could affect it positively or negatively. Every company in every part of the world will face this at different points. And it may be, it's not necessarily a direct negative or direct positive, because there are some instances where persons may be brought before a company as an additional asset because of certain links to governments or whatever. And in those cases, sometimes those individuals work well for the companies in the sense of opening doors where doors may be difficult to open. So in that way it could be positive. But on the other side, if it is a person who does not really fit in the mold that is required for the organization, it can be a definite pull down on organizational performance in that sense.

valeria: So you feel like there are two sides of the same coin. It can be a positive thing if this [foreign language 00:14:12] or whatever influence bring the right person and can have a positive effect in their performance. And from the opposite side can have a negative effect if it's not the right person for the right place. And yeah, so it can have two different sides, the positive and the negative.

Speaker n. 2: It could, yeah.

valeria: Great. So is there anything else you would like to tell me about the interface between HR Recruitment and Selection process and organizational performance?

Speaker n. 2: I think the effectiveness, also the recruitment, the process on the whole, it is something that I think as the talent acquisition persons and the business get together and continue to talk about, with the business partners, however it's structured anyway with the HR, once that continued conversation is happening, then you are able to start talent pooling. You're able to start looking at what fits for the organization, even if it's not needed at the moment. And this in itself becomes a learning situation. Then where hopefully, as we continue the process it becomes easier, it becomes smarter and it becomes more agile for the use of the organization, and therefore positive as well for the organization's performing.

valeria: Great. Amazing insights. Let's move on now to the next HR practice. It has to do with compensation. So what is the influence that the feeling of justly treatment of compensation that an employee has, how do you feel that this influence his motivation, his performance? And on the opposite side, what is the influence in the performance if there is a feeling of unjustly treatment? Because you know, people talk, sometimes they say, "Oh, he's getting more. Why I'm getting less?" Blah, blah, blah. So what is the influence that these two different feelings have on performance? If you feel justly treated, and if you feel unjustly treated.

Speaker n. 2: Well I think that is a pretty widely discussed topic that one. But certainly it, I mean there's lots of research that has shown that once people feel that there's fair and just treatment on their reward and compensation, that they are definitely much more motivated and much more willing to give discretionary effort in terms of what they do within the organization. So I think I agree, it really makes sense that that is the case and therefore, hopefully, once they have the right skills that additional discretionary effort and so makes them very engaged and willing to do more, perform more and produce more, be more productive. And on the other side of it, I would say that certainly if people feel that it is not fair treatment or just treatment in terms of their reward or compensation, that they can tend to become, what I call, toxic also in the organization.

valeria: Toxic, yeah.

Speaker n. 2: Yeah, where because people as you say may talk, and even if it is a perception and we're talking not knowable facts, but if it is a perception that I'm not being treated fairly and so on, it can lead to real demotivation, and in many cases, lack of collaboration, lack of sharing, lack of teamwork and really, lack of productivity.

Speaker n. 2: No, so I would say that definitely, if that is the feeling. Now there are other things that encompass an employee's life, but certainly, just looking at this isolated. Yes, I would say it would negatively impact on that person's whole being within the organization if this is a chip on their shoulder.

valeria: So you feel like there is a very important relationship there, how do you feel and how do you perform? If you feel like you have been unjustly treated, then you will be demotivated, you're not going to send in information, you're not going to collaborate and a lot of other negative things that it will affect in a negative way your performance. And from the opposite side, if you feel like you are okay, you're justly treated, you will perform better, or like the way you're supposed to perform. And this can have internally a positive effect in the organization.

Speaker n. 2: Definitely, yes.

valeria: Great. Okay. Let's move on now to the next question. Same spirit. How compensation techniques like a performance-based compensation system, bonus techniques, equity-based compensation can influence organizational performance?

Speaker n. 2: Well again, I mean these techniques are very much, I mean linked obviously to the performance management side of things, so they go hand in hand. So when we're talking about utilizing these and embedding these in the organization the hope is that, well, there are a few things. One is that what we're compensating for, rewarding for is linked to achievement of



goals, which in themselves are linked to the overall goals of the organization. So in that sense, these techniques are supposed to support positive or improve organizational performance, and therefore people are supposed to, by way of being involved in these different types of systems and techniques, start to own their performance and try to basically achieve what they can as high as and best they can. So I think it has an ownership side. I think it has an alignment side in terms of linking what an individual is doing to the bigger good. And I think that these things are ultimately to support and improve organizational performance. Now that is not to say that if it is not properly aligned that it will do the same thing.

valeria: That's what, I was supposed to ask you, because you said suppose, so you put a question mark there.

Speaker n. 2: Well, yes, because at the end of the day, if we just have, if an organization set up things which are just for the sake of doing it and they're not really aligned to what the organization's strategy or what they're there to achieve, it will be maybe management by certain objectives, emptying out on things. But really, is it improving the organizational performance in the best way? Maybe not. So that's all I meant in that sense.

valeria: Great, great. So you feel like, yes, these techniques can have a positive influence in their performance and they can help their organization in general. But they need to be applied in the correct way to align with the strategic goals of their organization. Otherwise, it can have a different, maybe negative effect.

Speaker n. 2: Exactly, and that's just trying to be realistic because companies struggle with trying to do these types of alignments, and at least functionally and overall they should be in place. Otherwise, you're misaligned and then you're wondering why is the organization not moving forward the way it should.

valeria: Great. So is there anything else you want to tell me about the influence of compensation, organizational performance relationship?

Speaker n. 2: Not really anything else, but just in terms of when you asked about motivation of employees and compensation and so on, these are the basic needs that people have in terms of when we're talking motivation and so on. And now more than ever, they are very, very critical things. Like the self-actualization, all those things come a lot after. So this is stuff that is really now very much relevant. And to be really, really honest, why we're testing a lot more of those theories out there that really think it is not as important, they are very important.

- valeria: No, exactly. You're so right. Great. So now let's move on to PA. What is the influence that target setting, clarity of expectation and less job ambiguity of PA has on employee's performance?
- Speaker n. 2: So target setting...
- valeria: Client expectation, less job ambiguity. Whatever efficient PI, a PA can bring to the table. How do you think these, let's say, things can influence the performance of an employee?
- Speaker n. 2: Well we think that those are very important areas that will positively impact an employee's performance, make them perform better. Because we know that clarity is key for people. We also know that their link to something bigger and something related to the overall organization is very, very important to employee's performance as well. So I would say that the more, if you bring too much ambiguity and so on, and people within that don't understand what is the target, and what is the goal, and where do I fit? It will have a negative impact as well. For sure.
- valeria: So you feel like these elements are really important and they can have a positive effect to the employee's performance and to their organization. And if these things are not there, these values, they can have the exact negative effect?
- Speaker n. 2: Yes, I think so. And we have done many surveys. Companies, we do surveys to see in terms of engagement as well what... We want to know about these things. We want to know about if they feel that their targets are set, we want to know if they know what they're to do in their job. And we want to know those things because we already know through lots of research that these are the things that will improve their performance.
- valeria: Great. So what is the influence now that an employee's involvement in the establishing next year's goals, performance standards of their PA has on employee's performance? So if the employee's involved, how do you think this will affect his performance?
- Speaker n. 2: Well I think involvement is always great and it helps people take ownership in terms of what it is they need to do. And that makes it a lot more relevant for them and they feel they have a stake in it. I'll also say that what I've just said is also dependent on certain levels of staff because the involvement becomes a lot more on the professional and more senior level employee, than it is for some of the junior employees. So for example, in maybe a setting, you will have professional employees who will understand what is the overall, what are the priorities of the company, what are the functions, goals and objectives.

- Speaker n. 2: And then they can run with that, middle management, even junior management and so on. They can run with that and say, "Okay. I think I can work on these things." And then basically agree with their line manager. But in some other cases it's a lot more prescriptive where the jobs are task-oriented or where the jobs are, you know? But then there's still a minimum level of involvement that you can get with employees even though there's a tell approach. So it depends to me on the levels as well, but some engagement around it I think is important.
- valeria: So you feel in general it has a positive effect, but it has to do also with the level of engagement of the employee and his position in the organization if I understood correctly?
- Speaker n. 2: Right. In terms of the level of the employee. So if we're talking blue collar employees for example, who need to move widgets. There's a difference between that and the engagement on, you know you have to produce three widgets and the KPIs there. And someone else who is in even an accounting role or an HR role where there can be a lot more discussion around the output.
- valeria: So you feel like the nature of the job, it plays an important role as well?
- Speaker n. 2: It does, but their involvement is always a plus.
- valeria: Great. Okay. So now what is the influence that an effective and an ineffective PA system? And effecting in terms like management, like why is loyalty over efficiency, or PA without consulting the employees at all could have on employee's performance. So if it is an effective and an effective PA system.
- Speaker n. 2: Well I think an effective one is beneficial to the employee's and the company's performance. And an ineffective one would be detrimental to the company and the employee's performance. I don't know how else to put it? But certainly, if the wrong, if favoritism, or loyalty, or so on is the only aspect and they're not looking at say, Oh what is, you mentioned, your efficiencies or so. I think that it is going to have a negative impact for sure.
- valeria: Great. So you're pretty straight line for both of them as well an effective, an effective one. Ineffective, a negative effect as well.
- Speaker n. 2: Yep.
- valeria: Great. So is there anything else you would like to add about the interface between PA and employees and organizational performance?
- Speaker n. 2: Not really. I just would like to say that with all the best intentions in mind, many companies are still struggling with the best way to have the processes

go in terms of really not making it an administration aspect, but making it something more real and something more ongoing with employees so that it can itself, almost appraisal in itself becomes a lot more meaningful and a lot less, "Oh, something else to do for HR," or something.

valeria: Yes. Yes.

Speaker n. 2: That's the only point.

valeria: Yeah. Important point. Great insight. So let's go now to the last set of questions, but it has to do with Emiritization. I'm sure since you are in UAE, you know what the Emiritization initiatives are. So what is the influence of a fourth quarter system, wage restraints, payroll retains of the Emiritization initiatives all have on employee's performance, and in general on their organizational performance.

Speaker n. 2: Well as a company, well we don't have like a fourth quarter thing ourselves, so we don't really have this. But certainly, as existing in the UAE, we have an obligation. The way we looked at it is we have sought to find the best in the market for our organization and in fact have created something around that for management type, training type program. But it is a rigorous program. So if I have to talk about fourth quarter systems, I really don't know from experience, but I think that they have a place, whether it be Emiritization or other, let me say for like how it is used also for minorities and things in other ways. But I think there's a place for it, especially if there are preconceived notions where people think that they may not find good caliber people, but I think there's a place for it.

Speaker n. 2: However, I do know also that there is maybe companies can feel undue pressure and then they pretty much just want to get a number in. So it will have an influence depending on how companies approach it if they have to do a quarter thing. What was the other thing you mentioned?

valeria: I wage restraints, like the Emirate need to get some, from above a certain number for the salaries paid or retained. So it's very difficult to fire them. These kinds of initiatives. How do you think they will affect employees and in general the company?

Speaker n. 2: Yeah. So if there's a situation where you have definitely employees, like let's talk non-Emirate employees, and they're working alongside individuals who are doing the same job. If they are talking and they're realizing that they are getting a different salary or lower salary, it will be a demotivation for those employees for sure. But there are some situations I am aware of where in some companies it is accepted that there is a sort of a premium for local talent and maybe it doesn't bother the employees too much. I don't know? But in terms of an Emiritization initiative, I think what is very important and the way that we look at it is that there is an obligation to

develop local talent and companies should take it very seriously. And to be quite honest, when it comes to how companies deal with that, they should look at which is basically trying to get the right talent, setting the right expectations, rigorous selection and letting people know upfront what the expectations are, and actually counseling them out when they're not working.

Speaker n. 2: Because the worst thing you can do is to have persons remain who are not contributing to the department or the business. And we have had those situations and we have dealt with them. Now we know it's not as easy to deal with, but we know that we're doing right by Dubai and right by UAE if we're trying to help people who need to learn by learning interventions or if we need to counsel them that this is not the right place for them.

valeria: And how do you think these initiatives in general affect the organizational performance, their organization in general? Do you think they have a positive effect, a negative, neutral? What do you think?

Speaker n. 2: I think it can have positive and negatives because positive from the point of view again is that, we usually have some really great insights from our local talent as well and opening up doors and helping the business, to be quite frank, along a number of levels. But again, I would say so that would be very positive for the organization. But yet I will say on the other front that if it is that you're not getting the right talent or people are coming in and they're really not the right fit, that it'll be negative for the morale of your people that are there already, and it will not help. And we've been there, we've been there as well. And it will not help for the morale or for the productivity of the business.

Speaker n. 2: So it can have positive or it can have negative. But to me, it really... Emiritization is just because we're here, but there's so many forms of this in the world for so many things that it really is no different. So in other countries we will have other things around maybe the Aboriginal side in Australia may have something else to do. We have, as a business a focus also on women. And there's different things. So it really needs to be as best as possible integrated into the expectations that you would expect of the rest of the population.

valeria: So if I may summarize. You feel it can have two sides, the positive side, it can bring maybe like a good image to the company and it can affect in a positive way if you find also the right people. But it can have a negative effect, can demotivate the employees. If people are there, they're not working in this should be dismissed because they bring a wrong example to the whole organization. And you feel it's really important to integrate these initiatives in the correct way.

Speaker n. 2: Yes, yes.

valeria: Do you have any examples with the correct way? What do you mean exactly?

Speaker n. 2: Well, the correct way is, first of all, in your Recruitment and Selection process. It's not about just taking numbers, first of all, that come in. You want to get and vet for the right people to help the organization along, or people who want to be developed and trained. So if you've got that, that will help the process along in terms of making sure that you get the right synergies from the beginning, from the recruitment. Once they're in the organization you need to make sure that they're integrated just like any other employee. So what you're doing on the onboarding and through the probationary period of time. And equally, if they're not performing, there needs to be an accountability as well in terms of proper addressing performance improvement plans just like you would with any other employee, or if there's anything that has to do with disciplinary, it is also managed and not hidden. These are important for the person, for the company and for the country.

valeria: Great. So my last question, if there is anything else you would like to add about the Emiritization initiative and job performance?

Speaker n. 2: Not really at the moment.

valeria: Okay. No worries. So that was it. That was our interview. I hope you liked it. I enjoyed really. You have amazing insights. And thank you so much for agreeing-

Speaker n. 2: Thank you.

valeria: ... for the interview. I will add your LinkedIn so I can send you the results when they're out.

Speaker n. 2: Sure.

valeria: And maybe they can help you and your organization in general.

Speaker n. 2: Thank you so much and it was nice chatting with you.

valeria: Nice chatting with you too.

Speaker n. 2: I know that you can't see me.

valeria: It's okay.

Speaker n. 2: But I'll put it on. I can see the recording. So that's what got me a bit nervous. [crosstalk 00:00:38:31].

valeria: No. No. I need to record this because I need always to take notes after, what did we write?

Speaker n. 2: Sure. Sure.

valeria: So it's just for the transcription. Because the PhD need to take notes and then analyze the data, but it's only for me, so don't worry. I'm also a mess here. So don't worry. Everyone now is working at...

### 3. Transcription Speaker Number Three

valeria: So do you want us to start?

Speaker n. 3: Yeah, go ahead.

valeria: Great.

Speaker n. 3: Do you want me to give you the answers to the questions you sent?

valeria: No, no, no. I will ...

Speaker n. 3: Sure.

valeria: Answer. We will go one by one.

Speaker n. 3: Okay.

valeria: Okay. So you can have a small introduction about yourself if you want. What was your current role ...

Speaker n. 3: Sure.

valeria: Your previous roles, your experience?

Speaker n. 3: Sure. Well, I started off in UAE, okay? I worked for a construction company for a couple of years then I, as a personnel officer, so there was like a very much start, then I handled the recruitment when HR was really new so in Paris I'm sure you know the company, being a lady, so I was there between 2000 ... No, '99 and 2001, heading recruitment but HR was pretty new so ... And then back then the area like HR, the internet was full of information and it was for free.

Later on they put a charge on it so it was the beginning of my career, I was very much enjoying it, I was downloading, the opportunity was there in HR even to do things other than recruitment but just like everybody else, I was very happy over there but like everyone else, I was looking forward to working for a multi-national, so I got a job offer from Philips. Back then, honestly, I consider myself lucky because it was the time when they're asking for more and more Arabic speaking HR people and there was very few.

Speaker n. 3:

I worked for Philips for around three and a half years, then I was headhunted by GE. I stayed there for a year and then I had to take some time off due to certain personal issues, then the team of GE, my boss and colleagues of mine and stuff moved to Fosroc, that's another multi-national. And, by the way, in Philips it was complete Philips but I had a split role. So I was looking at corporate HR for all divisions and business HR for medical systems, plus they give me additional the quality role and then in GE it was mainly water and process technologies, water desalination. These were my division, security and it was ... What else? Sensing, which is the division responsible for manufacturing these little machines you measure humidity and the pressure in factories et cetera. And I was headhunted by GE, actually, because of my experience in mergers and acquisitions, because they didn't only want an Arabic speaking HR guy but somebody who knows well in M and A because these divisions were kind of a mess. Either huge investments or new opportunities of other multi-nationals or water was just a new creation, GE didn't have water before. They bought a bunch of companies and... What do you call it? In chemicals and they just ...

Speaker n. 3:

So later on I took some time, some break. I did a little bit of consulting work because I'm from the UAE and I know people and they ask me for, but then the GE team joined Fosroc, which is in construction chemicals and they invited me to join. That was a year later, that was around 2007, and then again I was headhunted by real estate companies when they were doing extremely, you know, blowing up and stuff like that in the boom of real estate. But it wasn't as ... Connection with the psychological contract was not there at all, although the money was good.

Speaker n. 3:

So I had established a little bit of relationships in consulting et cetera, so I did consulting for around four ... so you do psychological disbursements and mentoring and stuff like that, but you get on the other hand accountability based workforce planning projects, some training as well, et cetera. And I wanted to get back to corporate, I got a good opportunity in Qatar, spent a little bit over three years over there, didn't get along with the managing director,



last year, it was sour, so, again, I went back to consulting, then I got contacted by the people over here. It's a company in hospitality real estate mainly with little businesses here and there but [crosstalk 00:05:12].

valeria: Anyway, you have tremendous experience in HR.

Speaker n. 3: Yes. Yes. Well, I hate to say it, I'm a job hopper but at the end of the day, the Dubai market facilitates that, you know?

valeria: This is how it is, the market.

Speaker n. 3: This is how it is, yeah. This is how it is.

valeria: Great. So-

Speaker n. 3: So that's general. I consider still my ...

valeria: No, it is. It is.

Speaker n. 3: [crosstalk 00:05:33] my experience was in the ... Anywhere between Philips 00:05:40] and consulting. Yes, because when I joined Philips, they invested hundred million dollars to reach world class HR, to follow up on GE footsteps and Shell Oil and stuff like that, so I get a lot of experience at that time.

valeria: You have tremendous experience in HR in UAE and Gulf in general and this is what I'm looking for. So I'll ask you some questions regarding some HR practices and I want your honest opinion, nothing more than that. So let's start.

Speaker n. 3: Okay. Go ahead.

valeria: Okay. So regarding the training, the first question is how formal training as a part of an unwritten psychological contract between the employer and the employee influence employees performance. I can give you a small introduction to psychological contract if you want, if you're not familiar.

Speaker n. 3: I know.

valeria: But I'm sure you are. So how do you think training, as a part of the unwritten psychological contract between the employer and employee influence an employee's performance?

Speaker n. 3: Well, we're talking about UAE, yeah?

valeria: Mm-hmm (affirmative).

- Speaker n. 3: Let's talk about the region in general. In UAE, the, whether it's locals or expats, and I have a lot of experience with both, and the expats you're talking Arab and Arab expats, Asian, European, whatever, okay, they look mainly for ... They're mainly for a certain reason, which is making money and even this becomes number one and number two is developing skills and getting promotions, and they normally link promotions to pay. Same thing with Emiratis, to be honest. Okay. They also look for prestige in terms of promotion but they look for additional pay and now it's getting more competitive, even between Emiratis.
- Speaker n. 3: So this, for them, is linked to whatever it is linked to in the psychological contract. The psychological contract is built around ts, you know what I mean? Job security plays a role, of course, but I want to stay, I want to get better pay, I want to get promoted with therefore prestige or better pay or both, so the way they ... The psychological contract is basically built around this.
- valeria: Mm-hmm (affirmative).
- Speaker n. 3: Training, before formal, whether on the job training, whether it's other external training, coaching, external training being technical, being soft skills, or even inside the company, okay, it's all linked to these two main factors, okay? That, okay, I want to get the additional pay or I want to get promotion in order to get additional pay. So I think it's very much linked.
- valeria: Mm-hmm (affirmative). And you think it affects performance in a positive way, in a neutral way, in a negative way?
- Speaker n. 3: Well, it definitely, and this goes to all your questions, because I speak through them, if it's planned right okay, and if it's connected to the annual operating planned budget, if it's basically based on gap analysis, if you want to know what you're missing on and what you're doing and stuff like that, yes, of course it's going to affect performance. But if you're giving training just for the sake of giving training, if it's reactive, like it's not budgeted the year before, if it's not based on PA et cetera, et cetera, okay, then the effect, there will be an effect on performance but either it's minimal or you cannot see it or something like that.
- valeria: Great. So if I may summarize what you're saying that training and performance, they have a positive relationship, but it depends on the way you operate the performance. If it is the correct way, yes, it will have a positive way, a positive relationship. If it is not the correct way then maybe, maybe not.

- Speaker n. 3: Yes.
- valeria: Great.
- Speaker n. 3: That's exactly what I'm saying.
- valeria: Great. So let's move onto the next question. What is the influence that personality characteristic of an employee, like loyalty, relationship building, has on the selection of the employees for training and how this consecutively can affect the organizational performance and an employee performance, of course?
- Speaker n. 3: Again, I think based on ... Training is given based on need, you know? Whether you're implementing a new system or whether this employee thinks he or she is having more and more responsibilities in a clinical area or even a program or a software or whatever, or probably how for ... Whether it's HR or the marketing, they need the training, they're given this training and what have you. Now, if it's ... Hold on a second because I have some notes.
- Speaker n. 3: Now, personality characteristics, they over here are more of loyalty to the company, okay, if you [crosstalk 00:10:48].
- valeria: Yeah, so maybe sometimes you like an employee because he's loyal, because he's the right type of person for you and they ... He has good relationship with the line manager.
- Speaker n. 3: That's true.
- valeria: Do you think that this can affect the selection of the employee that is sent to the training? And how this will affect in general the performance?
- Speaker n. 3: From my experience, and in UAE this is reflected by how long the employee's spent in the company. Okay? So if you spent a good time in the company, if you're up for more responsibilities or a move, be it horizontal, vertical, diagonal, et cetera, if, whatever, if their company's implementing new things and they need people trained on it, okay, of course, priority's going to come, the longer serving employee will be looked at as more loyal if they need to prioritize. Okay?
- Speaker n. 3: It's not ... I mean, on the other side, when you talk about characteristics, it is looked at, you know, the promotability. Are you ... If it's me and you, who's more ... They look more into handling these responsibilities and who they look into this person is more promotable et cetera, so they select between person, Valeria, based

on this but if both of our roles need this new system or both of our roles, or both of us need this new skill or whatever, to have additional on this skill or something, we can both be selected for this.

Speaker n. 3: It is not looked at normally training based on the long term, you know? And when it's looked at that, then the employee has to sign a commitment to serve the company for one year or something like that, when the company sees that we have to give this employee this training in order to perform better.

Speaker n. 3: So I'm not sure if it plays a clear role when it comes. Probably loyalty, okay, longer serving employee, we want to do something for him or her, you know what I mean? Characteristics, more promotable, okay, or up for promotion, yes, over a year it plays a role. But most of the trainings given is based on need, okay, and probably employees. Sometimes it's employees saying, "I haven't been on training for a long time." Or something like that, so I don't see that affect when it goes in that category.

valeria: Okay. So if I may summarize, you're saying that the loyalty plays a big role in order to be selected for the training here in UAE, but as well as the characteristics, it's more of if we compare you with another employee, who is more reliable, who is more loyal, who is more capable of doing the training, and this is the person who is going to be selected. So there are some let's say subjectivity that takes place from the line manager. And my last question of how do you think this affects the performance, the organizational performance as a whole?

Speaker n. 3: Once again, I think it wouldn't affect the performance positively. I want to go back one step. I'm not saying loyalty plays a very big role, do you know what I mean? I'm not saying it plays a very big role. Okay? It plays a role because you can be loyal to the company, spent a long time over there, but you are not looked at as a promotable person whether that you need training, that you want to go on training, so they sent you. So you are a loyal employee but you're not sent for probably the right reason. Okay? But I'm saying it plays an unclear role unless the company does it in a professional fashion where it's that.

Speaker n. 3: I'm sorry, go again to your second part of the question?

valeria: Yes. I was asking if this, based on the time that you have spent on the company, the whatever are these, if these things affect the performance of the organization, because you select people for these

reasons to go for training and not for other reasons, let's say? Do you think it will have an effect on performance for the whole organization?

Speaker n. 3: Again, if it's planned right, it will have a good effect. If it's not, because I train you, for example, on something as little as additional skills on Excel, but you didn't put them to use, so how this would affect ... Or I train you on something right now and then we delay implementing this system or the requirement from your side for six months, so if it is done for the right reasons at the right time, it will, okay? Now I've seen a lot in UAE in different companies where it's not, okay?

Speaker n. 3: So if you want my opinion in UAE, it takes a professional company, okay, to be able to realize this additional. Nevertheless, training has also shown a lot of positive motivational effect on employees in UAE, so when you send somebody in training, they're happy, they appreciate the trust, they appreciate the break off, maybe they come back and perform in a better manner, okay, and stay more loyal to the company.

valeria: But let's say if you send someone because he's longer in the company than sending someone that he's let's say more capable or he has more skills or he needs it more, how do you think this will affect the employee's performance?

Speaker n. 3: Well, at the end of the day, again, it might for the employee's side, it increased their performance for the person who's sent, but the person who looks at it as, "I'm the one who deserves to be sent." It might affect it adversely.

valeria: Mm-hmm (affirmative).

Speaker n. 3: Plus, if you don't send the right people for the trainings, it will affect not only the employee performance, the company performance in a negative way.

valeria: Okay. I understand. So if I may summarize, you feel like it has to do with the right people, that they need to be sending, and if it is the right people, then the organizational performance is going to be increased. Otherwise, we're going to have the opposite result.

Speaker n. 3: Yes. If it's, again, I don't mean to be completely by the book, but if it's systematic, if there is a proper PA, proper training recommendation, proper career path, proper succession planning, et cetera, et cetera, so if they select Valeria and I'm jealous or something like that, but I have it all explained and there is continual

dialogue with our boss for both of us et cetera, et cetera, it will minimize my de-motivation one way or another, because this has been expected already, even if personally I think I'm way much better and whatever it is, but it's placed clarity. But if it's unclear-

valeria: So you think clarity can play an important role in order to avoid any kind of these problems?

Speaker n. 3: Or minimize it. Yes. Very true.

valeria: Great.

Speaker n. 3: Very true.

valeria: Great. Okay. So my last question is there anything else you would like to add about the interface between HR training and developing activities and organizational performance?

Speaker n. 3: Just what I said, it has to be planned. Look, Valeria, in general, and you find me ... You'll find that this is my main line in answering all of your questions ...

valeria: Yeah.

Speaker n. 3: I know a lot of people will tell you that HR is the backbone of the organization and stuff, now you're hearing it from an HR professional, no, it's not. The backbone of the organization is AOP, annual operating plan. It regulates everything. Everything is connected to it, okay?

valeria: Mm-hmm (affirmative).

Speaker n. 3: That's why when you implement even HR you have to connect it to the finance model, okay? So if you are budgeting the recruitment, right, and for the right reasons, training right and for the right reasons, everything based on what you pick up from the PA and other inputs, et cetera, et cetera, okay, and you're doing the proper, I don't know what, manpower planning, the proper training needs analysis, the proper job analysis and role profiling and business cases et cetera, et cetera, all these things in order to extract the right budget which you, you know, and then is to implement them properly and at the right time, okay, this is when you get the benefit of all your HR practices.

valeria: Mm-hmm (affirmative).

Speaker n. 3: So this is what I want to have to what it is, whether it's the training or the development or the appraisal or the recruitment section.

- valeria: Great. Great insights. Thank you very much. Let's move on now to another HR practice, the recruitment.
- Speaker n. 3: Okay.
- valeria: What is the influence that strong and effective recruitments and selection system has on organizational performance?
- Speaker n. 3: It's definitely going to increase the company's performance, because nobody recruits just for the sake of recruitment or something. I mean, probably it happened during the boom of the real estate where people recruited left and right without need, but normally you recruit in order to fill in a gap so this gap is affecting the company's performance. You fill it and with the proper people, okay, then you fill the gap and the performance should increase.
- valeria: Great. So if I may summarize, you feel it will affect in a very positive way if it is done in a proper way as well, as you said, and it will help to measure their performance of the organization. Correct?
- Speaker n. 3: Yes.
- valeria: Great. So now my next question is what is the influence that a rigorous recruitment selection system that could create the feeling of elitism between their employees and the significance it can have on employees' performance?
- Speaker n. 3: Well, I mean, at the end of the day, the first ... The recruitment pool, if you wish, should be internal. So if you have this, if you have a proper succession code and people are recruited internally et cetera, okay, and promoted, whatever, then this will help good, effective and it should be a rigorous, even internal recruitment process in order for people to recruit and to make sense.
- Speaker n. 3: Now, even if you go outside and recruit externally, it should make a difference from the people inside. We should be the company needs somebody from outside or at least it should be clear to us, and this person should have a positive role that newcomer should have a positive effect on the responsibilities, on the accountabilities, on the people around, et cetera.
- valeria: And do you think this person, if he pass through a lot of let's say interviews, a lot of tests and a lot of psychometric tests, a lot, a lot, a lot, do you feel when he leaves and we have the feeling of the elitism, "Oh my god, we are the chosen one," we monitor them not to go to Google, to get into Google or to get into very prestigious company because of this recruitment selection system that it is

rigorous, do you think this will affect his performance? He will feel like a boss and he will perform better? Or it doesn't play any role?

Speaker n. 3: Well, I think ... No, I think, well, if ... I don't see it that to go through a rigorous recruitment process will make me feel like, "Oh my god, I'm the chosen one." Or something like that, okay? It would rather set a lot of expectation. I know the company is quite serious about their recruitment and they want to select really the right person, okay?

valeria: Okay.

Speaker n. 3: In order to do so, I know that the expectations are high for me, if I'm the one who's selected, and I need to live up to these expectations, so it will definitely improve my performance, also because the rigorous recruitment process means that I'm selected for a number of factors, not only my experience but also my competence, my ambition, my energy, my ... This and that, my fitment to the role, my fitment to the team. Okay, so I think it will affect my performance, yes, very much positively because I need to live up to the strong expectations they have for me.

valeria: So if I may summarize, you feel it would affect you in a positive way, will give you a push and maybe it would will give you even more stress that you need to, I don't know, operate in a more professional way in order to fulfill this high expectations?

Speaker n. 3: Yes.

valeria: Great. Okay. So let's move onto the next question. It has to do with the [foreign language 00:24:26]. What is the influence that [foreign language 00:24:26], the use of influence in Arabic in Recruitment and Selection has on organizational performance?

Speaker n. 3: word definitely has, you know, even if you ... If [foreign language wasta brought you the right person, it doesn't have to be the best person. I can comfortably say 99% of the time, okay, it's ... It wouldn't be the right person. So you might get something good out of the selected candidate, okay, but not the best, okay, and I want to go back now to the word wasta because wasta can mean different things in different areas. So, for example, in certain countries such as Egypt, Lebanon, wasta is I know you and I say, "Hiya, Valeria." And they do, you know what I mean?

valeria: Mm-hmm (affirmative).



- Speaker n. 3: In UAE, it takes a different form. It's basically I know you and a decision as a recruit, recruiting, and I go and put your CV in front of them. Now, you do much-
- valeria: So you feel it's like a referral?
- Speaker n. 3: A referral, exactly, but, at the end of the day, you should go in the pool of candidates, and I know a lot of companies in UAE unfortunately, that's it. Less of a headache of looking for people et cetera, yeah, Firas knows this girl wasta he thinks she's good, they'd certainly interview, probably they will end up with one candidate only to select from. I know a lot of places that happen. And you might be really good, don't get me wrong, but that doesn't mean there is no comparison, there is no benchmarking. Maybe there is people better than this candidate that was referred. So it does have an effect and it's a negative effect at first, because even if the person performs well, maybe another person could have performed excellent.
- valeria: Great. So if I may summarize, you feel it will have a negative effect because there will be no competition there and maybe, yes, you are very good for the job and you're a very good fit, but it would be better to do it in a proper way and really have a competition and chose between the best ones.
- Speaker n. 3: Of course.
- valeria: Great. So is there anything else you would like to add about the interface between HR Recruitment and Selection and organization performance?
- Speaker n. 3: Same thing I added before. It should be proper manpower planning with business cases, discussions on budget, wasta companies, Valeria, when I first joined as like ... The recruitment plan is basically the managers would add boxes on the organization chart, okay, and then recruitment will start recruiting, and I was like, "Oh my god, it's like ..." I used to have managers beg me, when discussing business cases with them, to have an additional headcount. You have to convince me. You know, you're the hiring manager, you have to get ... So if it's done properly and in the right way, whether it is the role itself you're recruiting for, and be it a brand new role or a replacement role, and a candidate, him or herself, okay, of course will make a difference, but it has to start the year before, not a couple of weeks before filling in the position, "By the way, I need an additional person here or there."

- valeria: Great. I understand. Perfect. So let's move on to compensation now. What is the influence that the feeling of vastly different of compensation has on employees' motivation and performance? And what is the influence if ... The performance if the influence in the performance, is there the feeling of wasta So let's say if I get this feeling like, okay, I get the correct amount of money from my employer, how this will affect my performance, and exactly the opposite, if I feel like I'm wasta "Oh my god, this guy is getting more money than me and maybe more years here." What do you think that this feeling of vastly different will do to my performance?
- Speaker n. 3: If it's done for the wrong reasons, it would definitely have a negative effect. People have the tendency to always think more ... Most people will think they're worth more than they're actually worth and very less people think they're worth less than they're actually worth, so, again, if it's done for the wrong reasons, and it's very obvious it is being done for the wrong reasons, be it wasta or be it length of service only, be it favoritism, you know, and biasness, et cetera, it will have tremendous negative effect, because people will always compare themselves to each other and will always feel unjust, but if it's done in proper systematic way, where everything is explained, where no matter how much I tell ... I try to show my boss that I am, "Why you're giving Valeria the promotion, I'm the one who deserves it." And stuff like that, and he puts in front of me a whole year of dialogue and comments and this and that on the PA showing that Valeria met his expectations and the role expectations and influenced the bigger picture much more than me, okay, yes, maybe I'm not going to be satisfied hundred percent, but at the end of the day, I will have to live with it.
- Speaker n. 3: So if it will affect me negatively, it will be to a minimum level and it will definitely affect Valeria positively because she sees that she's the one who deserves it.
- valeria: So you think clarity is something really important that can avoid all of these problems ...
- Speaker n. 3: Yes.
- valeria: Even if it is a feeling, even if it is probably justified and there is a clarity between the employer and employee and the line manager, then these problems will be avoided.
- Speaker n. 3: Yes, because clarity, transparency, is key.
- valeria: Great.

- Speaker n. 3: Because they cannot ... Sometimes during the year, you might have done one thing that's so great, okay, but I think this should not be paid on it. So clarity and a proper, full picture of why this is the clarity on a bigger scale, because I cannot, just because you made a great sale, okay, in the middle of the year, you cannot convince me that you're better than me, you know?
- valeria: Mm-hmm (affirmative).
- Speaker n. 3: There is a full record, back record of Valeria's performance, Valeria meeting expectations and it's transparent for all, then it makes sense.
- valeria: Great. So how compensation techniques like performance-based compensation, system bonus techniques, equity-based compensation, how do you feel that they influence organizational performance?
- Speaker n. 3: It definitely will increase the performance, definitely, if it's ... Again, because you're saying a system, if it's a system, it should increase the performance very well. If it's a system, employees should know and I'm really specifying in these times, and even in 2008 and stuff like that, this year the company's probably budgeting, I don't know, 5% if it's a good year, 5, 6% payroll increase, the next year it's budgeting 2%, now I might want another increase but I'm involved, I know that the market is not doing good that time, the company's trying its best by budgeting a 2% on the payroll, et cetera, et cetera. So I'm getting ... And there is a proper performance regiment, there is a proper promotional system, whatever it is, okay, and I'm getting this. So I'm getting ... Everybody's getting the proper compensation benefits and not only money out on the shoulder, et cetera, et cetera, but recognitions, whatever you want and what have you, it will always have a positive effect.
- valeria: Great. So is it-
- Speaker n. 3: The only thing I see here that is negative effect here is either you don't have a system or you've implemented it completely wrong with [foreign language 00:33:05] and biasness and whatever. Otherwise, it's always positive.
- valeria: Great. So is there anything else you would like to add about compensation and organizational performance?
- Speaker n. 3: Same thing. Plan it right.
- valeria: Plan it right.

Speaker n. 3: And be transparent with the employees.

valeria: Plan it right [crosstalk 00:33:24].

Speaker n. 3: [crosstalk 00:33:24] et cetera, et cetera. Yes.

valeria: Great. Great.

Speaker n. 3: And make it because especially ... This is maybe something I want to add. When you're talking about UAE here, that market is biased by nature. You can have, for example, I don't know, a marketing role, okay, at a certain grade, okay, and a logistics role or an accountant role on the same grade, okay? Now, if you look at the market benchmarks in UAE, if you run a Hey or a Willis Towers Watson survey, you will find that the marketing role is paid probably almost double the logistics one, although they're the same grade et cetera.

Speaker n. 3: Now, this is historically influenced by, you will find probably, mostly European and Lebanese occupants in the marketing role while mostly Indians or subcontinent people in the logistics role, okay? This, it's not Greece. If you're in Greece, probably both will get paid the same, both are Greek and both will get paid the same.

Speaker n. 3: Now, the company over here needs to be very clear, part of transparency, I had it before. People will come and say, "Why? Is it because I'm Indian?", "Okay, yeah, it has to do with it, but why you guys accept such low salaries to begin with?" You enforce the market negatively and I would like to be fair. Well, if I equal the under my organization then I'm paying the logistics person probably double what he gets in the market, okay, and I'm paying the marketing guy and I won't find any marketing people to hire, you know what I mean?

Speaker n. 3: So might as well ... This goes a part of transparency, so when the employees have a concern or have a complaint, you have something to tell them. You'll be like, "Look, I'm to comparing you to your market really, I'm comparing you to the market. As per the market, I'm paying you within the bandwidth, you know?"

valeria: Mm-hmm (affirmative).

Speaker n. 3: "You're close whatever, you spent three years in this role, you are at mid point." Or whatever it is.

valeria: [crosstalk 00:35:33].

- Speaker n. 3: So this is something probably for UAE to pay attention a lot because that diversification has influenced the market benchmarks.
- valeria: So this is a tremendous insight that you have provided, that UAE market it is biased on the passport, so you will be paid according to your passport because this is how the market is driven.
- Speaker n. 3: Yes. But at the end of the day, if you get a great marketing person that ... Your selected candidate is Indian for the marketing role, or Pakistani or Nepali, or whatever it is, okay, then you have to pay him as per the market, not ... Because this is where UAE companies should not be biased, and are not biased. If you target a certain citizenship to pay less than you are biased and you will get lesser performance, okay? But if you target the right people and pay them the right person, now you might not end up finding a European who will take on the logistics role, you know what I mean?
- valeria: Yep.
- Speaker n. 3: Because you're paying low, but you're as per the market, and you might find a lot of Indian/Subcontinent people who will take on the marketing role, okay? But, again, over here, you're not biased. You're market driven.
- valeria: Market driven.
- Speaker n. 3: The market is biased but you have to live up to the market, so the market ... And I'm not sure if bias is the right word for the market but the market is influenced, okay?
- valeria: Yes. Of course.
- Speaker n. 3: The market [crosstalk 00:37:09].
- valeria: The market is driving you.
- Speaker n. 3: Yeah. Exactly. You have certain positions that are predominantly, okay, from one particular region in this world, okay, and that historically not influenced the amount of money so it continued, you know what I mean? It never stopped, because if you contact a person in Greece for a logistics role and tell him, "I'm going to pay you this much." He will tell you, "No, thank you. I'm staying home. I don't want, you know, to come over there." Although if you contacted him or her for a marketing role, probably in UAE, they will find it to be of good salary and they will come.
- valeria: Mm-hmm (affirmative).

- Speaker n. 3: You know what I mean? Same thing if you go to ... So in order to fill this logistics role that you're hiring to fill up, you will automatically have to go back to the Indian Subcontinent, maybe Africa, et cetera, where you will attract these people.
- Speaker n. 3: So unfortunately it was created back in the day but it will always continue, okay, until one day 95% of the workforce are Emiratis, and then probably it will start equivalating again.
- valeria: Great insights, really tremendous great insights. Now let's move on to PA. You have already mentioned the topic, so let's be more specific. What is the influence that target setting, clarity of expectation, less job ambiguity of PA have on employees' performance?
- Speaker n. 3: I think it will have a positive effect, because, I'll tell you why, and you'll find a lot of companies in UAE basing appraisal on job descriptions, okay? Which is not right. You don't set targets based on job descriptions. Job descriptions means this is your role, you know what I mean? Targets are where do you improve your performance, improve your output, improve yourself, et cetera, et cetera. So when you set targets, like when they are set properly, smart targets, okay, then definitely people will go ahead and move strongly into achieving these targets because, roll back way to the first question, they want to get the additional benefits, they want to get the additional pay, they want to get their bonuses, they want to be promoted, et cetera. Do you know what I mean?
- valeria: Yeah.
- Speaker n. 3: So it will affect them. So proper targets, I think, proper PA definitely will have a positive effect on employee's performance.
- valeria: Great. And what is the influence that influence involvement in establishing next year's goal and performance standards of PA has on employees' performance?
- Speaker n. 3: It has definitely a, you know, a great ... First of all, it will be the start of the dialogue that should continue during the year, okay? The employees should have an input, let's take a sales position, for example, okay? A sales person should have certain expectations of what the market is. Now, if I put for myself very simple targets when I do my appraisal, then when my bosses time comes, he is more realistic and more challenging, then we discuss, et cetera, then we have a proper target, okay, that I will ... But this will also encourage me. The years after, I will probably put proper targets that my boss will just check the box or something like that. It will

improve my performance, it will improve my planning, it will improve me when I become a boss and to praise other people in the future. So it will have a bouquet of positive influences with the employee, okay, when that PA starts with the employee.

valeria: Great. Great insights. So what is the influence that an effective and an ineffective PA system, like an ineffective maybe if the management values loyalty over efficiency or if PA is without consulting the employees. What this can have on employees' performance, what is the influence?

Speaker n. 3: Well, it will have ... First of all, the other side, I mean, you're not going to learn right. You will have objections on your target. You're not going to become a better boss if you wish and when appraising others, et cetera. So it will have this negative effect if you wish, okay, on the employee and the employee will always have some objection regarding this. But if you involve the employee in everything, it will have the positive effect. This is the way I see it.

Speaker n. 3: Now, improper PAs, not necessarily meaning not only involving the employee. If it's just appraising people on the job description, if it doesn't have monitoring of HR and the second level of manager, you know what I mean, this can be also because there needs to be collaboration, there needs to be discussions, there needs to be some senior person signing the agreement between the employee and the boss or if there is disagreement influencing it, that you guys must agree et cetera, or next year on whatever it is.

Speaker n. 3: So improper PA will always have a negative effect, even if the boss was fair.

valeria: Great. So you think involvement, it's a very important characteristic that should take place for the PA in order to have a positive effect on the organizational performance et cetera?

Speaker n. 3: Of course. Of course.

valeria: Great. So is there anything else you would like to add about the interface between compensation and the employees organizational performance? You know, PA, sorry, and the organizational performance?

Speaker n. 3: Look, again, it should be properly planned, it should be very clear, it should not be, look, PA, yeah, the only I would like to add, whatever I was going to say, I said it before on the compensation and the training, it should be properly planned but it should be in there, it should be transparent, it should influence compensation, it should

influence, but I think the main catalog of points that ... In UAE, a lot of companies, not all but a lot of companies should recognize is, number one, PAs is not just an end year, beginning of the year cycle. The cycle is the year long.

valeria: Mm-hmm (affirmative).

Speaker n. 3: And thus I mentioned the word dialogue between it but it's not a document when it's done and it's signed, you throw it at the ... If there is ... You know, you throw it in the drawer and never open it again. If there is proper targets checking, there should be quarterly, maybe monthly discussions or quarterly discussions, year reviews, et cetera, et cetera. So this is on one side, okay, that I think I would like to add.

Speaker n. 3: On the other side, that a lot of companies base PA on performance, while it should be on performance and promotability. It cannot be on performance only, because you will have, I'm sure, since you've been in UAE for tens of years or 10 years, I'm sorry, tens of years, but for 10 years, okay, I'm sure you've seen it. There are some people who spent probably three years and more in one company, okay, and they've been in the same position or barely got a little promotion, got a bunch of salary increases, and they're happy, they're comfortable, you know? I've seen it even in multi-nationals, where somebody is like, "No, I don't want to manage people." Okay? They will tell you, so you cannot force these people if they don't have it in them, okay?

Speaker n. 3: So you should appraise people on performance and promotability, and it goes back to the simple HR promotion-performance quadrants that is there in HR, thus forced ranking in certain companies are implemented. This should be looked at, you know?

valeria: Great.

Speaker n. 3: For the ...

valeria: Great.

Speaker n. 3: That you can be a great hard worker but zero potential to grow.

valeria: Mm-hmm (affirmative). So there are other aspects, like if you're willing to be promoted and if you want to be promoted and if you're capable of being promoted and not only what we have discussed. So there are other aspects that play a huge role. Correct?

Speaker n. 3: Yes.



- valeria: Great. So ...
- Speaker n. 3: Yes, it is called the performance potential quadrant.
- valeria: It is.
- Speaker n. 3: It is a simple HR way and now companies are experiencing those forced ranking in that place.
- valeria: Great. So now let's move onto our last section, it has to do with Emiratisation. I'm sure you are familiar with that ...
- Speaker n. 3: I am.
- valeria: So I don't think you need me to explain that to you. And what is the influence of a first quarter system where payroll, the pay of Emiratis that Emiratisation initiative have on employees' performance and organizational performance?
- Speaker n. 3: Well, look, at the end of the day, I think number one, Emiratisation is a corporate responsibility, so is Omanization and other -ization et cetera. If you go, when I had roles that overlooked Middle East and Africa, you will find that countries like Egypt, with the probably 10% allowance for expats, South Africa 5 to 10%, something like that, okay, in the same region we're talking about, okay?
- Speaker n. 3: Now, these are developing countries, okay? And Emiratis are increasing by the day and they're getting into different ... I lived in UAE where, yes, probably if there was not a lot of Emiratis in numbers that have these skills, okay, and a willingness to work, because a lot of them come from, you know, their families have businesses and stuff like that, okay? So, and it's still influenced to this day. But now it is ... They're getting more in numbers. They're looking at expats as a threat and expats got too comfortable, okay, living in UAE, and they're looking at actual real inhabitants of the land as a threat to their jobs.
- Speaker n. 3: So if I am in a job and I see my colleagues being fired and replaced with Emiratis, yes, my performance will go down. I'll be waiting for my time and I will be demotivated et cetera. Okay? While, I mean, this will always have a negative effect, nevertheless, it's a corporate citizenship responsibility. Corporates can not just ignore it. One thing about UAE, Valeria, is even like, let's put Emiratisation on the side for a while. A lot of company, a lot of times, back in the day, there was a lot of laws, you know what I mean? Labor laws. Companies were not implementing them and you were overlooked. I'll give you an example. Wage protection system.

- valeria: Mm-hmm (affirmative).
- Speaker n. 3: Okay? It was overlooked for a while, long back, and then when a new minister comes and he enforces this or that law, companies start complaining. The companies are asked to shut up because, hey, this law's been here forever, you guys have not been implementing it. It didn't just drop from the sky. So the same thing. Companies, okay, lacked ... Didn't look at the Emiratization as coming, okay, one way or another, and this is their fault, okay, so they don't include it in the budget, they don't ... And UAE's such a nice country, now they're enforcing you to take Emiratis, and if you excuse, I face this problem, I want to employ Emiratis several times on several locations in several companies, but I can never afford to. The insurance companies, governments, banks, will take them from you like this, even if you double on your salary scale or you do a separate salary scale for UAE, they will pay them more, okay? Because you are looking also for the good ones. You're not looking for anybody.
- Speaker n. 3: Now, that UAE is so nice, they're telling you, "You know what? The difference in salary, we'll subsidize. But you have to start taking Emiratis." Okay. So and expats, like ourselves, should have looked at this as coming, you know? Probably planned maybe in a few years, I'm going to go back home or emigrate, in my case, because I don't have home, emigrate to some other country or whatever it is, you know what I mean? That this is ... So but nevertheless, yes, unfortunately, it is still looked at as kind of like influencing the performance negatively on two sides. Number one, okay, the expats are looking at this as a threat and once it starts increasing, it will be more of a threat and it's getting closer to their own necks and they will be worried rather than focusing on work. Okay?
- Speaker n. 3: And on the other side, companies will look at it as, "I'm not getting the choices I used to get no more. I have to do this as ... You know, I have to get Emiratis for this position." Okay? So I don't see it in the most time that it will have a positive influence, you know? But it's a must, it has to be done. Maybe on the longer term, it should be, because once I force Emiratization on you, also, believe you me, and you can look at appraisal, for example, I'll give you, in Saudi Arabia, okay, over here in Oman, you cannot fire people easily. Now it's going to start in UAE. You will hire a UAE, if you like their performance, you keep them. If you don't like their performance, you will have very much difficulty terminating these people.
- valeria: Of course.

Speaker n. 3: you know what I mean?

valeria: Of course.

Speaker n. 3: And the country will start having other effects. Now, some companies will try to get sneaky as before by putting additional UAE people on their payroll. In Saudi Arabia, they're coming to offices and checking, and checking on their emails and making sure [crosstalk 00:52:07].

valeria: Even here, even here they have started.

Speaker n. 3: Oh, there you go. So my imagination it will start to have influence. I think it needs time. For the time being, I think it will have a negative effect.

valeria: Great.

Speaker n. 3: On both.

valeria: Great.

Speaker n. 3: Company and employee.

valeria: So is there anything else you would like to add about Emiratization and job performance?

Speaker n. 3: It's never too late to get in the program, you know? When it comes to Emiratization. Okay? Companies need to seize the opportunity. They didn't try the opportunity before, they didn't plan properly years back and try to get, for example, fresh graduates, good UAE nationals that they will develop and by this time, they make them into managers and stuff like that, and fulfill whatever. They didn't oversee that this will be imposed on them, okay, to a lot of ways.

Speaker n. 3: So I think it's not really too late, okay? They should make use, okay, let's be realistic. The UAE is capable and it's subsidizing. Oman is not subsidizing. They're enforcing Omanization and they're not subsidizing the salary. So of this subsidizing your salaries, try to get the rest of the Emiratis that you can and let the government pay the rest for the salary in order to minimize the negative effect it will have on performance and the expatriate employees, okay, and one day, when you're just forced to take UAE nationals and no subsidizing of salaries, you're already there. You know what I mean? You already have the capable people and they're already giving the performance it needs.

valeria: So if I may summarize, you think if you do it early in the correct way, you take graduates, you pay them a little less because they're graduates, and the government will subsidize. If you do it in the correct way, early from the beginning, it can neutralize the negative effect that it might have and at the end of the day, maybe later you can even have a positive effect in comparison with other companies that haven't done this, because this is something that has been obliged and it will be obliged as well in the future, so you need to ...

Speaker n. 3: Yes.

valeria: Make your peace with that.

Speaker n. 3: Yes.

valeria: Great.

Speaker n. 3: No matter how we feel about it, this is the logical path. We just need to get with the program. We need it before, we didn't do it, now we need to.

valeria: Yeah.

Speaker n. 3: There is still a chance.

valeria: Great. So that's it. We are done with the interview. Thank you so much. You have tremendous insights really. Great, great insights after so many years of experience and in the Gulf as well, so it was amazing experience. If you have any other person like you with so many insights, so many experience that you'd like to recommend me, I would be really, really happy to talk to them and we can keep in touch. We'll add you on LinkedIn so whenever I have my results, I can share them with you and thank you again so much.

Speaker n. 3: That's great. Thank you, Valeria. I really hope I was of help.

valeria: You were a tremendous help.

Speaker n. 3: Great. Great. I'm happy to hear that.

#### **4. Transcription Speaker Number Four, Focus Group Number One**

Speaker n. 4a: My name is Speaker n. 4a and I am the Sales Manager of Magnoos.

valeria: Great. Then?

Speaker n. 4e: Yes. My name is Speaker n. 4e. I'm sales as well. Trying to lead the sales and lead the team as well. I do the same thing that Speaker n. 4a said.

valeria: Thank you. I'm Valeria, I'm the HR manager. Mr. Speaker n. 4b?

Speaker n. 4b: myself, I am the RPA business Manager.

valeria: Great.

Speaker n. 4b: For Magnoos.

valeria: Thank you.

Speaker n. 4b: And also looking at operation activities of Magnoos.

valeria: Thank you very much.?

Speaker n. 4c: So my name's I'm a HR assistant, so I'm trying to learn more stuff about HR and then implement it in our company.

valeria: Great. Speaker n. 4d?

Speaker n. 4d: Speaker n. 4d. Good afternoon everyone. My name Speaker n. 4d. My position is a corporate controller since beginning of this year. So kind of new. We are trying to implement and improve the financial processes for the company and

valeria: Great. Thank you very much, Speaker n. 4d. And Speaker n. 4f?

Speaker n. 4f: Hi, my name is Speaker n. 4f. I'm the business development manager in Magnoos. My role is to, in case the sales for Magnoos, make the customers understand our solution, promote it, and in case they're for Magnoos.

valeria: Thank you very much guys. Thank you, all of us, for the introduction. Now we just ask you some simple questions that there is no right or wrong answer. You can tell me just your honest opinion. It's not going to be said with anyone, even with Mikey. That's why I prefer to exclude him from the meeting so we can talk freely. So we can talk-

Speaker n. 4e: I still don't get it why.

valeria: We can talk freely. There are some stuff that maybe you don't want anyone to hear. And then here's this for you guys, so we can make Magnoos better. I can use this also for my PhD research. It's in general about HR processes, HR practice, and how this affect the performance of each and every one of us, actually.

Speaker n. 4e: Okay.

valeria: Okay? So let's start. Girls?

Speaker n. 4e: What was that?

valeria: Great. Speaker n. 4f, we can seek advice, no problem. So we'll start with training. Then we'll go to recruitment. Then we'll go to compensation, then to PA. And then to Emiritization. Okay, let's start. I want just to read for you the questions, and then we can see if you have any questions or anything. So the first one, how formal training as a part of the unwritten psychological contract between the employer and employee includes employees' performance. So let me make it a little bit more close to your everyday lives. So the introduction to the psychological contract. The psychological contract describes the unwritten but set of mutual expectation and understanding, beliefs and commitments that exist between an employee and employer.

valeria: However, it's not written. So let's say someone has promised you or you think that he's going to do that, you're an employee. Let's say Mikey has promised you this thing, but it is not written in the contract. You cannot find it in your contract written. This is it like, "I'm going to go for training." So many trainings this year, but he hasn't delivered. So how do you think this will affect your performance or your employees' performance? Your team's performance?

Speaker n. 4e: Yes.

valeria: So we can go one by one. There is no right or wrong. Just speak whatever you think. Let's start with Mr. Speaker n. 4b.

Speaker n. 4b: I mean, training is critical aspect, because I mean, people wants to be the level with the technology. We being a software industry and from a technical standpoint, it is very much important for people to be updated. Otherwise, the technology will evolve. Self development is always a... you also have to work in the company as well as also do some learnings. In a year, I mean I estimate maybe a 70% to 30%, with 30% 30% learning is a good aspect every company have to assign for each of the employees.

valeria: Okay. Let's go to Speaker n. 4d. So Speaker n. 4d, what do you think? [crosstalk 00:04:24] I want to ask every-

Speaker n. 4d: [crosstalk 00:04:25] the next one.

valeria: I want to ask-

Speaker n. 4d: [crosstalk 00:04:28] next person because here I have a baby, and she's pulling me. Just can someone [crosstalk 00:04:32].

Speaker n. 4e: I can... I can...

valeria: Yes. Speaker n. 4d. Speaker n. 4d, if you have any issue you can just mute and because we don't want to hear the loud noise because we're recording the session. Okay?

Speaker n. 4d: Well, sure-

valeria: Great. So let's move on to someone else wants to talk.

Speaker n. 4a: I can add something, yes. I believe the training is very important aspect because if you are expecting someone to come experience from another company or from whichever industry differently used in a ecosystem of that industry. As important as the job description-

valeria: Okay.

Speaker n. 4a: ... the importance of training and the training roadmap for the employee. So if you are getting someone hired, you definitely have evaluated their skills and capabilities and the experience, right? So you have to have some kind of evaluation criteria. Where are the strength points, the weakness points? So you can elaborate and then fix and maintain, and for the same point you might find something in that employee you can enhance and make a team need for that. So for the training there, I know big corporates definitely have training programs set by PhDs and people who've been in the industry for a long time. So it's very important for the employee to have, as important as for the job description to be handed to the employee, to be handed a training program or roadmap and definitely evaluation for that.

valeria: Yeah.

Speaker n. 4a: So...

valeria: [crosstalk 00:06:10] And what did you think, if this is not delivered? Do you think it will affect your performance?

Speaker n. 4a: It will delay the performance.

valeria: Mm-hmm (affirmative).

Speaker n. 4a: It's going to affect definitely, but-

valeria: So decline you think?

Speaker n. 4a: I'm not speaking about declining but instead of exponential growth for the performance, you're just going into bumpy...

valeria: Yeah

Speaker n. 4b: It's a mutual agreement if you ask me. It's a mutual agreement.

Speaker n. 4a: Yes.

valeria: Mm-hmm (affirmative)

Speaker n. 4b: The employee gets better. The better at question is the employee, I mean employer as well so that it can serve the customer in a better way, because at the end okay, jobs are, I mean the work done in the light was more important. The more that people are skilled in their specific technology, the better the delivery is-

Speaker n. 4d: I can't hear [crosstalk 00:06:53].

Speaker n. 4b: [crosstalk 00:06:52] and that's it.

valeria: Great.

Speaker n. 4e: They cannot hear because it's far.

valeria: Ah, sorry.

Speaker n. 4d: [crosstalk 00:07:03].

Speaker n. 4b: Okay, we can be louder.

valeria: We've got to be loud for Speaker n. 4d. And Mr. Speaker n. 4e, what do you think? Do you think it will affect your performance if someone has promised you something and it's a training or something that maybe it's not written but it is verbally an agreement, do you think that this will affect your performance or your colleague's or employee's performance?

Speaker n. 4e: It's case by case. You're looking at my performance or you're looking at...

valeria: [crosstalk 00:07:38] Tell us what you think in general.

Speaker n. 4e: It varies.

valeria: Your performance or your employee's?

Speaker n. 4e: First of all, I agree with both what they said and especially the way Said has elaborated it. It's very accurate depending on the case you are talking about. If it's a technical person then yes, it will be very much relevant to his performance.

valeria: Mm-hmm (affirmative).

Speaker n. 4e: Especially if he's a guy who's supposed to deliver. He's supposed to maintain quality, speed, accuracy, time and he must have that knowledge to do that. However, when it comes to senior salespeople who are already in the market, they know the backgrounds, they will have to go through the



enablement process in the beginning when they join and after that it's very essential that they get periodic sales management, account management, time management, strategic sales management training, but it is not something that they have to do every quarter or every fair half year. It is something that you do every couple of years to re-motivate that person all over again.

Speaker n. 4e: In terms of people who are being promised to get into the ladder and become leaders, people managers, they definitely, it's not something that you need to promise. It's something you have to impose and oblige to take. You don't get someone out of the blue just because they have achieved their numbers and tell them you're a manager.

Speaker n. 4a: Mm-hmm (affirmative).

Speaker n. 4e: You have to train that person to become a people manager before they get to be a manager, because there's a big difference between being rewarded for something you did and being awarded something that you can do. And when you turn, when you talk about trainings, like I said, it's case by case. If it's, it might be mandatory if you are moving this person from one role to another. If you are addressing a person who is suppose to deliver certain jobs, and it could be optional for people who are not going to do any changes or they do the regular things they're good at.

valeria: Great. Speaker n. 4f, do you want to add something about the training and how this can affect your performance if it is not delivered or if it is delivered? To you by your employer.

Speaker n. 4f: Yes, of course. The training is important. For example, the employees, they have the skills. With the training, you can improve their skills, which will fix the company performance. So, if you train your employees of course you will improve and that will affect all the company.

valeria: Great.

Speaker n. 4e: I can hear Abdullah in the background.

Speaker n. 4d: line.

Speaker n. 4e: Yeah, it's working.

valeria: Of the laser line? Okay. So do you have something else to add? Or you are done, Speaker n. 4f? Okay, we lost Speaker n. 4f I think. Okay, let's move on to the second one. What is the influence that personality characteristics of an employee like loyalty, relationship building has on the selection of the employee for the training and how this consecutively can affect

organizational performance? Do you have something to add Speaker n. 4c about training and...

Speaker n. 4c: About training?

valeria: And about this one, if you want to. Let's say you can answer both questions.

Speaker n. 4c: I can just add about the training.

valeria: Mm-hmm (affirmative).

Speaker n. 4c: For example, if someone promise to me is I will go training, for me it's very important.

valeria: Okay.

Speaker n. 4c: Because I would like to develop myself more and learn more stuff and also share it with my colleagues in my company. So for me, I will be a little bit upset if they ...

valeria: Great.

Speaker n. 4c: ... not go forward.

valeria: And do you think that this will affect your performance? Maybe you're upset, but do you think that this will affect?

Speaker n. 4c: I maybe from the beginning I will be a bit upset, but it will not affect it a lot.

valeria: Okay.

Speaker n. 4c: But I will insist on that.

valeria: Okay. Okay, great. And what about the second question? If you want to start with this one, the influence of personality characteristics, like if someone is loyal, if someone has a good relationship with the employee, with the employer, do you think that this can affect the selection of the employee that they're going to go to the training? And how this will affect in general the performance of the employees and the organizational performance?

Speaker n. 4b: Okay. Training, there are multiple levels of training, right? Certain trainings are online. Certain trainings people have to travel to another country. I mean, so when we consider all of these aspects, right? We can sort of strategical employ assets to whom we could always invest on these kind of trainings and everything. Right? So the more the employee is more loyal towards it, the better the training programs will be assigned. That doesn't mean there will not be a training program for... So there are minimum

required trainings that is available at affordable rates and So that will be available for anyone. Which is, it is required for them to fulfill their everyday task. But whoever wants to move to the next level, they may need additional training and that is where we will not focus on all the people. We will just consider who is loyal and other of their key capable, I mean key consideration of their personalities and everything so that we could enlist them to take them to the next level.

valeria: So for you, loyalty is important.

Speaker n. 4b: It's important when considering somebody have to move to the next level up.

valeria: Okay. [crosstalk 00:13:14] I understand. What about you, Speaker n. 4c?

Speaker n. 4c: Same here. Yeah, I will support it-

valeria: [crosstalk 00:13:25] And do you think that this will affect their performance of all of the employee or the organizational performance in general?

Speaker n. 4c: I would say, you mean if employee is loyal?

valeria: They select, so let's say I have a preference towards Speaker n. 4a, because he's loyal, and I would send him for the training and I will not send you because maybe I believe you are not loyal. Maybe you are. Maybe it's just a misconception.

Speaker n. 4c: Mm-hmm (affirmative).

valeria: Do you think that your performance will be affected or his performance would be affected? What do you think the effect will be?

Speaker n. 4c: Oh, I'm not sure that it will affect. It depends actually on the personality, yeah?

valeria: Mm-hmm (affirmative).

Speaker n. 4c: As a but I think in general it will not affect. This my own-

valeria: It will not affect your performance.

Speaker n. 4c: My performance, yeah.

valeria: Do you think it will be affect his performance and in general performance, because maybe...

Speaker n. 4c: Because he was selected?

valeria: Mm-hmm (affirmative).

Speaker n. 4c: I...

valeria: It's your opinion. There is no right or wrong.

Speaker n. 4c: I think yeah. I think yeah.

valeria: What do you think, Speaker n. 4a?

Speaker n. 4a: Okay. For that thing exactly, if you put the performance on the X axis and the trust on the Y axis and you find really good, good, good performance, but they're not so much trustworthy for the organization and you find people who are really, really loyal and very friendly with the organization and everybody there, but they are having medium to low performance, the guys who you are looking to invest in your training, because training is another type of investment in the company just like any asset in the company, you will find the right guys to give them the training are the top performers with the top trust. And the guys who are the top trusts are more likely to have your training than the guys who are having top performance. Why?

valeria: So you agree with this that loyalty is very important and trust as well?

Speaker n. 4a: You invest, you have to have feasibility studies, business analysis in your investment, right?

valeria: Yes.

Speaker n. 4a: So definitely that's a very important aspect, the loyalty. And the trust of that employee to the organization is really important as, so a guy on LinkedIn who I was watching, he's Simon Sinek. He was saying there are guys who can you trust for your life and there are guys in the military who you can trust your life, your money and life. Those are the top performers with top trust. Those are the guys who are become leaders at the end.

valeria: Mm-hmm (affirmative).

Speaker n. 4a: So that's my-

valeria: What's your opinion, Mr. Speaker n. 4e?

Speaker n. 4e: I'm a bit opposing to the question itself because in my opinion the question itself does not fit in the belief that I have and the environment that I come from or the culture that I come from all my life. The moment-

valeria: You're coming from a native culture that trust and loyalty's is really important.

Speaker n. 4e: Exactly. I'm talking about work environment.

valeria: Okay.

Speaker n. 4e: The moment you link the training to the loyalty level, you are considering the training as something entertaining or leisure.

Speaker n. 4a: Privilege.

valeria: Great. Okay.

Speaker n. 4e: Or a privilege. Thank you. It is not. Training employees is a standard practice by the company regardless if you have a temp, someone who's on probation, someone who's been with the company for 15 years, it is a task that has to be performed.

Speaker n. 4a: True.

Speaker n. 4e: When the moment you start thinking, "Mm, this guy works for me. Training is something that I will invest in this person and then after six months he will find a job and leave me." That's the kind of a company's, unfortunately in the Middle East you find a lot of them. I don't like them.

valeria: Okay.

Speaker n. 4e: I don't believe in them.

valeria: Unfortunately in the Middle East, so what did, elaborate a little bit about that.

Speaker n. 4e: What I mean is that...

valeria: It has to do with the culture?

Speaker n. 4e: It has very much to do with the culture and in Europe, even with the smallest companies, you don't find that kind of, I mean I don't know if in Europe some exceptions are there, but in general central Europe like France, Germany, those companies who they are from where derives bigger companies, they don't have that kind of belief. In fact, they believe in trust from the moment someone signs a contract with a company.

valeria: So let's say you think that is it a right. The training is a right.

Speaker n. 4e: [crosstalk 00:18:10] It is a task. It is a must. It is mandatory. It's not something rightful or wrongful. It is a task by the company itself.

valeria: [crosstalk 00:18:17] Okay, Speaker n. 4d. Oh, do you want to add something?

Speaker n. 4a: Let me add to Speaker n. 4e's idea.

valeria: As we said, there is no right or wrong. [crosstalk 00:18:25] Just ideas. Great idea. Great input.

Speaker n. 4a: This is really an important aspect, and so you now will classify the training if it's mandatory for the company and if it's a privilege for the high performance of the top guys who-

valeria: So you think we should have something from before said, so it doesn't-

Speaker n. 4b: [crosstalk 00:18:45] There is something minimum required for everyone to comply. That is required for them to fulfill the job. Right? So this is mandated.

Speaker n. 4e: You hire sales, you have to enable them. You hire tech [crosstalk 00:18:54].

Speaker n. 4b: So, that is a mandatory thing. They're not only certified, they have to be certified.

Speaker n. 4e: Even if I have to send them across different countries. It's an investment I do.

Speaker n. 4a: But who's, again, if there is a strategic account management course with a certification and Speaker n. 4e is leading the sales department, who do you think he would prefer for that? Because that would be more cost or more advanced courses. So there is-

valeria: So you think there is always a [crosstalk 00:19:19].

Speaker n. 4a: Basic training and advanced training.

valeria: Mm-hmm (affirmative).

Speaker n. 4e: There is all, I wouldn't say prefer, I would say what the budget allow you to do and what is qualify.

Speaker n. 4b: What the company needs.

Speaker n. 4e: Exactly. So if I have five people working in this department and there's a training, upcoming training for sales, and then I was given a budget of 4000 dollars, but the training would cost 1500 dollars per head, then I cannot fit all the five of them. I need to select three of them. So I will look into the people who are less performing than the people who are better performing.

valeria: So you'll have different criteria? Like?

Speaker n. 4e: Of course, if I have senior people, I will not give them a training when there is people who are less senior or who needs more improvement. Like I said, training is not a privilege. Training is not leisure.

valeria: It's a right for you.

Speaker n. 4e: It's a task to improve people-

valeria: Great.

Speaker n. 4e: ... And that's all. That's all.

valeria: Ladies, do you have anything to add? Any opinions still with that?

Speaker n. 4f: No that's I wasn't connected who has this performance, but again if you only do this the good performer, they will feel like, "Okay, I'm not having a good training." And there's always advanced training for the senior, for the people who fit the performance. So I believe and regarding if the employee is loyal or not, with the training you make the employee stronger and you might make them more loyal to the company by achieving again. So maybe that employee is not loyal for a reason, that he's not achieving his targets or he's not doing his job in the right way. With the training, you make them stronger, which will create.

Speaker n. 4d: From my side, I just want to add and I want to support whatever Speaker n. 4f she said. This is the thread, and I believe the company they have and they must to invest in their employees and from this point employee itself, he will feel confident and he will feel protected in the company because whatever Mr. Speaker n. 4e he said it's also correct and I agree with his opinion. We should not look to the loyalty or we have to look at the person and at the performance of the person and the training is a must for everyone. It doesn't matter he is six months in the company or he is one year or he is 10 years.

Speaker n. 4d: This is important itself and for me as an employee, if I know the company, they are not afraid and they are not thinking, "Well, should I invest in her or not?" For me it's giving a bad, like a...

valeria: Example, let's say.

Speaker n. 4d: [crosstalk 00:22:17] maybe they don't want me to stay here or maybe they're not trusting of me. So for me to be and to perform before, to be more confident and to be more loyal, I have to have a training. This is my opinion.

valeria: Great. What about you, Speaker n. 4c? Do you have something to add?

Speaker n. 4c: No, I'm [crosstalk 00:22:35].

valeria: You are agreeing. Okay great. Let's move on to the next question. Is there anything more you would like to comment or add about the interface between training and development activities and organization performance? Like there is a whole interface between training and performance, organization or the employee. It doesn't matter. Do you have anything else

that you would like to comment about this? It's a complicated environment in general. Do you have anything that you want to highlight or comment?

Speaker n. 4a: If it's about training and development activities, definitely that's an aspect that you add to your organization if you want it to perform better.

valeria: Okay.

Speaker n. 4a: So in that case, you will have to have metrics where you have to select the basic training for everybody and the enablements and the advanced training. And you can add also more, add another layer of training, which is the privileged training that's for people who wants to grow more in their career and they want to get benefit from the organization they're working with. They want to feel rewarded from the organization.

valeria: Mm-hmm (affirmative).

Speaker n. 4a: So these three layers of training you can input the people who wants to get that training or who have to get that training and who likely to get that training and who deserve to get that training.

valeria: Yeah.

Speaker n. 4a: You know what I mean?

valeria: I understand.

Speaker n. 4a: And the selection criteria of these people will definitely come from performance reviews, strategic vision for the company.

valeria: And do you think that this, the training in general, it will affect, in what way the performance of the organization?

Speaker n. 4a: Okay, financially-

valeria: Positive? Negative?

Speaker n. 4a: [crosstalk 00:24:24] At the beginning, financially you will invest and you will wait for the return to come. So...

valeria: But do you think the return is going to come?

Speaker n. 4a: That's one of the selection criteria is you have to get, which is one of them, is trust.

valeria: Mm-hmm (affirmative).

Speaker n. 4a: So say that I spent two years with you, you spent so much money on training on me and then probably I'll receive a better offer on another



location then, so that kind of investment have to be evaluated. Then you will have to get your return of investment within this time, and that will give you also an indicator for the performance of the organization.

valeria: Great. Guys-

Speaker n. 4b: You also the performance load in addition.

valeria: Great. Guys, amazing views. And I really like this variety of ideas. Let's move on to the next one. Recruitment. So, what do you think is the influence of strong and effective recruitment in selection system, that has an organizational performance, or an employee's performance? This is like the one is given to the other. So let's say if we have a strong recruitment and you have been facing that, especially you guys if you were last ones. What do you think will be the influence that is going to happen? Organization performance, and employees performance in the company in general.

Speaker 1: You want me to start?

valeria: Whoever wants.

Speaker 1: That's a very positive influence or impact. The more strong and more effective that recruitment system is... If you look today at the current situation, you have a lot of crap being posted on LinkedIn, Glassdoor, [and Bait, and all these websites, which I would not... I mean maybe 10, 15 years ago, yes. But now I would not recommend anyone to look for a job through these websites. And not even look for a candidate through these websites or select a candidate through these websites. So this is why-

valeria: Tell us why.

Speaker 1: Ninety percent of the companies who post job on LinkedIn today have already cooked the job and finalized it and fulfilled it internally. They just post the jobs for-

Speaker n. 4b: Organizations.

Speaker n. 4e: Marketing.

Speaker 1: Marketing.

valeria: Marketing.

Speaker 1: Thank you. Just to show off that we are recruiting. Some of these jobs are being repeated every three month. They keep reposting, and reposting, and reposting.

valeria: So you think that strong Recruitment and Selection is important? Or no?

Speaker 1: Absolutely.

Speaker n. 4b: I mean nowadays there are people of multiple nature in a company, who always... I mean who's not in a position to leave because he's already happy. But there could be somebody who a company might be looking for a similar skill, right? So it's not easy to acquire good talent in the market. Because good talents, always the company try to piece of them. Right? So that is why it's hard for somebody without... who's doing multiple roles in organizations, to be having... have that skills to speak to somebody and try to convince them, or give them a better position and ability, right? So this way, having an effective recruitment selection system, right? They can be looking for the good prospects in the market with open eyes, looking at, I mean speaking to multiple people, and try to evaluate who could be... who could match exactly the organization. So that's why we need property Recruitment and Selection, rather just go one off and post a job, just pick some few profiles. See who's-

valeria: So you think it will make a big difference on performance?

Speaker n. 4b: I have worked with companies who are like okay, 100,000 people employees there, right? So we cannot compare to that level. But how they do is they have a dedicated, which is about so many, like 15 hundred people around there who always job is to look for good talents And then we in UAE are very few amid qualified people in some specific technologies available in the market. So it's always good, like okay if we have the system in place so that they can always be there to go and look for and recommend and rather do a job post and find people.

valeria: Yeah. And Speaker n. 4c?

Speaker n. 4c: Yeah. I agree with [Speaker n. 4a 00:28:56] on if the companies, because they don't have dedicated people who will do it. Like look for specific persons. Yeah. But if company is smaller, then yeah, you have to... your experience about LinkedIn, Bait,]. And also you will spend a lot of time to look for the collect candidates.

Speaker n. 4b: And nowadays it's more of a network site job posting. So you connect, you understand profile. That you understand who you are, rather. I have a job. Would you be willing to join? Rather understand the profile to who you speak to, understand how he wants to be, what his aspiration. And then aligned to your one requirement. And that is where you get good people matching your requirements.

Speaker 1: That's why referral is a very important part of the [crosstalk 00:29:39]-

Speaker n. 4b: Rather... okay what-

- valeria: So referral, you think is very important.
- Speaker n. 4b: ... Rather just say, "Do you have experience? How many years? 10 years? Yes. You'll go I mean ask them, "What you have done, and so and so." And then align with your requirement and that is where you find a guy who can stay with you for a long period.
- Speaker 1: I think that's fine, 100% true. I think that the Recruitment and Selection system is the most important in the company. Why? Because we're working in data, okay? Garbage in, garbage out. So if you have a team to be hired and working together, you must have a very good system that can get you the right people to get you to the right organizational performance. So definitely that's the influence of the [crosstalk 00:30:28]-
- valeria: Yes? Do you have something that you want to add about strong recruitment and how this affects performance? Have always with your mind that we're talking about performance of the organization, of the employees. But this is our target. How this affects. What do you think?
- Speaker 2: I agree with the guys. I only want do add that an asset of the company is the employees. So the recruitment, like the guys said, it's the most important. Because what you are hiring, it's what you are producing for the market.
- valeria: Yeah.
- Speaker 2: And from my side, I'm sort of seeing that finished. It's kind of scary. From my side, I totally agree with Mister Speaker n. 4a. Actually he said exactly what was in my mind, that the selection process, and to select the proper person and right candidate. This is very important for every company. But I think that the professional selection team are supposed to be internally. That recruitment process must be strong internally. It doesn't matter from where we will find candidate, or we will select from LinkedIn, or from Glassdoor, or someone maybe from our employees, he will bring his friend's CV. But at the end we would have the proper strong recruitment and selecting system in the company, who will sit with them. Who will give a nice interview. Say for example like today. Unfortunately I did not have chance to be interviewed by you. But since you started to do this job, maybe we see the results, and it's really changed for the good side. I mean because-
- valeria: Thank you very much.
- Speaker 2: ... so this is because we could select the right people. So this is the most important for the company I believe.
- valeria: Thank you. Thank you. And in this aspect I want to ask the next question. It's kind of similar. What do you think is the influence of recruitment selection system that could create the feeling of elitism between the

employees. And how this significance? How the employees would perform if they have this feeling? Like we are the ones they selected. We are here because we have been selected through a lot of people and we are the selected ones. There is a feeling of elitism after the strong performance of selection system. What do you think this is going to affect your performance if you have this feeling that, "Yes, I am here and I am the elite."

Speaker n. 4e: I mean it varies. Depends on the brand of the company that has been established in the market. Like, okay, people always has a company to work for irrespective of whatever. It just the bigger the company's brand image, the better the certain criteria would be difficult. And once the that is how they have this elitism, yes.

Speaker n. 4e: Always when people start their first job, it's really hard to find this alike companies, right? So they go in steps. So each progress for them, and they join a new company. It's always good for them. So irrespective of... Because he might be working in a smaller company and then he would not just go to a company which is smaller in reputation in the market or doesn't have any growth. So anytime anyone gets selected he will feel like, okay, he wants to contribute. And he feel like it's a new fresh and it's a new start for him.

valeria: But I'm saying if there is a very strong and difficult way... path of someone to get into the company. And then when they get into the company after like three, four, five strong and difficult... regard the Recruitment and Selection systems, and they get this feeling of elitism. Do you think that this will affect their performance? Or the performance of the organization?

Speaker n. 4b: I think it's like...

Speaker n. 4e: Performance in full.

Speaker n. 4b: ... of the employee. I don't think so it will have a major impact.

Speaker n. 4e: His? The one who's recruited.

Speaker 1: Yes.

valeria: No, no. Like I recruited you. You feel, let's say after two, three interviews, you have this feeling.

Speaker 1: Okay.

Speaker n. 4b: Just for example, we have seen in-

valeria: Are you going to be influenced by that?

Speaker n. 4b: ...I mean just to exam... In LinkedIn people post finally in Google.

valeria: Mm-hmm (affirmative). Yes.

Speaker n. 4b: First they're in Google.

valeria: Yes. Excellent example.

Speaker n. 4b: So that's why if it's a brand or something, people do that. But as a company, I mean as a growing step. It does not matter.

valeria: Okay.

Speaker 1: Act it does, because if-

valeria: So you think it's traffic?

Speaker 1: ... if I'm going to go through a tough screening, others are going to go through tough screening. So I'm sure that if I'm being selected, whoever else is coming... being selected has go through the same process that I went through.

valeria: Yeah.

Speaker 1: And then-

valeria: Not comparison with your colleagues. But comparison with other companies, or the environment... working environment. Like different-

Speaker n. 4e: It's a brand actually.

valeria: It's a brand. To me it's a brand.

Speaker n. 4e: I wouldn't feel any difference.

valeria: Okay. You would not?

Speaker 1: I would.

valeria: Okay.

Speaker 1: Actually, because what I care the most when I work in a company, are my [grades 00:35:40].

valeria: Great. Okay.

Speaker 1: Why? Because I work with people. And especially we are sales. We have to provide services for the clients. So I have to know the attitude and the way of onsite is doing business. I have to know that. Because some of the customers are my friends so I have to know who am I presenting.

- valeria: So you wouldn't feel like that you would try at least to perform in a better way? Or it will affect your psychology? Because you are the one with others as well. There is an elitism around?
- Speaker n. 4e: No. I mean Speaker n. 4a's point is like if the selection process is so strong, it means the company have good employees.
- valeria: Exactly.
- Speaker 1: Definitely. So it's a really strong... how many interviews did I have to come to a compromise?
- valeria: Exactly.
- Speaker 1: Probably six, seven, or eight. So I've gone through eight filters. So if I'm sitting in here with you on the table with a contract, that means that I deserve the job. And I know that you deserve the job. And Speaker n. 4e is here because he's on a top contiguous of employees. That's why you hired us. So I'm sure that all of my colleagues are from that integrity. That will give me more confident to do business.
- valeria: Great. Great. Okay. Girls, what do you think this will give you more confidence? Will it give you boost? Or no?
- Speaker n. 4c: Yes. From my opinion, yes it will give first of all... for example, if I'm a candidate and I go in for the interview. For sure my attention it would be how the interview. I mean first of all, how the professional interviewer, he will be sitting in front of me. And how seriously they are taking all the operation. They will consider... I mean everything. Just try to understand if you are correct... if I'm correct candidate for this company. So it will give for me understand the feel of the company. This is the face of the company. They are strong and they know what they are doing.
- Speaker n. 4c: And second for me as well, because since I have been through four interviews and they were not easy. I mean with psychologist's questions and et cetera, et cetera. So for me, it will give confidence as well, for my performance, because I'm sure that they had a few more candidates but they selected me. So there are companies that candidate-
- valeria: So you think would give you boost. What about you Speaker n. 4f?
- Speaker n. 4f: Yeah, of course. Right. This is for sure. If you feel that the company is doing their job, select me, and I need to go through many interviews, many questions. So yes for sure it will... I will feel that I'm joining the right company. And that will push me to give the best because I'm competing with... or I'm working, not competing the same company. I'm working with high quality employees, which I need to grow myself.

valeria: Great. Speaker n. 4c, what do you think the people that maybe you have recruited? Do you think that they will have an influence? They will boost their confidence? Or for yourself even as an employee?

Speaker n. 4c: Definitely for me it's very important. Like there are levels of the interview. Like you didn't just talk five minutes and you're selected one. So it will show the company face. How they treat you. How they will treat you in the future. And I think it will motivate me in some ways.

valeria: It will motivate?

Speaker n. 4c: Yes.

valeria: Okay. So let's go to the next one. What is the influence that [Wasta 00:39:25] is the use of this influence? Wasta is in Arabic, the use of influence. In the Recruitment and Selection has an organizational performance. We here in UAE you have heard this word Wasta. It means like the influence of knowing someone that will boost or recommend you. Or like having an indirect way of presenting you. What do you think this Wasta has to do with the performance? Do you think it will affect an employee's performance? It will not going to effect?

Speaker n. 4b: I mean Wasta... I mean it depends on how you cheated to which level. Wasta sometimes would be direct to giving a job, right? Or sometimes Wasta could be to the level you start to look at the CV's because there are so many CV's in the market. So that puts so much adds, so not much have time to look into those CV's. At least if some people give you like 20, 30, 40 CV's, each has its own reference. At least you start to consider this as your current [crosstalk 00:40:34]-

valeria: So you think there are some good-

Speaker n. 4b: ... there are some good-

Speaker n. 4e: But referral.

Speaker n. 4b: ... the referral. Or-

Speaker n. 4e: That's a big difference.

Speaker 1: The recommendation. Wasta is the evil work, and referral is the good work.

valeria: We cannot say. Of course you can see [crosstalk 00:40:46]-

Speaker n. 4e: Wasta is always the evil. Wasta means you are influenced.

valeria: But I don't want to give a positive or negative meaning.

- Speaker n. 4b: But if it is going to be just Wasta direct to the job. It affects. Because you compromise your Recruitment and Selection system.
- Speaker n. 4e: In this part of the world. Middle East, the Arab world, once you say Wasta it's negative. It's bad, it's evil, it's against all the [foreign language 00:41:16] even. [crosstalk 00:41:16]
- Speaker 1: But let me just rephrase this again.
- valeria: Sorry, let's hear the guest. one-
- Speaker 1: Oh, Speaker n. 4f, Speaker n. 4f, yes. You were laughing about this. I want to hear to you.
- Speaker n. 4f: Sorry. Sorry, sorry.
- Speaker 1: Yeah. Go ahead.
- valeria: No, Speaker n. 4f go ahead because you are more [foreign language 00:41:18]-
- Speaker n. 4f: It's okay.
- valeria: What? What?
- Speaker n. 4e: After you, Speaker n. 4f.
- Speaker n. 4f: So when we use the word Wasta, usually you use it if we feel that the person doesn't deserve it. Like this is not the right person be in this position. That's why we use the other word connection or referral, that, okay I think this person to get this interview, without... It's not Wasta because he or she went through the interviews. They passed everything. It's only giving away.
- Speaker n. 4f: So Wasta is the, I think we use it when the person doesn't... it's not the right fit for this place. And this will affect the workforce because even the employee was hired with Wasta even never get the confidence that he can do the job properly.
- Speaker n. 4e: No, I mean this thing always has an influence on his performance.
- Speaker 1: And they would abuse it. If somebody comes with Wasta, he comes in as an elite person and he doesn't give a damn about anybody else. He would perform very badly. And if somebody tries to talk to him, he's feeling relaxed that he came here through an influence. That he's-
- valeria: So you're think it will have a negative effect on performance.
- Speaker n. 4e: It's definitely a negative effect. It will not be a negative effect if you are operating a company like [foreign language 00:43:00] or [foreign language



00:43:03] and then you get to out of 100,000 people, you have 2% of them are Wasta, that will not affect, because it's not the majority. But when you talk about the company which comprise of 40, 50 people, then you have his son in law and his brother in law and his friends and his friend's friends coming inside. Then you will be hurting the company in a way that you need to invest a lot of money to train these people and bring them up to competency level. Because they are incompetent. Yes.

valeria: So helping the company. So Wasta can be helpful.

Speaker n. 4e: It's a devastating thing for any organization.

valeria: Speaker n. 4c?

Speaker n. 4c: And even as I understood, correct. So this is like you bring someone who you know. Yeah?

Speaker n. 4b: Yes. You try to do a favor for somebody.

Speaker n. 4c: And even at the same time it could be difficult for me to say something like, "You did it wrong, do it in correct way." So it will affect the company. It will affect me as a person. I mean the psychologically I think. [crosstalk 00:44:05]

Speaker n. 4e: It affects the individual within the company, but what he was describing that's a referral. That's different.

valeria: So you think there is a difference?

Speaker n. 4e: Huge difference. And a referral more then when I come to you to let's say Speaker n. 4b wants to hire someone and he tells me, "Do you know someone about you who knows one, two, three, four?" These are the main criteria that he wants. I definitely would want to recommend someone that's going to keep my face shiny at the end of one or two or three years because I worked with this gentleman and the last thing I want is to put myself in an embarrassing situation where I recommended the wrong person. It means I'm stupid or I'm blind.

valeria: Good. The girls or anyone else do you want to add something about the interface between the Recruitment and Selection and organization performance in general? Something that you want to add?

Speaker n. 4b: It adds value to have a proper picture Recruitment and Selection process. Because if you have to deliver proper services, and I mean considering the organization of our size, which we have few people but qualified people. Then it is always very much important to have a better selection criteria. And this is how like, I mean we could find many people but skilled and finding them among all it needs a proper selection criteria.

valeria: Great.

Speaker n. 4c: And I would add if you let me... you would say like from money-wise, CSI side also if company hires the right person, because they will just teach teams, they will send him to the training and he will continue to work and be loyal to the company. But if the recruitment process is not so strong. So we will keep hiring. People will leave. So I mean like first of all we will [crosstalk 00:45:59] the money side and also your time. Because you will-

valeria: Great. So girls and boys, let's move on to the compensation. I think it's something really important for everyone What is the influence of feeling [foreign language 00:46:14] There is a justly treatment of conversation that has on employees, motivation and performance. And what is the influence that in the performance even it's the feeling of unjustly treatment. So let's say I have someone that is feeling, "Okay, look I get what I deserve." And there is another person that is not feeling that, "I'm getting what I deserve, and my colleague or like someone else on my level is getting something that is not fair to me, or it's not equal to me." And there is this feeling of feeling justice or injustice. How do you think these feelings can affect organizational performance or the employee performance itself?

Speaker n. 4e: Okay. I think out of the box. It is when you get into a point where you are being interviewed by the company. There is no such thing as company's up and you're down. You're at equal level. They are worried from you and you worried from them. So at that moment, this is when you start doing discussions. If you like each others, then the proposal has to happen. For the proposal to happen, it has to meet both satisfaction level and convenience level. The moment you agreed and after discussion or whatever on an offer that was given you to the from the company, that's it. You have no right whatsoever to come after six months and say, "Oh, why did X, Y, Z being hired for a compensation higher than I than the one I got?"

valeria: So you can make it a mutual agreement.

Speaker n. 4e: That's an agreement because the moment somebody stand and say, "Why this guy's being paid better than than me and we're doing the same job?" I would say, "Why were you not as smart as he was during the negotiation and ask for the same package he asked for?" For instance.

valeria: Yeah. Does everyone agree with that? Maybe?

Speaker n. 4c: This is totally, I mean, whatever Mister Speaker n. 4e said. The time when you finish, then you agreed during your interview, you received your package, you see your proposal, or payment, whatever, and you sign. It's mean that you are done. You are committed for this. And of course if you in the future after one to three months, if you understand that your management are pushing to you more than they have been promised, for

example. Then you have authorized to come and just have a discussion and do... I mean to be a normal person, not to be, I'm sorry, crazy, And whenever you hear from someone, "Oh, he sell this like this, or he's selling like that."

Speaker n. 4c: First of all, this is not professional. That you're selling, and your , this is confidential information. And since you start to negotiate between each other, this is your personal opinion, personal decision. But it shouldn't be affected to the business and to the company. Because this is something personal between you and between the company. If you have any questions, you have to approach your management, your HR whenever you feel the effects, that you want to talk about this. And you have to raise the flag that, "Guys I'm paid actually not what had you promised. I mean, as per my job responsibilities. I'm receiving more work, and I'm spending my time, my efforts." So this is something different but at the end, because I had experience with this, and this is my view, that this kind of subject is a concern-

PART 2 OF 4 ENDS [00:50:04]

Speaker n. 4d: This kind of subject is a conception, and it should not be affected, and it should not affect the business, the company itself.

valeria: Yeah. Speaker n. 4f, what do you think? Do you think it will affect you if you feel unadjusted? Or it will not, if you feel that there is adjustment?

Speaker n. 4f: Of course it will affect. When we're talking about the employee reality, I think if you feel like you're getting your compensation, you will be satisfied, and that will keep you more in

valeria: Okay. Guys, do you want to add something else, or Speaker n. 4c?

Speaker n. 4b: Actually, looking at the question, it says, at the end of the year, however the compensation is being done, if the employee was expecting more and the employer is not paying more to his expectation, is it going to affect the performance?

valeria: Yes.

Speaker n. 4b: This is what I mean. So usually when an agreement at start of the year is done. So everybody has been set. So compensation is a sensitive topic, and equally responsible on both, employee as well as the employer, to give a roadmap, or to set the right compensation for each employee, against certain benchmarks.

valeria: Okay.

Speaker n. 4b: So if certain benchmarks are to be met, then you deserve it. If not, you don't deserve. So at the end of the revised period, if these benchmarks are being properly defined, then there is no lack of ... Because the results are there, and then the benchmarks are going to be there.

Speaker n. 4b: And company wants people to meet and exceed above than the expectations. Because the more the employee gives to the company, the better the company is also benefit out of it. So the company always in a position to pay the employee the better compensation, because he has delivered XYZ for-

valeria: So you feel it's also kind of a mutual agreement?

Speaker n. 4b: Mutual thing. Not just on the employee, there is both ownerships on the employers and the employees.

valeria: Speaker n. 4c, do you feel like if you had this feeling that there is an adjustment, and justly treated the situation?

Speaker n. 4c: I just want to say that I cannot compare myself, for example, if I am getting 1000 here and someone get 2000 here, I cannot say that he is getting more or she is getting more.

valeria: But you can say, because we are people, and they will have

Speaker n. 4a: [crosstalk 00:52:34] and doing the same job?

Speaker n. 4c: Yeah. If I'm doing the same. But I don't know your background, and you're-

Speaker n. 4e: Depends. You cannot say, even if I'm doing the same job. Let's say she is an agile assistant, I'm an agile assistant. I joined in January 2016. She joined in January 2020. There is a three years difference.

Speaker n. 4c: Exactly.

Speaker n. 4e: Now when I joined, inflation rate was this much. And when she joined, inflation rate was this much. So the company pays the current salary packages based on the current situation, supply and demand and so on and so on.

Speaker n. 4e: So if she comes in with a higher package, yes I would say, "Okay, I'm here three years with this company, four years, and my salary is this much, or this package is this much." and I have to also reemphasize on the fact that Speaker n. 4d has said that usually this is something confidential you don't discuss. But let's say it just was discussed.

valeria: And it is discussed a lot of times.

Speaker n. 4e: Yeah. And this really requires a lot of awareness that people should not come and brag about how much they're getting. Because it creates demotivation amongst other employees who are the same.

valeria: But it happens.

Speaker n. 4e: Yeah. So the company has their own justification. Contract negotiation, inflation rate, time of the year, supply and demand. And besides-

Speaker n. 4a:

Speaker n. 4e: The normal situation is that if I'm really doing my job perfectly, and I'm excelling, I'm over-achieving, I go the first time to my management and say I want a raise. The management refuses. The second time I say I want a raise. They refuse.

Speaker n. 4e: Then I have the absolute right to resign and find another opportunity. At this point the company has no right to come and tell me loyalty and all that thing.

valeria: So you think there are other ways that you can overpass this, let's say, adjusted treatment?

Speaker n. 4b: It's just a justification, as Speaker n. 4e said. I have done XYZ and company has benefited XYZ. Which means I'm capable to equal or more in the coming, when we're moving forward. In that sense, that can be justified for me. So that my additional efforts towards the company is going to benefit you XYZ, then it makes sense.

valeria: Great. So the same, a little bit context. How compensation techniques, let's say performance-based compensation system. Bonus techniques, equity-based compensation, I don't know if we have it here in UAE. Like you get a percentage of the company.

valeria: You think they're going to influence the organization performance?

Speaker n. 4b: Let's start from there.

valeria: Yes. Girls, do you have something that you want to add? What do you think a bonus technique, or equity-based compensation, performance-based compensation, how do you think these techniques will affect your performance?

Speaker n. 4f: I believe that yes the bonus and this conversation, of course it's going to affect the performance. Because if you hear like if I did that business, like I performed and I see that the company appreciate that, and that I get awarded for it, it will affect my performance, which will give me a push to perform better.

valeria: Okay. Speaker n. 4d?

Speaker n. 4d: Yeah. I agree with everyone. Actually what can I just say? As an employee, of course the bonus, it will affect my performance, of course. But as a company speaking, everyone, each employee, he's thinking that he reserves for this or for that, and working a lot, and working too much.

Speaker n. 4d: So this is based on the mentality, based on the person, how he's ... In general it's oblivious it will affect me. And if for example, as you said, confidential information, but people they keep discussing and they keep sharing this. But I have all the rights to resign and to find better opportunity for myself.

Speaker n. 4d: I mean these things, they have many quarters, and if you are thinking in the right way, first of all you will not lose your job, you will have a salary whatever you want, and you will have respect for your management. It's just the way how you will introduce to your management, and how you will So this is my feeling.

valeria: Great.

Speaker n. 4e:

valeria: Yeah. So you think, guys, that let's say performance-based compensation, a bonus, equity-based compensation. How important is for you guys, since you are

Speaker n. 4a: That's it.

valeria: Yeah, how important?

Speaker n. 4e: It doesn't work without out it.

valeria: Doesn't work without it. So it's that important?

Speaker n. 4a: Definitely.

valeria: It will affect your performance?

Speaker n. 4a: [crosstalk 00:57:46]

Speaker n. 4b: KPIs for every person is different. But what you hit here is the key driving factor for

Speaker n. 4e: You can't compare apple to orange. So if you want to do a comparison in terms of compensation, you have to compare the same job level. There were people who were meant to be admins, people who were meant to be leaders, people who were meant to be entrepreneur, people who were meant to be

coffee boys, people who were meant to be sales people. So each one has his own equation of compensation.

valeria: So you think it depends on the job.

Speaker n. 4e: Yes.

valeria: And every job it will be affected in a different way?

Speaker n. 4e: Yes.

valeria: So coming to you, how this will affect your performance? And then I will ask every other person.

Speaker n. 4a: So you were saying before about the question before, about the compensation level, right?

valeria: Mm-hmm (affirmative).

Speaker n. 4a: There are jobs that you have to have salary scale for that, definitely. And there are other jobs, you have to have a dynamic salary scale, which depends on the market trends and everything. And according to that salary scales and compensation plans for every job nature that you have in your organization, as different as its job description, you have to have some kind of motivational drivers for each and every one.

valeria: So you think this is a motivational way-

Speaker n. 4a: [crosstalk 00:59:08] Admins who work for eight to 10 hours would rather take two more weeks on their yearly annual leave, two more weeks on their annual leave would give them so much of motivation to come and do more. For me, I don't care if I take one week or two weeks per year, as long as you are paying me my commission on an accelerator let's say.

Speaker n. 4e: I don't remember any salesperson took two weeks vacation. That's the luckiest [crosstalk 00:59:42].

Speaker n. 4a: Yeah, see? This is one of the factors.

Speaker n. 4e: That's why there's a big difference between them. Sales people-

Speaker n. 4a: They don't take vacation.

Speaker n. 4e: Have higher costs than normal employees sitting in the office. Higher cost in terms of the time they spend with their families, the time they spend in the market. The amount of money they spend from their pocket because they want to entertain some-

Speaker n. 4a: Client, ex-client, right.

Speaker n. 4e: Where it's not covered by the company, or even so many other things. In addition to that, the responsibility of sales is so big. Because they are on targets. Unlike the clerks, unlike the admins, they don't have to worry about the targets. They have to worry about how good our sales people are to drive this company into success. That's the only thing they need to worry about.

Speaker n. 4e: Because last time I told Michael, "Your sales people are not your employees, they are your partners."

Speaker n. 4a: Definitely.

Speaker n. 4e: This is how I define them. Sales are partners. We pay them commission because they drive the business. If I want to consider him as a clerk, then I should pay him a regular salary.

valeria: What do you think about other jobs? Do you think that let's say a performance-based compensation, it will affect their job?

Speaker n. 4e: It's the same thing is applicable in purchasing department. We don't have purchasing department.

Speaker n. 4a: Cost control [crosstalk 01:00:58]

valeria: Any other partners?

Speaker n. 4e: Cost controlling. [crosstalk 01:01:02] The other departments like marketing, like accounting, admins and so on, HR.

valeria: You think it will affect them less or the same?

Speaker n. 4e: It should make them more motivated to give them [crosstalk 01:01:20].

Speaker n. 4b: It depends on the job function really. Each has its own job function, right. And KPIs differ. For sales, they are against So it means that support services still is benchmarked against how successful is the organization meeting their operational needs. Rather than and everything. So this is how they have to make sure.

Speaker n. 4b: So if organization is performing better with efficient management of admins and HR, this is their job well done. So that is how

Speaker n. 4e: Put it this way. Front end, back end. Who is interacting with the customer must have a different compensation and different way of treating, and who are the back end must be also having a different style.



Speaker n. 4e: From then, if it was even an engineer, an engineer should not be treated like a back end employee. Because engineer is supposed to deliver quality, speed, accuracy and all these.

Speaker n. 4a: He's the face of the company.

Speaker n. 4e: So he's also- [crosstalk 01:02:24]

valeria: So you think that job is also very important.

Speaker n. 4e: Yes.

valeria: And it depends on the job role.

Speaker n. 4e: Yes.

valeria: But as you said before, it will affect anyway in some level.

Speaker n. 4e: Yes.

valeria: Speaker n. 4c, do you have something to add?

Speaker n. 4c: Yeah, I totally agree with that one. But even if I can consider myself as a mean, and if I get bonus, I could be more motivated.

Speaker n. 4e: Yes.

Speaker n. 4b: [crosstalk 01:02:45] as a bonus. The point is not to have some for everyone. Everybody deserves it. But it has to meet the risks they're carrying along with them.

Speaker n. 4c: Definitely. I agree.

valeria: Okay, girls or boys, do you have anything to add for the interface, as we said so many times, of the compensation and the organization of the performance? Do you have anything to add? There is always, compensation can be in a lot of ways, bonus, equity, whatever, and organization performance. Do you have anything that you think it's important there?

Speaker n. 4b: It's a sensitive topic.

valeria: It's a very sensitive topic, and you're very right, and there are a lot of opinions.

Speaker n. 4e: bonus, anything you do. You know like the kickoff meeting you did last time, you think it did not have a positive impact? It does. It's motivational, it's entertaining, people came with their families. They loved it. They were enjoying it.

Speaker n. 4e: That's one kind of rewarding at the end of the year they are getting on top of what bonus they will get or anything they will get.

valeria: So you think every single thing counts?

Speaker n. 4e: Anything the [crosstalk 01:03:49] does.

valeria: Yes, matters.

Speaker n. 4e: Proactively, makes a big difference for an employee. Even those smallest, smallest thing. If one month the company decide, "Okay guys, this month we are giving you a free parking," or a free phone, whatever, just anything. Free data for your phones. Anything that the company does, because this quarter did better than another quarter and so on.

Speaker n. 4e: As long as the company shares the exceeding profits, partially with the people working for the company, they get incremental loyalty levels.

valeria: Do you think loyalty is going to be - [crosstalk 01:04:24]

Speaker n. 4e: Everything is related to the hierarchy of Maslow. The self-esteem, the happiness, security, this comes before the salary and all that. The security, first of all self-esteem, then security, then all the rest comes in.

valeria: Good. So guys, let's move on to the PA. It's a very sensitive topic as well that we have come across, especially the lately. So what is the influence that target setting, clarity of expectation, and less job ambiguity, is like having clear things what you need to do, of PA, have on employee's performance?

valeria: So if you have a clear target of what you need to expect, what you need to do, there is no ambiguity on your roles, your needs, what you need to do. How do you think this will affect your performance?

valeria: And this is under the umbrella of PA that will come every quarter, every year, it depends on the company. So if you set this record straight from the beginning, how do you think it will affect? Speaker n. 4f, you want to add something?

Speaker n. 4f: Yeah, I think the performance, putting the codes for the trainee at the beginning to do the PA based on that, it will push the employee to do these targets, and do the performance, it gives their performance.

valeria: So you think it will give them a push?

Speaker n. 4e: It will make them push their job efficiency.

Speaker n. 4f: Yeah. It's not a role. Like when you have something to achieve always, in my personality-

Speaker n. 4a: That will more focus.

Speaker n. 4f: I have I will always run to achieve it. So this is the push I'm talking about. It pushes me to achieve something. If I know what I need to achieve, it will really help.

valeria: So knowing what you need to achieve, it will help your performance, this is what you're telling us?

Speaker n. 4f: role and I will achieve it.

valeria: Great. Mr do you want to add something?

Speaker n. 4e: Just one word, what I said, that's it. It makes the person do what they're supposed to do. No ambiguity means 100% clarity, and that's it.

Speaker n. 4b: Just as I told you, it corresponds both for the employees and employer. So this is employer's responsibility to set the right PA methodology, depending on what job functions they do. So employee during the compensation period, is not going to be complaining for this. That's it.

valeria: Okay, let's move on to the second one. What is the influence that [crosstalk 01:07:18], Speaker n. 4c you have something to add?

Speaker n. 4c: No, I agree. I totally agree [crosstalk 01:07:21].

valeria: So what is the influence that employee's involvement in the next year's goal, and performance standards and PA, has on employee's performance? So if an employee is involved in this, let's say, it is an agreement. PA is an agreement between the employer and the employee.

valeria: So if the employee has a say, he is involved in this establishment of next year's goal, do you think it will affect his performance?

Speaker n. 4e: To the positive.

valeria: In a positive way, you think?

Speaker n. 4e: So take the example of the kickoff meeting, then you sit down and listen to people. Like or people on your team, who stood up and shared something. If whatever they share was taken into consideration. For example they raised concern earlier about indemnity. Not indemnity, what do you call it? This per diem.

Speaker n. 4e: Just by having that meeting that we had last time is by itself an excellent motivator, and by itself is an appraisal. That my word is being heard. That I'm not being considered just a zero on the left of the equation.

valeria: So you think it adds value to the people?

Speaker n. 4e: Definitely.

valeria: Okay.

Speaker n. 4e: Definitely. To make them feel that they are actually an essential element of this organization. And a successful leader, a successful company is the one who actually recognize every single employee's participation to the business, even if he was a coffee boy.

Speaker n. 4e: Because at an angry moment, one single person, example Joyce, that feels that she's being mistreated or down-treated, she might pick up the phone and say in a very rough way, the call is a customer.

valeria: And you think this will affect the whole organization?

Speaker n. 4e: Of course. And could be a lead, could be a customer who's a prospect calling from an important customer to ask he has a need for our business. And the moment the reception talks to him in a rough way, he will say, "Okay, thank you, I will find another one." And maybe it's a million dollar deal.

Speaker n. 4e: That's one small example. Happens every day in many companies and many organizations. Starting from one person that could have- [crosstalk 01:09:49].

valeria: So one person can make a whole team.

Speaker n. 4e: Exactly.

valeria: Okay. Speaker n. 4f, do you want to add something?

Speaker n. 4f: No. Nothing to add.

valeria: So you agree?

Speaker n. 4f: Yeah yeah.

Speaker n. 4e: She doesn't dare.

valeria: You guys?

Speaker n. 4a: That's it.

valeria: Okay. So let's move on. What is the influence that an effective and ineffective performance of appraisal system, let's say management values loyalty over efficiency, or PA without consulting the employees, would have on employee's performance?

valeria: So let's say if we have an ineffective PA. That employees, they're feeling mistreated or not heard, or they feel like they value loyalty over efficiency, and they don't give them what they deserve. What will be the performance of that specific employee? What do you think, Speaker n. 4c?

Speaker n. 4b: It's a negative effect.

valeria: Negative in what way?

Speaker n. 4b: If somebody performed better, and if it is not being reported, rather than concerning on loyalty and all the experience and everything, it is difficult. So it is just the value, sometimes the value is not always the money or something. How much the company have benefited from a person. Different functions, whether it's an admin, there are sales.

Speaker n. 4b: So different people and different benefits the company might have. So according to that, they have to be compensated. So that's it.

valeria: Okay. Speaker n. 4c?

Speaker n. 4c: I think it will affect in not good way. Because a person will but demotivated. It will be a person who they are not loyal I think. And at the end of the day person will start looking for another job.

valeria: So you think [crosstalk 01:11:54] is going to be affected?

Speaker n. 4c: Yeah. So he or she will think, I'm not heard, so the best way to continue, go pursue something better.

valeria: Yeah, you're right. Mr Savid, do you want to add something?

Speaker n. 4c: I'm trying to understand the question. Is it about the management evaluating an employee?

valeria: It is if the PA, it's not working properly. Let's say if it is not ... ineffective.

Speaker n. 4c: Yes.

valeria: If it is ineffective. Let's say that we have someone that we don't value him as-

Speaker n. 4a: This guy, this guy's brother.

valeria: Yeah. And we value loyalty over efficiency, or we value, let's say, something that it is not really important. Let's say we don't take care of We don't ask you about your consulting an employee.

valeria: Because to be honest most of the PA, if you ask the employee, they will tell you, "You know what? No, we just had a conversation that I didn't have a

right to speak." And if you ask the employer, they will come and say, "You know what? No, we had an open conversation." So there is always a confusion between how do we feel there is the effective and ineffective PA system.

valeria: So if you think there is an ineffective PA system and it's not working right, how do you think this will affect your employees?

Speaker n. 4e: I have to ... They already said it.

valeria: You agree with them?

Speaker n. 4e: Yes.

valeria: Negatively, motivation is going to be ... I'm just doing the conclusion. But you said their is going to be affected. So the guy is going to go and work in another place most probably.

valeria: Speaker n. 4f, are you there? No, Speaker n. 4f is not there. Okay, so let's move on. So is there anything else you would like to tell me about the interface between compensation and employee's organization and performance?

Speaker n. 4e: There's one thing I wanted to ask. This is regarding what you are doing in your studies. I've noticed the word of loyalty and commitment being brought up many times. I'm not sure if you should consider this as a factor. Does it exist in the first place?

Speaker n. 4e: Yes, I would say it would exist, loyalty, if you don't move to something across, to a different organization for the same benefit and the same packages. But most of the time, when you're being approached or headhunted by another company, and you've only been there for less than three years or four years, even if you're at the very good satisfaction level with your job, but you're being approached by a bigger company that has a bigger reputation, and they're giving you twice what you are getting, or even 60%, 70% of what you are getting. That's not anymore a matter-

PART 3 OF 4 ENDS [01:15:04]

Speaker n. 4e: ... 70% of what you are getting. That's not any more a matter of loyalty. This is a matter of-

valeria: Business?

Speaker n. 4e: People, as they work over the years in the company, their responsibility... They get married, they get children, but their income remains the same. This is when they become more subject to a change, because they want to

keep up with their lifestyle. In the beginning when you were single or you were just engaged, you were able to go to the cinema four times per month, do so many activities, but then when you start seeing those little kids in the house your monthly expenses became 5,000, 6,000 dirham per month just for food and beverage, you will compromise on so many other things.

valeria: So you think it can happen.

Speaker n. 4e: It is the normal.

Speaker n. 4b: It can happen. It's always happened.

Speaker n. 4e: It's always happening.

Speaker n. 4b: And it happens where? In the early stages of a career.

Speaker n. 4e: And it shouldn't happen if you loyalty, because it's not about loyalty. It's about-

Speaker n. 4b: And that's right. So the earlier cycle of anybody's career, right? They do it more often than a mature person. The reason-

Speaker n. 4e: Yes. They do it a lot.

Speaker n. 4b: Because they think in the same company I might get 10%, but if I do a job change I can be

Speaker n. 4e: Yeah.

Speaker n. 4b: So, and then this is why

Speaker n. 4e: Yes. Yes.

Speaker n. 4b: ... in the market you see more people not staying for longer period in a single company.

Speaker n. 4e: Yes. Yes.

Speaker n. 4b: If they do, it's different, but-

Speaker n. 4e: Maybe this is a statement which is not relevant to any of the things that you said, but it's somehow connected, because you keep mentioning loyalty. Loyalty. Loyalty is not something that I would say applicable, because even the company has no such term used for the company itself. When the company goes into a crisis and they start terminating and laying off thousands of people, where is the loyalty in that?

valeria: Yeah.

Speaker n. 4e: So there's no loyalty here applicable.

valeria: So, loyalty comes both ways.

Speaker n. 4f: [crosstalk 01:16:55]... Wait, I want to comment on this. I used to for a company. They... When we were crisis... They were really trying to keep the employees as much as they can because the company is loyal to the employee, so the company can show loyalty. But there is one that they cannot do anything. But similar for the employee and the company, but the company can [crosstalk 01:17:23]-

Speaker n. 4e: Speaker n. 4f? Speaker n. 4f, when run out... When the company runs out of cash flow, there's no loyalty. There is no faith. There is nothing. But in the beginning, it's not because of the love and... There's no emotion in business. We have to be very careful about that. There's no emotion in business.

valeria: But we are all humans.

Speaker n. 4f: [crosstalk 01:17:41].

Speaker n. 4e: Yes, I know. But what I'm saying is that the company were trying to retain the employees because it will... and she knows... it will cost the company four times to recover the employees that they are going to fire or lose if they want to start over again. Correct? So they will try to sustain with their current employees. It's not... I don't... Loyalty is not the term I would use in this-

valeria: Anyway, there's not either/or.

Speaker n. 4e: It's being realistic more than being-

valeria: Speaker n. 4f, you can have your own opinion. can have their own opinion. That's why we're here. We want to hear your opinion, guys.

Speaker n. 4e: Yes. Sorry.

Speaker n. 4f: Yes.

valeria: No, no. Of course. So let's go to our final step. It's regarding Emiritization. I think you're always hearing-

Speaker n. 4e: Remember this session is being recorded.

valeria: It's for my end, so you can say whatever you want. So, let me just read for you. I'm sure you know and you're familiar with the term, but just for academic reasons. Emiritization initiative in nationalization of programs, that it is created by the UAE government in order to encourage and support the employees of national in preference to expatriates. Ministry always



impose private sector employees a quota system where every employee with more than 50 employees is obliged to recruit, retain on their payroll a stipulate numbers of UAE nationals to ensure the minimum percentage of participation of Emiratis in the workforce. Other moves to encourage private sector Emiritization are wage subsidies, wage restraints for government employees, quotas on expatriates' labor in the private sector, and employee targets for UAE nationals as a whole.

valeria: So, I'm sure you have come across these initiatives of the government. We're just here to discuss how these things affect organizational performance. So, what is the influence of forced quota system? Let's say forced quota is, above 50 you need to have an Emirati on your workforce. Wage restraints and payroll retains of the employees, so you need to keep the Emirati employees on your payroll and you need to give them specific amount of money. How do you think these affect employees' performance? These initiatives that you need to have Emirati employee there, you need to give them a specific amount of money, and you need to retain them. What do you think this whole initiative affects the performance?

Speaker n. 4b: First, we need to understand from a country's perspective, right? So, when you have a country, their more first priority would be to have their own people to be happy.

valeria: Yeah, but we don't care about the country now. We care about the performance of the organization.

Speaker n. 4b: Because Emiritization is because the country values their local talents not to be recognized, and they have to be sufficient with some government and cash flows.

valeria: Yeah, I understand maybe the government, but we're talking about the organization here. How do you think this affect the organization? MAGNOOS, let's say.

Speaker n. 4e: So, she's right. The question is not about, how do you feel about it, but it's how the impact-

valeria: It is also how do we feel about it, but we care mostly about MAGNOOS here.

Speaker n. 4e: Deep down, emotionally, we feel bad because it threatens our existence here and our jobs. But up in the brain, when you... we think about it in the same way you said. It's their country. They have all the right to do what they are doing. I wish my country would do the same thing.

Speaker n. 4b: Yes. If you ask me-

Speaker n. 4e: Now-

Speaker n. 4b: ... the standards of what UAE offers compared to the standard which India offers-

Speaker n. 4e: Yes. Yes. Yes.

Speaker n. 4b: ... you cannot imagine. So which means if, as an expat, I am privileged to have these benefits from a government, then the citizens are privileged to have better than me some offerings from the government-

Speaker n. 4e: That's correct.

Speaker n. 4b: ... to that they are the members of the country. Right?

valeria: So you understand the initiatives. Let's say we have established that, and let's move on to the performance. What do you think it's doing that to performance?

Speaker n. 4e: It will create a burden.

valeria: Okay.

Speaker n. 4b: To the business.

Speaker n. 4e: So, in what sense? You have to meet the quota, which means you have to have... You need to hire virtual Emiratis, just like it happen in Saudi Arabia 20 years ago.

valeria: Yeah?

Speaker n. 4e: You will start hiring people who will not be actually in your system working efficiently, but they will be on your payroll, so that will increase your operation cost. Your GP will be affected. Your net profit will be affected. Everything will be affected because you will still hire the same people that you want to hire to run the business. You will continue to do this for the next 10 to 15 years until the Emiratis realize that they really need to start working, just like the Saudis did after 10 years and 15 years. Then you will start seeing qualified Emiratis who can fit the jobs of managerials and sales and so forth.

valeria: So you think future will be bright, but what about now at the performance-

Speaker n. 4e: Now [crosstalk 01:22:58]-

Speaker n. 4b: Actually there is already a progress being made-

Speaker n. 4e: Yeah. It's a progress.

Speaker n. 4b: ... because as you mentioned, training, education, certifications, governments with all the initiatives are heavily investing to make the new... the generation to be as productive, as efficient, as expected to deliver. Right? So, the initiatives are in there, and it's ongoing. As Speaker n. 4e mentioned, in the coming years they'll be skilled, because I think they will not be into every single position in the company.

valeria: Great.

Speaker n. 4b: So they will be much more skilled.

Speaker n. 4g: I need to fill this.

valeria: Let's try to wrap this up.

Speaker n. 4b: Final question.

Speaker n. 4a: Yes, I'm sorry. I just had a [crosstalk 01:23:41].

valeria: That's okay. No worries. We can ask you as well. What do you think about the quota system of the Emiritization, the restrain of the Emiratis employees in the payroll, and the retain of them in the organization? How do you think this affects the performance?

Speaker n. 4a: Okay.

valeria: Here so far we have said that we understand the initiatives, but we're focused on the performance. What is causing the performance of an organization?

Speaker n. 4a: Okay. As I told you, I'm seeing it from my perspective as sales.

valeria: Yeah.

Speaker n. 4b: Yeah, you have seen a lot in Saudi.

Speaker n. 4a: Yes. I've been there, and I've touched it. It affected me in a way, because some positions were Saudized. I couldn't get that position although I'm eligible for that position, but I have to report to a manager-

valeria: So you think you are eligible in that position, but you cannot touch that position?

Speaker n. 4a: Yes, but let's taste this

valeria: Yeah. Yeah.

Speaker n. 4a: This country belongs to these people.

valeria: Yeah.

Speaker n. 4a: So-

valeria: Everyone agreed that we understand it.

Speaker n. 4e: We did. We already discussed that. Yeah.

Speaker n. 4a: Yeah. Yeah. Yeah.

valeria: We understand the initiatives and they are correct.

Speaker n. 4e: Get to the point of the impact.

valeria: What about the performance?

Speaker n. 4a: Of the impact. For me, say for me, for the certificates for

valeria: What about also MAGNOOS performance? What do you think? If we bring Emiratis here, what will be the influence?

Speaker n. 4a: Okay. The image-

valeria: So far we have heard burden. We understand the initiatives, but... It will help in the future-

Speaker n. 4a: Yes.

valeria: ... but... that's the conclusion that we have so far... but now we want to focus on what it's going to do now.

Speaker n. 4a: Okay. For our image in the market, for me... If I'm selling a product from a company that's in UAE, I have to present the right image in UAE, right?

valeria: Okay, so it's about the image?

Speaker n. 4a: So, it's about the image of the company. We are meeting our Emiritization standards and the Ministry of Labor requirements. This is very important. If it's not important now, it will be important in two, three years, which we really have to be proactive about that.

valeria: So you think it will bring a prestige to the company if we have Emiratis?

Speaker n. 4a: It will be prestigious. It will be proactive action. Okay? That's something smart to think about. If you see the trend is going into Emiritization, it's probably the right time to start. Starting in certain levels, like bottom to top. You don't start from top to bottom, because top to bottom will be costing you a lot of money. But if you're starting from bottom to top, that would be a smart approach. It's important.

valeria: It's important.

Speaker n. 4a: It's important. Yes.

valeria: Okay. Speaker n. 4c, do you want to add something? What do you think it's doing to performance?

Speaker n. 4c: I would say it will affect, but-

valeria: In what way? You think. There's no right or wrong answer, don't forget. Your opinion.

Speaker n. 4c: Okay, I would say that it is better to hire to other nationalities that are more productive than local. This is not a-

valeria: So, production... productivity, sorry. You think it will be affected?

Speaker n. 4c: This is what I heard.

valeria: Okay.

Speaker n. 4c: I hope you will not post this video anywhere.

valeria: No, don't worry. This is about us.

Speaker n. 4c: Or they will send me

valeria: No, no, no, no, no. Don't worry.

Speaker n. 4c: No, I'm not saying in a bad... yeah?

Speaker n. 4c: No, no, you're not saying it in a bad way.

valeria: No.

Speaker n. 4c: It's the same situation it was with the Saudis.

Speaker n. 4c: You got my point. But yeah, as Speaker n. 4a mentioned, it's-

valeria: Everyone gets your point. We just want to discuss about that. And don't be afraid to talk about it.

Speaker n. 4c: No, I'm not afraid. I think productivity will be low. This is my opinion and what I heard from people who in different companies.

Speaker n. 4c: But-

valeria: Yeah. What you have seen.

Speaker n. 4c: Companies with local people. It is difficult for company to work with them.

Speaker n. 4g: [crosstalk 01:27:28].

Speaker n. 4c: You have to provide for them everything what they say and... It will affect the

valeria: It will affect-

Speaker n. 4a: I will add-

valeria: Yeah.

Speaker n. 4a: I will add one thing. If you have a very good selection criteria for the candidates, that would be probably an [crosstalk 01:27:43].

Speaker n. 4e: You can still fill something. If you-

Speaker n. 4a: Yes.

Speaker n. 4c: But there's this-

Speaker n. 4a: It's not like staffing-

Speaker n. 4c: Yeah.

Speaker n. 4e: Let me give you an example.

valeria: Okay.

Speaker n. 4e: I was suggesting to Michael something. He said, "This is a dream I want to make one day. You are enticing me too much, but let's not talk about it now. Let's keep it on the DL." I told him, "Come on. Let's go to a university here. Emirates University or Sheikh Mohamed bin Zayed University or any of those universities. I will go and I ask the university to give me the top performing or the top achievers who already finish their four-year-"

Speaker n. 4a: Either four-year or graduate.

Speaker n. 4e: Exactly. No, no. They finish... They already... They want to do their masters, but they already done the post-graduate. And who are specialized in AI, artificial intelligence, machine learning, and so on. I'll get 20 of these. I will send them on my own expense to India, do a thorough training for them-

valeria: Emiratis, you are-

Speaker n. 4e: Emiratis.

valeria: Yeah.

Speaker n. 4e: And I bring them back, and of course when they come back there will be a dropping list. Like seven to 10 people will say, "I don't want to continue. I want to go home." We will be remaining with 10. Out of those 10 I select the top people. These top five or six people, I will outsource them into government entities.

valeria: So you think there are ways that-

Speaker n. 4e: Yes.

valeria: ... Emiritization can really work and help performance?

Speaker n. 4e: Yes.

valeria: This what you're telling me?

Speaker n. 4e: If I go to a CIO or a CEO who is a Zaabi, and I bring him a Mansour Zaabi as a candidate for you to work here as an outsource person-

Speaker n. 4b: Again, but-

Speaker n. 4e: ... how is the impact going to be less?

Speaker n. 4b: It's a cost, right? Again, it's going to be-

Speaker n. 4e: No, it's not going to be a cost-

Speaker n. 4a: Okay, but that cost will be-

Speaker n. 4e: ... because they are fresh graduated.

Speaker n. 4a: That cost will be covered also. There are laws in UAE that... Ministry of Labor or

Speaker n. 4e: They will pay half. Half.

Speaker n. 4a: They will be paying you same in Saudi Arabia-

valeria: This is what we say, subsidized wage.

Speaker n. 4e: Yes. They will be paying half.

Speaker n. 4a: development fund paying 60%

Speaker n. 4e: To me, it's not a cost.

valeria: But also there are codes that you need to start from a specific amount of money-

Speaker n. 4e: Yes.

valeria: ... for an employee that it is Emirati.

Speaker n. 4e: To me-

Speaker n. 4a: But-

Speaker n. 4e: To me, it's an investment.

Speaker n. 4a: Yes.

Speaker n. 4e: I'll tell you why. It will make a huge difference when you have someone from your company inside this government account from that family, than one of us expats to go there and try to sell.

Speaker n. 4a: Definitely.

Speaker n. 4b: I understand it has a good positive impact, but realistically speaking, right? When you're going to hire these people, when there is an opportunity for them to work in the government they always prefer to move on. Right?

Speaker n. 4a: That's when you retain your employee.

Speaker n. 4b: But it's really hard, being an Emirati, to stay in a private company-

Speaker n. 4e: Who said?

Speaker n. 4b: This is the fact that this is why-

Speaker n. 4e: Most of the real estate companies and most of the public notary-

Speaker n. 4b: That depends on in which position you're going to be. If you are saying it's going to be in data science or AI, it's-

Speaker n. 4e: I mean, here's a fresh young guy, 18, 19 years old, 20 years old. He's not going to get a job easily in a-

valeria: Speaker n. 4f, what's your opinion?

Speaker n. 4f: My opinion from working with many local so it depends on from which... If MAGNOOS wants to hire someone, either it's a]... If you to hire the correct person, because many of them, they're good in IT, good in procurement, good in HR. So I think this will add value to MAGNOOS. I am with hiring one or two Emirati guys in the company, which will add value. Many of them, they're good. And as Speaker n. 4e said, you can start with junior guys who are less-

Speaker n. 4e: Costly.



Speaker n. 4f: The cost will be good for the company, and train them and get them to grow with MAGNOOS. But I think it's really a plus for the company, and it's something really good. When we visit our customers, especially with the government, and we say, "Ah, we have local..." When we participate in RFP and we mention that we have a percentage local Emiritization-

Speaker n. 4e: Or just have one of them as a PR, public relation officer-

Speaker n. 4f: No-

Speaker n. 4e: ... and take him with you to the meetings when the contracts negotiation. It has a huge impact.

Speaker n. 4a: Yes.

Speaker n. 4f: [crosstalk 01:32:16]-

valeria: So you think it will add value?

Speaker n. 4e: The respect in the room-

Speaker n. 4a: Yes.

Speaker n. 4e: ... the environment, the whole thing changes.

Speaker n. 4a: Because it's a culture of respect

Speaker n. 4e: Because, yeah, they will see that, "Oh, wow, you have a PR who is from Emirate." They will say [Arabic 01:32:30] to you. They will respect you. Because if you look at the locals or the Emiratis, they have this conception about private sector and private companies, that they are trying to exclude us. They want to take everything from our way, all the money that they want to take, and so on and so on. You will change that perception just the moment you go to present yourself as a company who supports hiring locals. Not to mention the IDC thing. What is that? The-

Speaker n. 4g: Oh,

Speaker n. 4a: ICD

Speaker n. 4e: ICD? Yeah?

Speaker n. 4a: I came from an organization, the There are 8,000 employees in there. Okay? The percentage of Saudization is only 25%, but you only see and. Okay? Even LinkedIn posts, they They put them in the front, because they want people to know that we are totally Saudi company. But in the kitchen, people coming from Jordan, from from India, from Pakistan, all doing the job.

valeria: So you think the image will be-

Speaker n. 4a: See? The image-

valeria: ... upscaled?

Speaker n. 4a: Yes.

Speaker n. 4e: Absolutely.

Speaker n. 4a: I got contracts because of the GOSI certificate, the General Organization for Social Insurance, because I have high level of Saudization in my organization. I got contracts because of this.

Speaker n. 4e: This is a good topic that you brought here, because that is something you have to recommend with Michael is that-

valeria: It is obligatory after 50, we need-

Speaker n. 4a: Yes.

Speaker n. 4e: ... it is becoming more serious... your participation in the localization versus what tenders you can participate or not.

Speaker n. 4a: Yes.

Speaker n. 4e: It's becoming very serious. Maybe we should take that train now as it's picking up, before anybody else, at least with one or two candidates-

valeria: So-

Speaker n. 4e: ... just to represent us in the public relations image.

valeria: So you think it has... Just the conclusion. You think it has some bad things on the productivity, but it can add value through the image?

Speaker n. 4e: It will have a bad thing on the productivity if you start hiring just to fill the quota.

Speaker n. 4a: Staffing. Staffing.

Speaker n. 4e: Just staffing. That's bad, if you're filling the quota. But if you are investing and selecting the right people... If you invest... If you want to fill the quota, fill them with fresh graduates, that you will train them, and you know that some of them will slip, some of them will stay. Some of them, maybe they like their job. A lot of people don't like government. They like to stay in private companies. It's different people.

Speaker n. 4a: From my perspective for the Saudi market, right? I'm responsible to develop business. If we are ought to hire sales guys-

Speaker n. 4e: Hire Saudis.

Speaker n. 4a: ... I would go after the Saudi guys. And I'll increase a little bit my scale of salary. Because why? Because I guarantee more business coming from these guys, especially in areas like Taif, Jazan, Mecca. These guys, they buy only from locals.

Speaker n. 4e: Come to Speaker n. 4a 15 years ago and ask him the same question, he would say, "No, no, no, no, no, no, no, no."

Speaker n. 4a: No, I won't say that. But [crosstalk 01:35:40]-

Speaker n. 4e: Then over time they changed.

Speaker n. 4a: Yes.

valeria: Great.

Speaker n. 4e: They became efficient.

valeria: Great. So, that's it. If there is anything else you would like to add about Emirization and job performance, you can just add it now, because we are wrapping up the meeting.

Speaker n. 4g: Yeah, that's it.

valeria: Yeah. That's it?

Speaker n. 4g: That's it.

valeria: Okay. Great. Thank you very much, guys, for everything-

Speaker n. 4a: Thank you for that. Thank you also-

valeria: ... for your time, that was valued, and for all your great ideas.

Speaker n. 4a: I feel safe, you having this session. Really. Why? Because organizations is all about people, and since you are taking care of people, I... This is like every day I'm getting the point that I came to the right place. Thank you very much.

Speaker n. 4a: Really.

valeria: Thank you very much as well, you guys.

## 5. Transcription Speaker Number Five, Focus Group Two

- valeria: Okay?
- Speaker n. 5a: Valeria you shared with us, yes? These questions?
- valeria: Yes, I did. I did actually again before one hour and a half because I wanted to be sure that everyone had them, but I have sent them also last week when we did the invitation. But you can see it now, I send them also exactly before the meeting. One hour and a half before the meeting, I sent the questions as well.
- Speaker n. 5a: Okay.
- valeria: Anyway, you don't have to have them in front of you. I will read them. Just if you want to feel like, I don't know, what are we going to say so far. Okay?
- Speaker n. 5a: Okay.
- valeria: Okay. So I want to welcome whoever is online, and we can start. I think Speaker n. 5djust joined, right? Or he will-
- Speaker n. 5b: Hi Valeria, Speaker n. 5dhere.
- valeria: Hi Raja. So I was just saying to the guys that today I just want to hear your opinion regarding some HR issues, some HR policies. It's going to be confidential. I will share with Michael only regarding as a team, as a whole Magnoos, things that we want to improve. How, what way? What do you think? There is no right or wrong answer. It has to do with your experience so far, what do you believe. I just want to hear your opinions about these issues, and hopefully it will be something beneficial for all of us. I will use it as well in my PhD analysis, but as I said, it will be totally anonymous so you don't have to be afraid of talking or something. Tell me your opinion. I just want to hear your voice. Is that clear?
- Speaker n. 5a: Sure. Yeah.
- Speaker n. 5b: Yes.
- valeria: Great. So I have sent with you the questions that we will cover so far today. I send them again one hour and a half before, but I will read them and we can discuss them through as I read them. So you can have them in front of you just for your information if you want to feel like where are we now exactly and what we're doing.

- valeria: Okay, so the first one, it has to do with the formal training as a part of an unwritten psychological contract between the employer and the employee and the influence that this has on employee's performance. In order for me to introduce a little bit the term, because maybe you're not familiar with psychological contract. The psychological contract describes the unwritten and intangible set of mutual expectation, understand beliefs and commitments that exists between an employee and an employer. However, it's totally different from the employment contract which it is written in the formalized document. So how do you feel?
- Speaker n. 5a: This is the first question, yes?
- valeria: So how do you feel? Let me finish and then we'll go to the questions if you didn't understand something. So how do you feel that training as a part of unwritten psychological contract, something that has been promised to you and it is not written, but you feel like your employer is obliged to do that because of this psychological contract between the employer and the employee? And how do you think this will affect your performance?
- Speaker n. 5ban: Can you give me one small example for me to understand?
- valeria: Yes. Let's say that your current employee, let's say Michael has promised you that he's going to invest in you with training, but he hasn't delivered or he has. How do you think... Of course this is not written in the contract that Speaker n. 5d will go or whoever, and Muhammad will go for like three, four, five trainings per year. This is not written anywhere, but because of all the circumstances, all the talks, you feel that this is something that has been promised to you orally, but it is not written-
- Speaker n. 5a: Based on our trust, yes?.
- valeria: So how do you feel this if it is delivered or if it is not delivered to you will affect your performance?
- Speaker n. 5c: Let me start. By training are you referring to eight training or the trainings that come from the vendors which do not have a cost or both?
- valeria: Any kind of training you feel that it is beneficial to you and you can categorize as well.
- Speaker n. 5c: Well let me start. So yes the based trainings, which are let's say classroom based trainings, they are always better than I will say computer based trainings, and it helps a union employee in building

your skills, in building your capabilities. See again with the PowerPoint presentation that we get from vendors or let's say their portal, you learn to an extent, but the classroom based trainings have a better effect on your understanding of the subject. So in that case, yes it is beneficial to have trainings and of course it has a positive influence on the performance. I think it's directly related, directly proportional to the performance. The more you learn, the more knowledge you have, the more better you are in your role. So I 100% agree.

- valeria: Okay. So how do you feel if the training that has been promised to you orally, it's not delivered. Do you think that this will affect your performance?
- Speaker n. 5c: Short answer, yes it will.
- valeria: In what way you think? Negatively, neutral?
- Speaker n. 5c: I mean again see it will affect a bit negatively. I wouldn't say in the spectrum of positivity and negativity, little to the negative side from the center, I would say. Let's say if you're counting from one to 10 on the negativity scale, maybe four towards the negative side. But yes, close to neutral. Because you see again when an employee joins any employer, be it a small company or a larger company, you look forward for personal growth as well.
- valeria: Of course.
- Speaker n. 5c: And these options are, let's say for your personal growth and if they are not being done, of course it affects little bit negative. Not a lot, because I know this will not affect your performance as the resource you are hired for because again you're hired on base of some background, right?
- valeria: Yeah, of course.
- Speaker n. 5c: On some basis that you can perform the job. So yes it will have little effect but not a lot.
- valeria: Great. Any other insights? Any other opinions?
- Speaker n. 5b: Yeah I would like to go.
- Speaker n. 5d: Oh sorry, go ahead Raja.
- Speaker n. 5b: Okay. So for me, I am aligned with Speaker n. 5c on this one as well. But I would like to add to what Speaker n. 5c just said. So a bit of negative though or thing what Speaker n. 5c said is fine, but in

such scenarios when there is an expectation that yes I need to deliver something and I need to do maybe supposed to sell and stuff like that, right?

valeria: Mm-hmm (affirmative).

Speaker n. 5b: So in this case, if that was not provided by the organization and I went about and did the self learning myself, now that needs to be acknowledged and that needs to be taken that the employee himself has taken efforts to go beyond and get himself enabled. So that is the point I wanted to add to what Speaker n. 5c said.

valeria: Great. Great point. Please go ahead.

Speaker n. 5b: Yeah, so I have a little difference of opinion in my for example, if the employer is allowing me to up skill myself, it might be anyone. It might be an e-learning, it might be instructor led curriculum or it might be some materials that has been given. I already bring an X on my plate as my skill set, through this training I'm acquiring X plus one and if the employer is helping me during the working hours or the billable hours, that itself is something where the employer has shown faith on me and an opportunity to improvise on myself, but always gives a positive impact directly onto the performance.

Let's say if that has been promised to me and for some reason it was not given to me, then as a person I will take that extra goal to make sure that I perform better and then when the next appraisal cycle comes, I'll point that I wanted this the last year, but for some reason I did not get it. Can you give me a word that yes, this year it will be made sure that you will be given all these XYZ, whatever those trainings or those formal trainings that were given to other people and for some other reason I was left out on that. I will make sure that I'll stay back. I'll prove myself and politely demand from my employer that next year I definitely need it and I'll make sure that I chase down and get that. That's what I believe in.

So regarding the performance, I would say because I have not got that morally, I'll be a little down, but that should not affect my performance. The reason being if I grow, my company grows. So I can't halt my growth for any reason. So indirectly I have to keep contributing to the growth of the company. So I have to continue working with my head down no matter what happens.

valeria: Great insight. Domi? [crosstalk 00:10:08] yes, sure, sure.

- Speaker n. 5a: To be honest with you for me directly, if I have a word from Michael, let's say, or for example for summer training or something, and if he didn't give it to me for some reason-
- valeria: It can be your previous employer as well. We just want to have your ideas and get opinions about that. It can be Michael, it can be your previous career. Whatever.
- Speaker n. 5a: Yes, yes, yes, yes. So yeah, he's just for example. So this will affect me directly because I'm personally the guy who respect the words from the employer. So for me personally, and this is will be not affected to me negatively for the work but next time I will start thinking about this, why, if I do this, for example, this job or if I achieve something and he promised me in the past, but he didn't deliver it for me. So I will start thinking about that and I will not be in the same power to do the same job next time. So personally as Domi as Jordanian guy let's say, this word, it's very-
- valeria: It has to do with the culture as well because we are humans, we belong to cultures. We have certain things in mind.
- Speaker n. 5a: Yeah. If I gave some words, for example, to Michael, to Speaker n. 5c to another one, I should work on that. I will work hard to deliver what I say. So if I receive, let's say that one, he didn't give me what he promised me, I will start feeling let down-
- valeria: Neglected-
- Speaker n. 5a: ... Let's say. I'm not that. I will not be not believing next time. Not next time always, but I will have my concerns.
- valeria: So you will start losing faith, let's say, hm?
- Speaker n. 5a: Exactly. So I will start searching for a written document to protect me in the future from my employer.
- valeria: Okay. So you will start instead of the psychological contract, going through towards a real contract written?
- Speaker n. 5a: Exactly.
- valeria: Every aspect so far it is very insightful. Please go on. Yes Mr Speaker n. 5c.
- Speaker n. 5c: I'd like to add what Speaker n. 5dRaman said, on the reason. Yes if the employer had the intentions that he will definitely give you the chance for the training but due to unforeseen reasons, if that is not possible, then of course the employer should not be held



responsible. Yes, if there were chances, if not, then I go back to my previous comment and comment from Speaker n. 5d[Raman 00:12:55] but yes the reason has to be important.

valeria: Yes. Okay.

Speaker n. 5a: I think it's a good thing if someone from the employer, he just promised some the employees to training or something. It's very good for me as I do need as Domi employer to let's say, to provide me this. That's what he promised for me.

valeria: So the delivery is very important.

Speaker n. 5a: Yeah. This is very important. This will affect my, let's say growth in the company because all the employees they are looking to the personally grow, as Speaker n. 5c said, and with the company-

valeria: So it will affect your motivation, if I may understood correctly.

Speaker n. 5a: it wil affect my motivation, that sort of affects the relationships, build a new relationship to company, bring something is new. This a good thing for me.

valeria: Great. So staying at the same subject, I will ask you different question, what is the influential personality characteristics of an employee like loyalty, relationship building has on the selection of the employee for the training and how this consecutively can affect the organization performance? So if you want me, I can elaborate more if you understood, we go on.

Speaker n. 5c: Please elaborate. Give an example.

valeria: Yes.

Speaker n. 5c: That will be better please.

valeria: Yes. Let's say the characteristic of an employee, I do like one certain employee because he's loyal because X, Y, Z. Do you think that this will affect the selection of the employee for the training? And if this at the end of the day is going to affect the organizational performance. If, let's say not straight criteria but loyalty, relationship, favorites, act towards choosing someone to get the training and not someone else, let's say and if this is going to affect organizational performance as a whole?

Speaker n. 5b: Oh yeah. I would like to add to this and maybe someone can add later. For me definitely it does matter because when you say, I mean I'm looking at loyalty factor at the moment. Other aspects also come

into matter. So loyalty because the employee has been with the organization for a certain amount of time. That is where we define them as loyal, right? And probably if he's had some other options, but he still preferred to stay back, that's the definition of loyalty, just to be on the same page. And then based on that, if you're choosing that particular person, suppose it's me and if you're saying that, yeah, Speaker n. 5d because you have been loyal around here and that's the reason we are choosing you for.

So definitely for me it's an aspect which should be counted that this guy has been loyal. Let's up skill him, let's give him additional training or just enable him more so that he can perform and deliver more. for me drives a kind of the organization saying that yes, the company definitely thinks of me if I'm also investing or staying with the company. That's my point of view.

Speaker n. 5a: I think Valeria, if there is some policies in the companies from my opinion that the policies in the company to give a trainings based on the performance or based on the, I don't know, achievement or those things. I think it's just old employees. It's a matter of HR

valeria: So you think it's important to set some policies otherwise this can lead to maybe some difficulties, some organization performance declines or something like that. Some people may believe that loyalty is important. Some people they believe that the skills are more important. They should be taking into consideration more than loyalty, but this is different opinions, different minds. That's why I'm asking you what is your opinion?

Speaker n. 5d: I would like to, sorry. Yeah. Speaker n. 5d here. So what I feel is loyalty is something which cannot be bought. If you see already there is a person who has been spent X amount of years with you, believing in you and you in turn have believed in them, they have invested their time with you, then I believe parameter wise when it comes to performance, that's the main criteria. But loyalty actually acts as a major factor here. Why would somebody be spending time with you? Because they love your organization. They want to invest their time, which is something which they will never get.

Speaker n. 5d: Okay. Skillset can be acquired. Performance can be improvised if given the right kind of, what do you say, the thought process or the guidance by the existing manager, but loyalty is something which you cannot buy. So I prefer when there is a loyal employee, you have to have at least, let's say X amount of percentage given as a parameter, which always wins compared to all things. If there is a

tiebreaker, loyalty will be the main thing that will break the tie.  
That's what I feel.

valeria: So you feel like-

Speaker n. 5d: I'd like to add something.

valeria: Yes. So you feel so far that loyalty is important? I just want to summarize. Yes, move on.

Speaker n. 5c: I am with Domi on this one, because when you set policies, I would say training should not be linked to loyalty. The reason why, in let's say large organizations, loyalty can be easily confused with favoritism.

valeria: Mm-hmm (affirmative). That's true.

Speaker n. 5e: So keep that in mind and when you create some policies they should be for all. Yes. Again, see when you see an employee skill set is here, he's very good. That is another employee whose skillset is little below, you want the better employee to go up or the lower employee to be at least equally. When you calculate performance at the end of the year, it has to be an average scoring across. This will help you balance the average scoring. So I would say loyalty should not be linked to the trainings. Training should be for everyone. Again, depending on and the team, that's where I would... I believe in Domi, but this is how I would want to put it my version, my points. It should not be linked with the training.

valeria: I know Speaker n. 5e wants to talk, but I don't know if we were able to hear him so far.

Speaker n. 5e: Hello guys. Can you hear me?

valeria: Hi. Yes.

Speaker n. 5e: Yes. Okay. Valeria actually regarding your first question and second question, it depends on the training. There's nothing called the just the high level of training. There is two type of training for me and for my department. There is a technical training which related to skills, which is related to delivery, which is related at the end to the project and the income to the company. For me, this training, it's not something related to loyalty, related to anything; it is something that everyone should take, everyone they should have a detailed skill. List everyone. They should know whatever this delivery is about, it's not related to loyalty, it's not related-

- valeria: I'm asking you when you think, let's say if it is related to favoritism or loyalty, what do you think this is doing to the performance of the whole organization?
- Speaker n. 5e: Yes. I'm coming to that, yes. Now these are trainings. It would show them number one that I am investing in my team, that I'm investing in your team to make your skills more higher so you can deliver easily, add more value effect and you meet your client expectation. This is related to that and this is for the performance. This is no doubt about this. They will feel that they are part of the company, that I am the one who's investing in my team. And actually this is what I'm doing on daily basis. I manage with this year to get all the team certified, the professional from the Vanguard. All of them are now certified.
- Speaker n. 5e: Now when it comes to the second type of the training, which for me there is always a mandatory training and there is optional trainings which things related for example to communication skills, to marketing, to maybe project management, project coordination, et cetera, which is actually, it's not that much tied to what we are doing on our day to day job. Here it comes to the skills. Here it comes for me to the skills.
- Speaker n. 5e: When I see someone he has issue for example in communication skills, he's a little bit, when you put you in a particular he is a little bit Then directly this guy, I will give him a specific training. Maybe the other people they will say maybe he's loyal. It's not related to-
- valeria: So you feel it's related to skills. It's skill oriented and nothing else? Correct?
- Speaker n. 5e: Exactly. This is the second type of the training. The first type it's mandatory for everyone, whatever their skills. The second one is optional based on the skills, and that's it.
- valeria: Okay. Guys, if you don't have anything else, we are moving to the next question, or if you have something to add, let me know.
- valeria: Okay, so let's move on to the next question, that it has to do with HR training in general and the development activities, blah, blah, blah, in the organization performance. How do you think these two influence each other and they affect each other? And if there is something more that you would like to tell me about the interface between HR training and organizational performance.

Speaker n. 5c: HR training, did you mention?

valeria: Yes.

Speaker n. 5d: Can you give some more examples?

Speaker n. 5c: Is this training on soft skills?

valeria: No, no, no. HR training, we call it because the HR is sending you to the training. It can be any type of training.

Speaker n. 5b: Sorry, I don't understand this.

valeria: Okay. It's exactly what we were talking about so far, but how do you feel? If you have something else to add about the relationship between the training and the organization performance. How do they affect each other? Is there something, other needs that we haven't covered? Is there something that you want to add?

Speaker n. 5c: Only indirectly related.

valeria: In a positive way?

Speaker n. 5c: Yep. In a positive way.

Speaker n. 5d: Yes, it is always going to be better and it's going to be always giving some value add when there is a training and the organization performance is going to improve because of that. Because as I told you earlier, already everybody is bringing an X on their plate with their skillset. They get a training, they bring X plus one now, so that's directly proportional to the organization's development.

valeria: Great. Okay guys, thank you so much. Let's move on now to our second topic, that has to do with the recruitment. My question is, what is the influence that strong and effective Recruitment and Selection system have on organizational performance?

Speaker n. 5b: Yeah, I mean definitely a strong recruitment selection would ensure that you are filtering the best offered, the tailor-cut resource for your needs out there. It definitely has a positive effect and based on that... I mean, I would go to for training? Are you saying that or how is it?

valeria: It can be the recruitment and the selection. It can be anything that an organization has. We don't care so much about what is the procedure now, but if it is strong and effective, it means it has the right the results. But what do you think? Do you think that this effective and strong recruitment selection system, is going to affect organizational performance? And if yes, if no, how and why?

- Speaker n. 5b: Definitely yes, because when we are doing this filtering, we are spending more time in getting the right candidate and the right fit out there. Then we have pretty sure that it's just plug and play. You get the candidate, you plug them and then starts playing. In case that always it happens, that effort is not a perfect fit. It's not a tailor cut out, then you're going to face issues. You need to bring the proper... I mean, enablement and all those things that will take some time, which leads to delay of the output from them, so it has a direct effect for me.
- Speaker n. 5b: The best recruitment, the better recruitment, the better you get the results. That's how I see it. I mean, for me it reduces the employee onboarding process and the time [crosstalk 00:25:53] more productive is shot. That's why finding a better resource that's a more matching resource to provide it is better, it's a positive thing.
- Speaker n. 5d: Speaker n. 5dhere. I believe that, I second both of them. I've always believed that organization which is winning is deliverable. That speaks for you as an organization in the outside market, and you would be getting a lot of work and sometimes you might be in such a phase where you might not have a lot of employees to support those projects, but it's a good problem to have, rather than having lots of employees and people who do not have the right fit criteria because you never want to have an employee who was a bad apple, because one bad apple can spoil the entire stack sometimes. You want to have those employees who are very good in what they bring, plus with a positive attitude towards themselves, towards their colleagues, towards the team, towards the organization. Your effective Recruitment and Selection process is the key concept which will make or break an entire organization's backbone.
- valeria: Great. Great insights. Anyone else wants to add something? Okay. If, no, let's move on. My last question about the recruitment, it has to do with what is the influence that... Actually, it's not my last question. I have two more questions about it. What is the influence that a rigorous Recruitment and Selection system that could create a feeling of elitism? Let's say, if you're under Google or Apple or whatever, and this significance that it is created between the employees can have on performance? If you didn't understand the question, I can elaborate.
- Speaker n. 5c: Yes, please. Can you? [crosstalk 00:28:09].
- valeria: Yes. Let's say you want to enter Google and you have, let's say, six, five, seven, eight, nine interviews, and then at the end you want to succeed to enter Google. Do you feel that this feeling of elitism after

so many rigorous Recruitment and Selection system, it's going to affect your motivation or no? Your motivation, your performance, your organizational performance at the end, or no?

- Speaker n. 5c: Now, with that example, Valeria, we know what [crosstalk 00:28:37]
- Speaker n. 5g: This is Speaker n. 5g here.
- Speaker n. 5c: Speaker n. 5g, [crosstalk 00:28:44] Valeria?
- Speaker n. 5g: Yeah, yeah. Simple answer, Valeria, no. I guess I see having multiple rounds of interviews doesn't make sense for me, and I guess it doesn't lead to motivation. Yeah.
- valeria: Okay.
- Speaker n. 5b: For me, I would defer here because now as you give an example of Google, I know what Google is and what is Google going to have an impact, so the motivation for me stays out there with these kinds of rounds, because I know I need to reach there. I need to get into Google. Just an example. But if you're talking about a general case wherein these many rounds are required, and whether that would keep me motivated, in this case, I would say it depends on the organization in this case. That is how I see this.
- valeria: Okay.
- Speaker n. 5h: Yes. I agree with Speaker n. 5d that when you're talking elitism for such companies who are a hundred year old... IBM [crosstalk 00:29:46] the giants, blue chip companies, of course. I mean if their interviews are that long, they use many rounds, seven, eight, nine rounds, then you get finally selected, of course there is a sense of elitism because, as an employee, you know what you have achieved and not everyone else can. So yes, elitism is linked to the company when you're being interviewed. It does not make sense for a mid-sized company to have these many rounds of interview, just for the sake of marking elitism. Not that, really. Yes, the company also has to have that rapport, it has to have that stature, it has to have the name in the market. Then yes, elitism is directly related.
- valeria: Okay, great. Anyone else wants to add something else? Okay. Let's move on to the next question. What do you think the influence of wasta in Arabic, the use of influence in Recruitment and Selection has on organizational performance?
- Speaker n. 5e: It has major effect, Valeria.

valeria: Tell us, Speaker n. 5e.

Speaker n. 5e: It has a major effect. It depends. Now, the wasta is levels, okay? There is minor wasta, there is medium wasta, there is major wasta. Okay? Yeah. For me, I will talk about minor. There is difference. There is a wasta which is like a wasta for someone, but this guy is helping the organization. At the end he will be part of this organization and then maybe the wasta will be part of the selection, so shortlisted. The major effect of the wasta when you bring someone who is not related to your business field. Okay? I'm not related to how you deliver things to your end-users and you put him in a position that this position will affect at the end your relation with your client and as well, at the end, the outcome to this company or the benefit to this company.

Speaker n. 5e: The wasta for me is divided into levels. There is a wasta which is, you select someone close to you, for example, or close to the manager, but this someone is part... and he will help. This wasta, for me it's not a major one, because at the end he will sell the target and the objectives of the opening for this job. But the major wasta, this is the one that it will, sometimes one major wasta may affect the whole business.

valeria: In a negative way, you mean?

Speaker n. 5e: [crosstalk 00:32:22] Exactly. You bring someone who is not related to your business field and he will start putting his ideas which is totally against the company culture and the company business, and this will have a major effect.

valeria: Okay. [crosstalk 00:32:39]

Speaker n. 5c: I would add not to, let's say, confuse wasta with the positive referral programs, because many companies have these programs where if you refer a good employee and if he gets hired, then you are compensated in X number of way, whatever the company chooses, not necessarily money but other ways you can be influenced. My only point would be not to confuse wasta with the positive reference. Wasta usually is a term when we use to influence something in a negative way. But yeah, when it comes to positive side of it, a positive referral, that's a good thing, I think.

valeria: You think there are two sides of the same coin? It can be a good thing. It can be a bad thing.

Speaker n. 5d: I [crosstalk 00:33:26] this to one extra step, add to what Speaker n. 5c said. Let's say I'm working in a client site where I found a



specific guy who is very good at his job and I'm really happy with his performance because he's supporting me do my job there, and I come and bring him as a reference. The only thing is, he has to go through the same recruitment process which others have gone. Not because I came and referred him, doesn't mean the screening test is now shortened for this guy because he's already good. Because that might be my perspective and that might have some other side of it, which I've never seen, so I believe that.

valeria: Okay, great insights. Anyone else wants to add something?

Speaker n. 5f: I would like to add something, Valeria.

valeria: Welcome. Welcome, Sir Speaker n. 5f.

Speaker n. 5f: No, I shouldn't because from the beginning I [crosstalk 00:34:12]

valeria: That's okay.

Speaker n. 5f: Okay. I would like to add something for wasta. For me, okay if this guy was referred by someone else, or he's joining the company because he can deliver at his job. But to bring someone for other reasons, this is the main issue.

valeria: Mm-hmm (affirmative). You think as well there are two sides.

Speaker n. 5f: [crosstalk 00:34:35] Exactly. If you are bringing someone because he's good and you are referring him or he can deliver his job in a good way, that's okay. At least he is trusted. But if you are bringing someone for other reasons, this will be a big mistake and this will affect all of the organization, not only one part.

Speaker n. 5f: To get back to the previous question, that the people will be motivated more if they will go for many rounds. No, the people would be motivated if they found all the colleagues are motivated and they are talented, so they will be more motivated and they can deliver their job. It will be from one round or 10 rounds, doesn't make any sense. For me, if I am working in an organization and all of them is motivated and talented, so I will be motivated also and I can do my best. To bring the wasta topic, this will be my comment about the wasta. If he is coming because I recruited him to deliver his job, will be great. If he is coming only for other reasons, this is a big mistake.

valeria: Great. Anyone else who wants to add something regarding the wasta? Okay, so let's move on to the last question that we have to do. Also, if you want to add something in general about the HR

Recruitment and Selection processes and organizational performance, something that you did not or you want to tell me about the influence and the relationship in general.

valeria: If we're okay, we can move on to the next topic. Okay. The next topic, it has to do with the compensation. And what do you think, what is the influence that the feeling of just treatment of compensation has on an employee's motivation and performance? And what is the influence that, in the performance, if there is the feeling of unjust treatment. What do you think? If you feel unjustly treated or you feel justly treated, what do you think, how this will affect your performance?

Speaker n. 5d: Let me go for this, Speaker n. 5d here. An employee compensation is something which is very delicate and which is very private. There might be 10 employees in my company and they might have X amount for each one of them. First of all, it's not professional to talk with each other what they are getting and then feeling down about it. Everybody has an opportunity, a choice to make when the offer letter is made, when you do the negotiation. If you did a negotiation for X amount and you accepted the offer and you joined, you received the appointment letter, then you cannot be mad about it now, because you had your chance, you played for it.

Speaker n. 5d: The next thing is when the appraisal comes the next year, that's when you have the other opportunity. I believe you fight that one day and for the remaining 364 days, keep concentrating on your work. You cannot [gripe 00:37:50] about your payment the entire year and forget about your performance. This question, according to me, does not apply because this is a question where it was a choice of the employee. It should not affect any performance because you chose to join.

valeria: But sometimes, we're humans and sometimes you feel envy, you feel jealous. People are talking, so these are inside the human nature and these things can happen. I'm not saying it's right or wrong. I'm just asking if you feel that this will affect their performance at the end of the day.

Speaker n. 5b: For me, it's not going to. Sorry. My opinion.

valeria: Okay. There is no right or wrong answer. Whatever everyone has in their minds.

Speaker n. 5d: [crosstalk 00:38:43] Speaker n. 5c, go on.

Speaker n. 5c: What I was saying is, motivation is there for a reason.

- valeria: Mm-hmm (affirmative).
- Speaker n. 5c: If an employee is positively motivated, that can of course impact his performance. Now, motivation does not have to be in terms of money all the time. Right? It can be in terms of other factors, like highlighting employee of the month, employee of the quarter... Or I don't know, in large companies, they have some kind of a special badge programs, compensation programs. We link to a compensation plan, that's what I would say. It's not a bad thing. It has a direct effect on outcome, because motivation is correlated, I would say.
- valeria: Great. You wanted to say something, Mr. Raja?
- Speaker n. 5b: Yes, Valeria. What I'm saying is, I really do not know what Shanan is doing. I really do not know what is doing. I really do not know what others are doing with the company, right? So for me, the for that for one day, probably you work around the year, and where you see you have put in efforts... maybe you have been working about for the last 15 hours, whatever... you are putting a lot of efforts.
- Speaker n. 5b: Then after that you can definitely go and say that, "Yes, I have done this in this particular year. I have shown what I can deliver, what I can do. Based on that, if you're doing some expectations, then yes and after that, if that is not met, that is definitely going to be motivating, but not at the beginning. If you're talking about rate in the initial instance when you get the offer letter, then there's no point about griping. That should not be a factor to be motivated. Instead, it should be motivating because you got what you wanted and you have joined a company. Wanted to underline how I mean, when you do this, sit with the managers and the HRs and discuss all these things. That is where whatever the agreement comes out and whatever is finally decided, that needs to be looked at.
- valeria: Great. Anyone else want to add something?
- Speaker n. 5f: I would like to add something else. I do not agree with all those guys 100%. In my opinion, we have three categories. I think one of them is a salary, second is compensation. Third one is training. I would go to the first point, the training, that any company, to be more healthy, or any organization to be healthy, I think they have to define a salary structure for all the positions, so at least anyone in the same positions would have the same salary. It's not only about negotiation. I have a guy who has a better negotiation skills, so he will get more. This is not fair. First, we need to think about fairness and how it will make the organization fair. The first part, salary

structure, this is for salary. Compensation will be based on the targets and how they are bringing to the company financial or build on performance. This is appraisal form and it will be based on what they are doing, but should be fair and should be defined for other people see them. Not the same, but based on some criteria or equation.

The last one as a compensation, we are mentioning training. For example, training. I will get back to the first point. I didn't comment but I have only one point, that the training should not be for just skills or Those trainings should be for all the people, defining two different trainings. One for money, so build on everyone. We should, as a company, have a budget for everyone, that these guys should take this training this year. And also we have a lot of free trainings, so we have to define for them sometime as a time for getting trained.

In case our employer didn't fulfill this requirement and we didn't provide this training, should be with a reason and transparency between all the people that why you didn't get this training, because we are totally busy so we don't have time to give you the training. We will reimburse you next year and you will have more time for getting training, to be trained. But if we have a company that I will be fully utilized and we have, honestly, that you will be totally utilized to do this kind of jobs without having any training to enhance your career, enhance your CV, this would not be fair. This kind of compensation should be there for the three

valeria: Great. Okay. Now, same topic. How compensation techniques like performance-based compensation system, bonus techniques, equity-based compensation can influence organizational performance.

Speaker n. 5c: Short answer, positively.

valeria: Great. And do you think-

valeria: Great. Do you think positively it will be in what way? It will affect what, your motivation? You especially as a salesperson, you can tell us a lot more about these techniques because they are exactly on you. How do you think they will affect you and in what way?

Speaker n. 5c: Everything. Performance in the company, personal life, motivation. It is linked to your career growth, everything. Yes, it's directly

linked and with a positive effect. It affects everything. [crosstalk 00:44:36] life in general.

valeria: Do you think that this will come to every role or only let's say more to salespeople? Or every role is influenced?

Speaker n. 5c: Every role, be it technical or non-technical. If you're even, let's say, getting trained on your soft skills. That is also important, because I know some people cannot stand on a stage, or some people cannot just go and talk to people. These are part of your soft skills, and every employee in the company has a right to develop their soft skills. In general, as a whole, it affects.

valeria: Okay. Anyone else who wants to add something?

Mohamed Domi: Yes.

Speaker n. 5f: Yes. Sorry. Go ahead.

Mohamed Domi:: Of course this will affect the performance. It will affect everybody, by the way, in the company. They will have let's say, very motivation things to do our work, to start working let's say hardly, to get some benefits from this compensation and these things. So I think it's affecting not just the salespeople and the technical people as well to deliver his work and these things. At all I think here it will affect in the positive way.

valeria: Mm-hmm (affirmative). Every role you feel?

Speaker n. 5d: Speaker n. 5dhere.

valeria: Yes, Mr. Raja. I was asking if you think every role it's going to be affected, but tell me also your opinion.

Speaker n. 5d: Yeah. I, I believe there are two sides of coins to this. A properly planned performance based compensation system or a bonus technique where the targets that are set are proper, or just would affect the organizational performance positively. But just because you have to give a compensation system, if you put the bar so high that no matter how much you try, you don't, immediately this model will make the entire organization performance collapse within a quarter.

The reason being, there has to always be a hope that you know what, I achieved X in compensation because I achieved this. Next quarter or next month I will target this Y. So there has to have a hunger. If a particular compensation system that kills your hunger, that's not going to help you. So there'll be both sides of it. It has to be well

planned, where it should not only motivate but challenge each of the individual on a daily basis. So I should be a better version of myself tomorrow. That's how it should be.

valeria: Great. Great insights. Anyone else wants to add something?

Speaker n. 5a: No. Move forward.

valeria: Sorry, what?

Speaker n. 5a: Let's move forward, I think.

valeria: Great. Okay, so my last question is regarding the compensation and organizational performance in general about the interface. If you have something to add about this. What do you think is the influence, what we talked so far, if there is anything else underneath the carpet that we didn't discuss.

Speaker n. 5a: Can you give us an example on that? Let's say.

valeria: Yeah, yeah. Let's say the interface between the compensation and the money that you get or whatever you get, like the bonus, the equity, the performance-based compensation, whatever you get and how this affects your organizational performance. Your professional performance and how this will affect the organization in general. If there is something else that you would like to add, because let's say some people they give a lot of attention to the compensation. Some people they don't and they are more career oriented. Some people they are not that career oriented, they paid very close attention to the compensation and this affects their motivation. What did you think is your case or Magnus case?

Speaker n. 5c: Yeah, I think compensation affects an employee morale. Employee morale affects directly his performance.

valeria: Morale is something that we didn't discuss so far and it's a great insight. So what do you think about morale?

Speaker n. 5c: So yeah, it has a positive effect on the morale, that you have your good morale. Your morale is good, it affects positively on your performance. When your performance has a positive effect, of course it increases overall performance of the company.

valeria: So do we give you, let's say a push, if I may conclude your words?

Speaker n. 5a: Yep. Yes.

- valeria: Great. Okay. Domi, do you want to add something here or you're fine?
- Speaker n. 5a: No, no, I'm fine now. [crosstalk 00:49:26].
- valeria: Okay, great. Let's move on now to the next topic, a very hot topic. It has to do with PA. So what do you think is the influence of target setting, clarity of expectation and less job ambiguity of PA has on employee performance?
- valeria: So let's say if the expectations, they're clear, there is no job ambiguity. Let's say everything you need to do, you are very aware of them and you have a clear job target and the target that you have set they are clear for you. How do you think this will affect your performance?
- Speaker n. 5d: I would say it would positively affect, but there is one more question to this, which was subliminal. What's the duration of this PA? How frequent are we expecting this? Depending on that it will happen.
- valeria: Hmm. Eh, this is a different question. We talk about this later. It has to do now only with the target setting. The clarity of the expectation, less job ambiguity. How do you think these three characteristics to make your job targets very clear for you? There is nothing that you are worried or hesitating or you don't know exactly what you are expected to do. How do you think this will affect your performance?
- Speaker n. 5d: If there is a clear target setting and there is proper communication with your line manager, I always believe that the employee will perform properly. The reason being if I look into this, all our employees finally to Michael, so no matter what position are we in, we all are at some point of time employees of him, and each one of the employee at the level has certain target. So when my line manager comes and tells me that you know what, I expect you to achieve this by this quarter or this month, then I will get started with that right from day one, and if there is any particular issue I would be referring back and I will make sure that the clarity is set so that there is no problem or there is no gray areas there. Everything has to be black and white.
- If that amount of thing is happening between the line manager, then I would say the employee's performance will be always better because eventually even my line manager is an employee who is reporting to a different level, and even he might have some goals set. So if I achieve my goals, I indirectly achieve my manager's goals and eventually he will achieve the company's goals. So it is more effective.

valeria: The clarity of the expectation is very important.

Speaker n. 5d: It has to be there.

valeria: This will help you achieve your goals, your performance, whatever is expected from you.

Speaker n. 5d:: Correct. An open culture where everything is streamlined plus there is clarity of thoughts and people want to share their ideas. Do not have any gray area. That organization will always do better because their employees will perform the best and the entire team in fact will reflect that.

valeria: Mr. Speaker n. 5c, what do you think about that? Do you agree?

Speaker n. 5c: Me?

valeria: Yeah.

Speaker n. 5c: I think one point here to add is... Sorry, it slipped out of my mind. Actually, I was pushing my thought process.

valeria: It's okay. About the clarity of expectations. If everything is clear for you, if you think that this will affect your performance.

Speaker n. 5c: Yes. Yes. I mean, of course it does. Yeah. Okay. The point I was thinking in my head was, let's say when you say job ambiguity or your PA has to be very here, but with a positive criticism along the way. See, we all are humans, we all do make mistakes and let's say even if what is expected of you is outlined to perfection, that is fine.

Speaker n. 5c: -employee does not. Let's say, employee then does more to achieve those KPIs or those expectations. So I would say that also has to be a part of this whole process.

valeria: But you think in general it affects in a positive way. If I may summarize what you said.

Speaker n. 5c: Yeah.

valeria: Okay. Mr Speaker n. 5f, do you want to add something?

Speaker n. 5f: No, I agree with Speaker n. 5d that this will motivate all if I have a clear position, a clear responsibility with clear target. For sure with periodic check rather than I think weekly, monthly, quarterly based on the timing. Is that clarity also based on this target? For example, if it is a target for the sales guys, for example relative to money, so we have to sit with them and also mention, "Hey guys, relative to



money until this moment, what did you achieve?" But to have it with this periodic and I will only judge him at the end of the year based on this as the current situation, this is not fair. I think if you want every people not judged on them, you have to give them the option to really check what they are doing and set a proper and fair targets.

valeria: Otherwise you feel it will affect in a negative way.

Speaker n. 5f: Totally a negative way. So this also... Sorry. What I was saying that this also puts the question that are you a good leader or a good manager. A good leader will always try to cover your negatives and portray them in a positive way to yourself so that you can improve. So again, coming back to my point, positive criticism has to be a part of employees' performance and these KPIs linked to it.

Speaker n. 5a: Yes of course. I think this is it will affect in a positive way, the clarity, and our performance. Let's say, my performance, but with understanding the current situations like what we are doing now, let's say, for that. So I think it's very, very good to us. That will affect, let's say my performance in a good way for clarity, because I think Magnus one of the main vision of us is clarity and, let's say, to be clear with all the targets, what's my duties, my everything, this will be clear for us.

valeria: Great. Anyone else wants to add something?

Speaker n. 5b: Yeah Valeria, Speaker n. 5d here. On this point, I agree with whatever others have said, that it definitely has a positive impact out there. But now, I mean if you look, we are living in an era wherein we really cannot say what exactly can be planned for the next half yearly, yearly or even quarterly. I mean, look at the situation. Things are changing daily. So the expectations are the things keep on changing very frequently when it might happen on a daily basis, like as per the situation.

So based on that, clarity is very much essential because at the kind of frequency that things will come in to you. You need to be prepared for that one and according to deliver. what I need to do on a daily basis or maybe event day, something which was planned something else before, but I have to do something else today. That needs to be very clear In this case even I am ready for what is going to come to me and yeah, definitely clarity would be there. It would affect me positively.

valeria: Great. Anyone else wants to add something?

- valeria: Okay. Let's move on to the next question. What is the influence that employees' involvement in establishing next year goal and performance standards of the PA has on employees' performance? So if you are involved in the PA, to establish next year goals and the standards of the PA, how do you think this will affect your performance?
- Speaker n. 5a: Oh, of course in the positive way. This is a good things, a good vision for me to build my responsibilities, to expand my relationship based on the organization goals, align with organization goals. So it's a good thing to have, like let's say our yearly meeting with what we did last time. It's very good things for me for to achieve my target. To start working as a company to achieve the goals for that company. It's for me it's very positive way to do it, for my performance...
- valeria: So it will affect you in a positive way in your performance and the organizational performance in a positive way if you are involved. Anyone else has to add something?
- Speaker n. 5f: [crosstalk 00:59:08]. Sorry, go ahead Raja. Sorry.
- Speaker n. 5b: This project would also give me a chance to understand that what exactly is the company expecting out of me. I mean, these kinds of meeting. So probably I have a certain direction for myself, but if that needs to be enhanced or maybe suppose someone sees that I have some other quality, which probably I do not myself realize it, and then the company wants me to develop in those areas as well. My manager also do. Then these meetings are going to help me understand what is the expectations coming from the management and what are my own expectations. Then we can probably bridge if there is any gap out there. That's the way these things are going to help me.
- valeria: So you feel it's very important for you to be included if I may conclude what you said, because it sets some clarity that will help your performance at the end of the day.
- Speaker n. 5b: Right, right. Definitely it does.
- valeria: Great. Mr. Raja, you wanted to say something?
- Speaker n. 5d: Yeah. So my point was, when an employee is involved in deciding what's the next year goal, that means that the organization is already valuing that employee. There are two things that motivate an employee. One is money, that I always believe, and second, how he's being treated. When you're treating an employee to give his

point of thoughts, that means the organization is open. Okay. When you have people with open-mindedness, this automatically will also let the employee tell upfront that the planning target for me. I believe this is a little hard. Can we plan something alternate? So the organization comes up with an alternative plan as well.

This makes sure that the employee, while achieving those goals, is not getting frustrated thinking that, "I didn't want to do it. They're forcing me to do it." Rather than that, they have given a choice and they plan with him. So even if he does not achieve 100% he will at least be able to achieve 75 to 80%, which is not a bad job. So this automatically will motivate that guy to push himself thinking that, "You know what, they have believed in me, let me try this." Instead of thinking, no, I can't do it. This plays a very major role.

valeria: So you need to push a lot your motivation.

Speaker n. 5d:: Yes. Yes.

valeria: And this will affect your performance positively.

Speaker n. 5d:: Definitely. Because at least it's okay to fail after trying everything. But rather than trying anything you just say, "You know what? I can't do it." At least the employer will try. So you'll be motivated to do that. So you'll be self motivated within, is what I think.

valeria: Great. Great insights. Anyone else wants to add something?

Speaker n. 5c: I think it is again yes, positively related, and it also, let's say for future planning of the company, it is very important, right? Because when a company sets its mission and vision, it is important to know the workforce that you have. Where are you going along with them? Right? Yes, the board of directors of the company management is taking in one tangent and your, let's say employees are thinking on another tangent. That should not be the case. Everyone has to be aligned.

So I think yes, it has a positive effect and everybody has to be aligned for the future planning of the company. It's important.

valeria: Great. Anyone else wants to add something? Otherwise we're moving on.

Speaker n. 5f: Only one comment. My style is that everyone should participate for setting his goal. This is mandatory because this will make him motivated. Also we have to vision from the company side and from the personal side. So at the end, this plan also should be dynamic.

[crosstalk 01:02:56] that it will define once, should be in November or December every year. Pre our calendar year, but also it should be revised every three months or every two months if maybe we need to change something. So we should be flexible and dynamic and we have to find an agreement to change it if it is needed.

valeria: Okay. And the same, let's say kind of spirit. What do you think is the influence that an effective and an ineffective performance system? If I may give you an example, let's say management values loyalty over efficiency, or the PA is done without consulting the employees, could have one employee's performance. So what do you think if there is an ineffective PA system, what this can do to the employee's performance? And what if it is an effective PA system? What this can do to the performance.

Speaker n. 5g: Yeah. I believe this is straightforward affecting my performance, anybody's performance. If I say if I'm not being consulted or without giving for a PA, I'm not being given the showing the improvement areas or the what I have done better, what that could be done great next time, it will definitely motivate me to accelerate. If I'm not giving the right feedback at the right time and without just giving the PA, I guess I would not be motivated.

valeria: So you think that it needs to be effectively done, the PA, for you to enhance your performance or your employees' performance. What if it is not? What if let's say, the management values loyalty over efficiency or if it doesn't consult you when they are putting their PA on the table? What is going to happen then?

Speaker n. 5g: So let's say there is no communication at all. I would definitely feel that I'm not being trusted around, I would not be respected well. Obviously as a human being, I feel negativity, to be very honest, to be very open with you. I guess, yeah, it will definitely affect my performance as it is indirectly affecting the organizational performance.

valeria: In a negative way.

Speaker n. 5g: yeah, in a negative way.

valeria: Okay. Okay.

Speaker n. 5b: In this case, Valeria, the loyalty wouldn't be loyalty. In this case, loyalty would be termed as favoritism.

valeria: Okay.

Speaker n. 5b: That is how I would see it. Definitely, this is going to impact me as and eventually the organization's performance as well.

valeria: And how do you think this will affect the performance if there is an effective and an ineffective? Because we're talking about both types.

Speaker n. 5b: Yeah. Effective...

valeria: ... both types.

Speaker n. 5b: Yeah. Effective, as we had said, that effective ... instills the motivation, makes you do a more better. And you know that whatever you have done has been accounted for and you have been rewarded for that one. That's the motivational factor for you. And you know that you can trust the company, that if I do well, if a good appraisal is done, I'll get whatever I have ... Not whatever I have asked for, but whatever has been agreed upon. And that would give me like, "Okay, yes. I can continue for the rest of it." But in this case-

valeria: It will give you a push.

Speaker n. 5b: Sorry?

valeria: It will give you a push, let's say, to continue.

Speaker n. 5b: Yes, yes. Definitely. For sure.

valeria: Okay. Anyone else wants to add something?

Speaker n. 5c: Yeah, maybe I'd like to add that consulting employees for PA obviously will have a good effect on employees' performance, but a not so good PA or not, let's say, a standard practice of PA will have a low impact on performance but a high impact on loyalty.

valeria: Okay. Do you want to elaborate a little bit more?

Speaker n. 5c: Again, see, performance, there are so many different factors based ... which are, let's say, criteria for your performance. Everybody's here to live, to earn money, to support their families. That itself is a big factor for you to perform.

valeria: Of course.

- Speaker n. 5c: But that does not mean that you will have 100 percent loyalty to the employer, which can affect the loyalty, because again, yes, you might be performing well, but loyalty-wise, you will probably look for, let's say, other options where you can be-
- valeria: Other opportunities.
- Speaker n. 5c: ... or let's say other employer who can reward you for your loyalty. Yes, consulting employees for PA and as per the standard, it should be done.
- valeria: Great. Okay.
- Speaker n. 5c: Because in that way earn performance as well as loyalty.
- valeria: Great. Anyone else wants to add something regarding that?
- Speaker n. 5f: Yes, I agree totally Speaker n. 5c, that any professional who will not be affected from the performance perspective because he is professional, he will his job in a good way, but it will be totally affecting his loyalty for the company and build on the clarity, honestly. The most important thing is the clarity. If you are setting target for someone, it has to be clear and you prefer loyalty to skills, this is a different story, and it has to be out of any company because if you are referring someone because he is only loyal for you, this will affect the organization and you will keep only the low skills in your organization. And anyone who has better skills, he will leave because he will find another place to compensate him or give him a better attitude to work in the organization.
- valeria: Great.
- Speaker n. 5c: Loyalty is an asset. Loyalty is an asset the company needs to preserve.
- valeria: Great. Anything else that you want to add, guys, regarding in general, the PA and organizational performance, employees' performance?
- valeria: If we're done, we're going towards the last topic that has to do with Emiratisation and, let's say, how these things will affect the employee's performance. Let me ask you, what is the influence that a forced quota system, wage restraints and payroll retain of Emirates that Emiratisation initiative have on employees' performance and on organization performance? I'm sure that everyone is aware of what is Emiratisation, so I don't need to explain to you, correct?

- Speaker n. 5g: No, Valeria. No, I see the paragraph, but I do not understand totally. I don't understand the criteria of ... I know that if we would have an office of more than 50 people, how many people should be and what are the pay criteria and. Can you [crosstalk 01:10:49]-
- valeria: Okay. Let me read the paragraph, and I will explain you one by one. Emiratisation is a initiative of nationalization program that they UAE government encourage to support the nationals in preference of the expatriates. Ministry orders impose the private sector to have a quota system whereby every company with more than 50 employees, they are obliged to recruit, retain on the payroll, and stipulate the number of UAE nationals and ensure that minimum percentage of participation of Emiratis on the workforce. They need to be a specific number. It depends of how big is the company. And you need to retain them on the payroll and you need to give them a specific amount of money and above in order to recruit them. These are how they call them, the quotas, the wage restraints, the specific amount of money that they will take, and they're going to have in order to enter an organization. And these are the initiatives that the government has obliged the recent years.
- valeria: We're talking about the specific now, what is the influence of forced quota systems? Above 50 employees, you need to have Emiratis in your workforce. And this goes as bigger as the company goes, you need to have more and more that wage restraint. In order for you to have an Emirati employee, you need to pay them a certain amount of money and retain them on your payroll no matter what. These are some initiatives that the government has taken when it comes to Emiratisation. How do you think this affects employees; performance and organization performance?
- Speaker 7: When it comes to employee performance, I believe-
- Speaker n. 5a: [crosstalk 01:12:56].
- Speaker 7: Sorry. Go ahead.
- Speaker n. 5a: Sorry. Valeria. Do we apply this in real scenario? Domi here.
- valeria: Yes, Domi. If we have more than 50 employees, we are obliged to apply.
- Speaker n. 5a: And then we should apply this if we have more than 50 employees?
- valeria: Sooner or later, it's going to come to us.

- Speaker n. 5a: Do you think from the local guys or from the localization Emirates guys, he will start working with a private company?
- valeria: This is what I'm asking you first of all, what do you think this is going to do to the performance and how this is going to affect. And if we have more than 50, we are obliged to recruit an employee of national. We're obliged. We don't have any option.
- Speaker n. 5a: I think this will not affect my performance at all because it's, at the end, it's employee. It will employees, same as me. But from the management, I don't know how they compare the performance between me and him as a local, and what's the local means here. [crosstalk 01:14:08]-
- valeria: Yes. I know, but I want you to elaborate. That's why I'm asking you.
- Speaker n. 5a: Yeah. That's why from my side, I think it says he will not affect my performance, but he will affect me on another things if, let's say, the employer start give him more advantage, more than me because if he's Emirati, local guy or ...
- valeria: His ID. Yeah.
- Speaker n. 5a: Yeah. This is-
- valeria: What do you think also this will do also to the organization performance, as an organization [crosstalk 01:14:41]?
- Speaker n. 5a: This is based on the employee itself, based on the local guy itself. If he just willing to start working with us as a employee in the IT and he have experience the work with us and he has a knowledge to work with us. This is based on him, I think. It's not based on us. My performance will be the same, even he still working or not working. But this is from the employer. I don't know how he will evaluate him, same as me or not or he have to consider this is a local guy. We have to [crosstalk 01:15:17]-
- valeria: But in generally, what do you think that this will do to the organization if we have to hire a local guy?
- Speaker n. 5a: From my opinion, I don't know. There is a two way. If he a knowledge, if he has a connection, if he has a relationship with the local guys or the government's accounts, so it will be good for us and we will work together on that. If he didn't have this knowledge or capabilities to do this relationships and, let's say, working in IT fields, then it will not showstopper, but he's just normal employee



and just he did his work as usual. It's not that performance with others.

valeria: If I may summarize what you said, it's two-way street. If he has the skills and he has the connection, this can add value to the organization because-

Speaker n. 5a: Yes, it will add value.

valeria: It will, let's say, give some, let's say, image so that we are giving a good example and we're hiring nationals, we respect them, blah blah blah. This can add value to the organization. But if there is a guy that he's unskilled and, let's say, he doesn't have any real value to add, then this will decline the performance of the organization if I summarize correctly what you said.

Speaker n. 5a: Exactly. Yes, yes, yes. This is what I mean. Exactly.

valeria: Okay. Any other opinions?

Speaker n. 5f: Yes. I have another opinion, Valeria. This is not linked to the performance at all. Everyone will maintain his performance for himself, also for his career. But I think it will be linked with Wasta questions, that in case we are bringing someone and we will keep him in the office. maybe we'll bring someone and he will stay at home and he will get his salary without affecting the organization or the attitude of the colleague. This will be acceptable because this is somehow politics, and we are playing this politics. This will not affect anyone again, but only it will affect if you will bring someone Emirati and he will be in the office managing some people because for sure he will not be a developer, so he will manage some people. This will affect to the organization if we bring someone just because he's Emirati or he's coming-

valeria: In what way? Positive or negative?

Speaker n. 5f: Totally negative. If someone finds that someone is coming because of Wasta or because of his ID, coming to affect his work, this will totally affect in a negative-

Speaker n. 5a: Because we cannot decide on this case.

Speaker n. 5f: Let me tell you something, Domi, if your manager tomorrow will be Emirati and he didn't understand what you are doing and he's managing you, of course-

Speaker n. 5a: Yeah, yeah. In this way, it's based on him. Yeah. We cannot imagine what [crosstalk 01:18:15]-

- Speaker n. 5f: Exactly. As I mentioned it, linked to the Wasta. If he's coming without knowledge, without any experience-
- Speaker n. 5a: [crosstalk 01:18:22]. He will affect the organization at all. It does not affect me.
- Speaker n. 5f: Yes, exactly. I'm talking about organization, I told you. Anyone will not be affected as a performance, as a person, but your organization totally will be affected. As a personally ... Yes, yes.
- Speaker n. 5a: [crosstalk 01:18:36] performance, you will sustain your performance because of you because this is your career path. He will not affect your image.
- Speaker n. 5f: [crosstalk 01:18:45]-
- valeria: If I may summarize what you said, Speaker n. 5f, it is not going to affect every person individually, but as an organization, it's going to affect in a negative way if someone comes and he's not knowledgeable enough.
- Speaker n. 5a: Exactly.
- Speaker n. 5f: Exactly.
- Speaker n. 5a: Yes. From the sales perspective, I have to add something here. I think sales guys room, they're bringing the money to the company, yes. If it is someone, he didn't do his own work properly, let's say Emirati or local guy, he just taking a salary, so he will affect me as well, my target now. He will taking from me.
- valeria: Okay. You think it will affect you as well, not only the organization, but it will affect you personally?
- Speaker n. 5a: [crosstalk 01:19:32] organization at all because ... the organization at all because my target based on the schema, on some schema, let's say, of the company, but the organization at all, they will, let's say start increasing the target for me because of some employee it's coming and he's let's say. Imagine if he is from the sales team, what we will do? I will pay from my target, yes?
- valeria: Maybe.
- Speaker n. 5a: Sometimes, maybe. Maybe it's something like this, but I don't know what's the-
- valeria: Yeah, maybe.

Speaker n. 5a: ... policy. This is the things.

valeria: Okay. You feel like it's not going to affect only the organization, but it will affect you as well personally and your-

Speaker n. 5a: As a department, not me. As a department, like sales department, he is one of my team.

valeria: Yes. Yes. And at the end of the day, it's going to affect you as well. If it's you go to department, it's going to have an effect on you as well.

Speaker n. 5a: Sorry. I didn't hear you.

valeria: Yeah. At the end of the day, if it affects your department, it's going to affect you as well.

Speaker n. 5a: No, I didn't hear anything, by the way.

valeria: Oh, you cannot hear me, Domi?

Speaker n. 5a: [crosstalk 01:20:42]. No, no, no. Yes.

valeria: Yeah. I'm saying that if it affects your department, at the end of the day it's going to affect you as well.

Speaker n. 5a: Yes. If he is not capable, in case.

valeria: Okay. Anyone else wants to add something?

Speaker n. 5c: Yes. I think there are three parts to this question. One is, of course, you're asking about the employee performance. Now, me as an employee or all other employees, and let's say an Emirati is hired, if we are treated equally ... Of course not in terms money, that is irrelevant. ... But on all other aspects, scale of how you treat an employee, if we're all treated equally, then I believe there is no effect or let's say it will be a positive effect. But yes, if you see they are being treated differently than the other employees, now that will affect negatively on, let's say, all other employees. That's the employee performance part.

Speaker n. 5c: On the organizational performance, as Domi correctly mentioned, if the person or the Emirati, he is hired to do a job and if he is doing his job, be it in sales or technical or, I don't know, maybe a head of finance ... Who knows? If he's doing his job, of course, it will have a good effect or a positive effect on the performance of the company and overall employees as well because then we are all working as a team.

Speaker n. 5c: Third part, which I don't have an answer to but I was just thinking, let's say are the organizations valued in the eyes of government in terms of how many Emiratis they hire, then that's a different discussion. I will-

valeria: What do you think?

Speaker n. 5c: I think they will. I don't know the answer, but I think the government will value the companies who are private who are hiring more Emiratis. But yes, so it's a balance situation, a chicken and egg situation. You hire more [crosstalk 01:22:52]-

valeria: Okay. You think it can have positive effects and negative effects?

Speaker n. 5c: It can have both. It can have both.

valeria: It depends on the person, if I may summarize what you said.

Speaker n. 5c: Yes. It depends on the person and yes, on the third part that I mentioned, if the government is valuing in you as a company, as a private organization who's hiring more Emiratis, and in return if government is, I don't know, subsidizing you or giving you something back in return, it would be better. But again, I don't have answer to third one.

Speaker n. 5a: Valeria, from that, as a Magnoos, what is the opinion for that? What your opinion [crosstalk 01:23:31]?

valeria: We are here to talk about your opinions, not my opinion because-

Speaker n. 5a: No, no. Yeah. [crosstalk 01:23:36]. We would like to hear you.

valeria: We can talk about this after the meeting because I don't want to bias you. I just want to hear your opinion. And so far, you have great insights and you're doing really well. We can have a one-one talk and share with you guys my opinion, but now we're just hearing opinions and we're just discussing.

Speaker n. 5a: Oh, okay. Okay.

valeria: Anyone else wants to add something?

Speaker n. 5a: No. I think [crosstalk 01:24:07].

valeria: Okay. Let's now summarize. If there is anything else you would like to add about Emiratisation and job performance and employee performance, organization performance, is there anything else before we close? Because we are done with all the questions.

Speaker n. 5f: No, I think that's very [crosstalk 01:24:32]-

valeria: Great. Thank you very much, guys. It was a pleasure meeting you today. You had great insights and really informative. And I want to thank you on more time, and I think we have reached to the end.

Tadgata: Thanks, everyone.

Speaker n. 5a: Thank you. [crosstalk 01:24:48]-

Speaker n. 5c: Thanks, Valeria.

Speaker n. 5e: Thanks, Valeria.

Speaker n. 5f: Very good meeting, by the way. It's very good.

valeria: Great. I'm happy you liked it. And I will share with you when the time is right all the results from the meetings that we had. And hopefully, they will make our life easier in the future.

Speaker n. 5a: Hopefully, we'll get the result soon.

valeria: Hopefully.

Speaker n. 5c: [crosstalk 01:25:08] results. You will compile your findings and just share with us as a report?

valeria: Whoever wants to, yes, whoever wants. I would share them with Michael as well, and whoever wants to have an access, you're very welcome when I finish.

Speaker n. 5c: [crosstalk 01:25:32]. Good luck for your PhD.

valeria: Thank you. Thank you very much, guys. Thank you for the incredible ideas and insights today.

Speaker n. 5c: Thank you.

Speaker n. 5f: [crosstalk 01:25:46], everyone.

valeria: Thank you. Bye-bye. Bye.

## 6. Transcription Speaker Number Six

Speaker n. 6: Hello?

Valeria: Yeah.

Speaker n. 6: Are you still ...

Valeria: Yes, I'm here.

Speaker n. 6: Yeah. Hi.

Valeria: Hi. Hi. How are you?

Speaker n. 6: Doing good.

Valeria: Great. Thank you for accepting to speak with me. It's a great pleasure. Can you see me now? Can you see me?

Speaker n. 6: Yeah, yeah. I can.

Valeria: Great.

Speaker n. 6: Yeah, it's fine.

Valeria: Great. So, it's going to be just a small interview. It will take approximately half an hour, 45 minutes. It will be totally anonymous. It's only for my PhD research. At the end I will share with you. When I finish the results, they can help you with your organization, with your performance in general, the HR.

Valeria: What I'm doing is, how the HR practice affect their performance? We have some questions for you. You can answer. There is no right or wrong answer. You can answer whatever you think, from your career so far, your experience. Yeah, that's it. My name is Valeria, Valeria Gkoura. I'm a PhD candidate. I'm working also as an HR manager in an IT company in Abu Dhabi.

Speaker n. 6: Okay, good. I think your cam is got stuck.

Valeria: Got stuck?

Speaker n. 6: Yeah.

Valeria: Let me turn it off and turn it on again. Yeah. Can you see me now?

Speaker n. 6: Yeah, it's fine now.

Valeria: Great. Okay. So, do you want to start with a small introduction about yourself, and then we'll start with the questions.

- Speaker n. 6: Yeah. My name is Speaker n. 6 Koduveli. It's a tough Indian name. Maybe difficult to pronounce. You can call me GK.
- Valeria: Okay.
- Speaker n. 6: Okay. I'm the Business Support Director of ICON. I got an MBA in Asset Management and International Finance. In ICON, the Business Support division handle all the back office services. That include HR, Finance, contracts, or whatever it is. Because it's a small firm, so we don't have many hierarchies here.
- Valeria: Great. No worries. Anyway, as I said, there is no right or wrong. You can answer to me, with whatever you think from your experience so far. If you didn't understand something, you can tell me so will rephrase the question. Okay?
- Speaker n. 6: Sure.
- Valeria: Great. So let's start. The first thing, it has to do with training. How formal training as a part of an unwritten psychological contract between the employer and the employee, influence employee's performance? If I may give you some feedback about a psychological contract. It's not the written contract. It's the unwritten and untouchable set of mutual expectation, understandings, beliefs between the employee and the employer. What it has been promised to you, let's say orally. How do you feel like a formal training as a part of this, let's say agreement, can influence a employee's performance?
- Speaker n. 6: Well, we do openly communicate with our employees normally. It's part of our PA every year actually. We sit with them and identify the training needs of employees. Of course, we cannot train everybody, or we can accommodate the whole cost of training. Some of them come and tell us that, "Okay." We identify also, which candidate has the potential but needs some kind of polish. Some kind of agreement that can polish their career, and it will benefit the company.
- Speaker n. 6: Normally, we talk to them and say, "Okay, this is what we thought." They come up sometime and said, "Okay, I need to go for this training, particular training." Sometimes we share the cost, sometimes we sponsor it completely. Sometimes we say, "Okay." It's part of a loyalty thing also, so we say, "Okay, if you're not leaving for two years from this company, training is free. If you are leaving, then we may deduct something from you."
- Speaker n. 6: Again, some employees, we want them to be into the next level. If we found them loyal, we'll keep them, we'll train them, we'll

promote them into a way they can lead the project as a project manager for us. This is the way we do it, but we communicate, we exchange the expectation, the management and the employee. It will help in a way that employee will have a sense of esteem. That okay, they are part of, and they are considered as a valued part of the company. In fact, it will give more productivity from their side.

Valeria: If I may summarize what you're saying, you feel like it gives them prestige. It gives them the sense of loyalty that they will stay.

Speaker n. 6: A sense of belonging. That is, they are part of this family. Belongings.

Valeria: Great. You feel like you communicate with them in order to avoid any of these problems. If, let's say you didn't manage to deliver a training program, so you communicate in order to avoid these problems, if I understand what you said.

Speaker n. 6: Yeah. Again, now for example, yesterday actually, we had a ... There is a IT company. It's a training company in U.S. We have made an online agreement with them. Irrespective of the positions they are having, we are going to give some kind of training to every employee. Online training that will start next week. For a year, we signed the contract with this firm. It's an online tutorial, and you can go and check as many as engineering things, management. There will be a self-assessment, like an examination. They can score.

Speaker n. 6: This is a new thing that we've done. Again, what we were doing all these years. Training is becoming a part. Of course, it's not a written contract. It's just like a psychological contract also.

Valeria: How do you feel this influence the performance of the employees?

Speaker n. 6: Well, of course, maybe 50% may not make any difference. For sure, we expect that if they attend some management training, then they know how to manage their time, to reduce the loss of time. If they don't know how to manage their time, of course they will work on something, then they dump it. Then they go on something. They can set the priority. They should understand what the value that bring into the business of ICON, and how it in turn, benefit them also in the future.

Valeria: You feel, if they understand correctly-

Speaker n. 6: If you empower your employee, definitely it will bring some positive benefits to the company.



- Valeria: What did you say at the beginning? If?
- Speaker n. 6: No. I'm saying, it's like empowering the-
- Valeria: Ah, empowering. Yes. Great. You feel it's empowering. It can have a positive effect, but of course the employees need to pay close attention to the training. Understand why they are doing that in order to have this positive effect.
- Speaker n. 6: Sure.
- Valeria: Great. Okay. Perfect. Let's go on to the next question. It's again, about training. What is the influence that personality characteristics of an employee, like loyalty, good relationship building has, on the selection of the employee for training? How this can affect the organization performance as well?
- Speaker n. 6: Well, we don't discuss it openly with all the employees, but from the management perspective, we identify people. We call them, "These are the ICONies." We call them ICONies. ICONies is, it's not going to stay with the ICON, long-term. Of course, loyalty is a part of selection of training. As I said, when we signed this new contract, we didn't consider that at all. This is like giving them a chance. "Okay, you prove yourself." We know few of them are the long-term prospect employees with us, but again, the others can prove themselves that, okay, they are also part of this organization. They want to share it.
- Speaker n. 6: The loyalty means, the workplace ... The loyalty and this training, it's interrelated. How people will be loyal to the company? When they feel that this is their place. Ease of communication with the management, and whether they can expect a career transition will happen here. "The management will recognize me. If I do deliver, I have the employment irrespective of the ethnicity, color, religion, whatever it is."
- Valeria: You feel like loyalty is a important characteristic in order to choose this person for training. What other characteristics do you think, they play a significant role for your company, or there is no other characteristic?
- Speaker n. 6: Leadership qualities and all, because we send them ... Some of the seniors, they go and talk to the client. The leadership quality and what we call, the management skill, sophisticated management skill, because they are going to represent ICON there, in front of the client. If we feel that, okay, we hire people, we promote people, and

then they go. If we feel that, "Okay, they are not able to deliver the ICON image to the client-"

Valeria: The image need to match between you and your employee in order to send him for training, in order to represent the firm?

Speaker n. 6: Yeah.

Valeria: How do you think this affects their performance of the whole organization?

Speaker n. 6: Well, it's a two-way performance, I think. The whole organization, if they do deliver proper things and represent the company in front of the client, it's a repeat business for us. At the end of the day, the kind of business what we are doing, if we get repeat orders, then going and participating tender every time, better for us. The client feel satisfied and admired, because the face of ICON is these employees. It's not those who sit in the office, or the name what we have. If they are well-trained, well-presentable, and they know what they're doing, of course the client will come back and say, "Okay."

Valeria: You feel it will increase their performance?

Speaker n. 6: Increase the performance as a whole.

Valeria: Great. Great. Okay, so is there anything else you would like to add about the interface between HR training and development activities in organizational performance?

Speaker n. 6: Well, the training, of course it has a vital role. That's why we signed this contract, because the market is very bad. We thought of it. "Should we go with this?" We asked. We said, "Okay. Market may get improved next year or after six months, but we need these people to be trained." They feel like that, that we are not bending them in the bad time. We are still taking care of them.

Speaker n. 6: If they have more time, free time because of less job, yeah, you can spend more time on the library. We call it ICON University. Go through all these 1,000 courses there. Read yourself. Attend the online ICON website itself.

Valeria: You feel like it's a psychological push as well, to the employees in order to show them that you care. That you're there for them to show them loyalty also, from your side. This is represented by sending them to the training?

Speaker n. 6: Yeah. In turn, it reduce the turnover. This is most important. Hiring and keeping a personnel, it cost a lot.

- Valeria: Of course.
- Speaker n. 6: Employee retention is very important for us.
- Valeria: You feel there is a relationship with turnover and training as well?
- Speaker n. 6: Absolutely.
- Valeria: Great. Perfect. Let's move on to the next set of questions. It has to do with recruitment. What is the influence that strong and effective recruitment selection system has on organizational performance?
- Speaker n. 6: Well, the recruitment, mostly what we are doing is, we are getting the people through our network, because we are in the industry for long time. As senior managers, we work too, with reputed companies here. We have our own network for the recruitment. Mostly happen by somebody's references or the people we know. Those who watch, come and team up with us. Exceptional skills when it comes to some CVs that we received in our portal. If we find, "Okay, this personnel has some past, worked on some good project. This new guy who has just completed his or her education has some skills," we can see it from their portfolio. We try to recruit them.
- Speaker n. 6: Then we approach some good international recruiters also. Last year we recruited four, five candidates through them to get the good candidate from overseas, those who worked in Europe, because we are a landscape architecture firm. We need always, new ideas. It's the way looked at it.
- Valeria: Do you feel that this recruiter selection system that, maybe the HR firm gave you, the recruitment firm. Do you feel like it has a positive effect with performance, or they gave you the correct people, let's say, and improved the performance? There was a neutral effect? There was a negative effect? What do you think?
- Speaker n. 6: Both effects are there. Sometimes we get a good CV. They say, "Okay, this candidate is very good. We know them from so many years." When they'll come, of course they are good, but maybe they don't sync with our culture in the company, or they came from a different culture. Culture in the sense that it's work culture. I'm not talking about the other culture. Sometimes we go back to the recruiter and say that, "Okay, these are the issues," and they consider. It's not like that they send us CVs and we accept it. It's a long process. Lot of negotiation happen between ... They do their own homework. They talk to us a lot about, "What is this particular role? What kind of person you are looking for?"

- Speaker n. 6: Even sometimes they say, "Okay, this person may not fit in your organization, because he's a good candidate but he has a different attitude that may not fit with ..."
- Valeria: Do you feel like it's having a-
- Speaker n. 6: Direct hiring also.
- Valeria: Sorry?
- Speaker n. 6: We do direct hiring also, where consider all these things. When we do the personal interviews, it's not only the technical skills or the salary expectations. The attitude and the way of dealing with things and people. For us, people matters.
- Valeria: Great. Do you think that this strong Recruitment and Selection system that, maybe the office that you're working with, the recruitment office has helped the performance, or it has a neutral effect, or even negative? Of course.
- Speaker n. 6: It's like a neutral effect I think, because we don't hire that much through the recruiters. Lately we hired three, four to get some overseas candidates, but I cannot say the effect now, because it's happened during the last eight months' time. It may take a few more months for us to really evaluate. So far they are doing good. They are syncing with our culture, except one case. As I said, some of them, we have to go back and say, "No, no. This is not the type of people we are looking for."
- Valeria: Great. Okay. My next question is, what is the influence that a rigorous recruitment selection system that could create a feeling of elitism and significance between the employees, has on the employee's performance? Let's say that you have six, seven interviews in order to get to the very prestige company like Apple, Google, whatever. You have this feeling of significance that, "I'm the one, that I managed and I got in." Do you think this feeling will influence your performance, or your employee's performance, or it's going to fade away? It's going to be neutral? It's going to be negative? What do you feel?
- Speaker n. 6: Well, I don't the elitism is an evil thing, but elitism come with a cost. We look at the budget. Again, we look for people that we ... As I said, we got most of our employees through references or through the CVs that we received through our portal, because we hire a particular kind of landscape architects mainly. We don't go for that seniors that they think something very different than other

companies. In our business, the elitism may not play a significant role. First of all, we are not what we call, a celebrity firm.

Valeria: Yeah, but I'm saying in general, what do you feel? Do you feel like even for yourself, if you have to get to a company that has, I don't know, a lot of recruitment process, like six, seven interviews. How do you think you will feel if you manage to get in, or your employees? How do you feel they will feel if they will have this feeling, "Oh, I am the one. I managed to get in"? They will have a positive effect on their performance? It will have a neutral effect on their performance? It will have even a negative effect to their performance? What do you think?

Speaker n. 6: No. Most of the cases, it's a positive outcome it will bring, because then they know that there is a post available in this ICON. Then of course, it comes with an interview. They feel themselves like they are privileged that they got appointed. They have something in them, that's why they are here.

Valeria: Do you feel if they have six, or seven, or five interviews, do you think they will have the same feeling, or this feeling, it will be negative, neutral? What do you feel?

Speaker n. 6: It depends upon the market also, I think. If it's a booming market, you will not find people to do six or five interviews. Now the market is like a lock. It's in the lower side. Of course, the effect will be more positive. People know that if they are selected after four or five interviews, they do have something in their mind. Means, in their caliber. That's why they got.

Speaker n. 6: Again, sometimes it can bring negative effect also. An interview happened with us. If people gone through lot of questions and interview time harassments or that things, it may negatively affect also. Luckily, we don't do such things.

Valeria: In what way you mean negative? Can you elaborate more?

Speaker n. 6: If somebody is looking for a job very badly. If we do interviews and if you do a lot of negotiation, push, squeeze them to get them in, of course it will be giving them a negative impact. "Okay, I have no other choice so I joined them." The other way, positivity is that they came off saying, "Okay, I want to work with this company and I managed to get in." That will positive up the things. If it is like, "Okay, I don't have any other choice so I'm joining them." It will bring a negative energy to the company.

- Valeria: Great. Let's move on now to the next question. What is the influence that *wasta* in Arabic, the use of influence in Recruitment and Selection system has on the organizational performance?
- Speaker n. 6: Well, *wasta* plays a role, especially when you deal with certain people, certain clients. Of course, it's for sure on us always. Sometimes you have to bow. Sometimes we say, "No, sorry. We cannot help with that." If we have to accept somebody on *wasta*, of course it brings the productivity ... The organizational behavior may not change, but the productivity of course, it will go down. Again, as you know, *wasta* means recommendation from a guy that we cannot say no. Then we hire somebody, and the people sitting around that particular person feel that, "Okay, this guy come with a recommendation and he's getting ..."
- Speaker n. 6: Of course, they might feel that he's having a big salary and he's not doing anything. That will affect the morale of other people.
- Valeria: You feel, maybe his colleagues, they're going to feel demotivated, and affect their performance as well?
- Speaker n. 6: Of course, it can be happened. That could be the case. When you talk to people, you can feel that. "Oh, this guy, okay, is the relative of this guy. Okay." They don't say anything, but the body language tell you what they feel.
- Valeria: Body language.
- Speaker n. 6: Again, it comes to us. We feel somebody will come and nag us and say, "Oh, this guy is sitting there, but he's still getting a high paycheck. I feel that is something different than us." Again, that may cause employee turnover also, of course. It might be a wrong understanding from their side. They feel that this guy came through *wasta* and he has some privilege in this company, but it may not be the case. Maybe you recruited somebody to help them, but with a low salary also.
- Speaker n. 6: Otherwise, they may feel that it's the other way, and it affect the organizational behavior. Normally, we don't hire people on *wasta*.
- Valeria: What did you say at the end because I didn't hear? Sorry.
- Speaker n. 6: Most of the time we push back and say, "No, we don't do such things." We'll say, "Okay, we will get this particular person as a trainee and attend this. Okay, do it. Go, or you prove yourself and stay."

- Valeria: What do you think the wasta will do to the whole organization? You told me about the employee's motivation. Employee's performance might get decreased. What do you think about the whole organization, the organizational performance? It will be affected or no?
- Speaker n. 6: No, it will not be affected because you don't get three or four employee to work. Okay, one will be there. Okay, we can just ignore it even if wasta is not bad. Sometimes through wasta, you get a good candidate also, if it is a ... That, you can just avoid. Don't assign task. Just help with the other things and just ignore it.
- Valeria: You feel it can have also another side if a wasta person is capable, it has a lot of skill, a lot of abilities, it can affect in a positive way as well.
- Speaker n. 6: Positive way. Like for example, if we hire somebody from a government department's recommendation, maybe he can help us with getting permits done. Maybe payment follow-up. He can go to the client and say, "Okay, your payment is pending. Bring it." It's not always negative for the company as a whole. Company as a whole, it could be positive also.
- Valeria: It can be both the thing as well.
- Speaker n. 6: Yeah. As an organization, it brings some positivity if you use them in the right way.
- Valeria: Great. Great.
- Speaker n. 6: If somebody use the wasta, you can use it back to them also.
- Valeria: Great. You feel it can have a positive effect as well, if the wasta person, it will give you the image, it will give you, let's say the capabilities of being able to open some doors for the company that you were not able to do it before?
- Speaker n. 6: True.
- Valeria: Great.
- Speaker n. 6: Some approval, some pre-qualification. Such things can be happen.
- Valeria: Great. So, is there anything else you would like to tell me about the HR Recruitment and Selection process in organizational performance?

- Speaker n. 6: Well, it has to be very careful because when you hire someone, it should not be like, "Okay, you need to fill this particular position." You have to look at the whole organization as a whole. How this particular employee or a new position that you may create, affect the whole organizational behavior? There are people working there, like seniors. If you bring somebody on top of them, it could affect you badly also. Sometimes it will bring positivity. This particular person has some particular capability. He can organize things more, and he might be a people's person who can handle these guys more efficiently.
- Speaker n. 6: We have to be very careful when we do the recruitment. Of course, it's always affect the organizational behavior as a whole when it comes to senior employees. Okay, for juniors it doesn't make any difference.
- Valeria: Great. Perfect. Great insights. Let's move on to the next set of questions. It has to do with compensation. What is the influence, that feeling of justly treatment of compensation that an employee can have? How this will affect his motivation and performance? What is the influence in the performance if the feeling is unjustly treatment of the compensation, because you know people are talking. "Oh, my God, he's getting more. I'm getting less." Things like that can happen.
- Valeria: If I feel unjustly treated, like I'm not getting the money that I would want to get, and someone else is getting more. I feel like something, it has been done to me, unjustly treated situation. From the opposite side, if I feel like I'm justly treated, and I'm fine, I'm okay. How do you think this will affect my performance?
- Speaker n. 6: Of course, it's a material world, and people working for money, always. It's a part. We have to be careful when we allocate the salaries or remuneration in the sense, it should be based on their qualification, their position, and of course, their years of experience. There are exceptions always. Just unjustly remuneration, definitely it will bring negative impact on the organizational behavior. Unjustly should not always bring the positive thing, because justifiable ... I mean, we cannot say two persons having the same experience and qualification has to be remunerated in the same way, because somebody has some special capabilities. We have to consider that to keep them in the organization, otherwise they may jump.
- Speaker n. 6: To keep him or her, we have to increase his salary. That doesn't mean that we can increase everybody else salary to match it. Some



people, we should be doing. I don't think the salaries are unjustified and unjustly-

Valeria: Treated.

Speaker n. 6: ... been treated. It's like, you are rewarding the efficiency or the capability of a person, and treating them with little awkward. It's always there in all organization, I think. We cannot be a socialist in a private business.

Valeria: Great. You feel like it shouldn't have an effect because people shouldn't see it in that way. What do you think this is doing to performance?

Speaker n. 6: It's like, we cannot remunerate someone with monetary remuneration because of it. Okay, if I increase the salary of somebody to 5,000 dirhams from next month, he would be happy for two, three months when he get that first two, three paychecks. After that, that effect is gone.

Valeria: He will forget.

Speaker n. 6: We never get satisfied with money. The ego is there. I look at it this way. When three individuals having same position, if you increase somebody's salary and he knows that, "I'm getting now, more than this particular employee," there's a ego. "Okay, I'm superior." It brings more productivity from his side if the other one is not knowing it.

Valeria: If the other one finds out?

Speaker n. 6: If the other one find out, of course they will come and ask for the same. Then we have to manage them saying that, "There is a reason for that, a good reason." That we can justify it, then the people will understand it. If it's just like, "Okay, this person is a friend of me, so I increase my salary." That's unjustly treatment. Monetary reward will not bring positivity for a long-term. It maximum, two, three paychecks. That's it.

Valeria: Then about the other person that is going to feel unjustly treated, do you feel it's going to affect his performance?

Speaker n. 6: Well, of course it will affect. If we cannot convince them the reason for treatment. If we can tell them, "Okay, these are the things that guy has an edge on you. You improve yourself." We'll help them. "Okay, we'll help you. Assign you some new task, or you prove it. We will be in the same." We give them a chance, and that will help

them also, I think. When we do the appraisals we can tell them, "Okay, this is your set of goals for next year. You achieve it and get it."

Valeria: You feel, with the right amount of clarity and communication between the employer and the employee, this negative effect of the unjustly treatment, let's say for compensation can be avoided?

Speaker n. 6: Totally.

Valeria: Great. Is there anything more you would like to add about compensation?

Speaker n. 6: Compensation is depending on the market always. We will not be compensating somebody above the market average. Otherwise, there is something exceptional in them that can bring additional business to the company and keep an edge on our competitor, having this person involved. Then of course, we don't find it as unjustly. Maybe for others, they may felt that it's an unjustly treatment, but then we will communicate properly with them and try to give them a chance also, to be into that level.

Valeria: Great. My last question about compensation is, how compensation techniques like performance-based compensation, system bonus techniques, equity-based compensation can influence their performance of the organization, and of course, of the employee?

Speaker n. 6: Yes. It will, definitely. We do have a performance-based compensation system also. Lately, we are not following it, but the old employees are. Some of them are still having that. There is a pay, plus a performance bonus every month. It's not like yearly. It depends upon the performance of the person, performance of their project as a whole, performance of the company as a whole. He is performing well, but the company is not performing. Give them the performance bonus. This persons affect our project, and the project performance affect the company.

Valeria: Yeah, in general. Of course, now it's crazy times, but in general, how do you think this performance-based compensation system affect the performance of the employee and of the whole organization?

Speaker n. 6: It affect positively and it bring more productivity. If you give a spot bonus. They're working on a project. Okay, Sunday is the deliverable. Client needs at 10:00. Thursday evening, they couldn't finish it. Those guys come and work during weekend. So, overtime will be there for sure, but we give them a spot bonus, like a surprise

bonus during their monthly check. They come back and say, "I've got something extra. Is it a mistake?" I used to tell them, "Oh, I forgot to send the email. You'll get a email after five minutes." Then I send them a nice email. "Okay, because of this we achieved that, so we are ..."

Valeria: How do you think this will affect their performance?

Speaker n. 6: It's dramatically improve. At least for two, three months, they feel it. Some of them, they write back nice emails and say, "Oh, okay, I feel so humbled, and I'm so loyal. I need you guys to manage the company for a long time." It brings both. We feel proud of ourself also, "Okay, we did something good this month." They will work extra because we don't have to tell them, "You have that deliverable next week." They will come back and say, "Oh, we have to complete this by Sunday, but we will finish it on Thursday and send to the client before I go."

Valeria: Great.

Speaker n. 6: Always. Performance bonus, spot bonuses always help us-

Valeria: You feel, in general, can have an effect to the organizational performance as a whole?

Speaker n. 6: As a whole, yes, because when you feel good, it's only you will feel good. You talk to your guy sitting next to you. The feel-good factor in an organization is very important. They may notice themself, the productivity, it's automatically increases.

Valeria: You said it's not forever. It's for a period of time, correct?

Speaker n. 6: Of course. Of course. It again, depends upon the company, its financial performance. Again, we do give dividends at the end of the year. Look after them. If we are doing good, we share a profit with the employees. Again, it increases their productivity.

Valeria: You do that regularly in order to boost them.

Speaker n. 6: Yeah, yeah.

Valeria: If I may-

Speaker n. 6: It's not only to make them happy, it's like a culture. The board of directors of this company believe that they should give a fair share of their profit to the employees because they are bringing the profit.

Valeria: Amazing.

- Speaker n. 6: We are not Apple or Microsoft. We are a very small firm, but we do what we can.
- Valeria: The culture, and this kind of culture plays a huge role. You're lucky that you're working in a culture like that. Great. If I may summarize what you're saying that, the bonus techniques and all this equity-based compensation and performance-based compensation can have a dramatic positive effect to the employees and to their motivation, to their loyalty. It's not going to last forever. That's why you're doing that in regular basis, every now and then, at the end of the year in order to boost their motivation and to keep them, because this feeling can fade away.
- Speaker n. 6: Yeah, because performance bonus, I understood, should not feel that ... You're not doing piece work. "Okay, you complete 100, you will get this much." We are doing a project. It may last six months, one year. So, our performance bonus calculation is totally different. It's not like what they're really produced in numbers.
- Valeria: I understand.
- Speaker n. 6: In a service industry like us, I think it's different. Manufacturing industry, it will be more easy. The tangible performance will be there. "This particular person produced 100 pieces of this thing." Here, it's not like one person, it's like a teamwork.
- Valeria: Great. Great insights. Let's go now, to PA. You mentioned it as well, before. What is the influence that target-setting, clarity of expectations, and less job ambiguity ... To know exactly what you're doing at your job, of PA, that PA can bring, have on employee's performance? Target-setting, clarity of expectation, less job ambiguity of PA. How this can affect the employee's performance?
- Speaker n. 6: What we are following is, every year during March, we start our performance. It's a form, online. The employee is the one, first fill up the form where we have previous year's goal, how they achieved it, and what is their current year goal? Then they give the scoring themselves. Poor to excellent, actually, outstanding. They do it. Then it comes to the line manager. The line manager will countercheck it against the last performance and the performance that way.
- Speaker n. 6: The target will be set based on the employee's expectation at the time of his capability. Based on the employee's capability. Then this form will go back to the employee again, after the line manager's review. Of course, if they have a dispute, they have to sit together and find out what was the issue. Communicate properly, set the targets. The employees say, "I have this capability. I can do it." The

line manager, if he doesn't realize that it's a chance for them to identify it and set the goal in a clear, two-way communication. Then once they reach an agreement, they both sign it off and it comes automatically. The email notification goes to the higher management, to the HR. "Okay, this is the outcome of the appraisal."

Speaker n. 6: Then if required, the higher management call them if there is still there is some ambiguity between them. Call the supervisor and the employee, and sit together and set the goals and expectation for the next year. At the same time, making an assessment on the remuneration. Maybe sometimes the line manager may say, "No, no, I don't want to give him an increase this year because he's not capable of proving." Maybe the higher management may intervene and says, "No, you are not right. He worked for another project and he's doing good also. Maybe it's might be your problem." These type of communication and PA, setting goals, and evaluating previous year's goal. This is a regular exercise every year.

Valeria: How do you think this affects the performance in general?

Speaker n. 6: Average performers, those who don't want to improve, it will not make any impact. The career-oriented people or those who want to excel in their career, it makes a big impact. They try to set their goal high and high every year, and they try to achieve it. They may come back and say, "Okay, I want to go for this training." We'll say, "Okay, do it. I want to spend some time every day, on a particular project with this particular senior so I can learn something new from them." Those type of things, we help them.

Speaker n. 6: Some of them, of course come up with so many things in the PA form. Just boasting. We know that. We'll just ignore it. You tell them that, "Okay, we were looking at your evaluation last year, nothing happened. You were 25% achieved on this. 30% on that. Go back and complete that. Let us discuss it later, next year."

Valeria: Do you feel this PA system that, you explain to them exactly what they need to do. Have the clarity of their targets. Do you feel it affects the performance of the organization in general?

Speaker n. 6: Of course it affects in a positive way. When an organization does care about their employees, especially those who are loyal to the company, and they mean good things for the company, of course. Even if they don't set their performance and goals, we set the goal for them. "This is what you have to do. You have to achieve it. You can be into the next level."

Valeria: Great.

- Speaker n. 6: If we find a junior who's doing good, so instead of assigning him a new role, we put him as a assistant project manager in the same project. If we feel that, "Okay, he can handle things," he improve himself. This is one way, instead of increasing his salary, you just change his title. You just give him some more responsibility, so that will improve the people's performance and the organization as a whole.
- Valeria: Great. Great. My next question it's, what is the influence that employee's involvement in establishing next year's goal and performance standards of their PA has on employee's performance if the employee is involved in this whole PA system?
- Speaker n. 6: I think, more than 50% of the employees benefit from it, and they do really wants to participate, and want to prove themself, and want to increase their career perspective. For an organization like us, we have a very young employees. Means, 50% of our employees are less than 30, 35. That means some of them are beginners and some of them are in the mid-level. For such people, and especially those who are architects, they are more into the creative things. They don't want to be a manager, and managing things. They want to do themself. To do their project by themself. Means, to deliver the project by themself.
- Speaker n. 6: For them, they set the goals and we measure it. Some of them are intangible measures. We cannot measure it tangibly. As a whole, from the whole performance of the year, we can make some assessment, and we discuss it, and it brings a positive outcome. Some of them it's just like, "Okay, it's going on." I think, no organization expect that everybody performs 100 plus, percentage all the time.
- Valeria: Yeah.
- Speaker n. 6: Even if I achieve 70%, that's brilliant.
- Valeria: In general, you feel like if the employee is involved in this process of PA, it has a positive effect on their performance in the whole organization as well?
- Speaker n. 6: It's a positive one.
- Valeria: Great. Great. My next question is, what is the influence of an effective and an ineffective PA system? Ineffective, like the management values low goal ]. PA without consulting at all, the employees could impact the employee's performance. If you have an

ineffective and an effective one, what do you think, how this will affect?

Speaker n. 6: If there is no PAs, it's like a just filling up sheets to put between the file, it is ineffective. It will not bring any good. Some companies have a policy that, okay, they increase the salary of all employees, like a small percentage. They don't do any performance ... They do PA for the sake of filling the sheets. It has nothing to do with the setting of goals or evaluating their previous year's goal. Whatever they achieve or not achieve, it will be the same. Maybe some extra will get because of your direct manager may like your work and he recommend. Otherwise, most of the time it is the financial people or the upper management, they decide on this and they just send it. It will not bring any big positive impact on the whole organizational behavior.

Valeria: It's going to bring a neutral or negative? Positive, you said no.

Speaker n. 6: No. I think it will be neutral effect only. Negative will be there, but I don't know in such companies, the negative behavior, they can easily mitigate by making some people happy.

Valeria: Okay. You feel it can have a neutral or a little bit negative effect if there is an ineffective PA system that doesn't set goals, that doesn't set targets. It's doing that just for the sake of doing it.

Speaker n. 6: Yeah.

Valeria: Great. Is there anything else you would like to tell me about the interface between PAs and the organizational performance?

Speaker n. 6: Well, I think the PAs, sometimes we make it a little bit extra. It has to be simple, it has to be measurable, and easily communicable to the employees and to the managers. These are the things we have to be ... Of course, don't have to make five sheets PA form. Employee scratch his head, "What should I write here?" At the same time, the manager cannot evaluate it. It has to be a simple, communicable, measurable. These are the-

Valeria: You feel it's important to do it in the proper way. Not extensive, but in a smart way that it is efficient. The employees and the employer can actually have an effect, and speak about it, and be able to measure it.

Speaker n. 6: Measure it. If we can't measure it, so it's become a failure. You write things there, and maybe people google it and find something and write it there. The person writing may not know what it is and the

management doesn't know what it is. Okay, even if they know it, they may not be able to measure it. Good things, nice to hear, but we don't know how to measure it.

Valeria: Great. Great. Now let's go to the last part, my last question that has to do with Emiritization. I'm sure you are familiar at least with the term, because we live in UAE. What is the influence that forced quota system, wage restraints, and payroll retains of Emiratis that the Emiritization initiatives, bring on employee's performance and on organizational performance? Forced quota system, that you need to have certain amount of Emiratis, above 50 employees. Wage restraints, you need to have this amount of money for this employee. Because he's Emirati, you need to give him this amount of salary. Payroll retains, so you need to keep them in the company because he's Emirati, and it's not that easy to fire him.

Valeria: How do you think these initiatives are working in terms of the performance of the organization and on the employees?

Speaker n. 6: Well, in private sector, when we are working in UAE, it's like a phantom effect. You hire someone to complete the quota. Put him some corner of the office, or put them in the reception, or make him as the PRO, or send him as a messenger. He is happy, "Okay, I don't have to be in the office all the time, but still I get the paycheck." To meet certain regulation, we do such things. Of course, I'll be honest with you, we don't have anything, because we never faced the quota system. Recently we had the new, if you want to hire a new person, you have to go through their hiring policy.

Valeria: Yes, yes.

Speaker n. 6: I went there four times. I couldn't find. Only one candidate approached me, because landscape architecture again, is not a specialized subject in UAE universities.

Valeria: Yes. There is a lack of talents.

Speaker n. 6: Yeah, lack of talent. We haven't faced the quota system, here in ICON so far because we were not having that number of employees when the quota system was in full force. Lately during last year, we had to go through this interview cycle. We had to go register it, and go and sit there for two hours, and we couldn't find anybody. We know companies where two or three Emiratis sitting in a room, just doing nothing. At the same time there are companies where you see young Emiratis. Some of them, they really want to do, improve their career. They use them to go to the governmental departments to get the things done.



- Speaker n. 6: Means, if you have a designer in your office and you work for Abu Dhabi Municipality, Abu Dhabi Municipality is one of the worst organization when it comes to project.
- Valeria: My husband is working there.
- Speaker n. 6: Well, we have no choice. We have to still continue to please them. Luckily, we don't have anybody with them.
- Valeria: Great. You feel like it can have a two-ways effect. It can have a negative effect if the Emirati don't want to work. They're not motivated, and they're just coming for the sake of coming. There are sometimes people, that they want to work, and it can help, but you need to find these kind of talents that also, there is a lack of them.
- Speaker n. 6: I told you. Only one approached me during the last four interviews. That guy, he was in university. He's still a university student. I think in May, he will complete his graduation. He's a civil engineer. I asked him, "Why did you approach me? I'm looking for a landscape architect." He said, "I know you're looking for a landscape architect. I just came to ask you whether there is an opportunity arising after six months, so when I complete my graduation." I told him that, "This is my business card. Send your CV. We will put you as a trainee."
- Speaker n. 6: Those kind of people, they want to do something. He just came and inquired about the company itself. "It's a consulting engineering firm. Okay, let me try and go." Such people are there.
- Valeria: You feel like they can bring positive stuff in the organization's performance?
- Speaker n. 6: Yes, of course. Again, we are a boutique firm with 68 people sitting in this suite. Less than 60 people sitting, from 20 different country. One Emirati, enthusiastic Emirati will definitely bring positive things in the company.
- Valeria: In what way? What do you feel?
- Speaker n. 6: The people will be happy to work with an local, first thing because they never worked with a local directly in the office. Of course, we deal with the governmental department, and we have some kind of-
- Valeria: Image.
- Speaker n. 6: ... mindset there, because of their behavior. Maybe some of them into the office, and we may become more friendly. We may able to know about their culture, their thought about the whole system.

When somebody work with you, it's a different thing. They may open up with you, or what they feel about us. What they feel about the whole system. Maybe we have something wrong, that's why they are not coming to the private sector.

Valeria: Great. You feel it can have, as I said before, two kind of results. It can have a negative result, and the negative result on their performance, but it can have the positive result as well. It depends on the person and how he thinks about his career, his future, and stuff.

Speaker n. 6: The environment also. If we go to a company with hundreds of people, and if you provide two or three of them in a room, "Okay, you sit there, drink coffee, do whatever," it's a different thing. If you put them in the mainstream, maybe they are ready to learn and work.

Valeria: It has to do also, the way that you will utilize these people. If you give them a post, say, "Do stuff. You're not here just for the sake of being here," it can-

Speaker n. 6: We should not approach them with a mindset that these guys are just coming just for the money, or we just keep them for money. No, we should use them any other employee.

Valeria: Great. Is there anything else you would like to add about Emiritization on organizational performance?

Speaker n. 6: Emiritization, I think the government should do more in the education itself. They have to teach the value of work in the school itself. They should not send someone after graduation. "Okay, go and find a job." First you have to look for the Emirati. Then only you can hire a expat. This is not the way. I think they should educate them, and not their formal education, but the education of how to live in a society with other people in an equal way. Things will change.

Valeria: Great.

Speaker n. 6: They should not feel that, "Okay, I am a local. I have some privilege here. I don't have to do certain things." No. You compete, you prove yourself, and then you have the opportunity.

Valeria: Great. The mindset needs to change and also, the education level that comes. They are directly from the Emiritization initiative. In order, the whole system, the whole initiative to work in a better way, and perform, all these people perform in a better way.

- Speaker n. 6: Yes.
- Valeria: Great.
- Speaker n. 6: Mindset of both. Both, the government, us also, because the organization should embrace them. They should not treat them separate.
- Valeria: Great. Great insights. Thank you so much. That was it. That was the interview. You have really great, great ideas and insights about the whole thing. Thank you so much. I will add you on LinkedIn so I can send you the results at the end if you want to hear about them. It will be also good for your performance of the whole HR.
- Speaker n. 6: We can improve ourself.
- Valeria: Yes, yes. Improve the whole organization.
- Speaker n. 6: You are doing your PhD, so you might be having something in mind, and some ideas.

## 7. Transcription Speaker Number Seven

- Valeria: All-in-all, thank you so much for accepting to have the interview. First of all, with me, and for the short notice as well, because I send you as well, today, and you replied immediately. Thank you very much.
- Speaker n. 7: Yeah, that's fine. I think I ultimately realized that it's going to remain crazy, so I might as well just do it now and then it's done. /How do you know Mark?
- Valeria: /Good for me. It works for me. Sorry what?
- Speaker n. 7: How'd you know Mark?
- Valeria: Funny story, his wife is from Trinidad, and my husband's colleague wife is from Trinidad as well, and we're friends, all together. We're just common friends.
- Speaker n. 7: Very nice. It's a small world.
- Valeria: Yes, yes.

Speaker n. 7: Are you based in Cyprus now or ...?

Valeria: No, no, I'm in Abu Dhabi. I'm working in Abu Dhabi as a HR manager, but I'm doing my PhD as well, my PhD back in Cypress, but I'm working here as well, so I have to do it like that.

Speaker n. 7: Oh, okay. What are you doing in Abu Dhabi?

Valeria: I'm working. An HR manager in Magnus, it's an IT company.

Speaker n. 7: Oh okay. Cool. sorry, one second, I've got a screaming ...

Valeria: No worries.

Speaker n. 7: Toby, can you give me a minute please?

Valeria: Yes, sure, sure.

Valeria: /No worries. No worries at all. I understand. Okay, so I don't want to waste any of your time, so we can just start if you want.

Speaker n. 7: Yeah, okay.

Valeria: If you want to go to your son, figure it out. I'll wait, no problem.

Speaker n. 7: No, no, no, that's fine. He'll be all right. Hopefully, his mom will [crosstalk 00:02:07].

Valeria: Okay. Let's start. If you want to have a small introduction about yourself and what you're doing?

Speaker n. 7: Yeah, I can do. I've been working in HR consulting in one from or the other for the last 11 and a half years in the UAE. I think it was about three companies ago I worked with Mark. Predominantly, I'm working in the assessment space. Where was some of your questions around remuneration for example, I will have an opinion and experience but I won't necessarily be an expert there, okay. Right now I work for a company called PSI, and we do various elements of HR consulting services is one part, soft skills development and training is another, and then HR consulting is another. [crosstalk 00:03:09]

Valeria: Indeed, so you are the right person.

Speaker n. 7: Maybe we'll see we'll see.

Valeria: You don't have to know the answers, there's no right or wrong, it's your opinion from your career so far and that's it. That's pretty much about it. It's totally anonymous and at the end of the day we have the results from my research you are more than welcome to have them. To send it to you it can

help yourself and your organization, yourself, with performance improvement.

Speaker n. 7: Yeah that would be interesting.

Valeria: Yeah.

Speaker n. 7: When are you going to finish?

Valeria: [00:03:44] Hopefully by the end of the summer, I'm positive. Now, at least with all of this chaos, the only good thing as it people have more time and they talk to me and so yeah I'm doing well on this matter.

Speaker n. 7: S, in September you'll be a Dr. Valeria?

Valeria: Yes, hopefully. Fingers crossed.

Speaker n. 7: Well, good luck with that.

Valeria: [00:04:10] Okay, thank you. Let's start. My first couple of questions, they have to do with training. How do you think formal training, as a part of an unwritten psychological contract between the employer and the employee, influence employees performance? The psychological component, I'm sure you are aware, but I can give you a small introduction, is the contract that is unwritten, and describes the mutual expectation and understandings and beliefs between the employer and the employee. It's not written, it's just what has been promised a common understanding, let's say. How do you think the formal training as a part of this contract, unwritten psychological contract as we call it, between the employer and the employee influence organizational performance and employees performance as well?

Speaker n. 7: [00:05:00] Do you mean in that sense the unwritten contract is the employer saying, "hey I'm going to invest in you your personal development and in return you need to perform better or do better in this particular area"?

Valeria: Kind of. Let's say an employee, it has been promised that he is going to go for training. But let's say for XYZ reasons he didn't manage the employer to give him this training. How do you think this will affect his performance, or on the opposite side if he managed and went to this training, how do you think this will affect his performance as well?

Speaker n. 7: Yeah okay. I think training in this country is an interesting thing. I've done most of my work around behavioral development. Technical training is, in many ways, a little bit easier. Just in terms of measuring the return on the investment, so if you don't understand Microsoft Excel, you go on a Microsoft Excel course, you then do understand Microsoft ... as long as you attend it and your kind of attentive. Whereas, if you go on a leadership development program, it's harder to know if that person is actually a better

leader. I think it can be harder to really give you a more scientific answer around what impacts does this have on people's performance. The other challenge I have with it, is that people, I mentioned for a lot of the work I've done is in assessment that's great because what we can do is say well Valeria and needs to develop these competences. And this difficult trend towards going, "oh well, let's put them on a training course for each of those competencies and then job done." But people don't tend to adhere to the 70, 20, 10 rule, where you going to learn a lot more on the job.

Speaker n. 7: I think people are generally open to going on training courses. I don't know that many examples of people being forced to attend. I think that's, certainly in the Emirati populations, I think that it's quite heavily encouraged.

Valeria: Mm-hmm (affirmative). Let's say, for an XYZ reason, this employee didn't manage to go to training, because the employer didn't send him, do you think it will have like a de-motivational effect, it will have a neutral effect, it's going to have even a positive effect, what do you think?

Speaker n. 7: I think if colleagues go, and the individual doesn't, then it's certainly going to be a de-motivator for sure.

Valeria: Mm-hmm (affirmative).

Speaker n. 7: [00:07:54] I think there will be a sense of isolation, it will beg the question, why not me? I think it will certainly lead to disengagement. It could, arguably, also make people think well, if I work a little bit harder and prove myself in XY or Z, then maybe I'll go on the next training program. it could also be a motivator, but on the whole it's [crosstalk 00:08:16]

Valeria: Do you think this feeling will last for a long time or it's gonna fade? The de-motivational aspect you said.

Speaker n. 7: Yeah, I think it's going to fade. I've just done that here, for example, I've got a bunch of consultants and I have one space on a MVTI training program, and there was one person who really wanted to do it but she really needed to focus on a project at that time. I ask somebody else to do it and she was upset but I think because it was justifiable, "I would have loved to got you involved, there will be more coming but I couldn't lose this project." She got it and I can't read her mind, but I get the impression that she's over it now, and that was a month ago so.

Valeria: Great. If I may summarize, you feel it's going to have an effect, a positive effect in general. But if he doesn't go, then it will have a de-motivational effect, but you think it's not going to last forever, because we are professionals and this feeling is going to fade away, eventually.

- Speaker n. 7: Almost. I think importantly it depends on how it's managed and how it's communicated.
- Valeria: Okay. communication you think plays an important role.
- Speaker n. 7: Really important.
- Valeria: Mm-hmm (affirmative)
- Speaker n. 7: Because if you're just not put down for it, and you wanted to, and you said you wanted to do it, and then there's nothing else, that will be annoying. Whereas, if someone, if HR comes back and says, "you know what, this is why," and there's a reasonable justification I think they'll get over it.
- Valeria: Mm-hmm (affirmative). Okay, great. Let's go to the next question: what is the influence that personality characteristics of an employee, like loyalty, relationship building, has on the selection of the employee for training and how this, consecutively, can affect performance and general? Let's say someone is loyal, or he's more liked, or any other personality characteristics that he might have, do you think that this will play a role and his selection for the training?
- Speaker n. 7: [00:10:27] That's a really difficult question for me to answer, to be honest, because typically, where we're delivering training, we're just given names, and we're not really given an explanation as to why. And, internally, they wouldn't have an impact on my decision, in terms of who in my team which would go, at all. Speaking now hypothetically, which I suppose is the best alternative, I think in an Emirati organization, I know one of your questions about wasta, I think the relationship is far more important. If people want to get a space on a course, and it's competitive, then I think a lot will depend on relationships. But just not in my direct experience.
- Valeria: [00:11:22] Okay. And you think this, at the end of the day, it's going to affect performance of the whole organization?
- Speaker n. 7: Yeah, I think more than that. I think it's going to affect the whole culture. If you realize that in order to progress, whether it's to get on a training program or to be promoted or whatever, if that's around being loyal to a certain individual, or having a strong relationships to certain individuals, then your drive is going to be to do that, rather than to sell more to be more efficient or whatever it is the organization striving to achieve.
- Valeria: [00:11:58] Great. And my last question is, is there anything else you would like to add about to the interface between HR development and training activities and organizational performance?

- Speaker n. 7: [00:12:08] No, I don't think. I think I've said all I can offer in that space that, as it is I'm aware, my internal exposure is limited.
- Valeria: Okay great. So, let's move on to the recruitment now. What is the influence that strong and effective Recruitment and Selection system have on organizational performance?
- Speaker n. 7: Yeah, we do a lot of work in this space. I don't have any of our studies directly available but we have a data science team that analyzes exactly this kind of thing. Cubiks, we were just acquired by PSI, we specialize in a number of position solutions. We essentially then analyze the data. So, if you go through the assessment process and we do well, what is the link between people who then go on to perform well in the organization? Do certain profiles lead to them staying longer, promoting faster, higher or lower engagement, and that kind of thing. With a very broad but brush overview, there is, most certainly, a link between a robust talent selection process, and organizations performing better, with better engaged employees. We specialize in cognitive ability, personality, and culture fit. That's just very well, I can talk about those.
- Speaker n. 7: But, generally, the science behind it isn't Cognitive ability is strongly related to performance in general, but it's also quite biased. So that's when the personality and culture fit comes in, because you might have somebody with an amazing CV, who's a genius. But if they're going to hate the culture, and hate their colleagues, and hate what the organization's doing, it's wasting time. We bring those in to make sure they're actually going to be engaged, they're going to enjoy working in the role, and others are going to like them too and ultimately you've got a high performer is going to stay for a long time and achieve.
- Valeria: Great.
- Speaker n. 7: Does that answer the question?
- Valeria: [00:14:36] Yes. So, if I may summarize, you said you always think that there is a great correlation between the recruitment selection system and the performance, although culture and other aspects are playing a really important role that can lead their performance as well. So, if a person doesn't fit in the organization for XYZ reason, doesn't fit to the culture of the organization, the performance might be influenced negatively?
- Speaker n. 7: [00:15:04] Yes, and, therefore, what I'm saying is, those things must be measured during the recruitment and hiring process. Otherwise, you miss out, and you're hiring people that are going to be a bad fit.
- Valeria: [00:15:17] Great. My next question about recruitment as well, what is the influence that a rigorous recruitment selection system could create the



feeling of elitism and significance between the employees, has on on organizational performance?

Speaker n. 7: Just trying to understand the question so ...

Valeria: Say that you have six, seven, eight interviews and you went to a psychometric test, and you went through so many interview with so many levels and you wanted to get, to Google, to Apple to whatever and you have this feeling, "oh my God. I'm in. I'm the one. I'm the elite." Do you feel this feeling of significance, that the employees have, do you feel it's going to influence performance? Do you feel it's going to last that long to influence their performance, or it's going to be neutral, or it's going to fade away eventually, or it's going to have even a negative effect?

Speaker n. 7: Yeah I see what you mean. I think what you describe in terms of people feeling very excited about getting through the process is definitely going to have an impact of performance, but I don't think it has much to do with the recruitment selection system. That's to do with the employer brand.

Valeria: Okay.

Speaker n. 7: [00:16:42] If I apply for Google, and it's a hard process, I don't really feel pleased to have gotten through the process itself. As such, I'm pleased because it's Google. I work for Google. And that's got nothing to do with the process. I would say there isn't much of a link between the process itself and the end result. I mean, there clearly is. If you call Google and say, "hey can I have a job?" And they say, "yes," then you'll think that it wasn't very good. So, there clearly is, but I think the greater part is the employer brand, than the recruitment selection process.

Valeria: [00:17:16] Great. So, if I may summarize, you think no, there is no relationship, and the whole process doesn't play that much role as the branding of the company, that this is the most important. And you're not going to be that excited, or influence your motivation, give you a boost, because you had let's say 10 interviews, but because you managed to get into this company, you feel it's the best company or something.

Speaker n. 7: Yeah. I wouldn't say there is no link. I think there are lots of incredibly important reasons why a robust recruitment selection process is essential. I will judge a company based on the recruitment process quite heavily. But, that sense of elitism is more about the employer brand than it is to the process. But, I will, if somebody gives me some crappy, subjective unstructured interview, then I will think, "what a horrible organization. I'm not going to join them." If I go through a robust and objective process, then I'll have a lot more respect.

- Valeria: [00:18:22] Great, my next question is, what is the influence that *wasta*, in Arabic "the use of influence", in the Recruitment and Selection system, has on organizational performance?
- Speaker n. 7: Yeah. I think this kind of links to my last points about culture. I think it's hugely detrimental. If you know that you can't achieve because your family name is not the right one, how demotivating is that? And, at the other end of the spectrum, if you know that you can achieve anything because of your family name, why bother trying? So, I think a lot of the toxic cultures that we see in organizations where *wasta* is a thing, I think that is a reason. Whether it be recruitment or promotion progression, either. So, I think it's a horrifically detrimental factor.
- Valeria: Great. And what do you think this is going to cost to the organizational performance as a whole, into the whole organization?
- Speaker n. 7: I mean, I'm in danger of answering one of your other questions around the remuneration/Emiratization as well, but, if you know that your progression, again, is dependent on relationships with people, the *wasta* that you have, you completely lose focus on what the organization is about, what they're trying to achieve. I think people naturally have an element of buy in to, you know, "I'm in this job, I should do something." But if you know there is no meritocracy and if it's all *wasta* based, it's going to have a massively negative impact on organizational performance. I couldn't measure that or quote statistics but, logically, it will.
- Valeria: [00:20:43] Great. If I may summarize, you feel it's going to have a major negative impact, because you will feel demotivated if you cannot, let's say, be promoted or perform because of your last name, or because you don't have the right influence. You don't have the right people and this will also have a direct negative effect to the performance of the organization as a whole.
- Speaker n. 7: Absolutely. Yes.
- Valeria: Great, so my last question about recruitment, is there anything else you would like to tell me about the interface between HR recruitment selection process and organizational performance? Since you are an expert into that as well.
- Speaker n. 7: Yeah. I think it's, generally speaking that recruitment process it's still, I find it quite astonishing how many organizations follow a very old school inefficient, subjective processes, that are proven to not deliver results. I'm having some conversations with some quite substantial organizations here, that's still have a job is posted there's no real job description, people send CVs, people screen through thousands of CVs, subjective screening calls, subjective unstructured interviews, followed by an offer. And that

ultimately means all of the bias, that we all naturally have as human beings, are playing a huge role in in our talent selection decisions. So, we're recruiting people like us with similar backgrounds, similar interests.

Speaker n. 7: There are various gender biases, age biases, all play a huge role in the selection process and that ultimately means the people who are the best fit for that job description, the best fit to achieve what you're looking for, are disregarded. So, I think generally speaking, a more structured science-based process is definitely going to have a greater impact in organizational performance. And I can see after this if I'm able to share with you some of the our studies from the data science team, in terms of the direct link between the two.

Valeria: Great.

Speaker n. 7: But it is significant.

Valeria: [00:23:07] Great. Let's move on to the next to a practice that has to do with compensation. You can answer me from your career as well, so far, what you think? What is the influence that feeling of justly treatment of compensation has on employees motivation and performance and what is the influence in the performance if there is the feeling on of unjustly treatment? So, if I may explain it more, because we're humans, we talk. People will talk in a organization, so maybe they will start saying, "oh, why am I getting less and he's getting more? He has less years of experience. He doesn't have this university degree," and you feel like unjustly treated. So, how do you feel this feeling of unjustly treated treatment can affect your performance as an employee? And the other way around if you feel like you are justly treated.

Speaker n. 7: [00:24:02] Yeah. I think, because most organizations are quite secretive about compensation, it's a very difficult question to answer, because it's not so much about how fair it actually is, it's about the perception what happens in those conversations. I'd say, in an ideal world, organizations would be very transparent. These are the different levels and these are the salary brackets for those numbers. And if you do that, there can be no argument about it.

Speaker n. 7: In my own experience, I remember I once, accidentally, was shown the salaries of all the employees in the company. I was accidentally sent an email, and I found that people in the level above me, there was a huge gap, and I found it quite motivating. Because I thought, "well, you know, whilst sure I'm not on a great package now, I know that if I can progress, if I can get that promotion." /And this is what I-

Valeria: /So you feel it can be a positive thing as well, it's can give you like a boost?

Speaker n. 7: Yeah. As long as there's a sense of career mobility, so you feel like you can progress and you can achieve. That you're not stuck in a rut. I think that can be quite motivating. Yeah.

Valeria: So you feel like, okay, it's important, it's can give you a motivation, but it needs to be also like you feel have a career. There is a path, not that you're trapped. Otherwise, it's can work in the opposite direction?

Speaker n. 7: [00:26:01] Yeah, and I think, importantly here, in the UAE, a lot of people salaries are, transparently or not, linked to their nationality. And I've never worked in an organization where are aligned. I don't currently work in an organization where that is the case, but I think it's shameful. And where I work in organizations where that isn't the case, those people who would typically get paid less, who are actually getting paid a decent package that's comparable with others, are hugely motivated and empowered. So their contribution is far more valuable, in my experience, as a result of that.

Valeria: Great. You feel like, in the UAE, a lot of things, lack of compensation, they are directly related to the passports. So this can play a whole role, but do you think this whole role can be directly related to performance in a negative way in a positive way?

Speaker n. 7: What in terms of ...

Valeria: Like passport and compensation.

Speaker n. 7: [00:27:26] Yeah. I can't think in a positive way, I can only think it's negative. I mean I have to empathize very slightly, with emphasis on the very, with organizations who have this admin role, and if I go with this person then I know that I can pay less and for somebody who can do it, than if I go with that person because of their passport, and I do get that. But, importantly, you need to think about this bigger picture what's our culture is an organization? Are we racist? And that's ultimately what it is and for me anyway, working in a racist organization, I'm perhaps privileged in having one of those types of passports, where I'm normally in the higher band. And I find it horrible. I find it much less motivating personally and I imagine it must also be for those who suffer working in that organization. So problems must be negatively impacting.

Valeria: [00:28:34] Great insights, great insights. Let's move on to the next question is similar spirit. How compensation techniques like PA, like performance base compensation system, bonus techniques, equity-based compensation, influence organizational performance? Like you know, the bonus, the equity, do you think these techniques will influence performance, and in what way?

Speaker n. 7: And again, I think it's a bit more complex. I think, again, the culture plays a huge role in what else is going on. I've worked for an organization that was very nice. The culture was lovely but the appraisals and the compensation, it was based on that level, and there weren't any incentives set in place. And then we brought in a KPI process, with a view to ultimately linking that to compensation, and there was a lot of push back from the employees and they, it's funny isn't it, the bonuses were there, but they were just so subjective. It was kind of a "if the organization performs well, then we'll give you a bonus, and if your team works well, there will be a bonus, and then if you work really well based on your line manager's opinion, then you'll get a bigger amount to a smaller amount."

Valeria: Yeah, so, why this thing happen, what do you think?

Speaker n. 7: People wanted to stay with that and not move over to the performance linked bonuses, which was odd. And I think it's also links to culture, so one of the fears was, if we have sales targets, for example, and that's compensation-based, then we're going to collaborate less, and we're going to become a nasty, backstabbing culture that we don't want to work in. So, actually, would rather perhaps earn a little bit less but feel that we can still collaborate and enjoy time and collaboration with our colleagues, rather than earning more. I have to caveat that though, by saying I've seen sales bonuses work really well. Where, if you're really good at sales, you often have that conversation as you're entering into sales roles, do you want a high salary and a low bonus, or do you want a low salary and a big bonus? Generally speaking people who are good at sales take low salary, big bonus because they know they can do it. I think, generally, if it is performance-based compensation and it's framed in the right culture, it's can help to hire better quality people, who will deliver well. But I think it's more complex than your question suggests around the cultural impact and engagement.

Valeria: [00:32:03] Great. So you feel, in general, there is a positive connection, but it has to do with a lot of things other things, like culture, like with what establishments you have started, like performance-based or not. So, in general, always changes are difficult for people. So, there are a lot of other issues and parameters that play a huge role, a huge influence.

Speaker n. 7: Yeah, I really think so.

Valeria: Great. So, is there anything else you'd like to add about the influence of compensation and organizational performance?

Speaker n. 7: [00:32:41] Yeah, I suppose one other interesting factor is that, generally, there isn't a huge link, in my experience, between compensation and performance. It feels like there should be, but I've worked for organizations where, let's say, consultants are paid horrible amounts, and other

organizations where consultants are paid quite generously. And the performance of those individuals wasn't impacted by how much they got paid. /And so that's had-

Valeria: /So, you think it was impacted by what?

Speaker n. 7: Culture.

Valeria: Culture, okay.

Speaker n. 7: And so, how engaged are they? How much do they love their job? How much do they want to achieve? And bonuses and basic salary amounts don't have a huge impact. They can be disengaged. You have some nasty organization that will offer you a reasonable package, but your basic salary is a low percentage. Do you know the EOSB and so those organizations who are basically trying to get away with paying you less the EOSB. That I find quite disengaging, it's like 21 days, it's not a massive cost, if you know what it to be worth. So, it can be disengaging, but I don't think it helps to drive performance much.

Valeria: [00:34:19] Okay, terrific insights. Let's go to the next question. It has to do with PA. What is the influence that the target setting, declarative expectation, less job ambiguity of PA, has on employee's performance?

Speaker n. 7: I think it's quite personal to the individual. So, some people just can't operate without a job description. I mean that's an exaggeration but some people really feel they need clarity in order to be able to do their job and others don't. So, if you take me, for example, I think I've never had a job description, other than ones I've written for myself.

Valeria: Yeah, but in your PA, that happens let's say quarterly, or I don't know yearly, do you feel like if you had a clear targets, expectations, no ambiguity, do you think it will help you or do you think it will be neutral?

Speaker n. 7: [00:35:37] For me I think it's kind of neutral, but for others I think it's important. I think it links again to the compensation/bonus related questions. Someone who's good at, I keep on defaulting to sales because it's such an easy thing to measure, but somebody who's good at sales is going to want it, they're going to find it motivating, they'll be engaged in those targets are, and then they'll be driven to achieve it. Don't many others, who more interested in relationships and so on, will find it less motivating. I think though, that's in kind of hard targets that are easy to set. A lot of targets, behavioral targets, for example, taking more of a leadership role or influencing others, or taking the lead in designing solutions, things that are harder to measure, I think they're great to discuss.

Speaker n. 7: But I think PAs are, just a bit, old school. Having them annually, or even with a midyear, it's so easy to have a great conversation and to settle these targets and make it really clear, and then people just go back to their day job, they don't look at that documents again. And you come back in a year and it's like, "oh I didn't do this, or I didn't do that" and the whole conversations just excuses about, "oh but I was busy doing this or I was busy doing that." So, I think the way it's managed, the frequency of conversations, is more important than the targets themselves. Because you need somebody who's incredibly driven and efficient who will actually keep track of what it is they should be aspiring to in order to progress.

Valeria: [00:37:38] Great. So if I may summarize, you think there is a positive relationship for some people, but it's can be neutral as well for some other people with different characters. They get motivated with different kind of things.

Speaker n. 7: Yeah and that it's incredibly important how it's managed. It's not as simple as, is it motivating or not? It needs the whole PA process, and communication needs, to be really clear and robust.

Valeria: Great so let's go there now. What do you think of the influence that employees involvement in establishing of next year's goal and performance standards, all PA, has on in place performance? So, the way to do it, is to involve the employee as well, in order to establish next year PA. How do you think this will affect the employees performance?

Speaker n. 7: [00:38:33] I think it's obviously going to have a significant impact. In my experience, I always try and do that, but I, honestly, I don't often get much input from the employees. And, to the point where now I will go, "look fine, I've come up with some targets for you. I want to add some more but I want you to make suggestions." I do that consistently.

Valeria: So, why do you think they don't want to get that much involved?

Speaker n. 7: [00:39:25] I don't know, I don't know. /I think perhaps maybe

Valeria: /It has to do with maybe culture or something?

Speaker n. 7: Sorry?

Valeria: Maybe it has to do with culture or no?

Speaker n. 7: Maybe. I mean maybe they feel that their ideas won't be deemed good ideas by me, and that I'm going to come up with other goals anyway. That's possible. I wouldn't want that to be the case but it's possible. Maybe they're struggling to find the right balance between trying to stretch themselves with a goal and also trying to set themselves achievable targets, so that they

can do well in the appraisal. Perhaps, I would say, maybe something I'll take forward as well, is to set some parameters around within these brackets, come up with some goals for yourself and then they feel a bit more comfortable finding the right balance between stretching themselves and setting achievable targets.

Valeria: [00:40:37] Great. So, if I may summarize, you feel there is a significant relationship that, if you involve the employee, you can have a positive effect on the performance. But there are other parameters as well that they play a huge role, like culture, that differentiate, somehow, the relationship.

Speaker n. 7: Yeah.

Valeria: [00:41:04] Great, so now, what is the influence of an effective and an ineffective PA system? Ineffective like, management, bias loyalty, of inefficiency. PA, without consulting the employee, could have on an employee's performance. What do you think? If there is an ineffective appraisal system, how do you think this will affect the employees performance?

Speaker n. 7: [00:41:30] Some of these questions are quite topical actually interestingly enough. I think, naturally if you have an ineffective PA system, you will be focusing more on your relationship with your boss, your personal relationship, more than delivering. And I can't be too explicit with the examples but with one organization we were working closely with at the moment, there is no appraisal system. And actually they are performing really well as an organization. But I would say that's a coincidence rather than a result of their appraisal system and, generally, it's kind of on the spot. "Oh, that person did well and it was visible." So you don't just do well, you have to do well and tell everyone how you did, so that's remembered when it comes to making people promoted, it seems.

Speaker n. 7: If you have a fair, effective PA system that you can justify. You can say, these are the targets I set that person at the beginning of the year, and these are the objectives that we agreed, and they achieved them, therefore I want to promote them. As opposed to going, "oh yeah, they just did really well on this project, or that one therefor I'm going to promote them." So, that sense of belonging to an organization where you can progress where your career can develop, is just much more clear if you have effective appraisal and, I suppose then, career pathing system, than other what I was call 'accidental organizations' where it's just, kind of, made up.

Valeria: [00:43:27] Great. so you think there is a straight line positive relationship and, of course, coincidence can happen if it is not a an effective PA system in place. But in general the rule is that if you have an effective PA system, a



lot of things will happen to employees, a lot of motivation will take place, that can help, in general, the performance of the organization.

Speaker n. 7: Yeah, with the significant caveat that, it's not just having a PA that's good, but that it's an ongoing conversation. It's not once a year. You're constantly, you're frequently having performance consultations.

Valeria: You think time plays a whole role on its own, that it needs to be frequent, it needs to take place quite often.

Speaker n. 7: [00:44:16] Yeah. I'm a strong believer in a feedback culture, where people are up and down within the organization giving feedback on this worked, well that didn't. So, development's a constant thing, rather than a once a year conversation.

Valeria: Great. Is there anything more that you would like to add about the interface between PA and organizational performance.

Speaker n. 7: Uh, no. That's all.

Valeria: Great, so let's go to our last set of questions, it has to do with Emiratization. I'm sure you're aware of what Emiratization is.

Speaker n. 7: Yeah.

Valeria: So, what is the influence that force quota system, wage restraints, in payroll in terms of the Emiratis, that Emiratization initiatives have on employees performance and organizational performance? How do you think these initiatives, like the quota, the wage restraints, the payroll, how do you think this influence the performance of the organization and the employees of course?

Speaker n. 7: I will have to start with the Emiratis. I think Emiratization is a brilliant thing. I think it's necessary. I think, it's in fact, fundamental for the future success of this country. But, as an Emirati, if you know that you can't be fired, if you know that you can't find a job there will always be a highly paid option from the government, it's ... why bother? Again, coming back to that wasta conversation we had, what's the motivation?

Speaker n. 7: I do think that actually in the last 11 years or so that I've been here, it's less of an issue. I have known some people who had a government jobs, had these big shiny offices, that they never even seen, because they're too busy running their own business or whatever. I think that's less common now. The holiday allowance, for example, is becoming more aligned between government and non-government when there are some organizations that are able to make Emiratis redundant if they under-perform. And I think that's healthy. So, forced quota it's just not useful. There are so many who

people who take the salary and do nothing as a result of that, and I think in the financial services space at the moment, that's a brutal, it has a quite a big impact. What do you mean by wage restraint?

Valeria: [00:47:20] Wage restraint is like, when you have to have a certain amount of money available for the Emiratis. This initiatives, they tell you you know what, he will start from 20,000 and above.

Speaker n. 7: Oh. Okay, yes. Yeah, I think that's just destructive, whichever way you look at it. The, recently, had counter-arguments to that, and for the expats, they will resent the Emiratis for that and it leads to stereotyping and judgements across the board. Fairly equally, for the Emirates to look down on mothers and also be overly sensitive to others judging them, because, "they're Emirati, must be lazy." I think it's massively destructive and not necessary. I think equity and merit should play a much bigger role.

Speaker n. 7: But it's easy for me to say that without necessarily coming up with a better solution for Emiratization in general. You do need to encourage locals into the workforce, but the points that you mentioned there are not helpful.

Valeria: Yeah. So you told me about the employee's performance, what do you think about the organizational performance as well? Do you think these initiatives are going to help the organization as a whole, they're going to have a positive/negative/neutral influence?

Speaker n. 7: I mean certainly negative. I wouldn't say that it's organizations will perform badly because of it. I know some organizations perform very well and operate within the constraints of the Emiratization laws. But again I think that's a coincidence, rather than a scientific correlation.

Valeria: If I may summarize, you feel there is a negative relationship. There is no motivation on both sides, even from the Emiratis, even for the expats, to work and perform and do better, if the some things are already given, and it's going to have a negative, as well, effect to the organization.

Speaker n. 7: Yeah. Sure.

Valeria: [00:49:46] Great, so is there anything else you would like to add about the interface between Emiratization initiatives and job performance?

Speaker n. 7: No, I don't think so.

Valeria: Great. So, that's it. That was the interview. Thank you so much.

Speaker n. 7: No, my pleasure, I'm sorry I felt some of my answers weren't particularly aligned. I just kind of felt that in some instances, it was a little bit more complex than ...

Valeria: No, no, no. This is what I want exactly. The answers that you gave me. The complex answers with a lot of parameters and to think deeply into the subject. And if you have anyone else that has this type of thinking, with a lot of parameters, with experience, please, please give me in the contact with him so I can interview him as well.

Speaker n. 7: Yeah, I'll have a think. I'm guessing you interviewed Mark.

Valeria: Of course.

Speaker n. 7: Yeah good. I have a lot of respect for him so.

Valeria: Yes, yes. He is amazing, and he give a lot of contacts and that they were brilliant like you. I can't thank you enough.

Speaker n. 7: Oh good. Oh, well. I'll have a think and if anyone comes to mind, I'll put them in touch with you.

Valeria: Great, please and I will contact you on LinkedIn, so whenever you want, I will give you the results as soon as we have them back. It can help you of your organization, yourself, the way we see things.

Speaker n. 7: [00:51:32] Yeah. I'll be really interested to see that, thank you.

Valeria: Thank you so much thank you again.

## **8. Transcription Speaker Number Eight**

Speaker n. 8: So, basically, again, looking at what we were doing, working with talent and learning, identifying people. I'm also qualified and registered with the British Psychological Society to inspect and to basically register and interpret psychometric profiles, which reviews people development as well as recruitment. I mean, because I don't if someone told you, but I was made redundant at the end of last year. So, what that was part of was a complete restructure. So, I was part of a restructure. They restructured me out. So, at the moment I'm also looking for my next challenge, which at the moment, with the COVID-19 is not a positive thing.

Valeria: Yeah. But send me your CV, you have an amazing experience and tremendous, I would say.

Speaker n. 8: I'll send you my CV. Yeah, no problem.

- Valeria: Yeah, because we have a recruitment team and a small HR team. We're looking, but now everything is frozen. But for later, who knows. I wish I could work with someone like you. Great. So let's start.
- Speaker n. 8: Okay.
- Valeria: So, my first question has to do with training. How formal training, as a part of the unwritten psychological contract between the employer and the employee, influence employees performance. The reading psychological contract is not the normal written contract. It has to do with the promises that they have been given. It is an unwritten and intangible set of mutual expectation, understandings, belief between the employee and the employer. So, what it has been promised to him. So, how do you think formal training as a part of this, let's say, promise between the employer and employee influence employees performance?
- Speaker n. 8: Okay. So, if I look at it from an employee perspective, when you say formal training, do you mean classroom training or a qualification?
- Valeria: Whatever training. We don't mind.
- Speaker n. 8: Okay. I think a lot of it is what is going to be the benefit for the business. So, how is it going to benefit the business? Because if the employee is one ... Two types of employee. An employee you might want to just stay where they are but get better at what they do and be known as an expert in their own environment. Or they might want to progress through the organization to reach a middle to senior management position.
- Speaker n. 8: So, what is it we're trying to achieve and is the employee going to be committed? So, for example, there's no point if putting the formal training plan together, if the employee is not permitted, if the employee doesn't see the benefit. And also if the employee doesn't own their training. Okay. So, at the end of the day it's not about spoon-feeding people and it's not about training being a plaster that you just put on to shield or to cover a wound. It doesn't work. So, the employee has to be committed and motivated and have a reason to want to be developed.
- Speaker n. 8: Now that could be in a variety of ways. So, it's probably important for the employee to understand they drive their personal development. So, if that's doing a qualification, if that's on the job training, if that's taking on a project, then the line manager and whoever it is in the people management side need to be very clear at setting the expectations. So, I've often had employees where they'll complain, "I haven't had any training." We say, "Well, what do you want training in?" "Oh, I don't know." So, it's not about going to a hotel, sitting in a nice room, having a nice coffee break and lunch and finishing work early. And it's about how is that going to enrich your role? How is that going to develop the business? How is that going to set us

apart in what we want to achieve as a business from a strategic point of view?

- Speaker n. 8: So, if I go back to Alghanim, the company brought in Six Sigma and they were very clear for what they wanted to get out of training people in Six Sigma. So, all the directors, and at that point I was director, we had to go through Six Sigma green belt, because we all had balanced score cards. And on our balanced score card, we had to demonstrate what value we had driven. So it's very clear the companies committing to giving you a qualification which will help you, but the payback is the company wants to see how much money it's going to save or how much time it's going to save or how the processes will improve.
- Speaker n. 8: So if we have better processes, can we be faster, quicker, better? So, when you can bring that back to a psychological contract, it has to be a meeting of the minds. It can't be, here's ... I mean, when I first joined Aggrego ... Aggrego International U Students publish a list of training and just send it out. Well that's useless, because we engaged people saying, "Oh, I fancy a day out training. Now that's great." That actually just doesn't drive any value. And then, line managers turn around at the end of it and ... Look, and I'm always critical of line managers. Many of my guys have been on workshop. I will always say to them, "What did you get out of it? What can you do now that you couldn't do before?"
- Speaker n. 8: So, where the psychological contract, the meeting of the minds, what can let that down is the fact that the line manager who is responsible for that employee, who is responsible for making sure that they provide the environment of growth, if that's what's been agreed, or expertise, that they follow up. It's not for them to say, "Oh, come on, you need to do that now. Have you done that?" It's, "Okay, what can you do now that you can't do? What value did that bring?" Because at the end of the day, that line manager is tasked in delivering results and if that development is part of delivering results, then that needs to be tracked and recorded, and be that in a check in or be that in quarterly review, whatever it is. So, [crosstalk 00:06:48] it has to be some payback.
- Valeria: So, how do you feel like ... If, let's say, for X, Y, Z reason, the line manager didn't manage to provide him the training. How do you feel this will influence his performance, the employee's performance?
- Speaker n. 8: And again, I think we've got to be careful when we say provide training. If you are very motivated you will seek out ways to develop. You will take responsibility. So, I think that if the line manager, and this is where I've experienced it, where the line manager has made a promise that hasn't involved the people team or hasn't involved the learning and development team so that everybody is all joined up and then nothing happens, that's

when the employee thinks, "Well, that was a waste of time." And you just said yes to me.

Speaker n. 8: And I think one of the things which we bear in mind is that people don't need companies, they leave managers.

Valeria: Exactly.

Speaker n. 8: If they feel stifled and there isn't an environment, and it could be the fact that the manager just hasn't got the, and I'll use the word the balls, to say, "I'm sorry, but you're not ready to be developed. Performance isn't meeting the standard." How many managers actually have those critical conversations? Most managers are scared of doing that and they won't sit down and say, "I'm sorry, but we've got a risk here and the risk is that you need to put your game up.

Valeria: Mm-hmm (affirmative). And how do you feel that this will influence the whole organization performance? The team.

Speaker n. 8: Well, I think what you then get is, you get the them and us club. So, I'll give you a really good example. Well, I think it's a good example. So, Aggrego decided that we're going to launch this Lead Scheme. And that's the people that heads of finance or general managers, people who are running multi-million [Durham 00:08:52] businesses. And one individual was placed on this program. And she was involved in a lot of very senior meetings, she was involved in lots of presentations and really, it did blow smoke and it was all pretty much like, "In the future we want you to be this." And in the restructure, they made her redundant.

Speaker n. 8: So, for me that's a big no. Because what you've done is you said, "We're going to put you put people on these programs. We're going to send them to different countries for to work on these projects. We're going to make them high profile, but then we're going to throw them away." I mean, the person's quite strong. I do know that they were very, very, very upset, and I think rightly so.

Valeria: Mm-hmm (affirmative). So, if I may [crosstalk 00:09:51]. Yeah. So, if I may surmise what you're saying is, that there a positive relationship between training and organization performance as a part of the unwritten psychological contract, but there are a lot of other parameters that play is significant role in order to increase their performance.

Speaker n. 8: Yeah, absolutely. I mean, I think you've just got to be very, very careful. One thing you don't want to do is burn an employee, because they are an asset. If I take Aggrego as an example, the two most expensive assets are the generators and temperature control units and people.

Valeria: Of course.

Speaker n. 8: If you're going to make that investment and mentally you don't ... I mean, you don't want to damage somebody, because how is that person when they go to the next organization and that next organization might say, "Oh, we think you'd be brilliant and we want to develop you," and you're going to be thinking, "Okay, I've been here before." So, you can damage people for their next role in another organization. So, I think, for me, I've always felt you've got to be very, very careful and everything's got to be very transparent.

Valeria: Mm-hmm (affirmative). So, you think client is a very important thing.

Speaker n. 8: Mm-hmm (affirmative).

Valeria: Great. So let's move on to the next question. What is the influence that personality characteristics of an employee, like loyalty, relationship building, has on the selection of the employees for training and how these consequently can affect organizational performance?

Speaker n. 8: I think in this day and age, I think a lot of employees would question loyalty, because we went through a recession in 2009 and '10. Well, from 2008, really, up to 2010. We've now got this economic crisis because of COVID-19. So, I think employees are more ... How can I put it? They're more weary than ever before. They will be loyal up to a point. But I do think if you're looking to develop somebody, they have to be committed and I think attitude is key.

Valeria: Mm-hmm (affirmative). So, you think there is an important role that the attitude and the personality characteristics, like loyalty, plays in the selection for the employee for the training?

Speaker n. 8: Yeah.

Valeria: And how do you think this will affect the performance of the [crosstalk 00:12:31] organization and of the employee?

Speaker n. 8: Yeah. I mean from my experience it positively impacts. I mean, certainly in the Middle East business, when we'd taken the guy that was a regional sales guy. We developed him into being an area manager and we've supported him. I mean, guy has now left Aggrego, but he's got a very senior role in an international business. And he was very committed once he realized we were supporting him, developing him. He was super committed and he built a business that at its peak was basically the highest revenue business in the Middle East. So, I've seen it firsthand where if you do support, commit and you're there for that employee, that can actually drive revenue, which you wouldn't ... That's what we're all there for. We don't work for charities.

- Valeria: Great. So, you feel it will play a significant role in a positive way if you in this employee and if the employee is loyal and personality characteristics in general are important for the selection?
- Speaker n. 8: I mean, if we look at the difference between pedagogy and andragogy, I mean, if the child gets told what to do. And it's told, "Today you're going to do mathematics and then after that you're going to do science." Whereas as adults, we understand that we've got different ways of being developed, but we've also got life experience about emotions and trust. And so, we're more complex as we move into the workforce and I think that's the whole thing we've got to bear in mind is that learning and development and employee performance is a complex issue. One size doesn't fit all. So you have to look at that.
- Speaker n. 8: But also the fact is, you've got to be also honest. If someone's got a negative attitude and keeps saying, "Well, I'm not being developed," then you've got to be able to say, "Well, you're not being developed because you don't fit with our culture."
- Valeria: So, culture is very important as well.
- Speaker n. 8: Yeah. I mean, Aggrego launched a thing called Always Orange. And of the values is, play for team Aggrego. And as part of your appraisal, some of those values are picked and you are a critiqued against those values. Or, what it is, is love the discipline. So again, it's bringing those into ... It's not, as I say ... It's a bit like a jigsaw, really. Because what you're doing is you're looking at the culture, you're looking at attitude, you're looking at performance, you're looking at where does the business want to go. Who's right now and who's right for the future?
- Speaker n. 8: So, when I joined Alghanim, that what the in that what the CEO had decided was that the people that he'd had in some of the roles were not the people that were going to drive this business going forward. So, therefore we needed to identify what type of potential and talent did we need to drive that business forward? Where does that talent ... Where is that talent?
- Valeria: Mm-hmm (affirmative). Great. So, is there anything else you'd like to add about the interface between HR training and development activities and organization but performance?
- Speaker n. 8: I would always put the caveat on that it has to deliver value as perceived by the business, and the business has to be an advocate for it because otherwise it becomes the first department that gets a cut when they want to save money. I've seen it time and time again in the U.K. When a business is having hard times, what does it cut? The training team. And that tells me it doesn't value the training team.



- Valeria: Exactly. Great. Amazing insights. I have to say I'm really impressed. Let's move on to recruitment now. So, what is the influence that strong and effective Recruitment and Selection system has on organizational performance?
- Speaker n. 8: Okay. I think it's really important and I think if we start right at the very beginning, I've been in this region 18 years. And one of the things that I've seen is a disconnect between what the business wants and what is recruited. And I even can start with the most basic job descriptions. So, make sure that you're very clear about what it is that you want to recruit. Why do you need that role in the business? Because at the end of the day, is it going to drive better performance? Is it going to drive more revenue? Is it part of a new technology that you're going to develop? Is it due to a restructure, that you want a different type of animal than the one that you've got? So very clear, very concise. Why are we doing this?
- Speaker n. 8: Then what do we want this role to do? What do you want it to encompass? Then there needs to be a process. I always believe that an interview is a sales process. The candidate is selling themselves to the company and the company is selling themselves to the candidate. And I always feel that when we've done a recruitment process, the one thing I would want ... If the person is not successful, I want them to feel that they really wanted that job to work in the company. They really wanted to be part of the team and not to go away and say ... I mean, I went for an interview in January and the HR director and the recruiter and the manager were late. They weren't clear in their interview. It wasn't structured. And I got halfway through and I thought, "You know what, I need a job, but I don't want to work with you."
- Valeria: I don't need it that much.
- Speaker n. 8: Yeah. Well, I do, but I'm going to spend a lot of my time in this company if I get the job and I don't want to be miserable and I wouldn't be happy. So, I think when you get to recruitment process, make sure it's structured, make sure if you're using an agency, that the agency is very clear on the brief, that they've met the manager, that the manager has been very clear to the agency so if they walk away, make sure that the candidates are all briefed ... get the same brief. So, what is the role, what level? I'm very dubious about salary bandings, but you've got say, "Well, it's negotiable, but you will get housing, you will get this, this, this." So, very clear. So when the candidate arise, they've had a brief.
- Speaker n. 8: And previously, I've written briefs for businesses to give to agencies to say, "Look, give that to the candidate. I would expect them to do some research." And I think then, when you're doing the interview, that interview etiquette discipline is very important. No phones, no laptops, nothing. That candidate there, make sure that you're recording the interview questions.

We use the situation, task, action and results method. So, you're trying to get real examples. If they've completed a psychometric questionnaire, that you've given them time to explain and feedback to them, that they understand what comes next. What's, what's the process? How many interviews, what-

Valeria: And you feel if everything is done in the correct way, it will affect performance in what way? Organizational performance as a whole.

Speaker n. 8: Well, if you do it in the correct way, when the employee arrives.

You do it in the correct way when the employee arrives and that's when the induction process should also kick in and be efficient and effective. That employee will have as much information as possible about what they're there for. So they will have already met the line manager, they will be committed, they will know what they're doing. It's not a surprise, it's not to shock and therefore they are joining with enthusiasm to join, to be part of the team and to drive their new roles.

I think the worst thing is if an employee joins and said, "No one mentioned this in the interview. I didn't sign up for this." So it costs in time, money, using agency fees and then if the employee joins and it's not what they want, they might leave because they might be going for multiple interviews, accepted that and then have one in the back pocket and then say, "Well actually this isn't what I signed up for. Don't have to give you any notice period. And off I go." It's a negative image of the company. It's unprofessional. It's a waste of time and money. And you're back to square one.

Valeria: Right. So you feel if it is not in the right way it will effect in a negative way their raises and performance as a whole, but if it's done properly, it's going to have a tremendous positive effect in their performance.

Speaker n. 8: Oh yeah, absolutely. I mean, I think the thing that I'm always very conscious of is that we're trying to add skill or capability or talent for the future. It's an investment. So, I'm not playing with my money. I'm playing with the company's money and we have shareholders. And also the fact is, if you don't do it so that it's recognized by the business, again, you go back to the businesses, the business thinks, "Oh well didn't they know that? Why have they left? What's wrong with it?" Then we look as though we are not doing our job. And then they start say, "Oh, it's HR again."

Valeria: Yeah. That's totally true. Great. Let's move on to the next question. What is the influence that the record is Recruitment and Selection system that creates the feeling of elitism and significance between the employees. on an employees performance. So let's say you have six, seven interviews, a psychometric test and another interview, blah, blah, blah, blah. And you

want us to get in, you fill out all, God, I'm the one, I'm the lead. How do you think this feeling will effect their performance? Do you think it's going to last? You think it's going to have a positive effect? It's not going to effect at all? What's your opinion?

Speaker n. 8: Okay, well, I'll give you a personal experience. First time I joined I had five interviews, and the HR director at the time, Peter said, that's it, no more interviews and we'll be able to get an offer out to you. And I was like, "Okay, that's fine." And then they said, "Oh no, I'm sorry, but Muhammad Del Shai wants to see you." So I had to go back in, I had to meet Muhammad, I had to answer his questions, which were very and so when I joined, I think because in the UK you probably have two or three interviews, in the Middle East they tend to be more consensus because of the culture. So everyone has to have a bit skin in the game and have an opinion. I think sometimes employees, they're very pleased that they've got the role. But I think it, I don't think it creates an elitism. I think sometimes you get fatigue.

Valeria: So you feel it can be there in the opposite way. It can be demotivated and you can feel like, I'm wasting my time, my energy. And you feel like you have the opposite feeling after so many interviews.

Speaker n. 8: Yeah, I mean certainly you can get CV fatigue because if you have six interviews, you basically regurgitated the CV six times. And if certain managers don't listen or they're not very good at interviewing, a candidate can feel, "Well, I've answered that in my other interview with so-and-so and here I am saying the same thing again." Again, when we at Aggrego, when I put the interview assessment sheets together, I put examples of questions and I said, well, for example, if it was a technical role, I would say to the guys, "You focus on the technical side of it, I'll focus on the people side and the attitude side a bit as well." So that we're not bumping into each other. So I think you've got to be very careful. You don't get interview fatigue. And I think also the fact is that sometimes candidates get suspicious. Interview number five no, no. Actually you've got to do interview number six.

Valeria:: So it can have even a negative effect on the performance of the employee.

Speaker n. 8: I think so. I think so. Because you feel like you're going backwards and forwards. And don't forget if the candidate is having to travel, say for example, you're based in Europe or for example, you're in Nicosia and the interviews in Pathos and you've been down to Pathos five times, you're going to get a bit fed up. Because one, you paid for the petrol and possibly parking and that's taking what? At least the interview time and say a couple of hours driving time depending on the traffic.

Valeria: Yeah. And you think it has to do also with the culture here because a lot of people have opinions and the interview process can take forever?

Speaker n. 8: Yeah. I mean this is quite interesting because I was talking to an Australian HR lady a few weeks ago and I said, "One of the things that I looked at when I did my HR diploma in this university was, part of the module was on hashtag." One of the guys is Stanton Chase. Stanton Chase now have a team that goes into businesses and educates them about hashtags and cultural diversity. And cultural for example, individualistic culture, consensus culture, power norms and power ratios. So again, if you've got a candidate and we find this a lot, I think when we get candidates who are coming from Europe, when we've been recruiting into into Kuwait, that really didn't understand why they had to be interviewed by all these different people.

And it's like, well it's a Kuwaiti company. Yes, some of them are Westerners but a lot of them are Arabs and they all want to have a say because then we We'd all sit around and then they'd all discuss it and we will have to employ that person. So I think again, it speaks very important that if you're interviewing a candidate and you've got the transparency up front to say, look, this is how it's going to be. Because again, the candidate might say, "I don't particularly want to work for a company like that."

Valeria: So you feel as well is very important?

Speaker n. 8: Oh absolutely. You've got to be clear. I mean the interview I went for in January, I was told I was going to be seen by the HR director and the recruitment person and then I was going to be seen by the general manager. Nope. All three saw me together at the same time. So I'm thinking, well, you've told me one thing, you're doing another. And would you believe that both the recruitment manager and the HR director were European and there was no job description/ For the head of HR. No job description. I'm like, really?

Valeria: Great. Let's move on to the next question. It's the same spirit. What is the influence of Western use of influence in Arabic in recruitment selection system has an organization performance? I'm sure you have been familiar with

Speaker n. 8: Oh yeah, yeah, yeah, yeah, yeah.

Valeria: So how do you think this influence organization performance?

Speaker n. 8: I think that whether you in this part of the world and you call it Wester, or whether you're in the Western side and they call it the boys club, I think it's one of those things where I've seen it in organizations where they start to recruit somebody at a level and all of a sudden there's all different managers

coming in from... I had an HR director who worked for BP and then all of a sudden another head of HR appeared. What was on their CV? BP, another head of HR appeared and what was on their CV? BP. Yeah, quite a few people were like... They would make comments, people will make comments.

For me it's a negative thing because even if it's a genuine thing and maybe BP is a huge business and maybe you've never even worked with that person and you've recruited them on their own merit because they were competent, they demonstrated what you wanted and everyone was in agreement. It will still look as though it's a favor. You're bringing people that are like you into a business, which then sort of intimate. You're not recruiting against the culture of the business. You're recruiting against your friends or your ex colleagues who you like. So if you looked at Aggrego, the CEO came from British Gas. The group global HRD had worked with him two times before when she was recruited. The managing director of power solutions had worked with him before and it puts their credibility on the back thought. And I've seen it time and time again and I just think managers, they're either blind to it or they don't care.

Valeria: How do you think this affects the performance of the organization?

Speaker n. 8: I think you'd start to get two camps or several camps where it becomes more political and therefore, I always said in Aggrego if people focused... Because basically they like to gossip. So I said, if they could take the skillet gossiping and put it into business performance, I said, boy it would be fantastic. Because it's all about, "OH, did you hear? Have you heard? Oh yeah, yeah that's all... I don't believe it. Oh well he knows so and so." And I've seen it firsthand where people, they're making serious business decisions. So we had one where we were looking at doing a joint venture and when we actually got to look at it, the team that we took it off and created a fictitious revenue line. There was no revenue. We were going into a situation where we didn't have either equal control or more control. So for us it was revenue wise, finance wise, operations wise, was really bad deal. And it really took digging into it and then then the MD actually saying to his boss, this is going to be a waste of money. And it will fail. And this is why.

Valeria: So you feel it's going to have a negative influence on the performance in general?

Speaker n. 8: Yeah, I mean as I said, people, whether it's in the back of their head or whether they start to feel that there's different camps, I think it's just something that senior managers need to be very, very conscious about it.

Valeria: Great. So is there anything else you would like to add about the interface between HR interview selection process and organizational performance?

Speaker n. 8: Yeah, I mean we didn't talk about psychometrics and the use of psychometrics. So I believe that psychometrics, questionnaires and profiles are really important. And also because I think they don't make your decision, but I think you can see that if the candidate answered them consistently or it also gives you information. So for example, you want to recruit a salesperson, but it says that their persuasiveness is low. Their preference to persuade is low, a sales person, you want them to be high in preference to persuasiveness. So you can then ask them questions like, "Give me an example of what was your biggest sale? What did you do? How did you do it? What was the result?" So I do think that you've got to have different tools because I think that... I used to run assessments, I used to create assessment days in previous roles. So I put candidates through a whole assessment.

So whether it's group exercises, presentations, looking at the P and L exercise so that we got different points. So we were looking at the candidate of how well they interviewed, but how well did they present? Did they understand the P and L in the group exercise? Did they dominate? Did they not bother? I think you've got to have a toolkit for recruitment, but I think you've got to be very clear about your criteria, because especially in this part of the world, you don't have to just apply, but in the UK, you can ring up and say, why did I not get that job? I want to know why I didn't get it. And I've had to explain that to candidates before. I've had to say, this is why we didn't select. Because candidates have a right to know.

Valeria: Great. Let's move on now to the compensation. So what is the influence that feeling of treatment of compensation has on employee's motivation and performance and what does the influence in the performance, if there is a feeling of unjustly treatment? Because people talk, maybe they can start saying, Oh why am getting that, why the other person is getting this and have more experience and you feel like unjustly treated. So how do you think these two feelings of justly treatment and unjustly treatment can affect the employee's performance?

Speaker n. 8: Okay, so I think if we look at the different areas. So if we look at culture, so I'm sure you'll have experienced that certain cultures, they'll open bonus letters, they'll open salary increment letters, show them to the colleagues, look at what I'm getting. So that for me is always a very difficult area because there's some cultures, it is motivational. I have a recruitment manager and he saw someone from his culture promoted and was given an increment. And to be fair, we talked it through and then I put a case forward for him because of what he delivered. He'd been very good at what he was doing. And he was knocked back and that really impacted on him. I was

told, no, I'm sorry. Don't agree. And it wasn't a big increment, it was a reasonable one for what he was doing for what he was delivering and what we were saving financially. And we had many conversations about that and I had to then re-motivate him, which is not easy when you're dealing with a culture that is thinking about their children's education, their children's life, their retirement in so many years time, the land that they bought. They're thinking further ahead so that that compensation is important.

Then you take it for other cultures who they balance your towns. It's the actual enjoyment, the challenge, not that compensation isn't important, but they're probably more likely to think about how can they talk about that with their manager. And also in this part of the world, people tend to see a promotion as a pay rise, so why did you want to promotion? I'll get more money. So I think it's quite complex because when I was working in the UK, I didn't know what any of my peers were remunerated at. And to be honest, we were so busy doing what we doing and when we got together as a team that wasn't socially acceptable to talk about. Whereas you have to tell people here, it's not acceptable to discuss your salary. And sometimes you have to actually say to people when they complain, Oh, I'm not paid as much as so and so and say, well look, at so and so's job role. That job role is bigger, has more experience.

And my last project in Aggrego was a global review with Mercer of the grading structure and the compensation and the benefits for the Middle East and the GCC because everybody else is generally on basic salaries. Whereas here you've got all the allowances and the flights, all that sort of stuff. So you have to then balance it out. But again, it's tends to be flipped back to if it's the reward manager or HR business partner or the HR manager, "Oh go and talk to HR." Well, no, line manager. You should be responsible for your budget, for your salaries, your annual reviews, your increments, what you think is fair and benching marking that against people in your team.

And so I work quite a lot in the Middle East business with managers when they were recruiting into their teams so that we didn't have that imbalance. If the market rates are shifted, then you haven't got much choice. If you want that skillset in and that talent in, then you're going to have to pay for it. But at the same time, you then have to be able to say to the person that's already in the organization. If they found out then, well, we brought them in to do this role and justify it. So I would say in this region and Asia subcontinent, I would say it's super-

Valeria: Mm-hmm (affirmative).

Speaker n. 8: It's super sensitive but you've just got to be transparent with people. I'll give you an example. In [Elganum 00:42:13] , people below manager level didn't

get a bonus. So in my budget I used to have the amount of money that I could give to people in the team below manager level who had worked really, really hard. I had this recruiter and she recruited hundreds of people in a year. We had two really big projects and one was very, very high profile, and she delivered, so I gave her a bonus.

I had another employee come up to me and say, "Why did you give her a bonus and you didn't give me one?" And I said, "Well if you look at what she delivered, she delivered X, Y, and Z. And if you look at the profile, if you look at the work, she worked weekends, she went away, she did improvement trips. You haven't done any of that. You haven't come and asked me how to improve your performance. You've just sat at your desk, come in, had your lunch, tea break, gone home." I said, "It is a bonus because you've over-performed."

Valeria: So you feel like this feeling of justly treatment can have a really positive effect? But the feeling of unjustly treatment, especially here in UAE because of the culture, it can have a negative effect? Of course there are other parameters that they are playing at all. But in general, because here people, they used to talk more about this, they're more aware and it can be the motivation.

Speaker n. 8: So again, I think you've got to look at it from a point of view. So if you're in Cyprus, you're going after a job and you're looking at a company that you want to work for and that company, yes you want to earn money, but there's more dynamics to what you're doing if you're in your host country. Whereas here, people come here because they believe they can earn more money. They come here because they can earn more money so that when they go home, they've got their land, they've got their house, they've got everything that they've set. And I've seen it, I've seen it. And I'm [crosstalk 00:44:32]-

So it's more opportunistic here. So that's why it plays maybe more significant role, the compensation.

Valeria: Yes.

And can be more de-motivational, it can have a bigger effect in their performance because of the way people think.

Speaker n. 8: Yeah. And also the fact is a lot of the companies here are family businesses. So you tend to find with the Asian and the subcontinent nationalities, that they just think they're all as bad as each other. So just keep your head down, you're earning money to educate your family, to fulfill your goals. And whether you worked for this company or that company, they're all as bad as each other, they're all going to talk to you badly and be negative.



Whereas if you generally ... I think that that's a different mentality. Whereas if you're in your own country, you've got different value sets. Yes, you still want the same things, but you might not get there in the same timeframe as you would if you went abroad and worked in a country where you know that you're going to send 90% of your salary back.

Valeria: Mm-hmm (affirmative). Great. So at the same spirit, how compensation techniques like performance based compensation system, bonus techniques, equity based compensation can influence the organization performance and of course, the employee's performance?

Speaker n. 8: It depends. Now bonuses coming from the UK, I think I only got a bonus once. So I didn't get a bonus. And then when I came out here and the first time with I got a bonus, I thought, "Wow. A bonus." So I think sometimes up until recently, I think a lot of people have seen a bonus as, "That's what I should have." It's been like a 13th salary. So I think there's an expectation here. Maybe that's on the decline because of the economic situation that I should get a bonus. But for me, a bonus is about how you perform.

So Aggreco changed their bonus structure to 50, 30, 20. And 20% of the bonus is based on your personal objectives. And that can't just be, "I came to work on time," or "I left work on time." So for example, for me it was the global restructure review project with [Mercer 00:47:18] was one of those. So your line manager gives you an assessment. So 30% is on the type of business you're sitting in, 50% is group and 20% is on you, which is great until you get a group of people that all do very similar things and it's quite repetitive and it's much harder to manage that.

So I think you have to really think about your bonus structure and the dynamics of the business. I think that meritocracy, you've got to live that. If you're going to have a meritocracy and pay on performance, then you do it. Make it clear. In Elganum it was part one of our values is meritocracy and they were very honest. They were like, "Some people will get paid more, some people will get more bonus, but those are people that have been recognized by the business to deliver, whether it is growth, growth in revenue, increased profit margin," whatever that was. They were very, very open about it. Very ... You know, that's how we would have been. That's it.

Valeria: So internally you feel like it's going to affect in a positive way, in a negative way the organization performance?

Speaker n. 8: I think it depends on the leadership of that organization. If that leadership of that organization and all the way down to the management level, are very consistent like, "We're a meritocracy. Suck it up if you don't like it. Some people will get paid more, some people get paid less by doing the same job, but that person might deliver more or will deliver more." And by the same

token it can flip. If that performer stops performing as highly, then they are not going to be rewarded as well.

So when it comes to annual salary reviews or bonuses, they may get a lower ... Especially if you're using a scheme [forced 00:49:28] ranking like 70, 20, 10, then you're not going to be in the top 20 forever. You're going to slip down into the 70 so that would affect. But I think from the CEO down to the managers, as long as very clear this is the way it is, then an employee has a choice. "Do I want to stay here and be part of this or do I want to go somewhere else?"

Again, one size doesn't fit all, but I think the business ... And does it fit the strategy of the business? For example, when I was in Elganum, he wanted managers that were going to take him forward for the future. So a meritocracy fit that because you would go out and you're looking for talent, you're looking for people as well as growing organically, but you're still looking. Especially if you're diversifying your businesses or you're opening new plants you want talent. You wanted someone who could hopefully hit the tarmac running. So therefore that's what you're going to do.

But if you have an organization where you say, "Well, we have a bonus and we have a salary review and we have a performance review," but it doesn't walk the walk then employees are going to be disengaged and they're going to be not trusting and they're going to say, "Well, you say that but you don't live it, don't breathe it." And then they switch off. They don't trust you.

Valeria: So you feel like there are two sides of the same coin. It can work in a positive way and can influence their performance in a positive way. But it can work also in a negative way. But it depends on the way the organization, especially the management team, will handle the whole situation from the beginning.

Speaker n. 8: Yeah.

Valeria:: Okay. Great. Is there anything more you would like to add about the interface between compensation and the organization performance?

Speaker n. 8: Not at this moment, no.

Valeria: Great. So let's move on to PA now. What is the influence that target setting, clarity of expectation and less job ambiguity of PA has on employee's performance?

Speaker n. 8: I think it's a big one. I think that if you say you're going to give someone a target and this is what they need to achieve and then you change, or when you sit down with the employee you say, "Oh yes, but you didn't do the X and Y, or you didn't ask me to do X and Y." So again, that's non-

transparency. That's not walking walk and then the employee is confused. Their performance can deteriorate or they can leave.

Because one of the things I have found with talking to employees is often managers will do a performance review, and now we're changing the way we do performance reviews as well, because we're going away from that one hour every 12 months to regular check-ins. Maybe initiating one on ones with your key team members each week so that you know where they're going, you can have that conversation. You can have catch-ups, whether you do quarterly catch-ups. I think it's changing now, but what I don't think changes is the manager's skillset to deliver that with you.

Managers do not like giving bad reviews, they do not like saying negative things and they would rather go ... And in some cases a blatant lie. And then what will then happen is that will manifest itself later and someone would say, "Oh well I was promised this and it never happened." "Well, who promised it?" "My line manager." And that line manager may have moved on or may have moved on in the company or left. But because that conversation was between two people, you've got no evidence, but that employee that's theirs. It's in their memory bank and they're not going to forget that. So I think it's the skillset of managers to deliver performance reviews.

I'll give you another example. I had an HR director in Aggrego and I sat down for my performance review and she said, "Okay, you run a tight ship." "What does that mean? What am I supposed to do? Is that good, bad?" And then she's, "So what do you want to do in three, five years' time?" I don't know. You haven't discussed a career with me. You haven't ..." I'm like, "Oh well, I don't want an HR director like yours." I said, "But I would like to broaden my role and do more projects."

But it was like, what did I get? I got nothing out of that. So for me, if you're going to sit down with someone in your team who is an asset, who costs, you want to drive value, you need to be very, very clear and they need to be very, very clear.

My first PA ... I did a performance review. I even When I was in I had an HR advisor called So I sent him an invite for his appraisal. At that time we had forms. I gave him the appraisal form, said, "Please bring that to the appraisal with you." And I said, "Look forward to having a chat and learning a bit more," because I was fairly new at that time. So we sat down and he brought the form in and it was blank. So I looked at him and I said, "No." He said, "What do you want me to write?" So I said, "Oh well, I think we better go back to the start. You fill that in, you put your thoughts on that form. We will then discuss your thoughts and if there is any alignment we'll discuss that and agree." And so he was like, "Oh." I said, "That's the way

we are going to work. This is going to be a partnership. You're part of my team."

And then also going back to compensation, I had another HR guy called Ali and when I gave him his annual salary increment letter he opened it, looked at it, and gave it me back and said, "No, thank you." Because it wasn't what he expected and it wasn't what he wanted. So it was like, "Okay." So I think again, it's all about being very clear and it's all about making sure ... But again, I think the appraisal, PA, or whatever you want to call it, the employee has to feel comfortable and it's all about them. It's not about the manager. It's their window of opportunity.

One of the biggest challenges I think any business has is actually getting managers to understand performance and value to the business and what it drives and what they are responsible for.

Valeria: But in general you feel that if it is done in the correct way, then it can have a positive effect. But there are a lot of parameters, like the line managers need to be very educated and to have the clarity and open conversation, the employee needs to feel that he is able to talk, it's a two-way street. And then it can have a positive effect.

Speaker n. 8: Yeah, I think it has to be ... It's a bit like your recruitment process. You have to have a structure, you have to demonstrate you've gone through a process. But at the end of the day, the first word in your job title, my job title is human.

Valeria: Mm-hmm (affirmative). Good, good.

So now in the same spirit, what is the influence that employees' involvement in next year's goal and performance, standards of performance and review of PA, sorry, has on employee's performance? So if the employee is involved into that, how do you think this will affect the performance?

Speaker n. 8: Well, I think if they feel they're part of the process that they're contributing, I think they're going to drive it. Because if you've got a team of ... I mean in Elganum I had four teams and 44 people. I'm physically impossible for me to drive all of those people. So I had to motivate my managers to motivate their teams. So I think it's very important because again it's that link, isn't it? Between me owning it or it's not working because it was your idea. My idea, I'm more likely to make it work. If it's your idea, if it fails, it doesn't matter because it's your idea.

Valeria: Mm-hmm (affirmative). So you feel it's very important to involvement and it can have a positive effect on performance? If I may summarize.

Speaker n. 8: Yeah, absolutely.

Valeria:: Great. So now, what is the influence that an effective and an ineffective PA system ... In effective, like management values loyalty over efficiency, or PA without consulting the employees, could have on employees' performance? So an effective PA system and an ineffective one.

Speaker n. 8: Well, from speaking to employees, where they are confused and there's inconsistency about their performance versus being a bit of a, "You're part of my gang," attitude is that I've had comments of, "I'm so switched off at work, I'm bored. I could be doing this, I could be driving, I could be delivering that, but I'm just really bored." They've given the stuff to somebody else that's keeps coming to me and I give them the answers and they're pretending they got there. So it drives that culture of, not abandonment, but disassociation. The employee starts to see themselves as more of an Island rather than part of the team. "I'm on my own and if I just suck up to the boss, I'll be okay. Doesn't really matter what I do because that's what they're bothered about." And I've seen that happen.

Whereas, I think if you've got a line manager who's very clear. And yes, loyalty is important to the team, but they are very clear on what they've got to deliver and that they'd be part of that process, then I think you'd get a very motivated employee. And also, the fact is when you sit down to do reviews, you've got something to concretely talk about. So you talk about their [crosstalk 00:19:27]-

Valeria: So you feel it's very important and it can have a positive effect or can have a negative effect?

Speaker n. 8: Absolutely.

Valeria: And so it's really important how you will perform their PA.

Speaker n. 8: Yeah.

Valeria: Great. So is there anything else you would like to add about the interface between PA and organizational performance? Like how they should be done in the correct way to influence in a positive way, the performance or anything else?

Speaker n. 8: I was talking to a friend of mine. He's a senior consultant. He's on the work for AlixPartners. Very experienced guy. And we were having a chat last week and we both were saying after we get to where we're going to go with this COVID-19 and lockdowns, when we start to come out of lockdown, what will performance and business values look like? How are we going to be able to motivate employees? What will we be doing? Will we'd be doing more of this because there's going to be more remote working? How are we

going maintain the mental wellbeing? Because it might say, "Well actually, Valeria, you only need to come in the office once a week. The rest of the time you can work from home." And say, for example, you live on your own ...

And say, for example, you live on your own, that is four days a week you're sat at the computer screen and that's it. And unless you have friends that you socialize with, which we're not quite sure what that's going to look like, how is your manager going to motivate you? How are you going to motivate your team?

valeria: [crosstalk 00:00:22].

Speaker n. 8: Especially if some of your team are in the office and some of your team are remote working, how can they remain a team? And I mean, we've all been on video conferences where you've got a video conference and most people are on mute and most people are typing away, and they're doing emails and memos and all sorts. We've all been there. And that's what's just, "Oh, what do you think? Oh sorry, I lost you there. Could you repeat that?" So I think one of the bigger questions is when we come out of this, what... Because our social behaviors, are we going to go back to the old social behaviors or are we going to have a new set of social behaviors? And how are we going to manage that when it comes to employee engagement, commitment, motivation-

valeria: And PA as well. How do we appraise them?

Speaker n. 8: Yeah. So I mean, if I only see you in the office on a Sunday morning and by Sunday lunch time you're off and you're going to work from home, how do I know that you're not sitting at eight o'clock with the tele on and your toast and your tea and... I don't know. I mean a friend of mine, he runs a team and the business took a decision that most of them could work remotely from home. So he rang them on the Sunday morning and half of his team was still in bed. He's like, "You're working from home." So, it's one of those things. I think it's going to be really interesting. And how is we as a part of a people function, how are we going to lead that? How are we going to advise the businesses?

Speaker n. 8: Because it's not just... I mean, for example, one of my colleagues, she works for a team in London and she spends a lot of time working from home and working on a Friday. But the rest of the team just say, "Oh, well, she's never in the office." And it's that culture of you have to be seen to be working. You have to be seen to be in the office. If I work from home, I tend to work harder than if I'm in the office because I don't then think, "Oh, I'm just

going to get myself a cup of tea from downstairs," or "Oh, I need a bit of a screen break. Oh, I'm just going to Steve." or someone comes in the office, "Oh can I just... can you just..." And, no, I'm sort of like straight... Literally I will do a full day without... Sometimes I'll be working longer than I would if I... You know?

valeria: Yeah.

Speaker n. 8: So I think that's going to be a really interesting dynamic, and I don't think I haven't heard any HR practitioners talk about it.

valeria: Yeah, yeah. You're right. It's a challenge and we haven't faced something like that in the past. And who knows what's going to happen?

Speaker n. 8: Well if you look back to 2018 when they called it The Spanish Flu, fifty million people died and it actually did change our social behaviors.

valeria: It's going to change as well here for sure. Now.

Speaker n. 8: Well, I mean if you look at the countries that are affected... So I've been to South Korea. You get in an elevator, you're like a sardine.

valeria: I know. I've been as well. But they are so well behaved that they save other things.

Speaker n. 8: Yep. And then you go to Italy or you go to Spain, France, they're very tactile cultures.

valeria: I'm Greek as well, so I know.

Speaker n. 8: Yes. Exactly. So they're very close knit, they're very social, they're very interactive. And I think again, and you get China, very high density of populations. And I think to me it's that how are we going to move forward, and what will that look like, and how are businesses going to operate?

valeria: Very challenging. Very challenging. Weird times. Okay, let's move on now to my last set of questions. Emiratization. I'm sure that you're aware of what Emiratization is since you have so many careers here. So what is the influence-

Speaker n. 8: [crosstalk 01:08:04] Emiratization in Kuwait.

valeria: I'm sure. So what is the influence of first quarter system wage restraints and payroll retains of Emirates that Emiratization initiatives have on employees' performance and organization performance in general?

Speaker n. 8: Okay, so I have both. If I go back to my time in Kuwait, because it's a very similar thing, you have jobs that Kuwaitis were preferred to be given and

they had top quota and it all became about the quota. Which a lot of these programs, the quota becomes, you know, are you at 40%? It's like in Saudi Arabia. So again, they were very chased quota. You want visas, you get your percentage of. So that could be you employ 10 security guards, you've got your quota. So I think, like anything I've managed, I've managed Kuwaiti teams, I've managed Kuwaiti development programs, Kuwaitization programs, and I think that having jobs that only a national can do is wrong. I think that it doesn't develop the competitiveness for the host national, and I'll base this on Kuwait so it doesn't... You know? I think that it...

- Speaker n. 8: And we will know that the government is the first point of call, then the banking and finance sector, and then, if they have to, the private sector. So public, banking and then private. And I think that what that does is it says that anyone can do HR or anyone can do that job, whatever that role is. I think also going back to the education system, I think that...
- Speaker n. 8: My experience in Kuwait was that I know that people paid people to write theses. People tried to bribe teachers to give higher grades. A very brief period of time, when I first went to Kuwait, I actually got a job teaching Kuwaiti students. And some of the other teachers said, "Oh they're very difficult to keep in the classroom. They're very difficult this, very difficult for that." I didn't have any difficulty whatsoever because I was in the classroom first. That's my area. You're in my space now. And I used to do a roll call, and if one was late I'd put late and he'd go, "Yeah, you can't do that." I said, "Well, I can." Because at the end of this, if they didn't get the attendance and the exam pass, they weren't going to get the lovely job in the oil company. So-
- valeria: So how do you think, in general, this will affect the performance of the employees and of their organization? All these initiatives that have been in enforced?
- Speaker n. 8: I think it depends on the quality. I certainly, when I was teaching Kuwaitis, I did things that were interactive. I didn't just... because they've got that whole [joke in class 00:08:30] thing. It's like just sit there and go, "Yeah, yeah, yeah, yeah, yeah." Whereas if there are any... if learning was interactive, then they were much more engaged. They enjoyed it. They'd have a boys versus girl competition, who'd get the teams.
- Speaker n. 8: And you've got to think about how to motivate them and stimulate them. And these people aren't used to it. They're not used to it. They don't get played with. The parents don't necessarily play with them as kids. Their social interaction at home is basically the maid who talks sorts and brings them up. They're told that they're entitled, they're told that they will have



this, they get everything, medical, all these sort of stuff, given to them, they get land given to them. I'm entitled.

valeria: Yeah. They take this advantage.

Speaker n. 8: So all the nationalities are going to say... Well, no, they will have a negative opinion of them. And then you get a percentage of them who will live out that entitlement and who will sort of spoil it for the rest of them.

valeria: And what do you think it will do to their organization if, let's say, they have to have the Emirates? They have to pay them a certain amount of money, they have to retain them, although maybe they have done something in, I don't know, like that they disagreed. So how do you think this will affect their organization performance?

Speaker n. 8: Well, I think if you... It depends on the role that the person's in. And I think it depends on how many, you know what I mean? So it can have a very negative effect because what you're having to do is what we saw a lot of in Kuwait. Whereas we'd have people that were, so the general manager and then you'd have a different nationality recruited who actually did the job. I mean, I had a colleague and her father literally ran the department in one of the oil companies, but he reported to a Kuwaiti. He just used to come in, sit in his desk, and then go out again. But her father ran the whole department. So one, that's false economy, because that person that you put in charge can't do the job. Two, it sets a really bad example because everyone just thinks they're lazy and they don't want to work. They just want the money and the status. So you get the big divide of them and us.

Speaker n. 8: And for me it's a shame because my ex husband is a Saudi national and he works really, really hard. He works so hard at doing what he's doing. All his promotions he's got through hard work. And then he sees one of his colleagues, and I nicknamed his colleague sick note, because his colleague just used to bring in sick. And he'd say to him, "Oh, I don't feel like going in. I think I will be ill this week." [crosstalk 00:11:40].

valeria: So you think it has to do also with the person, the personality of the national, and it can have a positive effect if the personality is right and he's feeling like he's motivated, he wants to do stuff. But it can have a negative effect if the person is not willing to do stuff.

Speaker n. 8: Yeah. But I also think that there's the flip side to that. Because when I implemented SAP in Alghanim, I led the project. And in manufacturing in... because we rolled it out in India first and then into Kuwait and UAE. And in Kuwait there was one of the HR... girl had said to this Kuwaiti young guy, "Oh just go on the computer, whatever." So I was talking to... Because they were all part of the HR team. So I got chatting and he said, "Look, I'm just told to play games on the computer and I want to do something."

Speaker n. 8: So I brought him into my team, in to their head office, and gave him a task. Got him working with a couple of the other team members and he really blossomed. So, if you... I mean you've got two sides to it there. You've got someone who's just been told to play computer games and I can't be bothered with you. By the same token, I've had ones that don't want to work so I just say, "Well if you don't want to work, I don't want you in this team." It's as simple as that.

valeria: So there is always two sides that can have a positive and a negative effect. It depends on the person and it can have a positive effect if it's the right person, it can have a negative effect if it's the wrong person.

Speaker n. 8: Yeah, I think again the role that the manager plays in this is really, really important. But I also think for putting sort of targets, I think they need to... You look at your education system and if your education system where people can pay people to write theses, people can get degrees that a person maybe in another country's worked really, really hard for. And I think for me it's a case of this... it creates that animosity, that divide. And I think they should, if you're going to have a competitive market, have a competitive market. If you want to just use public sector, fine. That's fine, I understand that.

Speaker n. 8: But even the public sector. I mean, I've been into departments where it's an Indian national doing the work. So I mean a lot of them, they shoot themselves in the foot really because people just see it and went, "Nah, it's not really working, is it?" And they go back to walking the walk. But in my team, I've had in my teams in Kuwait, I've had Kuwaitis and I've had people and who worked so hard but you know these tend to be the poor ones. The ones who need the money. Not coming from big families. [crosstalk 00:01:18:08].

valeria: So you feel it has to do also with the background and the amount of money that everyone has. If they were [crosstalk 01:18:19].

Speaker n. 8: Yeah, yeah, yeah, social background. There was one lady, and I took her for it, I recruited her, and I did a Kuwaitization program in this company I worked with in Kuwait, and she was so good and we were splitting the offices. So I recruited her as a receptionist and she was fantastic. Brilliant work ethic. She was absolutely brilliant. I couldn't fault her. And one of the Arabic managers said, "Oh well, yeah, she's a divorcee." And I was like, "Yeah, okay. She's a receptionist. I'm not interested in social backgrounds." But her thing was that she was fighting to be independent. Her husband had left her, she ended up with the kids and she worked so hard because they were her children and she was looking after them and she wanted her independence. And-

- valeria: So you feel social background and the relationship that everyone has in their personal life, it can affect as well the way they want to work and their performance in general.
- Speaker n. 8: Yeah, absolutely. Absolutely. A lot of the Kuwaitis that I found that were real grafters were ones that come from poorer backgrounds, that value the money, that want to work, and also they want to be treated fairly as well.
- valeria: Great. So is there anything else you would like to add about the Emiratization and organizational performance?
- Speaker n. 8: I think that we're not going to change it, but I do think that it needs a bigger review. And I don't think you can say that job title must be that nationality. At the end of the day, I think, between you and me, and maybe I talk about Kuwait and not here, but that would come across to me as slightly racist. I mean in the UK it's the opposite. If say, for example, someone that came from, well up until Brexit, someone came from Italy, we couldn't say, "Oh you can't have that job because you're Italian."
- valeria: Yeah. You think it's like a given, like it has to do with passport.
- Speaker n. 8: Yeah. Yeah. I mean I just find that that for me is it's a false economy. Because you're not getting... at the end of the day, you're doing it as a pacification. It's a placebo for the masses. Look at all these nice jobs that you can have.
- valeria: In general, how do you think this affect their performance, the organization performance, all these initiatives?
- Speaker n. 8: I think people are dubious about it and I certainly have found that in some of the companies I've worked with is that they'll complain about salaries that these people are paid compared to the salaries that others are paid. They all complain about the entitlement. You would get multi-layer of organization and also the fact is you don't necessarily get people respecting each other as colleagues and peers. It's more a case of, "Well, you got that job because of who you are. I've had to work for the job. You just got it." So I think that cannot not impact an organization.
- valeria: In a positive way, you mean?
- Speaker n. 8: No, in a negative way. I think if you look at entitlement or-
- valeria: Yes, yes. This is what I mean. It cannot impact in a positive way but in a negative way.
- Speaker n. 8: Yes. Because I think you'll never see the true performance. You won't see that, you won't be able to measure it because what are you measuring it against? Whereas if you've got people who are in the job for the right

reason, I think then, yes, you can measure it more accurately. And so I think it's a challenge. It's a big challenge.

valeria: Big challenge. Great. Thank you so much. That was it. You have amazing insights. I'm really impressed. Thank you so much. If you have anyone else like you, with this amount of knowledge and tremendous insights, please recommend them to me so I can have a chat with them as well. That would be amazing.

Speaker n. 8: Well, I have. I've got a friend of mine who I've worked with her in Kuwait but she's also here. She's in HR, so I'll ask Natalie if she would be willing to have a VC with you. She's gone soon, so-

valeria: Oh, sorry. My husband.

Speaker n. 8: So, yeah. So, I'll have a word with Natalie then and see if she wants to have an interview with you as well.

valeria: Great. That would be amazing. Thank you so much. It was a great pleasure to meet you.

Speaker n. 8: And you.

## 9. Transcription Speaker Number Nine

Speaker n. 9: Hi. Good afternoon.

Valeria: Hello. Hi. Good afternoon.

Speaker n. 9: Can you hear me?

Valeria: Yes. I can hear you. Can you be a little bit louder?

Valeria: I will increase also my... Okay. Set now. I think you're fine.

Speaker n. 9: It's better now?

Valeria: Yes. Thank you so much for agreeing for the interview. I am doing my [crosstalk 00:00:39] PhD so I'm trying to interview data, that monitors data, people that they have some knowledge in the area.

Speaker n. 9: Yeah. Definitely and so I can give an introduction about myself.

- Valeria: Definitely.
- Speaker n. 9: I am in the UAE for... This is my seventh year in the UAE and I've been working with the [Dome Group 00:01:04] as HR manager. My role over the period evolved as Group HR manager. So personally, I take care of all external activities for Dome Group. From decoding people, taking care of all the activities and for marketing, I take care of process. Prior to joining Dome my experience was in India. All over I have 20+ years experience, but 6+ years in UAE.
- Valeria: Great.
- Speaker n. 9: I hope that meets [crosstalk 00:01:34] your criteria.
- Valeria: It's great. It's great. Thank you so much. I will ask you today some simple questions regarding HR policies. There is no right or wrong answer. You just give me your simple opinion and this is what I want. Nothing more than that. It will be totally anonymous and I will use it only for my PhD research. Okay?
- Speaker n. 9: Yeah.
- Valeria: Great.
- Speaker n. 9: That's totally fine with me.
- Valeria: Great. Thank you. So we can start.
- Valeria: The first question, it has to do with Training. How formal training as a part of an unwritten psychological contract between the employer and the employee influence employee's performance? Let me give an introduction about the psychological contract and what is this. The psychological contract describes an unwritten and intangible set of mutual expectation, understanding and beliefs and commitments that exist between the employee and the employer. However, it's totally different from the written contract [crosstalk 00:02:43].
- Speaker n. 9: The formal [crosstalk 00:02:43] contract.
- Valeria: It is something like an oral agreement, let's say. How do you think the formal training as a part of the unwritten psychological contract of this oral agreement between the employer and the employee can influence employees' performance?
- Speaker n. 9: Basically this is a wide area, so I will try to give the answer that's short as possible.
- Valeria: Great.

- Speaker n. 9: I've been training programs in India, institute. Please excuse me.
- Valeria: No worries.
- Speaker n. 9: In the beginning of the year, we set objectives for each and every employee. I think we are covering performance management at a later stage. Along with that, we identify training requirements for them and it works as a good retention tool for us because we provide training. Mostly external, internal also, in-house training we provide and we use it as a tool to upscale our employees' knowledge and also to fill in their value and also to upgrade their skills so that they are loyal to the company and in return we get their long tenure. So this is one way of with it. But we have, as an ISO-certified company, we have procedures. How do we identify a training and what are the internal electoral ones and- [crosstalk 00:04:12]
- Valeria: How do you think this training will affect the employees' performance?
- Speaker n. 9: Basically, it's very difficult to measure first of all. What we see a trend is that when we recommend an employee for training, they feel valued. They are motivated basically because their contribution is valued and we are demanding more from them. In my experience it is definitely a motivation and the involvement is more when we recommend for external training. Especially if it is an across field training. We have certain clauses enrolled in the training itself because when we evaluate a request we see the benefit for employee and the same time benefit for the company.
- Valeria: Great. And [crosstalk 00:05:00]-
- Speaker n. 9: So, it should be a balance.
- Valeria: And how do you feel like an employee will react if it is, let's say, promised to him that he will go into training, but they done him. This psychological contract, how it's going to work? He's going to be demotivated, motivated by... His performance is going to be declined, neutral, improved. What do you think?
- Speaker n. 9: I don't know. Could you please rephrase that question?
- Valeria: Yes. Yes. So I'm saying [crosstalk 00:05:30]-
- Valeria: Let's say, if an employee have at his mind, he's promised by his employer that he will go into training, but the employer didn't manage to take him for training. So how do you think this will affect his performance?

- Speaker n. 9: In our context mostly we communicate and maintain transparency and we explain it to the employee that because we are nominating him, because you have good tenure with us and your candidate background and your specialization is matching with this, by sending you for this training, your skills are being a credit at the same time in that we have an business, so we get more business based on this. It is a really weird situation always. It is not a one way thing. When we are not able to meet that expectation, obviously it's a human tendency that people get upset, but at the same time we have a specification what are the reasons. Maybe that project is on hold and we don't need that skill at this stage. But it's a longterm relationship, employee-employer relationship, so we are looking forward to the very next opportunity.
- Speaker n. 9: Especially Dome being a family business and the culture being maintained as a family-oriented business and culture. So people have close communication with each other. And we explain it to them, of course. [crosstalk 00:07:12] If we have a placement challenge, we do that.
- Valeria: Great. So if I may summarize what you said, because of the close communication with the employee, you think that he's not going to be that demotivated because you will explain the reason. You will be clear and transparent to him and his performance is not going to be affected exactly because of the nature of your company.
- Speaker n. 9: Definitely. In our context, it is not affecting because we are not a huge organization, a multi-national. I know they are applicable for a larger organization with offices in many countries because there could be a center place they're tracking, deciding we cannot afford this training at such value.
- Valeria: Great.
- Speaker n. 9: But in our case, major operation based in UAE and we... Our HR team, we see the people on a weekly basis or on a daily basis. We interact, so it is not creating what you might for a business of our size.
- Valeria: Okay. I understand. Let's move on to the next question. It has to do with the influence that personality characteristics of an employee like loyalty, relationship building has on the selection of the training for the employee. And how do you think this consecutively is going to affect organization and performance?
- Valeria: So, let's say if I may help you with the question a little bit more. If an employee is loyal or if you have good relationships with him,

how do you think this will play at all on the selection of him to go to the training and how this will affect the performance in general?

Speaker n. 9: If I understand the question correctly, you can deduce that from my answer. Basically, what we do when we select an individual for a training, we analyze internally certain aspects, the duration of the employee with us. For example, if an employee is under probationary period, in their initial six months period, definitely this becomes a high risk choosing that employee for training because as for example, the employee can leave any time during probationary period without notice.

Valeria: I'm an HR manager as well, so I know.

Speaker n. 9: Yeah. So in that aspect, we always choose employees based on their tenure and can you record their performance, et cetera. We always give preference to people with good tenure and good performance and of course we have internal procedure of setting up practice, like manager recommendation, department head recommendation. Multiple level approval is in place. That is to ensure that it's their allocation is in place. Obviously it is the merit is what they're trying to acknowledge by doing so and it is obviously this. Anybody can understand that it is a merit-based selection since multiple approvals are in place.

Valeria: So if I may summarize what [crosstalk 00:10:15]- Yes. So if I may summarize what you said, it's because of the way you treat your employees and the way you choose them, you feel there is no personality favoritism or loyalty come into the middle, so the employees are not going to be affected, not even the organization because you have strict criteria for choosing the people based on their abilities, based on their time with the company so it's not going to affect because of the way you are doing that.

Speaker n. 9: Exactly. We have minimum three levels for approval, for choosing an external training because their main manager has to explain the benefit of the company for going to this training, at the same time the benefits to employee. So, the management head will evaluate the cost, as well as the skill enhancement. Then it is going to finally project approval from our good managing directors. So then there was our isn't warranted in such process. That is an aerial view from the senior management of this selection. It is not creating any confusion for us. Maybe as I mentioned earlier, maybe it is suitable for our size business. It would not be applicable in rest of the world.



- Valeria: Yes. I understand you. I understand it's because of the nature of your company. My last question regarding the training, it has to do with if you have anything else you want to add about the training and the organization performance and how do you think these two affect each other?
- Speaker n. 9: Definitely. It is very directly linked with employee performance because over a period of time, employees should not feel complacent and or feeling that they are repeating the task over a period of time and there is no knowledge upscaling is happening. In order to avoid that, we ensure that infinite calendar is in the training calendar. Even more either internal or external training or closed department training is conducted for employees to gain new knowledge and perform in other areas as allowed to contribute to company successes in other areas as well. In training calendar we give everyone an opportunity to learn something in an area. But when it comes to credible training, technical, we have a procedure as you mentioned, selecting individuals and obtaining approval.
- Valeria: Great. So now let's move on to the next HR practice that has to do with recruitment. What do you think regarding what is the influence that strong and effective Recruitment and Selection system has on organization and performance? A strong and selective Recruitment and Selection system.
- Speaker n. 9: This is quite a debatable topic because even in any system, people may say that there is a right system because so far there is no perfect system to interview, as to my knowledge, and select a candidate because it's a human tendency that people may be inclined to a certain personality or a certain type of... It is really difficult to differentiate. Some people, they may be inclined to their nationality. For example if there are three candidates short listed and equal level of experience and equal qualifications, it is very difficult to differentiate recommendations from their manager. It's better based on skill alone if there is any favoritism involved in terms of nationality, race or character of the person or the mannerism. It is very difficult to say. But, in our organization we have a recruitment procedure and we have a standard [crosstalk 00:14:18] operating procedure-
- Valeria: Can you be a little bit more loud please?
- Speaker n. 9: Yeah. Of course. I'm trying actually. I'm not a really loud person.
- Valeria: Because you have very nice insights and you're very not speaking very loud.

- Speaker n. 9: Yeah. That's my nature basically. I'm not a very loud person.
- Valeria: I understand.
- Speaker n. 9: Okay. In our organization we have a standard operating procedure which is displayed with flowcharts for understanding of the people and all the hiring managers, so that's built for this procedure and it has been in place for several years. It is well familiarized with all the involving parties. What we do is, right from the beginning of the recruitment request, when the new position is requested there are certain people involved as I mentioned for the training selection. There are department direct line manager, department general manager, recruit managing director and HR is connecting all these people early in the process. So right from designing a job or describing the job description and finalizing the short list of candidates, we have a step by step procedure in place.
- Valeria: So you feel [crosstalk 00:15:46] when this step by step it is strong and you really do the right job, do you think this will affect the performance?
- Speaker n. 9: Of course. The selection is very important in determining organizational performance because if we do the wrong selection, obviously if the person is not 100% capable of doing a difficult job, it has direct impact on the output. To me, selecting the right people, giving them the right training, these are interrelated, plays actually into hiring and developing a person. Selection process, not just technical, it has several aspects analyzed in our process. Technical and also the personality and how they can adapt to our company culture. That is also analyzed in the selection process because, as I mentioned since our company has the family-oriented business and the culture which is unique, we analyze how this person can adapt to our culture, how he can survive in this atmosphere. All these facts are being analyzed. It's not just technical.
- Speaker n. 9: But we ensure that there is a degree of analysis is happening because we have a set of standard interview questions which cannot be skimmed during the technical or the interview process and the interviewer must document and send it to the next level for approval. In that way, certain questions are answered without going back to the previous interviewer and the next level interviewer can always refer on what base this candidate was short listed.
- Valeria: Great.
- Speaker n. 9: Two, three level interview process.

- Valeria: Great. So in the same topic, my next question is what is the difference that a rigorous recruitment selection system that could create the feeling of elitism, let's say if you entered Google after five or six, seven interviews or Apple or whatever, and the significance between the employees that this feeling can bring? How do you think this will affect the performance of the employee if it's going to affect?
- Speaker n. 9: Could you please repeat that question?
- Valeria: Yes. So let's say there is a very strong Recruitment and Selection system that you need three, five, four, six, ten interviews in order to get, let's say, to Google. And then there is this feeling between the employees that, "Oh, we are the elite. We are the best because we managed to get in." Do you think that this feeling can affect the organization performance and the employee performance or it's not going to last or it's not going to affect at all?
- Speaker n. 9: It's a very good question, but something an organization might do... I have limitations to give you a picture about this.
- Valeria: Your opinion. An opinion.
- Speaker n. 9: They connect, that I can tell you. We have a rigorous interview process which is all basically covering many aspects and we have never faced any such challenge of people feeling that they are... About the qualification level or maybe never faced because we have [crosstalk 00:19:26]-
- Valeria: It can be also good thing like, "I feel great and I'm very motivated to do my job and I will perform better." Or it can be, "You know what? Okay, after six, seven interviews I'm very tired and I cannot do anything else." Or it can last for a little, small period of time like this feeling that, "Oh, I'm great. I managed to get in." What's your opinion? What do you think?
- Speaker n. 9: I think at junior level, my observation, at junior level, it has an impact that I can not only manage to survive this level of not only seem stressful, but rigorous or systematic interview process. I see that in junior and mid-level people. Of course, they express their gratitude and they show enthusiasm from the beginning that it's a new thing, excitement, et cetera. But when it comes to mid, senior people, of course they have come across a long way in their career and it is not something that gives them a lot of enthusiasm. Maybe, as you mentioned, if it's Google or Apple, they may think because there are not many companies at that level.

- Valeria: So you feel it has to do with the seniority of the person? If a person is senior, he's not going to be that affected and his performance going to be the same as it was, but if he is more junior, maybe he will be affected, but you think not for long period of time? Like maybe for short period of time?
- Speaker n. 9: Definitely. It is time bound and of course for a senior person and they have come across a long way in their career and they have multiple aspects influencing their motivation. For example, the team that we are making, they are going to manage and the market situation, the challenge in awarding the job. And their supervisor treatment and the performance system, the bonus. For the senior person there are not more things to worry about.
- Valeria: Exactly. [crosstalk 00:21:26] So you feel like there are more factors than just the elitism and just the rigorous recruitment selection system that can affect the performance and not only this feeling of significance.
- Speaker n. 9: In my opinion, yes. Yes.
- Valeria: Great.
- Speaker n. 9: It's more visible, more obvious, actually at mid-level.
- Valeria: Okay. Now to the same nature about recruitment, what is the influence that the wasta, in Arabic use of influence in Recruitment and Selection system has on organization and performance? So the influence of wasta, use of influence in their recruitment. What do you think that this is doing to performance?
- Speaker n. 9: Basically nepotism is the right word. So when someone is privileged coming up with some extraordinary influence with the management or with the hiring manager, definitely this is an ongoing challenge for any recruitment team because obviously if a hiring manager is recommending the candidates, or hiring manager's boss is recommending a candidate, there is an obvious favoritism which is expected because it is a human tendency that they may be more inclined to that individual. And if I say, "No, we don't have that 100%." We're just not known to have any in the organization.
- Valeria: And how do you feel that this will affect the performance?
- Speaker n. 9: See, what we can do is, even if someone is maybe shortlisted because they are related or their candidacy is being noticed among hundreds of thousands of applications because they have some influence, as long as the candidate has the right qualifications, the

right technical skills and meeting all of that, it's when he's right for this job. I feel there is nothing wrong in considering them because there are multiple interview sessions that are happening and maybe one person can be influenced, but there are other people and HR department has an impartial participant in the process observing this. But in the initial interview if the hiring manager is shortlisting this candidate as the number one slot, we can say there was influence or was there. But at the same time this boss and at next level the general manager or the HR assisting all over this process definitely they can highlight and there are opportunities to highlight this. As long as the candidate is fit for the job, I do not see a challenge.

- Valeria: So if [crosstalk 00:24:22]- If I may summarize, you feel like the wasta, it's going to affect, but if it is the right person for the job it's not going to affect in a bad way.
- Speaker n. 9: Bad way? Yeah. In the organization. If the person is competent enough and if he is capable of doing the job and meets all the requirements. For example, actually the communication skill, academic background, so all these boxes are being ticked and it is convinced by all of the parties interviewed, I think that person is fit for the job. It is, just because this person is known to one of the interviewers, we will not terminate because there are other people involved.
- Valeria: You feel if he's not the right person for the job, he's not going to be, even if he has wasta, he's not going to be recruited by your company so the performance is not going to be affected.
- Speaker n. 9: No, because I have come across many cases where hiring manager instead will have recommended some candidates based on their previous experience and two references. But some candidates are particularly in the selection process because at the end of the day it is a client-facing role, and if they are not able to perform that as standard policy, it is not going to work. I mean, of course it is not that [crosstalk 00:25:47]-
- Valeria: This is what I'm saying. That because of the recruitment process that you have, if he's not the right person for the job, you're not going to hire him.
- Speaker n. 9: Absolutely. Absolutely. The person [crosstalk 00:25:58]-
- Valeria: So it's not going to affect performance at the end of the day. This is what you're saying?
- Speaker n. 9: No. No. In my experience, no.

- Valeria: Great.
- Speaker n. 9: In the context of, no, our organization.
- Valeria: Okay. I understand. Is there anything else that you want to add about the relationship between HR Recruitment and Selection and the organizational performance?
- Speaker n. 9: I think it is always the best practice to declare if a candidate is known to one of the interviewers or selection committee. It is always good to declare it in the interview form or in the selection process itself, instead of not hiding that fact. I've come across many cases where the interviewer himself mentioned prior to the interview that, "I know this candidate personally. I am happy to be excluded from the process," but it is up to the HR and the management to decide. This transparency has been always recognized in our organization.
- Valeria: I understand. Great. Now let's move on to the next HR practice. It's regarding Compensation. So what is the influence that the feeling of justly treatment of compensation has on employees' motivation and performance? And what is the influence in the performance if the feeling of unjustly treatment exists?
- Valeria: If I may explain a little bit better, some people, some employees they talk with each other and sometimes they may feel that, "Oh, I'm getting the right amount of money," or, "Oh, I'm not getting the right amount of money." Comparing to this one, comparing to that one. How do you feel if a person is feeling justly treated or unjustly treated, how this will affect his performance?
- Speaker n. 9: Of course it is a huge part in determining someone's performance because at the end of the day, if they feel that they are underpaid for the role definitely it is a continuous problem and it will directly affect their performance. There are certain ways to eliminate this process. I think it is important to have a grading system and this wrist slap in place. And we, even with this, at this time of selection and we follow this grading system through the career progression to eliminate this favoritism, et cetera. It is [crosstalk 00:28:38]-
- Valeria: You feel like it's not going to affect because of the roles and the already pre-approved amount of money that every grade is going to get. Correct?
- Speaker n. 9: Yes. Yes. And we think it is not 100% for the probe system because in the performance review, if one person is getting higher credit or an underscored performance score is on higher salary, we cannot

completely see it as a perfect system because sometimes managers feel that, "Okay. This gentleman is giving me less trouble, but at the same time the other person is a good performer, but his personality could be a little troublesome in day to day business." There are many factors influencing, but as long as there is a grading system and a slap, so we can control these kinds of possibilities.

- Valeria: So you feel this grading system is helping you in order to avoid all of these problems so the performance is not affected at all?
- Speaker n. 9: There are things that if I say, we do not have any problem in this area, that is not going to be true because it is around point and so then we...
- Valeria: Okay. So tell me if there are cases like that, what is happening to the performance in your opinion?
- Speaker n. 9: For example, if a manager has filed direct reports and at the end of the performance year, if the performance rating is distributed and there could be unhappy faces and that may be always the situation that, "My performance was exceeding expectation, but what I received is meets expectations," and such complaints are uncommon, but they need to fairly evaluate some facts and numbers which is represented in the performance in front of the management. So we try to weight such confusion in the process because we always highlight the numbers, the [KPIs 00:30:45], we focus on that part. But there are some unmeasurable aspects like personality or those things will not be mentioned in the scorecard, but it will definitely influence, but we try to fair grade in But it is not completely avoidable situation.
- Valeria: I understand. Okay. So let's move on to the next question. How compensation techniques like performance-based compensation system, bonus techniques, equity-based compensation can influence organization and performance?
- Speaker n. 9: Yes. Definitely. It's a very wide area to be honest as you know. Because different companies have different policies and practices. So, in a general trend and in our organization, it is, we have just different levels. So we have a performance bonus at actually our mid-level. Senior management, it is more a pity. For example, it's every department is generating more profit or exceeds expectation and they get a percentage of the profits, so it is a motivating factor for them to generate more revenue. But, obviously in a particular manner because we have certain machines to ensure that this is what we do, is in a particular manner.

- Speaker n. 9: I think according to the level of the employee, if we offer a pity to a junior staff, not only will he be able to influence much on that, but because it's his contribution, it may be certain tasks only not and are impacting what. We have for senior management, we have a pity in place and at the same time we have a bonus too for junior staff based on their performance.
- Valeria: So you're saying it has to do also [crosstalk 00:32:49] with the seniority of the person, if I may understand correctly.
- Speaker n. 9: Yes.
- Valeria: And you think for the senior people it will affect in a positive way their performance, but what about the junior people? It will affect in a positive way or it's not going to? It's going to be neutral?
- Speaker n. 9: At senior level... I mean, seniority is what we are missing to determine whether this person is eligible for sales initiative or a bonus or a pity, whatever it is. It is our selection criteria just based on the seniority. But in any level it is a motivation at the end of the year. [crosstalk 00:33:27] That this performance is going to get a to employ this specific aspect.
- Valeria: Okay. So if it's a motivation in general, and according to the level it can affect more the performance or less, is what you're saying?
- Speaker n. 9: Yes.
- Valeria: Great.
- Speaker n. 9: Absolutely.
- Valeria: Great. So is there anything else you'd like to add about compensation techniques and organizational performance?
- Speaker n. 9: No. I think in general, that's it.
- Valeria: Okay.
- Speaker n. 9: I have nothing to add on it.
- Valeria: Okay, now let's move on to the next HR practice that has to do with PA. What do you think is the influence that target setting of the PA, clarity of expectation and less job ambiguity of PA. So, the employees do know exactly what they're supposed to do, what is their role, what they have to do and everything is crystal clear. What do you think that this is going to have on the performance? What's the effect that's going to have on their performance?



- Speaker n. 9: Basically, it is a really wide area. And we can go and make it bite-sized, if we could separate certain aspects of the question. Could you please give me what is outcome you're expecting from this question?
- Valeria: Yes. So, let's say I have an employee that he has clear target settings on his PA. The clarity of expectations are very, very straightforward to him. He understands exactly what he needs to do and there's no job ambiguity. "Oh, I don't know what I have to do! What is my target? What is my goal? What's my role?" He knows exactly what he's going to do because of the PA, because of the way the PA it is done. How do you think this will affect the employee's performance?
- Speaker n. 9: Yeah. He... Now I've got it clear. Thank you. Thank you for elaborating. See in our organization's current next, so we have a practice of setting the objectives in the beginning of the year.
- Valeria: You have what? Sorry.
- Speaker n. 9: We have as a practice of setting objectives.
- Valeria: Okay.
- Speaker n. 9: As well as departmental objectives in the beginning of the year.
- Valeria: Great.
- Speaker n. 9: So once these objectives set, the right manager, the department head then employs the or the part for the department targets this so we can analyze. For individual target it is manager's responsibility to have a one-on-one conversation and elaborate and clarify any queries they may have. But it may not be 100% because as the days pass and challenges are different and there may be different explanations to this based on the situations, so what we do is there is a review is conducted. So it gives an opportunity for the employee to present their self as is meant and discuss wage with manager and if they are on the wrong track it gives them an opportunity to deviate or that manager can give more dealings on that aspect.
- Speaker n. 9: In the half year, this discussion will happen and it will be documented. That's for the year-end review. Half year document is also transferred for the year-end review. So, the manager, he gives an opportunity if the objective was not clear or it was ignored over a period of time, so it gives an opportunity for both parties in the half-year review can discuss and make necessary changes. And again it is coming as a final outcome in the year-end review. [crosstalk 00:37:40]

- Valeria: So, you're telling me that because of you are checking it every now and then, every six months or something.
- Speaker n. 9: Six months.
- Valeria: It gives you this job clarity and this is affecting in a positive way the performance. Correct?
- Speaker n. 9: At the end of the year because otherwise what happens is we set objective, then you don't discuss about it. At the end of the year, so then it's this weird sense that people or the employee may say, "No, no, I understood it in a different way. This is what I understood." In order to eliminate that it's unclear, directives and opportunity to evaluate whatever there too and to take feedback or raise concerns. It gives an opportunity so and it... There is a checkpoint to fix any problem.
- Valeria: You feel like because of this checkpoint that you've fixed the problem and everything is clear, now the performance is going to be increased or...
- Speaker n. 9: It is positively influencing.
- Valeria: Positive influencing.
- Speaker n. 9: It is positively influencing.
- Valeria: Great.
- Speaker n. 9: See, there may be an argument that the outcome of the performance review is it's not so much obvious in the half-year discussion. People may say that they know where is it heading. From the half-year conversation it is obvious that I'm going to get this, but it is an argument, but it is always good to have it to point and clarify, to reiterate the points. This is what is expected or this is where you are. You're an overachiever or you needed to improve engagement for your opportunity.
- Valeria: Great. So in the same area, what do you think it will be the influence of an effective and an ineffective PA system? Let's say in effective that the employee's involved. He has all the clarity and we evaluate his efficiency. And on the opposite side there is an ineffective PA system that management values loyalty over efficiency and the PA is without consulting at all the employee. What do you think? How do you think this will affect the employee's performance?
- Speaker n. 9: See, my opinion and my experience it is employers' responsibility to completely eliminate any ambiguity in the process because in the

beginning of the year, there is a target explained and a specific target. And obviously the benefits of achieving that target is explained to the employee because their bonus is directly linked to the department's performance. It is always good to have clarity in communication and give a big picture. Getting the complete picture that if you achieve this, you'll get to really achieve for the whole department. It is going to contribute to company's profits and immediately you get a portion of it as bonus or commission at the end of the financial year, so...

- Valeria: And if this doesn't take place, what do you think is going to happen to performance?
- Speaker n. 9: If the communication is not clear enough, if the relationship with the manager and employee is not good enough or when there is no rapport, it can damage the situation. It can adversely affect the performance. So it is very important to ensure that the performance review is happening as expected in a clear and efficient manner.
- Valeria: Great. Great. And what do you think is the influence that an employee's involvement in the establishment of next year's goals, next year's performance standards of the PA has on employee's performance? So if we really involved the employee in establishing all of this, in the goals, in the performance standards, in next year's goals, how do you think this will affect his performance?
- Speaker n. 9: In our organization we have a grading system and a performance, our All they need to find it is very much understandable that, if they keep consistently, they get a grade or a promotion in a very defined period of time. So, it is obviously motivating them. And also the report, the increment and the bonus is associated with the performance evaluation results. So they're always motivated ever since to achieve their [crosstalk 00:42:46]-
- Valeria: I didn't understand. They are involved or they are not involved at all because of the grades?
- Speaker n. 9: No. It is made clear to all the staff about the policy and the grading system.
- Valeria: But are they participate in the establishment of the next year goals and performance standards?
- Speaker n. 9: The next year goals are set by the management: the department heads, general manager and senior management. But of course it is realistic otherwise it is very difficult to explain it to each individual

in the upcoming year about their individually targets and department [crosstalk 00:43:32]

Valeria: So, [crosstalk 00:43:32] you think that it doesn't play any role if they are involved or not if it is explained to them in the right way?

Speaker n. 9: It is possible if they can contribute to this planning, but in our organizational culture there's the year-end performance is producing output and department heads, they're presenting these numbers. They are not directly involved, but indirectly their numbers are speaking for them. But we are not giving them an opportunity to talk with management and obviously that is a time-consuming process and the objective setting will be [crosstalk 00:44:20]-

Valeria: But do you think if this was the case and if you had this luxury and the time to give them some participation, do you think this would affect the performance in a positive way, in a neutral way, or it's not going to make any difference?

Speaker n. 9: I think one positive aspect would be it will help to identify the management thinking or the leadership skills within the employee because this is an opportunity for them to present and share their ideas because in the present system what they have is department head is sharing the ideas and we don't get direct feedback from employees, but maybe it is in my opinion, it helps if they can present their ideas. Maybe we identify the official leaders and their management thinking. It is an opportunity. I think it definitely helps if they can participate in goal setting for the next year.

Valeria: But because you're not doing it, you're not sure because you haven't seen it in real time action.

Speaker n. 9: Yeah. In our organization we don't have this practice so I can only talk about the hypothetical situation.

Valeria: Yes. I understand. So is there anything else you would like to tell me about the compensation and the organization performance? If there is something we didn't talk about, the influence of other relationships, compensation and performance?

Speaker n. 9: At the end of the day, everyone is looking forward to it and their bonus each year. It's what everybody's looking forward to, but so... It is good for individuals to understand there are key factors influencing their performance bonus or their increment. One is individual performance. The second one is the department or company's performance within the present. And the third one is market situation because sometimes, and as we face challenge of

COVID-19 this year, it is quite a challenge to the The government one is an equivalent in this year. So, there is an answer to it in there. We cannot completely eliminate that because we have to be realistic. And of course it is good to communicate with staff periodically, at department level like this to explain about the situation so this is their expectation.

Valeria: So communication is very valuable is what you're saying and clarity. And this can avoid any issues and any problems when it comes to compensation when it is not what you were expecting or something similar?

Speaker n. 9: Yeah. I mean, obviously we cannot share 100% financial information to employees because of confidentiality, because of competitors gathering information in a direct, in an indirect way, et cetera. But again, department heads are individuals that can play a role in particularly updated them about the market situation or what is the present situation of the organization and this kind of information shared with each individual in the organization.

Valeria: Great. So let's move on to the last part of today's interview. It has to do with Emiratization. I'm sure you're familiar or you have heard the term.

Speaker n. 9: Yes. In fact, I introduced it within the whole group, so I'm quite interested to and discuss about it.

Valeria: Great. So, my first question is, what is the influence of first quarter system, wage restraints and payroll retain of Emirates that Emiratization initiatives have on employees' performance and organizational performance? I can give you an introduction to the Emiratization according to the government if you want this just for your information, but I'm sure you're aware of the wage restraints, that you need to retain the Emirates in the payroll, the quota system. I'm sure everyone in the UAE, they're familiar with that, but if you want I can give you a small introduction.

Speaker n. 9: You know what please go ahead. Maybe [crosstalk 00:49:00]-

Valeria: So, Emiratization is the initiative of a nationalization program that was created by the UAE government in order to encourage and support employment of the nationals in preference of expatriates. Ministry ordered this, imposed private sector employers a quota system where every company with more than 50 employees is obliged to recruit, retain on the payroll and stipulate a number of the UAE nationals to ensure the minimum percentage of the participation of the employees in the workforce. Other rules to

encourage the private section Emiratization are wage subsidies, wage restraints for government employees, quotas on the expatriate labor in the private sector and the employment targets for the UAE nationals as a whole. The government has already forced these initiatives. How do you think that this forced quota system that above 50 employees you need to recruit and retain on the payroll Emirate employees, wage restraints, so you need to give them a specific amount of money and above and you need to retain them on your payroll. It's not easily defined, an Emirate. All of these initiatives, how do you think they affect the performance of an organization and the employees' performance as well?

- Speaker n. 9: Every company has a different approach about Emiratization because now obviously the larger organizations have a defined target because obviously it's linked to the headcount and also to the payroll among the processes. And since we are directly dealing with we have certain criteria. We have in-country value. I see it in place in the state and we need to maintain certain Emirate payroll percentage.
- Valeria: You know exactly what is going on. What this thing is doing to your performance of the organization?
- Speaker n. 9: First of all, it is an organization that...
- Valeria: It is what?
- Speaker n. 9: It is not easy to identify a candidate and maintain them in the payroll for longer period because the market is very competitive, since it is a compliance issue for private sector companies, it is obviously very challenging to retain them in the payroll for longer periods.
- Valeria: And to find the right person, is what you mean.
- Speaker n. 9: Yeah. The skill... There is obviously a skill shortage because the Emirate population is not as diverse a population. Of course for us we have been recruiting fresh graduates to overcome this challenge and the other challenges that we have is most of the Emirate graduates, they prefer to work in government center because they have certain obvious benefits like working hours and in the militaries. Other than compensation, they get more benefits, more leap days, more holidays at the present time. These are the obvious challenges we face. But what we are doing is we offer them a career choice because for example, we recruit chemical engineers and we can offer them any period that way we can offer them an incentive to consider too. And once they stay with us for a period of two years or three years, they are qualified consultants and they can find a

number of opportunities in government sector as well as in private sector.

- Speaker n. 9: So this is one unique opportunity we have to attract candidates and at the same time, we have a governmental consultancy. Those who are interested can in two years or under, stream into use. Those who are interested to those who are getting interested in nature and protecting nature. They have an opportunity to learn at our consultancy. Basically, we contextualize about what are the impacts of any business. Whether it is oil and gas related or not oil and gas related. What is impact on the nature and how can we mitigate this risk? These are all unique skills we are offering and obviously many young graduates are interested to develop their career around this. So we're lucky to have a few of them. But again, they're doing and obviously after a few months they find very attractive other opportunities and it's difficult to, especially at that age, they are not very sure whether I need this, or I need something better or I need something different. They are quite confused actually. And they have multiple options to look into. Experiments.
- Valeria: So, if I may understand correctly what you are doing is just hiring the junior candidates in order to oblige with [crosstalk 00:54:30] these measures. Hmm?
- Speaker n. 9: Yeah.
- Valeria: In order to oblige with these measures and this is helping you in order not to affect your performance in a negative way, if I understood correctly?
- Speaker n. 9: Basically when we hire a fresh graduate in the first six months or one year, they work with us as a graduate trainee. So obviously they are expected to learn more and produce accordingly. So it is not completely different than on when the source to perform with us, which is there may be a mentor for these persons. And the mentor may teach, train them and they will help them perform their job.
- Valeria: So you don't depend on them so much in order your performance to be affected. This is what you're telling me?
- Speaker n. 9: Yeah. In the present situation, what we are focusing is hiring them at junior level. Offer them a unique career and if they are interested, we encourage them to stay with us longer term. But obviously retaining some of those roles are quite challenging because they have many opportunities in the market. Obviously, when they interact with other government bodies and other private sector companies that identify he or she as a good candidate and they offer

a good job, we have very high migration in this way. But it has been a quite successful model for us because when we offer a career that way, so it gives us results.

Valeria: If I may [crosstalk 00:56:13]-

Speaker n. 9: And we are contributing to the UAE's young professionals and designing their careers and giving to many a great career opportunity.

Valeria: If I may summarize what you told me, because you are doing a lot of business with [ADnook 00:56:17] and Adnook is kind of forcing you, obliging you to have Emirates in your payroll, the way to get out of this and have a successful story that works for your company is hiring junior peoples that they will do your job, but your performance is not going to be that much depending on them and then they can leave your organization. They can have another career path and move on.

Speaker n. 9: It's basically correct. What I meant is the reason primarily we are entering into Emiratization is because we have [Ic 00:57:00] in place, obviously the companies with more Emirates or Emirate payroll get qualified to get jobs from right now. It is obviously setting an expectation from government sector to private sector that if you are qualified at this stage, you will be benefiting from more contracts from government sector. It is a rule said for private sector companies to be more competent on Emiratization. What we are trying is, since we have a skill shortage, I have been trying to find out at 20 years experience with consultant, a UAE national, but I couldn't. I couldn't find one because those grades are mostly available in Europe or in some parts of India or Australia. They have specialized categories. [crosstalk 00:57:58]

Valeria: The short of, you cannot in any way find someone...

Speaker n. 9: Exactly. Exactly. So those skills are not available because Emirates population is small and even if I want to hire a director in [ProScan 00:58:12] safety, they are not delivering them.

Valeria: You cannot find them.

Speaker n. 9: The best way for us is to offer young graduates opportunity to learn in this field. So that they get an opportunity to develop their career and at the same time, it's a win-win situation. We are offering an opportunity. At the same time, they have Emirate payroll. But they may not be able to contribute 100% because mostly they are



graduate trainees. And they're called trainees because in time or more they need to learn something to perform with us.

Valeria: I understand. Okay, and my last question is if there is anything else you want to add regarding Emiratization initiatives and job performance, organization performance?

Speaker n. 9: Essential, central points because I'm very interested to talk about Emiratization because this was an ongoing assignment for me and a quite challenging one. When we interview candidates, they always match private sector benefits, or leap days for example, maternity leave. For private sector and public sector, it is obviously different. It is a very competitive segment or private sector companies to act like the Emirates when we offer only for 30 days maternity leave and government sector is offering three months or six months and they can go on a paid leave, et cetera.

Speaker n. 9: A standardization of benefits are required to strike a balance in public and private sector, but again we are... All of the companies are successful in attracting people in different ways and different strategies are being developed, but it would be good to have benefits and a match in private, public sector. It really is.

Valeria: So you feel that because of the way you are dealing with that. I'm sorry. Just one minute. So you're feeling the way that you're dealing with that, it has helped you to avoid any challenges, let's say?

Speaker n. 9: Yes. It would be easier for private sector companies to attract more talent because obviously for the young graduates, their vast preference is government job. And of course whatever they get, they tend to leave because they get higher benefits. So it would be a fair game for private sector companies if their benefits are aligned with public sector. But, it's not easy to align at this stage. But it takes time. I think gradually we can get there.

Valeria: Great. Thank you so much. It was very insightful, all the ideas you had and all your thoughts. Thank you so much. It was a pleasure that we had the conversation together.

## 10. Transcription Speaker Number Ten

Valeria G.: Okay.

Speaker n.10: I don't know whether you are interested in my background just for reference.

Valeria G.: Yes, that will be great.

Speaker n.10: Yeah.

Valeria G.: So, yes. Let's start. My name is Valeria Gk oura. I'm a PhD candidate. And I'm also HR manager in Magnus. And what we are doing right now, it will a session regarding HR practices and the organizational performance. It will be used only for myself. And it will be only for used for my PhD. It will be totally anonymous. And good morning. What's your name?

Speaker n.10: Yeah. Hi, my name is Speaker n.10, Speaker n.10 Fielder. I'm the head of HR in HSC to a company in Dubai Investment Park called Premier Composite Technologies.

Valeria G.: Great. And today I'm going to ask you just some simple questions. There is no right or wrong answer. Just answer to me whatever you have at your mind. And it will be, I told you, anonymous. And just from your career so far what you have to suggest. And just give me your honest opinion. We can start if you're okay with that.

Speaker n.10: Yes. Well, what I would say is that I've worked in the region for 13 years.

Valeria G.: Great.

Speaker n.10: And I worked with many Emirate teams. And now I'm working in essentially a European international business. So some of the questions that you have asked, my answers would be different if we're talking about Emirati staff. Or if we are talking about expats.

Valeria G.: Great. You will tell me during our conversation the different opinions you have for each subject. And you can differentiate as well your opinion.

Speaker n.10: Yes.

Valeria G.: Okay. So let's start. The first topic it's regarding training. First of all, I will give you a short description about this ecological context that I've first question asks, is how formal training as a part of an unwritten psychological contract between the employer and the employee influence an employee's performance. So I want to give you a short description of what a psychological contract is. So the psychological contract describes the unwritten, an untouchable set of mutual expectation, understanding, beliefs, and commitments that exist between an employee and an employer. However, this is different from an employment contract, because it is not written. And it is totally unformalized. And it is mostly psychological, as we say-

Speaker n.10: Yeah, yeah.

Valeria G.: ... between a word of mouth, let's say.

Speaker n.10: Yeah. Well, I'm very familiar with the psychological contract.

Valeria G.: Great.

Speaker n.10: [crosstalk 00:03:21] I think it is more important than the written employment contract.

Valeria G.: Great.

Speaker n.10: But I would say that it has less to do with formal training than the trust and the working relationship that an employee has with a manager.

Valeria G.: Okay.

Speaker n.10: So if the employee has a level of trust, and believes that the employee will look after him, and stick up for him, and take care for him, develop him even. Then this is far more important than the formal training he may receive.

Valeria G.: And how do you think that this can affect ... Let's say if it has been promised, let's say, the training. The training has been promised or the year, or something. But it's not delivered. For some reason, do you think that this will affect the employee's performance?

Speaker n.10: To a small extent. It obviously depends on what the type of training is.

Valeria G.: Okay.

Speaker n.10: I mean, for me there are three different types of training. There's your mandatory onboard training. Which of course is essential. Then you've got your skills training for the job. If there is training that is required so that the employee does not understand the job, or does not have the skills to do a good job, then obviously they will become demotivated.

Valeria G.: Okay.

Speaker n.10: And the other area of training of course is in development. Development for future opportunities. And that too, if that training was promised and not delivered, then yes, of course too I think it would affect performance.

Valeria G.: Great. Okay. If you don't have something else to add at this question, we can move on to the next one.

Speaker n.10: Sure. Yeah.

- Valeria G.: So what is the influence that the personality characteristics of an employee, like loyalty, relationship building, et cetera, has on the selection of the employee for training? And how this consecutively you think it can affect organizational performance, the employee performance, the performance in general?
- Speaker n.10: Well again, this is one of the questions where I would differentiate between Emiratis and expats.
- Valeria G.: Okay. Great.
- Speaker n.10: If you're talking about expats, then loyalty and relationship should not have an impact. It should be the training that's required for skills development, or leadership develop.
- Valeria G.: You mind if I take some-
- Speaker n.10: [crosstalk 00:06:00].
- Valeria G.: ... notes while you're talking, right?
- Speaker n.10: No, of course. No, no.
- Valeria G.: Great. Thank you very much.
- Speaker n.10: Yeah. Yeah.
- Valeria G.: Okay.
- Speaker n.10: But with the Emiratis, then I would suggest that the relationship is much more important.
- Valeria G.: Okay.
- Speaker n.10: If you're known to the Emirati managers, if the Emirati managers like them. Or indeed if they have been loyal to the department, then I suspect the training would be more easily forthcoming, and may or may not be more appreciated.
- Valeria G.: So this will ... So let's say some kind of loyalty. And because the employees are local, the conclusion you're trying to give me is because he's loyal, or he's liked by the manager or the line manager, he will be preferred?
- Speaker n.10: I think so, yes. Yes. Mainly Emirati culture. But I mean, in an international expat firm, then you're only training people who you want to develop, or who you need to give skills training for, for their jobs. So personality and loyalty, and even relationships would not be nearly so important.

- Valeria G.: Okay. So let's say if you have to choose between one of them, and if he ... Both of them, they are expats. For you, the most important thing, it's not loyalty or the relationship you have. But what is the importance.
- Speaker n.10: It's the job role.
- Valeria G.: The job role.
- Speaker n.10: It's the job role. Yeah. Yeah.
- Valeria G.: Okay. Great. Let's move on to the next question, if you don't have something else to add.
- Speaker n.10: No.
- Valeria G.: Is there anything more you would like to tell me about the interface between HR training and develop activities in organizational performance. How do they interact, and you have something to tell me that it comes in between the lines, or you have anything else that you want to add?
- Speaker n.10: Well, what I would say was that maybe the recruitment section comes before the training section. Because it's important to get the right people in the right job, obviously the best fit.
- Valeria G.: Sure.
- Speaker n.10: Once you've got those people in the best fit, best job, then hopefully every job would have a job description and competency ... You'd have a competency based framework on which you could develop the training needs.
- Valeria G.: Okay.
- Speaker n.10: So once you've got the competencies required for the job, then you can begin to assess the development gaps. And once you've identified the development gaps, that's when you identify the areas for training.
- Valeria G.: Okay. So you think it's very important to identify the gaps first. And then go for the training. But how do you think this will affect the performance if let's say the gaps are not identified?
- Speaker n.10: Well, obviously if the gaps are not identified, the performance will be weak, or weaker. Most people-
- Valeria G.: So we-
- Speaker n.10: ... walk into a job, and do the job immediately. And if it's the same job from an old company, there will be different organizational processes, policies, procedures. The culture of the company too will be different.

Valeria G.: Okay. So you think that culture is important as well?

Speaker n.10: Yes, of course. Yeah. Yeah.

Valeria G.: Okay. In what way you will like to describe it, like the performance and culture? They have a common ground, or they are connected?

Speaker n.10: Yes. I think in this area, emotional intelligence is very important. Being able to work within a multicultural environment. So this is where emotional intelligence training I think is particularly important.

Valeria G.: Okay.

Speaker n.10: To understand the different cultures within the organization and the different nationalities.

Valeria G.: So you think if you understand ... And if I may conclude what you're saying, if you understand the culture and the differences of the culture, you can let's say, adjust. And this can help the performance as well? You can adapt the training and the development-

Speaker n.10: Yes.

Valeria G.: ... activities. And this can help the performance.

Speaker n.10: I think so, yes. Yeah. Yeah.

Valeria G.: Okay. Great. Okay. So we can move on now to the recruitment section.

Speaker n.10: Okay.

Valeria G.: So what is the that strong and effective Recruitment and Selection system have on organizational performance?

Speaker n.10: Well, of course it depends how you define the strong and effective Recruitment and Selection process.

Valeria G.: Okay.

Speaker n.10: But if you again, doing competency based interviewing or selection on competencies that are required for the job, then once you've got the best fit, you're not always going to get the best candidate, but you're going to get the best fit. Then I think organizational performance will improve.

Valeria G.: Great. And do you think that if this was not the case, it was going to have the opposite result?

Speaker n.10: Well, I think the danger is if you have a recruitment process that's only based on an interview, then as you know from your research, an interview is

no more than a 50/50 reliability. So the chances of getting a best fit in someone who's going to perform well, it's one in two. It's 50/50.

Valeria G.: Yeah.

Speaker n.10: So that's why if you talk about a strong and effective, a robust, rigorous Recruitment and Selection policy, I think it needs to include more than an interview.

Valeria G.: Great. Okay.

Speaker n.10: Some sort of assessment center, or psychometric tests of some sort.

Valeria G.: Okay. Great. So in the same subject, what is the influence that a rigorous Recruitment and Selection system could create the feeling ... That could create the feeling of elitism, and significance between the employees can have on an employee's performance? So let's say if they feel like after, I don't know, so many Recruitment and Selection processes, they have reached to this specific group, let's say, that can ... That they have this feeling of elitism that, "Okay, I managed to get to this work after so many difficult Recruitment and Selection system processes." Do you think that this feeling of elitism can help the employee to improve his performance? Or it does play any role? Or decrease performance?

Speaker n.10: I don't think any feeling or form of elitism is helpful.

Valeria G.: Okay.

Speaker n.10: It's usually about working in teams, closely in teams whether you're in the management or within a department.

Valeria G.: Okay.

Speaker n.10: Just as an example, when I joined Mubadala in Abu Dhabi, and I was working in Strata down in the lane.

Valeria G.: Yeah.

Speaker n.10: I had to go through seven interviews.

Valeria G.: Yeah.

Speaker n.10: On the one hand, you feel where if you're selected after seven interviews, that's fine. But obviously once you join the management team, you are only one of 10 or 20 members of management. So there's no opportunity for elitism.

Valeria G.: I understand. So you think more important-

- Speaker n.10: So I don't think that any feeling of elitism would be helpful.
- Valeria G.: So you feel more important than the feeling of elitism is like the team and the environment that this will help performance, and not a rigorous Recruitment and Selection system?
- Speaker n.10: That's absolutely it. Yes. Yeah.
- Valeria G.: Okay.
- Speaker n.10: And again, if the recruitment system is including some psychometric testing on emotional intelligence, you probably have a better insight into how they're going to fit into the culture.
- Valeria G.: Great. Let's move on to the next question. What is the influence that wasta, the use of influence that we hear all the time here in Abu Dhabi, in Recruitment and Selection has on organizational performance?
- Speaker n.10: Well, frankly I think this has a negative effect, because it tends only to be used in local companies. I mean, we don't use it in our company and most international companies. But what tends to happen is that friends and family are recommended or selected. So I've been in a number of positions in Abu Dhabi where I've been appointed as the HR advisor on the basis of my experience. But then after one, two, three years, I'm usually moved out by an Emirati who has no experience in HR at all.
- Valeria G.: I understand. And what do you think this is causing to performance?
- Speaker n.10: Well, I think it obviously has a significant negative effect on performance. Because usually the guys that are brought in through wasta, do not have the experience and skills required to do the jobs, particularly at the senior level.
- Valeria G.: Okay. I understand. So is there anything else you would like to tell me about the interface between HR Recruitment and Selection and organizational performance? How do they interact? Anything that is between the lines, and people they don't understand easily? Or people inside the organization that don't understand easily?
- Speaker n.10: Well, I think that it's absolutely essential that you do have this rigorous and effective recruitment system in place, because if you bring in the wrong people, then obviously performance will suffer. And you will find it very difficult to get rid of them, particularly Emiratis. So again, I think that every organization should have well defined organizational charts, that should be job roles clearly defined. And before recruitment is considered, particularly external recruitment, an organization should explore all the other options. Whether the work can be passed to another person or department, whether it



can be automated, whether somebody within the company can fill this role, rather than going through external recruitment.

Valeria G.: Okay.

Speaker n.10: The tendency here is because they've got the budgets, they tend to race to external recruitment straight away, and not consider the other options.

Valeria G.: And you think the other option will be beneficial, more beneficial?

Speaker n.10: Well, I think so. Because if you're giving somebody within your organization a chance to do develop and progress-

Valeria G.: Okay.

Speaker n.10: ... that will perform ... That will improve probably the psychological contract and the overall performance of the employee. And of course the employee will know the culture, the people, the organization, and the processes usually.

Valeria G.: Great. Okay. Thank you very much for your insights. They're really helpful. Let's go to the next topic, that it has to do with compensation.

Speaker n.10: Yeah.

Valeria G.: So what is-

Speaker n.10: I'm just looking at the questions now.

Valeria G.: Yes.

Speaker n.10: Yeah.

Valeria G.: So what is the influence that the feeling justly treatment of compensation has on employees' motivation and performance? And what is the influence if the performance ... What is the influence in the performance if there is the feeling of unjustly treatment to an employee, and what this can create to performance?

Speaker n.10: Yeah. So we know in research that money is not a great motivator. That's only very temporary. But just equitable treatment of employees is particularly important. I think if they do see that there is transparency and equity throughout the organization, their motivation and performance will improve.

Valeria G.: Okay.

Speaker n.10: Equally if there is unjust treatment or if there is inequality, if there is a lack of transparency, then of course that can be demotivating.

Valeria G.: Yeah. But sometimes people that, they like to talk each other, "You know what? I'm getting this amount of money. And you're getting this amount of money. And why this thing is happening to me, although I'm working more than you," or, "Equal than you." Do you think that this kind of ... This feeling that an employee can has inside of him, that maybe he's not treated right. Do you think that this can affect their organizational performance?

Speaker n.10: It certainly can. But I mean, that's the job of the manager to give regular feedback and explain why they're being compensated as they are being compensated and where that fits in to the job role, and the salary scales. That's why I think there needs to be full transparency.

Valeria G.: But sometimes people join in different timeframes. And time is different. If you joined five years ago, 10 years ago, two months ago, the economy is different, the money you used to take are different.

Speaker n.10: Yeah.

Valeria G.: So sometimes-

Speaker n.10: Well, yeah. Well, often of course to recruit somebody new in, you have to pay them more than the old employee. Because they won't move without an increase. So this is where staff can see unjustly treated. If you bring in newcomers where their salaries and compensation are much higher than the existing staff.

Valeria G.: Exactly.

Speaker n.10: But I think there is a lot of water cooler talk about compensation. But again, the more transparency you have, then the more open managers are with their employees about why they're compensated and how they can improve, and how they can improve their compensation, the more helpful that can be.

Valeria G.: Okay. So in order to summarize, you feel like transparency and communication between the line managers and the employees is the most important. And this can affect performance more than this other thing that can be created.

Speaker n.10: Yes, for sure. Yeah. Yeah. Yeah.

Valeria G.: Great. So now how compensation techniques like performance based compensation system, bonus techniques, equity based compensation can influence organizational performance.

Speaker n.10: Well, I think overall it generally can. But unless you're in a sales organization where you're on commission only, salaries tend to be taken for granted pretty quickly. So if get an increase in salary at the end of the year,

that might give you a small improvement in motivation and organizational performance. But it doesn't tend to last throughout the whole year.

Valeria G.: Okay.

Speaker n.10: So bonuses, commissions, performance based compensation, they're all good. But again, they've got to be transparent, and they've got to be equitable across the whole organization. Often it's the background staff, it's the service staff that actually feel less motivated, because they don't get the same sort of bonuses and commissions as the front line sales, business development people.

Valeria G.: Okay. So in order to conclude, you think that ... Okay. This can help this techniques. But because money are taken for granted. And there are stuff that are more important, because the bonus and stuff can be forgotten quickly.

Speaker n.10: Yes. Yeah. Yeah. Unless the bonuses of course are very significant. In Abu Dhabi in the past, they were paying three, four, six months bonuses. But now of course probably all the bonuses have stopped. I'm not sure to what extent that has really demotivated staff in the long term. Obviously they're disappointed. But most people are fairly realistic about the economy.

Valeria G.: Yeah. Great. I understand. Okay. So is there anything else you'd like to add between the interface of compensation and organization performance, and this affect one and other?

Speaker n.10: No, I just think that it's important to have this transparency and equitable treatment. In Europe, many companies don't have a problem publishing their salary scales.

Valeria G.: Yeah.

Speaker n.10: But of course this is fairly taboo over here.

Valeria G.: Yeah. Culture is different.

Speaker n.10: Yeah. Yeah. So the more transparency you can have, the more open the communication you can have with your manager. I mean, if it's linked to KPIs or other metrics, then this may well be a motivator.

Valeria G.: So KPI, you think it can be a good motivator? It can help?

Speaker n.10: Yes, people know then their expectations. And they know what they have to do earn the bonuses that they're being offered.

Valeria G.: And this can enhance the performance of the organization in general you think?

Speaker n.10: Yeah. For sure. Yeah. Yeah.

Valeria G.: Okay.

Speaker n.10: Yeah.

Valeria G.: Okay. Great. So now let's move to PA. Another very important and hot topic nowadays basically.

Speaker n.10: Yeah.

Valeria G.: What is the influence that target setting, [claritive 00:24:39] expectation, and less job ambiguity of PA have on employee performance?

Speaker n.10: I think these are the areas that have most effect. Because if people know what their targets are, and they have clarity of expectations from the managers and themselves, and with less job ambiguity as you say, then they're much more likely to perform and deliver.

Valeria G.: So you think this can help the performance?

Speaker n.10: For sure. Yeah. Yeah. I think this is probably the most important thing. And probably the thing that start in the region, in my limited experience.

Valeria G.: Okay. Great. And what is the influence that employees' involvement in establishing next year goals, and performance standards for PA can have on employees' performance? So if he then [crosstalk 00:25:41]-

Speaker n.10: Yep.

Valeria G.: ... involved in all this, how this-

Speaker n.10: Yeah, yeah.

Valeria G.: ... can help him.

Speaker n.10: I think it's very important. Obviously, best practice you give the employees an opportunity to comment on the performance of last year, what they've done well and what they've not done too well. And then you get them to develop either individually or with their managers the objectives, the targets they feel they can reasonably achieve the following year. So if they come up with the objectives, then they're a lot more likely to be committed to them.

Valeria G.: So commitment, you think it will take place?

Speaker n.10: For sure, yeah. If they employee is involved in the development of the objectives.

- Valeria G.: And how do you think commitment will help the performance?
- Speaker n.10: Well, because then these are targets and objective that the individual has developed himself. They're objectives that he's agreed upon at the beginning. So he has a feeling that he can achieve them, that they are realistic and relevant. And they've also agreed the timescale. So it's basically being involved in the development of smart objectives.
- Valeria G.: So you think because he's involved, it plays a huge role on his performance and motivation, if I understand correctly.
- Speaker n.10: Sure. Yeah. Yeah, yeah. Yeah.
- Valeria G.: Okay. So now from the other side, what is the influence that an ineffective performances ... Let's say that management values loyalty over efficiency? Or the performance is without consulting the employees can have on performance?
- Speaker n.10: Yeah. Well, without consultation, then obviously the employee has no commitment or involvement in the process. This is where the bias and the subjectivity of managers and supervisors can come in. And again, if you're not honest in your feedback, in the PA feedback, if your ... Often an employee will go in and say they've done a great job. But then the manager will turn around and say, "Well, no. I think you've done a poor job." But there's been no feedback and no communication throughout the year. So the individual has been led to believe that if nothing was said, their performance was satisfactory.
- Valeria G.: So he has a different opinion, an image in his mind from what-
- Speaker n.10: Yes. Yeah.
- Valeria G.: ... is going on really?
- Speaker n.10: Yeah, yeah.
- Valeria G.: And how do you think-
- Speaker n.10: So this is why PAs are so important. And not to leave them just for once a year.
- Valeria G.: Okay.
- Speaker n.10: To do regularly, whether they're quarterly, monthly, or-
- Valeria G.: Are you think even that will help the performance as well if it's that more regularly?

- Speaker n.10: Yes. Even if it's not formal and written down, informal feedback. I mean, ideally it should be given on a daily basis.
- Valeria G.: Okay. And if there is an effective, let's say PA system, how do you think this can affect employees' performance?
- Speaker n.10: Well, I think again, you'll get this greater level of engagement, greater level of commitment. And therefore the employee will be more committed to delivering the objectives that have been mutually agreed.
- Valeria G.: So mutual agreement is very important?
- Speaker n.10: Very. Yeah. Yeah.
- Valeria G.: Okay. So is there anything else you would like to tell me about the compensation and the organization performance, and how this affect one and other?
- Speaker n.10: No, I don't think so. Only on compensation, that I'm a great believer in one size doesn't fit all.
- Valeria G.: Okay.
- Speaker n.10: And I think there's been a trend particularly in Abu Dhabi now in the region, rather than have so many different allowances just to consolidate the compensation package to have a basic salary. And then one allowance that covers everything from housing to transport, to whatever. So within that allowance, you can then decide whether you want to live in a tent and drive a Ferrari. Or live in a villa and drive a Tiida.
- Valeria G.: Yeah.
- Speaker n.10: So I think that you need to understand, the organizations need to understand that in different life cycles, people need different things.
- Valeria G.: Okay. So what do you mean by that?
- Speaker n.10: Well, you probably heard of the approach of the menu approach to compensation?
- Valeria G.: Yes.
- Speaker n.10: Yeah. So you have many different benefits, which are costed out.
- Valeria G.: Okay.
- Speaker n.10: And then an individual can choose which particular benefit to a particular compensation level might be most appropriate for his lifestyle.

Valeria G.: And this-

Speaker n.10: So for [crosstalk 00:30:52]-

Valeria G.: ... you think it will effect him?

Speaker n.10: For example ... Yeah. Yeah, yeah. I think again, if those can be mutually agreed, or chosen by the employee, they're much more likely to be motivated. So a single guy might want to spend his allowance on a fast car. Where the married employee would presumably want to spend it on housing and childcare, or school fees.

Valeria G.: So you think the option, the given option is very important?

Speaker n.10: I think so, yes. Because then you can tailor a compensation package that's more relevant to the individual and lifestyle.

Valeria G.: So you think-

Speaker n.10: Or life cycle.

Valeria G.: Yeah. It should be more personalized?

Speaker n.10: Customized, yes.

Valeria G.: Yeah.

Speaker n.10: [crosstalk 00:31:39].

Valeria G.: Customized.

Speaker n.10: Yeah.

Valeria G.: Yeah. On the needs of every person, let's say.

Speaker n.10: Yeah.

Valeria G.: And this will affect the employees' performance, motivation, and [crosstalk 00:31:47]-

Speaker n.10: I think so, yes. Yeah.

Valeria G.: Yeah.

Speaker n.10: Yeah. Because at my age for example, I might choose for more flexible working hours, more working from home, more holidays.

Valeria G.: Yeah.

Speaker n.10: High class of travel. Whereas that wouldn't be so important to an individual who is single.

Valeria G.: Yeah. Yeah. For sure. Yeah. Great. I understand. Okay. So now let's move on to our last topic. It's regarding Emiratization. And I will ... for you. I'm sure that you are familiar, the Emiratization introduction.

Speaker n.10: Yeah. Very. Yeah.

Valeria G.: Okay. So I don't need to read it for you then. And-

Speaker n.10: No.

Valeria G.: ... what is the influence of the forced quota system, wage restraints and payroll retain of Emiratis that the Emiratization initiative have on employees' performance and organization performance? So there are some-

Valeria G.: Yeah.

Speaker n.10: Yeah. I wasn't aware that there are any wage restraints for Emiratis. So I think the challenge is that most of the Emiratization programs are moving too quickly.

Valeria G.: Okay.

Speaker n.10: If I give Strata as an example again, as head of HR, I had to achieve 50% Emiratization-

Valeria G.: Yes.

Speaker n.10: ... by the end of 2016.

Valeria G.: Yeah.

Speaker n.10: Now this was an aircraft manufacturing company where there were very few, if any, Emiratis who had technical experience.

Valeria G.: Yeah.

Speaker n.10: So by moving the Emiratis into senior and technical positions too quickly, they didn't have the experience and the skills to continue the programs that the expats had set up.

Valeria G.: I understand. And had this affect the whole organizational performance?

Speaker n.10: Well, it affects the Emiratis, because they're frustrated. They don't have the skills and experience to sustain the business. And it frustrates the expats, because they're the ones doing the training and the teaching, and most of the work. But are being paid significantly less for it.



Valeria G.: Okay. And how'd this affect the organization in general?

Speaker n.10: Well, it means really that there is a low level of employee engagement, and weaker organizational performance. I mean, Emiratization as a principle, as a concept is absolutely fine.

Valeria G.: Okay.

Speaker n.10: But one, there aren't enough Emiratis to go around. And the vision is that every company should have an Emirati as an HR manager for example.

Valeria G.: Yeah.

Speaker n.10: Well, that won't happen for many years. There aren't enough to go around. And secondly, there are relatively few with significant HR experience.

Valeria G.: Yes.

Speaker n.10: And that's the same in just about every technical area. The other thing is, I think talking specifically about HR. I did a lot of work with the Abu Dhabi government in the Center of Excellence. And they'd realized that they were training many of their other technical managers with professional qualifications, but hadn't trained the HR staff.

Valeria G.: Yeah. That's true.

Speaker n.10: But I'm a fellow of The Chartered Institute to Personal Development, the CIPD.

Valeria G.: Yes.

Speaker n.10: And they decided they wanted their managers to be trained in the CIPD qualification.

Valeria G.: Yes.

Speaker n.10: And they had 700 managers across all their different entities. But not one of them had a professional qualification.

Valeria G.: Yes. And even now-

Speaker n.10: [crosstalk 00:35:39].

Valeria G.: ... lately they within Dubai.

Speaker n.10: Yeah, yeah. Yes. Yeah. So the problem there was that when you met with these guys, most of them were men rather than women. The women are coming up now.

Valeria G.: Yeah.

Speaker n.10: But most of the men were actually placed into HR, because they weren't performing well in their previous jobs.

Valeria G.: Oh, so you think-

Speaker n.10: Yeah. Yeah.

Valeria G.: ... they just-

Speaker n.10: And you weren't getting-

Valeria G.: ... throw them there.

Speaker n.10: ... the best fit. Yeah. A big problem.

Valeria G.: Big problem.

Speaker n.10: Because HR is considered to be administrative in background rather than strategic.

Valeria G.: Yeah. Yes. I understand. And how do you think this forced quota system is affecting the organization?

Speaker n.10: Well, as I say, it's moving Emiratis too far. Too far up the chain, too fast.

Valeria G.: Yeah.

Speaker n.10: And they don't have the skills and the training, the experience, and probably the work ethic many of them, to fulfill the senior jobs.

Valeria G.: So this affects-

Speaker n.10: So performance [crosstalk 00:36:45]-

Valeria G.: ... performance in what way?

Speaker n.10: Yeah. Well, performance is weak.

Valeria G.: Yeah.

Speaker n.10: And the leadership and the decisions based on performance are not based on experience and information. They're not based often on the data.

Valeria G.: And they are based on what?

Speaker n.10: Well, emotional feelings, intuition, gut feelings.

- Valeria G.: Okay. And this payroll retain of the Emiratis? Maybe if they don't even perform well, you need to keep them to the organization. What do you think that [crosstalk 00:37:29]-
- Speaker n.10: Yeah. This is the problem with Strata and other businesses that the UAE have that are depended on the Offset Program is that because the Emiratis are paid so highly, they can not get work on the open Speaker n.10et. They can only get it through the Offset Program in a place of aviation. Airbus and Boeing were obliged to give Strata a certain percentage of their work.
- Valeria G.: Okay.
- Speaker n.10: But they can't pitch for new business on the open Speaker n.10et, because of the high levels of Emiratis' salaries.
- Valeria G.: Yes. So this ... If I may conclude what you said, this is restraining them from moving to the private sector, because of the high wage-
- Speaker n.10: Yeah.
- Valeria G.: ... and they are not competitive enough.
- Speaker n.10: Exactly. And also in the business sector, because it is focused on business, there isn't the same will. There isn't the same drive to deliver. So they can work in a government job where the hours are easy, the work is easy, there are very little demands.
- Valeria G.: So they don't have the motivation as well to go?
- Speaker n.10: No, no.
- Valeria G.: Yeah.
- Speaker n.10: This is not so true now with the young women that are coming up. There are many good young female Emiratis that have been to university.
- Valeria G.: Okay.
- Speaker n.10: They're all very keen to prove themselves, to prove to their families that they can and will do well.
- Valeria G.: Okay.
- Speaker n.10: It's basically the men that have family business, they have land and other interests. So they just keep their government jobs as ... Well, almost as a social gather space.
- Valeria G.: Okay. So there is a status, let's say, that they need to maintain. Especially the guys. But you differentiate this towards the women?

Speaker n.10: Yes.

Valeria G.: That they need to-

Speaker n.10: In HR-

Valeria G.: ... prove-

Speaker n.10: ... most of my teams, Emirati teams have been with women.

Valeria G.: Okay.

Speaker n.10: And most of those women are keen to develop. They've come with good university degrees. And want to prove themselves.

Valeria G.: Okay. Why do think this is the case?

Speaker n.10: Well, because I think socially more Emirati women want more independence. They want their own salaries. They want their own money to do what they want to do with it. And I think there are now, many more equal opportunities for women.

Valeria G.: Okay.

Speaker n.10: So even the government themselves are pushing more and more women into senior management positions.

Valeria G.: Okay. Great. So is there anything more you would like to tell me about the interface between Emiratisation initiatives and job performance? And how this can be in a better way? Or do you have anything else to add about the influence?

Speaker n.10: I think as I said, the concept is good. They just need to move a little more slowly. And rather than force it with quotas, really look at each individual industry or sector, or business. And see to what extent they can develop the Emiratis that work with them. I think in Strata, if they'd had 20 or 30%, it would've done well.

Valeria G.: Okay. But?

Speaker n.10: 50%, it just drowned them. Because they lost too many of their consultants and highly technical people who did have experience of setting up a new factory.

Valeria G.: Okay. But they didn't do that.

Speaker n.10: No. No. Well, they laid all the expats off. And with that, they lose all that experience.

Valeria G.: And what do you think this is causing the performance decline?

Speaker n.10: Yeah, for sure. Yeah. Because the ones that are left do not have the experience, and the skillset to undertake the jobs that they need to deliver. Many of them are highly technical in aviation. Well, many of them are highly technical in the industries that Abu Dhabi have invested in.

Valeria G.: Okay.

Speaker n.10: Whether it's oil and gas, or whether it's in defense, or aviation.

Valeria G.: Great.

Speaker n.10: Financial services they can probably get away with it. But I think in the industrial sector, it's a lot more difficult.

Valeria G.: So in order to conclude, you think every sector is different. And they should focus on that. And move slowly than try to find a quick solution. And then kind of mess it up, let's say.

Speaker n.10: Yeah. Yeah. Yeah.

Valeria G.: Okay. Great. If you don't have anything else to add, we are done.

Speaker n.10: I don't think so. Yeah.

Valeria G.: Great. Thank you very much for all the great insights. Really I'm so happy. And last thing I would-

## **11. Transcription Speaker Number Eleven**

Speaker n.11: Hello.

Valeria: Hi, how are you?

Speaker n.11: Hi, Valeria.

Valeria: Hi. Thank you for accepting to have the interview with me.

Speaker n.11: it's safe.

Valeria: Great. How is everything? How are things in England? I know you're in England now?

- Speaker n.11 Yes, great. I think everyone is monitoring very carefully the situation. It's sad to see every day the number of deaths we're still having, between six and 800 each day. I think everyone is trying to work out at what point we might be inching over the curve and hopefully just to better times. But everyone's being very good with regards to staying home and being sensible.
- Valeria: Think it is.
- Speaker n.11 It's just what ... Where are we now? Week four, I guess. Similar situation with you in Abu Dhabi?
- Valeria: Yeah.
- Speaker n.11 You are in Abu Dhabi, aren't you?
- Valeria: Yes, yes. I'm in Abu Dhabi. Me, I'm doing my page and I'm in the interview process. Actually, you would be my last interview. After that, I will just finish my page, then I can give you the results. You can use them if you want for your organization, for yourself. Plus look how they practice effective organization and performance in the UAE. We will be totally anonymous. I just needed to record it to transcribe because we need to know exactly and then analyze that, and write down all the information. Mark told me that you have a tremendous experience so it's a pleasure to interview you, actually. I'm an HR manager as well. I'm working at a company, an IT company, MAGNOOS. And the interview will take 45 minutes, and there is no right or wrong answer. You can answer whatever you think from your career so far, and that's it.
- Speaker n.11 Okay. Thank you.
- Valeria: Great. Do you want to start?
- Speaker n.11 Yes. What would you like me to start with?
- Valeria: No, no, no. I will start asking you the questions. I'm asking if you want to start? Okay, great.
- Speaker n.11: absolutely, Valeria, I have no questions.
- Valeria: Great. The first one, it has to do with training. How is formal training, as a part of an unwritten psychological contract, between the employer and the employee, influence employee's performance. When I say unwritten psychological contract, it has nothing to do with a formalized document of a written contract. It's like what has been promised. It's describing the unwritten and intangible set of mutual expectations, understandings, beliefs between employee and employer. How do you think this formal training, as

a part of what has been promised, what they have said orally between the employer and the employee, influence the employee's performance?

Speaker n.11: Okay, okay. I'll refer to some data at certain points which I'm taking from our most recent employee satisfaction survey. Where I have the data, I will just quickly refer to it and give you some additional information that might help to bontify and qualify what I'm saying. Our role at ADNEC has a very good philosophy with regards to training. The role is sensitive to ensure that there is equal opportunity for expats and the UAE nationals.

Valeria: Sorry. I cannot hear you now. I don't know why. I lost you. Something happened. Can you hear me? Me, I cannot. Let me just call you again back. Let me call you back. [foreign language 00:04:59].

Speaker n.11: Omitted.

Valeria: Ah, wait one minute. Yes. I can hear you now, and you can hear me. Great. So start again with the training because I didn't hear anything, please. Sorry.

Speaker n.11: No, of course, of course. Our philosophy with training I think is very good. We provide equal opportunities to both expats and UAE nationals. We're always very careful ensuring that we balance that. And where we need to be honest and say, "Look, this doesn't apply to UAE nationals," ... Sorry, "to expats," And we but typically that tends to be more with compensation and benefits, not with training. On average we provide, on a limited so in 2019, average training hours per employee was 39.4 hours per employee which is pretty good. That's formal training, internal training. The way it operates and I think the way that it helps with regards to your question and the psychological contract, is that we give free choice to people to request to go on training. We don't tell people.

Speaker n.11: We guide them with regards to what we believe training they require by agreeing with each employee the personal development map against our set of competencies that identifies gaps. And with that, it's suggests some training, but it's then that free choice. I mean DE people couldn't possibly cover all of those ideas in a single year, so it has to be spread out. I think the process helps us in that regard. Indeed the feedback we get, if you look at that, for example, employee evaluation of training programs overall, 90% satisfaction in 2019. 96% of all UAE nationals were trained in recognizing in some way, so I think we have some good evidence I can go on because we've got a whole section on career growth with our satisfaction survey. But I have to just send that to you in the present time so you have some

Valeria: Why not?

Speaker n.11: I know it looks like we're doing the right things. For example, I have received one that was low and we're working one. I received development

the last 12 months to ensure I perform effectively. In 2017, this was only at 51% satisfaction. It's now gone up to 72% satisfaction. Still not as high as we would like. Our participating contact, our overall employee satisfaction is 85% across all kind of factors. We have some pretty high what we go through.

Valeria: How do you think this is effecting the performance of the employee, if it's delivered and if it's not delivered, the training?

Speaker n.11: Yes, yes. I think that's always, in my experience, that is always something that's very difficult to be like right from the training you gave, and how people feel about you, and they feel about the organization. Overall across one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve questions in this area, career growth, I mean coming out in 79% satisfied. In there, we've got some high scores, we've got some low scores, but one of the high scores has to do with how committed people think ADNEC is to learning and development opportunities, and that's at 83%. That sounds like it is having an effect. People do feel good about it. How that then translates into their actual performance, it's difficult to measure that [crosstalk 00:09:49].

Valeria: Your opinion.

Speaker n.11: Yes, yeah.

Valeria: What's your opinion?

Speaker n.11: I think it does. What I think what we having recently started during the last six months is a pre- and post-course knowledge-acquired assessment. That's starting to give us some good results. Now, I'll be honest, I think one of the things that we always have is in terms of follow through. You know how it is. The employee gets back in the workplace, his line manager may or may not ask him how the training went. A good manager will, the less good manager won't. As long as that line manager is still asking the questions and drawing relevance to their job a few weeks later, we've got to a good place.

Speaker n.11: I think that's the absolute test of climate. One of the things, I suppose some of the data we do have, is we send UAE nationals on a three-month development program to our London exhibition center, ExCel, currently a hospital, but normally it's an exhibition center. We look and we've now sent 44 over the last five years. They live there for three months, they're working for three months in their formal programs. We can see what's happened to those people since they returned to the business. So we know if they've been promoted, if they had a salary increase, we can check their performance in that way, we look at performance ratings as well.

Valeria: Do you feel like this performance has been increased?



Speaker n.11: Definitely, yes, actually. The majority, and I haven't got this stage but the majority receive a promotion within two years, go on to the next level. Now going back if they happen to, during that three month program, we don't know, do we?

Valeria: Of course.

Speaker n.11: I think it has, in fact, accelerated for that there

Valeria: How do you feel like this employee will react for the X, Y, zed reason, you didn't manage to send people to training, how his performance will influence this no delivery of the training?

Speaker n.11: Sorry. If we didn't provide the training?

Valeria: Yes, for the reason if something happened and you couldn't provide the training that you have been promised to him. How do you think this will affect his performance? Your opinion now. We're not doing any statistics. I'm asking you, what do you think?

Speaker n.11: Yeah. That too late because we know about three years ago, we weren't in such a good place, and we had lots of and lots of dissatisfaction, and we believe that was a distraction for employees with regards to their normal work performance. So we saw that then, we know we have improved now. In that time, we've gone from 58% satisfaction to 79% satisfaction overall various things, various things across the piece. One of the things we invested in was actually a more experience L&D team internally. So we appointed a head of L&D, we brought in some good resource, contracted with a certain organization. That's been a massive investment.

Valeria: Great. In the same area, the next question, same topic. What is the influence that personality characteristics for an employee, like loyalty, good relationship building, has on the selection of the employee for training and how does this can affect an organization performance? So personality characteristics like loyalty, good relationship, do you think this will affect the selection of the employee for training? Again, your opinion.

Speaker n.11: [crosstalk 00:14:20]. Yes. Employees nominate themselves for training, so the organization selecting. But once they've nominated themselves, obviously there is a selection process that goes on behind that. We then look at what qualifies the employee to go on that particular training program. We would look at their performance rating in the last three years. We'd look at length of time with the organization, and we would take the line manager recommendation. In all of that, yes, you've got personality playing a part because an employee who is more eager, who is keen, interested, we're more likely to say, "Yes, it's worth spending money on you. It's in your clearly." Once that's informally assessed, I think informally is assessed, in

terms of the overall assessment of the readiness of an employee to go on a particular training program, yes.

Valeria: If I may ask you what you are saying, you feel like there are certain criteria in order to fulfill for you to go on training, but there is their character as well that you are judging in order to select them for the training? Correct?

Speaker n.11: Yes. That's right.

Valeria: How do you think this will affect his performance? And maybe his collective of the whole organizational performance, in general?

Speaker n.11: Yes. I think that's part of our recognition system, if you like, but in still being selected to go on training, you see reflected in their levels of motivation. I can think of a couple of very good examples. Because we're a government organization, we are invited to government-led programs that have proven very successful for us. I've seen how people respond when they are selected, when they're not selected. When they are selected, I can think of a particular Emirate lady, she did last year. The change in her was quite incredible. In fact, I've seen it twice now. This is someone in finance and someone in marketing. On both occasions, we've seen tremendous improvement in their performance, their motivation, they've come back to the workplace different people.

Valeria: Different people.

Speaker n.11: And how this continued equally, I've seen it when people have withdrawn a little bit because they haven't been selected, and they're disappointed, and they haven't had the personality to cope with it.

Valeria: You feel there is a straight line correlation between training and employee's performance, if I may summarize what you said?

Speaker n.11: Yes, yes.

Valeria: Okay. Then my last question is if you want to add anything regarding the interface between actual training and development activities in an organizational performance.

Speaker n.11: Okay. The only thing I would add, and again, I'm happy to share anything with you that might be useful, Valeria.

Valeria: That's great. Thank you so much.

Speaker n.11: You're welcome. We have two sets of approaches in this area. We have a learning-developed approach and we have a career-planning approach. These are documents that are then published for all employees on our intranet that sets an expectation on what they should do. It plays back to the

psychological contract. It sets an expectation what they should expect from the organization with regards to the training and the career development that they should receive. But that's set out in a lot detail, step by step, the process ... Are you still hearing me okay, Valeria?

Valeria: Yes, yes.

Speaker n.11: Okay. I saw a little message came up saying if I've been experiencing network connections, but [crosstalk 00:18:53].

Valeria: No, I can hear you. Thank God.

Speaker n.11: Yeah. That's all set out, and it's measured as well with some key performance indicators. assessments. One of the things I did, I'm doing at the moment actually, to go through all of our HR approaches, of which there are 12, that sets the framework and the expectations for employees to make sure they're still relevant and up to date. That's the two that I'm going through now currently [crosstalk 00:19:23]-

Valeria: Good.

Speaker n.11: To revise.

Valeria: Great.

Speaker n.11: Of course, we are currently revising all of our KPIs because some of them are no longer relevant to the current situation. So we're making a big investment on online training, of course, like most organizations.

Valeria: Yes, yes, for sure, for the current situation.

Speaker n.11: a different set of KPIs that you need to ...

Valeria: Yeah, to set. Great. Let's move on to the next set of questions that has to do with recruitment. What is the influence that strong and effective Recruitment and Selection system has on an organization but focusing on employees, of course?

Speaker n.11: Okay. Again, I think it's relevant just talk a little bit how we recruit initially. I think it had gone a bit later, but it's probably relevant here with regards to Emiritization and Emiritization targets. [crosstalk 00:20:26].

Valeria: Yeah, we'll ask you later about the Emiritization, but in general, now your opinion about strong and effective recruitment selection system. How do you think this will influence the performance of the whole organization? Emiritization will come at the end.

Speaker n.11: Okay. First of all, I think that any selection process has to be visible and transparent. If someone feels they have missed out on a job, because that happened to be the case, because, say, the recruitment selection systems are not robust enough, you're going to demotivate people. So we ensure that all vacancies are published, everyone is clear about that. Ahead of that, we have a succession-planning process so people know whether they are going to be considered when a vacancy comes up. When the boss leaves, is it therefore a peer that is going to be selected for that particular role. It's worked always that way, I have to say.

Speaker n.11: I think we have right now since 2009, and when I first joined, there were no recruitment selection procedures. At that point, the organization was only four years old. Line managers were doing their own recruitment. There was no central control. I've seen how it worked badly, and I see how it operates today with HR and the line management working cooperatively together. And indeed, and this is something else that is also transparent, the selection of the right of the candidates at the end of the process is not just HR. It's a combination of HR, the line manager, the line manager's manager, and depending on the we'd go to the next level as well. That was all documented in the recruitment approach.

Valeria: But in general you feel we have a positive, negative and neutral effect from what you have seen so far? From what you are telling me, you have tremendous experience seeing the full change.

Speaker n.11: Indeed. I've seen with and without such a system. I know it has a positive effect, so I know what that world is like today. Yes, absolutely.

Valeria: Great. Okay. Let's go to the next question. What is the influence that the recruitment selection system that could create the feeling of elitism and significance between the employees has on employee's performance? Let's say if you have like five, six, seven interviews, but you manage to get in finally, do you think employees will get this feeling of significance and elitism, and it's going to affect their performance? Or you think this feeling's going to fade away and it's not going to be any influence at all?

Speaker n.11: Your question has to do with if you have a number of steps in the recruitment process?

Valeria: Mm-hmm (affirmative).

Valeria: A lot of companies, they have a lot of recruitment process. Like first of all an interview, then you maybe you have the assessment center, maybe you have the psychological profile, then you have with the line managers, then you have with the managers, a lot, a lot of things. How do you think this will affect the employees? It's going to affect them in a positive way, it's going to affect them in a negative way? If they manage and they get in like

in an organization like Google, or Apple, or whatever, then they will have this feeling, "Oh, I managed and I got in. I'm the elite." Do you feel like this will affect them?

Speaker n.11: Okay. I think it does. Because, in my experience, if a candidate gets to the end of the process and has found it tough, how they they will know that we are not playing with their future. We are putting them in the right job at the right time in their career. I think it does affect their performance. It does affect how they see the organization. And I think that's one of the things any organization has to do, we certainly do it, is if you go through that lengthy process, the people don't get the job, give them some feedback. Because it may be in two years' time they are ready. I can think of candidates that we held on our books, and we've got back, and we've reengaged with them, and have then employed them at that time. Actually

Speaker n.11: But there's a fine point, isn't there, between having too many steps, too many hoops to jump through, and I can think of yeah, we get it wrong, and we're not providing the variety of competency-based assessments. We're just having too many interviews. They're often specific and they're different people. Because one of my other colleagues also wanting to see this calculated. And he said, "Hang on. It's not necessary to enter the process." So I think you have to engage them to be quite certain with the to say, "Look, no, this isn't necessary. It's about data collection, information, collecting all the information we need. Now that's stopped, let's move on."

Valeria: Great. If I may summarize, you feel like it has a positive affect on the of the company in general when it comes to the employee and regarding their future. But if there are too many, maybe the employee can be demotivated, discouraged, and lose interest, and this is a bad thing for his future performance as well.

Speaker n.11: Exactly. It would put them off because ... It is at that point in the process and you would know this from your experience, it's at that point in the process where the candidate is making their mind up about the organization. If you don't have a professional recruitment process that is illogical, then they're going to walk away.

Valeria: Great. Great insights, great insights. Let's say it's the UAE. What is the influence that the wasta, in Arabic, the user's influence, in Recruitment and Selection has on organizational performance? If they bring you someone because he has some connections, he has some influence, how do you think this will affect the organization performance if Recruitment and Selection is influenced by wasta?

Speaker n.11: Yes, yes. You reminded me of a quite early situation in my time with ADNEC when I discovered a family relationship with our now group CEO

and a candidate. Okay. He declared the interest to me. We do have a policy with regards to any family member not working in a certain department, sort of thing. Valeria, are you frozen? Are you-

Valeria: Yeah, yeah. I got frozen. You got frozen as well. But now I can hear you again.

Speaker n.11: Can you hear okay?

Valeria: Yeah. You were talking about this family relationship that you're not supposed to have in the same department.

Speaker n.11: Yes, yes. This particular individual declares a conflict of interest. But after a long process, we actually honestly realized that they were the best candidate. What was very interesting afterwards, rather than wasta working in a positive way for the candidates, he had to jump through more hoops and achieve more in order to progress in the organization because the line manager ... Not the line manager, the group CEO, was so conscious of that relationship, he didn't want to be seen to be doing anything that would favor them, and that has continued to this day. We now joke about it. And the individual who's still employed by us jokes about it and says, "Oh, you know he's never going to agree to that because of me. Someone else will I've seen it work.

Speaker n.11: It's actually caused a healthy relationship, an open relationship to have. I have seen it work in probably the way you're thinking where it brings false confidence to the individual because they feel they do have that wasta in the organization. Often they are promoted too soon, and they can't cope. I've always had people come to my office to say, "Look. I'm not ready for this, I'm not ready for this, but I'm being pushed forward because of that." I have to manage that carefully and sensitively without any loss of face or reputation. Wasta can be good if it's managed openly and knowingly with regards to performance, but I have seen it could also be quite for people's levels of aggregation.

Valeria: If I may summarize. What you're saying it has two sides, the same It can be a positive and it can have a positive effect if the right people are chosen although that is wasta or whatever, but it can have a negative effect if the wrong people are chosen and the influence of their performance can be negative as well.

Speaker n.11: Indeed.

Valeria: Great. Is there anything else you would like to add about the interface between recruitment selection process and organization performance before we move on?

- Speaker n.11: I don't think so. Yeah, I've got various sets and pages of things if you were to find that helpful.
- Valeria: Yeah, sure.
- Speaker n.11: Again, we do have a proved approach around this that controls our selection processes.
- Valeria: Yeah, so whatever you have to share with me, I'm very, very happy to receive it. Great. We can move on now to the next one. It has to do with compensation. What is the influence that the feeling of justly treatment of compensation has on employees' motivation and performance? And from the other side, what is the influence if there is the feeling of unjustly treatment because you know some people will talk? Can you hear me?
- Speaker n.11: Yes, I can.
- Valeria: Yes. You know people talk. And I'm getting this, you're getting that, and why, blah, blah, blah. How do you feel the feeling of justly treated and the feeling of unjustly treated influences their performance?
- Speaker n.11: Yes. We have this issue every year with one particular part of our compensation package and that is bonus. We got a little off with it, but there used to be an annual round of people carrying the ax, the HR directors door, my door, to say, "Hey, I didn't get a bonus. Why didn't I get a bonus?" And you know if the employees are asking that question, sometimes a year after the bonus year has finished because it's taken that long to get the bonus approved by even the resource authority and the government, that we failed because that person should know straight away not to expect the bonus when once it is approved for everybody else.
- Speaker n.11: I've seen how that affects performance. I also know and here we go. 90% of employees consider that the opportunity to earn bonus as being important to them, which is from the employee satisfaction survey. And we know that that worked in a positive way for us, but we're also mindful, and because it's linked to performance management, so we pay for bonus, a very, very strong link to performance management. We know there is a direct relationship there, and we know that 77% of people are generally satisfied with all the employee benefits and compensation systems, which has been a massive improvement over the last few years.
- Speaker n.11: It does have an affect on motivation and performance. You see it anecdotally, and you see it with people who you know have received their bonus. But in those few months after they've received a bonus, you're sitting in a meeting room, some that have received it, some haven't received it, you can actually work out who's received a bonus and who hasn't. But it's to say it's probably you get that reaction because at some point we've failed as an

organization, the line manager has failed to feed back the final performance review. We've now put our performance review system online in the last 12 months to go over this, so there are no surprises.

Valeria: Great.

Speaker n.11: Because sometimes a line manager will have received a different review from his boss to say, "Mohammed doesn't deserve a very good raise, and I'm going to give him a good rating." The line manager crawls back to his office thinking, "How am I going to tell Mohammed he's not a very good," and the conversation never happens until six months later or whatever, HR will send out a communication about who's got the bonus and who hasn't. And Mohammed goes, "Boss, you didn't tell me that it wasn't very good."

Valeria: If I may summarize, you think there is a straight line positive relationship when it comes to justly treatment and a negative when it comes to unjustly treated, when talking about compensation?

Speaker n.11: Yes. If not managed properly, yes, absolutely.

Valeria: If not managed properly.

Speaker n.11: Yes.

Valeria: So you feel like if you managed to have like a talk or like a properly line of communication between the employer and the employee, you can avoid this negativity?

Speaker n.11: Yes. By managing their expectations. I think that doesn't just go with what we're talking about here. It can go with training as well, or promotion, or doing that open relationship and managing expectation just to ... but certainly comes in with what we're talking about here.

Valeria: Of course. Now we'll go back a little bit to what you said before. How compensation techniques like what you said, performance-based compensation system, bonus techniques, equity-based compensation influence organizational performance. Do you think all these techniques, they have a positive, a negative, a neutral effect, how do you think they interact and what is the influence that they have to performance?

Speaker n.11: Yes. I think they, taken together, they certainly do together those things you mentioned do have a positive But you shouldn't rely on those. I think many organizations don't spend enough time on the other aspects of recognition. So the simple thank you, the public recognition, the internal awards, you know, and getting the right elements. Because they don't cost as much money. I would say to an organization, "You don't need to throw money at



systems like this and have all these expensive compensation schemes, if you are doing the very simple things every single day of the week." You know?

Valeria: Yeah.

Speaker n.11: It's much more effective, builds much stronger relationship, helps in protection of loyalty if you do these things. So yes, Valeria, they do influence organizational performance, without a doubt, if they are well-constructed and well-designed and relevant to performance metrics, financial, and other ones, and people can see that relationship with their own performance. We certainly invest a lot of time and energy into ensuring this equals annual KPIs, aligned up with the corporate goals, the team or department goals, and what they are doing individually to achieve those, and how that relates to their compensation. We do

Valeria: Perfect. You have amazing insights, I have to say.

Valeria: Is there anything else you would like to tell me about compensation and performance?

Speaker n.11: The only thing is just ensuring that there is transparency with these things. With regards to HR-related decisions around compensation and performance management generally. You don't get it right all the time, but I think there are systems that could help you to achieve that. We've certainly made some big strides in that, if we didn't have it right a few years ago.

Valeria: Great. You think transparency is very important when it comes to-

Speaker n.11: Yes.

Valeria: This kind of techniques, compensation, bonus, and stuff. Great. Let's move on now to PA. What is the influence that target settings, expectation, less job ambiguity of PA have on employees' performance?

Speaker n.11: Yes. Everyone deserves and expects to know what's expected of them from the organization with regards to their annual tasks, the NPIs. Where that is not clear, you get people doing maybe the right things at the wrong time or the wrong things at ... and not performing as they should do. So objective setting all that, absolutely critical. And as I say, for every single person in your organization now, we have an alignment map that goes from their ... If they have KPIs, back to their team, their departments, their boss actually, and then back to the divisional and the corporate goals. Note that there's five stages there. It goes from one of the five corporate goals all the way down to what that person is doing today in the business.

Speaker n.11: If they're doing something that is not linked to that, they shouldn't be doing it. We worked hard to ensure that's in place, and this is all online now, and

is approved, and signed off. Here we go. Here's some data. The question is, my manager gives me clear guidance about my responsibilities, 84% satisfaction, so that's good. Yeah, the PA system is applied consistently and systematically. In 2017, that was at 61%, it's now at 77%. 86% of employees feel well-informed about what's expected of them. That's a lot of data, but I worked on it now. That all suggests to me though that that is having a positive effect on people's ... What with these having a positive affect on the employee's performance.

Valeria: Good, perfect. We can move on to the next question or you have something else to add?

Speaker n.11: Nope. That's fine.

Valeria: Great. What does the influence that employees involvement in establishing next year's goals, performance standards, or the PA have on employee's performance? If we involve the employee in this PA, how do you think this will affect its performance?

Speaker n.11: Yeah, absolutely critical to do this. There's a process we go through that ensures that, so the minute we get the corporate goals and the strategic objectives, that's cascaded through our whole organization and there are little workshops that take place at department level to then get into the detail of the employee's objectives. That was not always the way. We've only done this the last two or three years. Again, I feel like I've always talked about recruitment, I've seen the before and after here and I can see how it's impacted on people's performance. And how satisfaction with the process has increased, and again, we've got data on this.

Speaker n.11: So absolutely it does have a positive affect. So 86% of employees feel well-informed about what's expected of them, 87% feel comfortable giving feedback to their line manager, and that's something that you have to do if you're going to design relevant objectives that are co-owned by the employee and the line manager have often their overlapping objectives anyway. If I am the line manager, agree on an objective with you that is not achievable or is irrelevant, it's going to lead back to my performance as well. So why wouldn't why I do objectives?

Speaker n.11: I think this is a message that we're getting out to people now.

Valeria: Yeah. I think I lost you for the last two minutes.

Speaker 3: Two seconds.

Valeria: Two seconds maybe. The things that you said, I couldn't hear them. You got frozen.

Speaker n.11: Okay. I think I was talking about the relevance of a line manager-

Valeria: Yes, yes.

Valeria: No, I cannot hear you.

Valeria: I switch off my camera so I can ... Maybe we have better connection?

Speaker n.11: Oh, yes. Can you hear me now?

Valeria: Yes, perfectly. Yeah, I will leave it like that, and at the end I will put it on again, so I can still hear you. Because the last minutes I lost you.

Speaker n.11: Okay, okay. Well, I agree. I'll turn my camera off if we have any further problems.

Valeria: Yeah, yeah.

Speaker n.11: What I was saying then ... Can you hear me?

Valeria: Yes, yes.

Speaker n.11: Yes. I was saying there at the end, the big two minutes, was to do with the importance of collaborating on setting shared objectives, being the line manager of the employee, because they would typically be, they overlap, and ensuring therefore that there is complete buy-in and only shared between the line manager and the employee, in terms of objective setting.

Valeria: Great, great. You feel like it's a very positive thing to influence, to involve the employee in this PA. It's going to have a positive affect if I may summarize. Great.

Speaker n.11: Essential, absolutely essential.

Valeria: Great. What is the influence now that effective and ineffective PA system? Ineffective like management values, loyalty over efficiency, or PA without consulting or told the employees would have on employee's performance? Yeah, I cannot hear you again. Can you hear me? Yeah, can you hear me? Hello?

Valeria: Now I cannot do it or ... connection hopefully. There's only a few questions left. Are you okay? Are you with me?

Speaker n.11: Yes, I am.

Valeria: Great. I was asking you that question. I don't know if you heard. Let me repeat. What is the influence that an effective PA system and an ineffective one we're saying like management values, loyalty over efficiency, PA

without consulting or told the employee could have on employee's performance?

Speaker n.11: Yes. I think it results in all of management core system ends up with an employee doing the wrong things or not doing them to the required standards. We were talking earlier about managing expectations. This is because it's around clarity and agreed buy-in and ownership of its objectives between the employee and the line manager. So there's mutual benefited I've seen benefits of a good system and not just my current employer, but other employers over the years where that's in place. As long as there is regular formal evaluation of how the employee's doing, so okay, we do it twice a year. And actually it could happen as often as you like because the system now facilitates that that we put in place.

Valeria: Mm-hmm (affirmative). Great. You feel in general that the PA system, a good one, an efficient one, it can plays a huge role in their performance, a positive role. And an ineffective one can have negative, let's say, role on their performance.

Valeria: Great. Is there anything else you would like to add about the interface between PAs if their in place and organizational performance?

Speaker n.11: No, I think we've covered that, Valeria.

Valeria: Great. Now my last question, it has to do with Emiritization. I'm sure you're familiar with, I'm sure you have worked on that since you're working with the government as well. What is the influence of the forced quota system, wage restraints, and payroll restraints of that Emiritization and on employee's performance and on organizational performance?

Speaker n.11: Okay. The first thing to mention is we don't have a quota. We don't work to a quota. They way we operate is, okay, so in discussion with the HRA, the Human Resource Authority, we agree at and strategy. It's a five-year I mean just to give you some background. We are currently just over 71% amortized in that That's very good anyway. So I don't think we have the pressure on us as an organization that other companies might.

Valeria: Of course, since you have 71%, of course.

Speaker n.11: What we do know is we regularly report our targets and our performance through the HRA, and have discussion with them about continuing to improve it. And the Emiritization achievement is one of five company KPIs that has to be achieved before we even think about paying bonus or giving a salary review. Whilst there's not a quota in place, it is still very important to us, and we take it very, very seriously.

- Valeria: Yeah, what do you think this is doing to your performance of the organization in general?
- Speaker n.11: Your question really has to do with how ...
- Valeria: Well, this Emiritization initiatives, how do you think they affect the performance of the organization?
- Speaker n.11: Yes, yes. It becomes back to being open about it. Everyone in the organization knows what our target is. As an expat, clearly as an expat, you are going to get concerned, aren't you? If you have a moment you're Emiritization level is 71%, but you target to back to being 95% by the end of the year, you're going to get worried. You're going to get worried about hugely, your own job being amortized, and you losing that employment. We don't do that. Or if we do have a target, so we have sensible targets with year on year increases that manages that expectation with expats.
- Speaker n.11: But we're also open and honest with expats. We'll say to someone, "Look. This is a three-year job because we envision in three years' time there will be a UAE national who will be ready to do your job and parts of your contract with us is we want you to help train that person." I think if you enter into that contract in that way, in a very open way, then the expat will respond to you. And you don't end up with a UAE national camp and an expat camp, and then the two of them are not working We certainly don't want that because we do have that open and clear approach.
- Valeria: Good.
- Speaker n.11: And indeed, 91% of our employees respond they're treated with dignity and respect at work. I think this is because of the way that we manage this situation with regards to and Emiritization initiatives. Once there are they tend to be with regards to UAE national allowances. Again, they're published, they're in our employee handbook, so people can see there are certain allowances that a UAE national would get that an expat would not get. Again, that helps to manage for us.
- Valeria: So you feel like when it comes to employee's performance with a correct way of approaching the subject with clarity of expectation, you can manage to influence in a positive way and avoid any negativity. What about the organizational performance as a whole with all these Emiritization initiatives, how do you think the Emiritization performance is influenced?
- Speaker n.11: I think, in that regard, we rely on how we have behaved over a number of years now with regards to how we manage Emiritization. By which I mean, there's not a fear factor, people aren't concerned about it, so from an organizational performance point of view, I think it's actually a positive. Certainly to anyone coming into the region from outside who is unfamiliar

with Emiritization and what that means, they may have some fears because they've heard of horror stories from other organizations. We manage that very carefully right from the selection in the interviewing phase, and we start talking about it. It's on our website, it's in our employment literature. Again, it comes down to the organizational performance from having good people conversations. That's at the outset, absolutely

Valeria: Great. You feel the correct way or the correct approach from the beginning, it can have even a positive effect for the organization if it's as perfect as you said, and you can avoid any negativity, any difficulties that they might raise, because you have set the clarity of expectations from the very beginning.

Speaker n.11: Yes.

Valeria: Great.

Speaker n.11: Yes.

Valeria: Is there anything else you would like to add about the Emiritization initiatives and job performance?

Speaker n.11: I don't think so. I can send you the book about various initiatives that we do together with regards to mentoring, for example, coaching that reinforces that relationship that organization would do in the UAE. I don't think there's just a single that you can push to fix this one. I think it's a combination of various initiatives and things that you put in place.

Valeria: Great.

Speaker n.11: I think that's the final thing I would say, Valeria, yeah.

Valeria: Yeah. So that was it. You have amazing insights. Thank you so much for the whole interview. Nice to see you again. It was a pleasure talking to you really. We will keep in touch. When I finish the whole list, I will send it to you. I would like your LinkedIn so we can keep in touch. Whatever you have and you want to share with me, it will be my pleasure.

Speaker n.11: Well, and the pleasure also. I hope it's been of some help.

Valeria: Of course.

Speaker n.11: I'd say let me know if there's any other information I can send you if, when going through your notes, you want any clarification on anything, just drop me an email, and then we can pick that up.

Valeria: Thank you so, so much. Thank you so much.

Speaker n.11: Thank you, Valeria.

Valeria: It was really a pleasure. Stay safe, and hopefully we'll be in touch soon.

Speaker n.11: Thank you and good luck with your PhD. Thank you.

Valeria: Thank you. Thank you so much. Bye-bye. Have a nice day.

Speaker n.11: Thank you.

Valeria: Bye.

Speaker n.11: Bye-bye.

## 12. Transcription Speaker Number Twelve

Valeria Gkoura: Hello.

Speaker n.12: Hello.

Valeria Gkoura: Hi, my name is Valeria Gkoura, we're going to have an interview regarding data practices and how this affects organizational performance. You can introduce yourself, please have your phone in silence. If you need something, we can pause and we can resume later. But please have you the phone in silence, because I'm recording this. It's only going to be for myself and it's going to be totally anonymous. If you have any questions during the interview, you can ask me. There is no right or wrong answer, just your thoughts and knowledge from your career so far.

Speaker n.12: Okay.

Valeria Gkoura: Okay. Do you want to introduce yourself?

Speaker n.12: Of course. My phone is not on silent because it is on the other room.

Valeria Gkoura: Okay, don't worry.

Speaker n.12: So in any case... Yes, my name is Speaker n.12 Halas. I'm the managing partner and co founder of Magnoos Information Systems LLC, based out of Abu Dhabi. You want me to introduce the company as well or only myself?

Valeria Gkoura: No, there's no need. Okay. So I'll ask you some questions. First of all, regarding training, recruitment and so on. And you can just tell me your opinion, what do you think about this. If you have something that you don't understand, you may interrupt and I will explain to you. Okay? Okay?

Speaker n.12: Okay.

Valeria Gkoura: Now you can hear me?

Speaker n.12: Hello?

Valeria Gkoura: Can you hear me?

Speaker n.12: I can hear you. Even I was able to hear you before, but you lost me.

Valeria Gkoura: Yes, yes. It's okay, now I can hear you. So let's start. So we talk a little bit about training. So how formal training as a part of an unwritten psychological contract between the employer and the employee influence employees performance. And since I'm sure you're not familiar with psychological content, let me introduce to you. So the psychological contract describes the unwritten and intangible set of mutual expectations and understandings, beliefs and commitments that exists between the employee and the employer. However, it's different from the employment contract because it's not written. It is just like a verbal confirmation that the employee and the employer have in their mind. Okay, is it understood?

Speaker n.12: Okay, so it's unwritten psychological contract, and you are asking about formal training as part of it?

Valeria Gkoura: So yes. So how do you think, let's say, the formal training as a part of psychological contract? Let's say you have promised someone that he's going to have a training during the year, but you're not, let's say you didn't manage to accomplish that, to give him this training. How do you think that this will affect his performance?

Speaker n.12: Okay, clear. It will affect severely, I would say. But not his performance during the year, I would say. Because during the year he will be performing, in my opinion, normal. But as the months are passing towards let's say the third quarter or the fourth quarter, if he sees that he's involved only in project delivery, et cetera, maybe he will be recalling this unwritten factor and he will be asking. But to be honest, let's say this can be depending on the load of this specific person. If he's overloaded during the year, he will be not asking even to get this training, because he will not have time. So practically I believe that the reality is that he will have in his mind, he will not ask for it at the end of the year. But he will ask indirectly if he can get some time, maybe we can hire more employees let's say, to cover his position as well some percentage so he can have time to be part of the trainings. This is my opinion.



- Valeria Gkoura: So you think, if we go back to the performance, if we want to summarize your answer, that maybe it will affect, but it would be, let's say, not for the whole year. But it will be a periodically effect, let's say for a small period of time, but not for the full year.
- Speaker n.12: Yes. His everyday performance will not be affected, in my opinion. However, his psychology towards the end, when we do the appraisals or when he does let's say that recap of the year, he may feel he didn't accomplish something. But for everyday performance, I don't think it will be impacted so much.
- Valeria Gkoura: Okay, great. Okay, so let's move on to the next question regarding training as well. So what is the influence that personality characteristics of an employee like loyalty and relationship building has on the selection of the employee for the training and how this consecutively can affect the organizational performance? So if you want me to analyze it a little bit more, if there is an employee that he's loyal that you have a good relationship with him, how do you think this will affect the choice of him going to the training or not? And if this will affect the organization performance at the of the day?
- Speaker n.12: Choice? The choice by whom? If he will select to be part of the training or if the company will select him?
- Valeria Gkoura: If the company, you as the company, if you like the employee, he's loyal, he has good relationship with you. Do you think that this will affect your judgment of choosing him to go to the training? And if this at the end of the day will affect the performance of the organization?
- Speaker n.12: Of course. For the first question, I don't know if this is good or bad, but obviously the loyalty and the relationship building, communication skills and all of these characteristics of a person, are the candidates for choosing him or not for training. And when it comes to organizational performance of the whole organization, I don't believe it will be, let's say, affected except if it is visible to other employees that you are selecting only people that... And you select this group consistently. Otherwise, if you give training to everybody, I mean, I don't feel it will affect.
- Valeria Gkoura: Maybe it can be visible, because we're people and people are talking. Maybe it can be visible. I'm not saying that it might all the time, but-
- Speaker n.12: No. So if it is visible, then yes. Then it will affect the organizational performance, because some people will be feeling marginalized that

you keep giving, let's say, priority for trainings only to specific individuals. However, in our corporation, we've tried to do horizontal. We do not select based on this. But yes, because the question is if it is influencing, yes it is influencing.

Valeria Gkoura: So in order for me to summarize, you think that loyalty is important, it will play some kind of a roll. But in general, as a general rule, it will try not to affect the performance. Because it's not going to be, let's say, an everyday rule that if, let's say this person is loyal, I will choose him. You will try to choose everyone, but there is always some subject like, "I like this person because he's loyal." And stuff like that.

Speaker n.12: Yes. Your summary is correct.

Valeria Gkoura: Okay. So let's say, do you feel that in general organizational performance going to be affected in a negative way or in a positive way? It's going to be decreased or increased. If, let's say, this training takes place?

Speaker n.12: It's going to be decreased, yes.

Valeria Gkoura: Okay. Okay, so now let's move on to the last question of the training. Is there anything else that you want to tell me about the interface between HR training and development activities and organizational performance? How do you think this affect each other in an organization, and if there is an influence as well?

Speaker n.12: Between HR training and development activities?

Valeria Gkoura: HR training and organization, what is the interaction they have? What is the interface? Do you want to tell me something that is unwritten, it is under the carpet? If there is an influence, what is the influence, if you have something to add?

Speaker n.12: In my opinion, there is a connection between HR training and organizational performance. Practically, we are a human capital organization from our side as well because we are in the services business. So it has I would say a severe connection between HR training and organizational performance, 100%.

Valeria Gkoura: Positive or negative?

Speaker n.12: I mean, the more you invest on HR training, the better the performance will be.

- Valeria Gkoura: Great. Okay, great. So thank you very much regarding the training. We can move on to the next bunch of questions regarding recruitment, okay?
- Speaker n.12: Mm-hmm (affirmative), yes.
- Valeria Gkoura: So what is the influence that strong and effective Recruitment and Selection system have on organizational performance? Strong and effective.
- Speaker n.12: We have experienced internally... I mean this question, I can answer it. We have experienced recently, the last couple of years, that the influence is big. To answer your question, the influence is huge of a strong, let's say effective, Recruitment and Selection system. Because practically we used to hire, let's say, based on other sometimes skill sets. And we were missing, let's say, the 360 degree view of the Recruitment and Selection process. Which when we started applying it, we saw the difference. So obviously organizational performance is affected, let's say is influenced, strongly by this one.
- Valeria Gkoura: Okay. Now going to the next question. What is the influence that a rigorous Recruitment and Selection system that could create the feeling of elitism and significance between the employees, have on organizational performance and employee's performance as well? So let's say if there is a rigorous Recruitment and Selection system that will take so many stages and so many interviews. And it's going to be really, really tough to get into the organization. But when you enter, do you feel that there is a feeling of elitism that can create this significance to the employees and how this will affect their performance?
- Speaker n.12: I don't believe that it will affect the performance at all. This is only, it gives elitism. What you just mentioned is correct. It gives this
- Valeria Gkoura: So after elitism, please repeat because I couldn't hear you.
- Speaker n.12: Yeah, sorry for the connection issues. I was saying that it definitely gives a feeling of elitism. But in my opinion it does not affect at all, or influence, the performance of the employee post joining the company. So this is more for the selection process and giving the feeling during the selection. Once joins the company, I don't think this RNS, as you call it, system has any influence on his performance after.
- Valeria Gkoura: Okay. So you feel, if you want me to summarize, that there is at the beginning a small feeling of elitism that can give a small boost. But

this will not going to last during the year, or after the joining of the employee in the company. Correct?

Speaker n.12: Yes.

Valeria Gkoura: Okay, great. So let's move on to the next question about recruitment, that has to do with that influence that *wasta*, the use of influence, as they call it in Arabic, in the Recruitment and Selection has on organization performance. So how do you think *wasta* influence organizational performance?

Speaker n.12: I mean for whom? For the... I mean, let me just...

Valeria Gkoura: Yeah. For the company. There is the *wasta*, that we know that is the use of influence, that we have here in Arabic. And they call it *wasta*. This has a lot of influence, but what do you think is the influence on the performance of the employees and the organizational performance?

Speaker n.12: Let's say we have which employees? The employee that you've got hired using *wasta* or the employees that are colleagues of the people who are [crosstalk 00:14:13].

Valeria Gkoura: All of these people, they're going to work in the same organization. So at the end of the day, all of them they will impact the organizational performance. So you can tell me your [foreign language 00:14:25] and we will have let's say at the end then the summary.

Speaker n.12: No, obviously. So the answer is easy, in that case. The influence is big, negatively big I mean. So their performance will be impacted negatively because people, I've seen in the past, people who are sometimes... It's not always the case, but some people that are coming with *wasta* who are not skilled enough for the position, are let's say not only they affecting by their bad performance, but also they are affecting other people who see them being in this position. And they are, let's say, somehow upset obviously. The whole of this scenario the performance.

Valeria Gkoura: Okay. So you think that that will affect some people, but some people not. As a general summary, what do you think in organizational-wise it's going to do with the performance?

Speaker n.12: Negative. I didn't say to be honest, the summary was not so correct here. I didn't say that it affects some people. I'm saying that some people will be working, some people will not be working. But in any

case, whatever the behavior of the people, that overall is going to be extremely negative.

Valeria Gkoura: Okay, great. So extremely negative for everyone, plus the organization as a whole in general, correct? Great. Okay, so now let's move on to the last question about recruitment. That has to do again with the interface between HR and Recruitment and Selection and organizational performance, and if they have an influence on organizational performance. If there are anything else that you want to add about this interface between Recruitment and Selection and organizational performance?

Speaker n.12: Yes, yes. As we, I mean more or less what we said. I don't have a lot of things to say more, but the answer is that yes, truly HR recruitment, or let's say practices, are affecting the organizational performance. Mostly negative, I would say. I mean, not in the case, not positively. I mean for example, in wasta case,

proved to us that if you don't do the correct let's say steps, it can performance. This is the different point of view. From the other point of view, if you have proper systems and let's say selection process, it will boost the... So it's a big amount of either negative or positive. So you have to be careful on the practices.

Valeria Gkoura: So if you want me to summarize, it depends on the HR performance practices itself if they're helping or they're not helping. Correct?

Speaker n.12: Yeah, 100%.

Valeria Gkoura: Okay, great. So let's move on now to the compensation. What is the influence that the feeling of justly treatment of compensation has on your employee's motivation and performance? And what is the influence in their performance if there is the feeling of unjustly treatment? So if you want me to explain a little bit more for you-

Speaker n.12: Seems clear.

Valeria Gkoura: All right, it's clear. Okay.

Speaker n.12: It's clear. Two questions, I mean when it comes to the influence of justly treating the employees, as you said, the compensation. Based on let's say how it will affect the performance and the motivation, the way comes to motivation, it's a big influence. When it comes to performance, if they accept it I believe they will perform. But motivation, they will lose motivation. So it will fade away. So I say, this goes back to my answer in the beginning of this call when I told

you that in the beginning it's okay, but as months are passing, this will show up and even will affect the performance.

Speaker n.12: And on your second question about unjustly treating. Let's say how it will affect the performance, it will affect, especially in the Middle East. I don't know, because as you know we are working here, you mentioned wasta before. So it's a major, major thing that people are looking on their everyday life. So it is affecting performance, yes.

Valeria Gkoura: So you think here it has to do also with the culture, that they really pay close attention to the numbers and this can affect their motivation, their performance. And this is something really important. It has to do also with the culture of UAE?

Speaker n.12: Yes, yes.

Valeria Gkoura: Okay, great. Let's move on to the next one. So how compensation techniques, let's say performance based compensation system, bonus techniques, equity-based compensation can influence organizational performance?

Speaker n.12: This is maybe the most easy question, up to now.

Valeria Gkoura: This is the most?

Speaker n.12: Easy, easy question to be answered.

Valeria Gkoura: Okay.

Speaker n.12: The influence is huge, positively huge. I mean this is how we manage to, let's say internally, to succeed I would say. We are applying all these bonus techniques, equity based compensation, commission schemes, et cetera. And we see a huge growth because of that.

Valeria Gkoura: In every role?

Speaker n.12: Yes. Every role needs it. Every role needs it. Even down to the reception, let's say, they need it. It doesn't mean that we are giving it, but in my opinion, yes it's influencing big time.

Valeria Gkoura: Okay. So you think the techniques are playing a huge role in the influence of the motivation, of the performance, of every employee. And this will affect in a positive way their organization performance. If I may summarize.

Speaker n.12: Yes, yes. 100% yes.

- Valeria Gkoura: Okay. And the last question regarding the compensation is if there is anything more you'd like to tell me about the interface between compensation and employees and organization performance? So this always has to do with the unwritten stuff. If there are stuff that we don't know, that we don't even think, that they are under the carpet, sometimes they don't say them, and from your experience you can tell me more. It's not only about the it's about unwritten stuff, untold stuff, a little bit more sensitive stuff.
- Speaker n.12: I don't have as of now something, any fantastic idea to share. But I want to compare, if it makes sense for you, because up to now we've had some categories about training, about recruitment and now we're in the compensation category. If you want me to it would make sense to compare. Compensation up to now may play let's say, 99% of the influence and training and recruitment together, 1%. This is in Middle East, let's say. So it's very
- Valeria Gkoura: So if you want me to summarize, in Middle East you think that the money is more important, it's one of the most important factors if not even the most important factor that has to do with motivation and the organizational performance, and the employee's performance. And this is one of the most important things that we need to pay attention to.
- Speaker n.12: Yes, yes. It doesn't mean that I'm happy with it, but this is how things are working here. So, we have to respect-
- Valeria Gkoura: Yeah of course, of course. Okay, great. So let's move on now to the PA. A very hot topic in general and it is something that affects all the organizations. And we start with the first question. That is what is the influence of target setting, clarity of expectation, and less job ambiguity of PA has on employees performance?
- Speaker n.12: This is again a clear question which has an easy answer. The influence is big, very big influence. We have seen mistakes internally. And globally companies are, let's say not setting the correct targets. There is no clarity on the expectations, you hire them for a role and then you tell them to do something else.
- Valeria Gkoura: So how do you think that this will affect?
- Speaker n.12: It will affect negatively. I mean, if there is no clarity, there is ambiguity. And If you don't do it properly, it will affect negatively big time. And on the other hand, if you do it properly, it will affect them positively because everybody, he will do his job properly. As for his expectations, he will be happy. Going back to the compensation, he will be taking also his bonus, his commissions, his

performance, the base compensation. So everything will be [crosstalk 00:23:42].

Valeria Gkoura: So all of the things that he's expected do, it will be clear for him and he will be able to perform his job better. This is what you're saying?

Speaker n.12: Yes.

Valeria Gkoura: Okay, great. So let's move on to the next question. What is the influence that employees involvement in establishing next year goal and performance standards of PA has on employee's performance? So his involvement. If he's involved in this PA, because so far the PA, they have been told most of the employees that, "You know what? No, we're doing that." And it's just one way conversation of the employer talk and we just participate. And if you ask the employer, he will say that no, it was a two way street, it was a conversation. But this was not effective from the employee side.

Speaker n.12: No, you're right. This is true. Maybe employers feel that they are part of this, but most of the time they are not. So yes, if we could establish a system where there is a real mutual, let's say involvement, I believe it would affect the performance in a very good way. Their performance would be much better because they will be part of it. They can help on establishing the goals, performance objectives, etc. Which will be also more realistic even and more clear. So it goes back to the previous question, clarity of expectations and no ambiguities. So it will help, yes.

Valeria Gkoura: Great. So what is the influence that an effective and an ineffective performance system? Let's say an example of an ineffective, that management values loyalty over efficiency, PA without consulting the employee, could have on employees' performance?

Speaker n.12: Yeah. Again, this is an influence. I mean, it will influence the performance unfortunately, because if all the, let's say, veterans in the company were treated differently because of their loyalty, visible to other employees, we're very, very efficient but they just joined, let's say. So their performance can be impacted in these cases. So again, we need the proper effective appraisal system, which will take into consideration all these things rather than only treating loyalty or other factors monolithic order, let's say old ones. You need the 360. So yeah, this is a difficult thing by the way. If you ask my opinion.

Valeria Gkoura: Okay. And is there anything more you would like to add about this interface? Because as you said, it's very difficult.



- Speaker n.12: Yeah, this is a tough one. PA is tough, even for us internally. It is something that we are yet to reach, to a proper PA system. Which, judging from your questions now, it becomes even more difficult to master the clarity, no ambiguity, clarity of expectations, proper system to not have an ineffective... Because maybe you started a PA system, but it's ineffective. So maybe it's better even not to introduce it, rather than have an ineffective one. So practically, this is something which is, let's say the only comment, it's something difficult. It has to be properly designed and involving the employees. So, it will take time. This is my only comment. It's a project, I would say, on its own in the company.
- Valeria Gkoura: So if I may summarize, it's something that is time consuming and needs a lot of attention for knowledgeable people, and involving all the employees. So this is something that of course will take time, but you think it's very important because it will affect organization performance at the end of the day?
- Speaker n.12: Yes, yes, yes, yes.
- Valeria Gkoura: Great. So let's move on now to the last part of the interview that has to do with Emiratization. I'm sure you are familiar because you live in UAE and you have heard Emiratization. But I will give you a small introduction about Emiratization and then we'll continue with two questions.
- Valeria Gkoura: So Emiratization initiative is the national Emiratization program that is created by the UAE government in order to encourage and support employment of nationals in the preference to expatriates. Ministerial orders imposed on private sector employers a quota system, where every company with more than 50 employees is obliged to recruit and retain on the payroll and stipulate members of the UAE national to ensure the minimum percentage of participation of Emirati employees in the workforce. Other moves to encourage private sector Emiratization are wage subsidize, wage restraint for government employees, quota on the expatriate labor in the private sector, and employment targets of UAE nationals as a whole.
- Valeria Gkoura: So what is the influence of the force quota system, wage restraint and payroll retain of Emiratis that Emiratization initiative requires have on employees, but foremost and in general on organizational performance?
- Speaker n.12: It is affecting, I believe, the performance of the organization. Because, as per your question, you are saying, "forcing" or, "forced." So something which is forced, normally is not helping the

organization performance. And we have seen it in this but, case by case because there are some Emiratis who are very skilled. So they are, let's say, offering value to the organization. Some other times they're not so skilled, so they are affecting negatively the organizational performance. So the problem is the forcing.

Valeria Gkoura: Okay. So for you it's not itself the program, but it's the way that it is implemented?

Speaker n.12: Yes. Yes, exactly.

Valeria Gkoura: Okay. And what do you think in general, the way that it is implemented now it is doing to organizations?

Speaker n.12: My answer will be similar to the wasta. It's like the government is using wasta for these employees.

Valeria Gkoura: So you feel it is like a force of influence because of the wasta, that is what it means to the organization. And this supposed to happen in a different way. You think if it was happening in a different way, do we have different results?

Speaker n.12: Yes, I believe so. I believe so, yes. Yes because even we need, In our organization we don't have currently, but why not if we had. Because we would appreciate his skills or her skills that we had. And we could even position him or her to go and even speak on the [foreign language 00:31:13] Emiratis. I mean we could also have success stories and organizational performance in a better way, if we had the proper candidates. Yes.

Valeria Gkoura: So you feel that there could be some space for these candidates, because they will create and add value to the organization because of their nationality itself. It will give something to, let's say, open doors or something like that. This is what you are suggesting?

Speaker n.12: Yes.

Valeria Gkoura: Okay. And the last question, is there anything more you would like to tell me about the Emiratisation that you've heard, you feel, or I don't know, it's something that you want to add about this influence and how this affects organizational performance?

Speaker n.12: I think I covered this on my previous answer, but there is a big influence because it's like forcing. So it's like as I said, the wasta answer before.

- Valeria Gkoura: So as you said, you think it can help and you're not against the whole initiative, but the way it is imposed. And this could help in general if it is, let's say, put it in a different way?
- Speaker n.12: Yeah. Let the government and expose the correct talent for the private sector to select the correct individuals and that will help, rather than forcing.
- Valeria Gkoura: So you think the correct talent, it has to do with education? So if they're more educated, this will make the easier to be recruited by the private sector?
- Speaker n.12: Yeah. To be educated, to have the proper skillset compared to the European, US, Australia, whatever standards, I mean the global standards. If they are up to standards, then there's no need for the government to force. They will be in the same pool of possible resources, let's say.
- Valeria Gkoura: So if I may summarize, the answer is not the forcing, it's the educational part that will make them feel wanted to be in the private sector because they will have a value to be added in the organization.
- Speaker n.12: Yes, yes, yes. Correct.
- Valeria Gkoura: Okay, great. Thank you for your time, it was pleasure talking to you. You have great insights and thank you very much.
- Speaker n.12: Thank you, thank you, thank you.

### **13. Transcription Speaker Number Thirteen**

- Speaker n.13: Hi, can you hear me?
- Valeria: Yes. Hi, Speaker n.13. How are you?
- Speaker n.13: Oh, good. How are you?
- Valeria: I'm great. Thank you for accepting the interview today.
- Speaker n.13: No, that's okay. Hope I'll be helpful and can answer your questions.
- Valeria: I'm sure. My name is Valeria [Gura 00:00:21]. I'm doing my PhD in human resource management. I'm also interested in management in an IT company. Today I'm just going to ask you some things regarding HR practice in

organization performance, and you can just answer me your honest opinion, whatever you think from your career so far. There's no right or wrong answer, and it will be totally anonymous. If you have any questions during this time, you can just interact me and ask me and I will elaborate more.

Speaker n.13: Sure.

Valeria: Okay. Do you want to start?

Speaker n.13: Yeah, go ahead.

Valeria: Okay, great. If you want, you can give me a short introduction about yourself, your role, what you're doing.

Speaker n.13: Basically I'm not working now. I left my job six months ago because I'm going to start my own business in HR consulting, but I have more than almost 20 years of human resources experience in private and public sector.

Valeria: Mm-hmm (affirmative). Great. Speaker n.13, what I'm going to ask you has to do with HR practices. You can just tell me your opinion. I don't want any examples or something. Whatever you believe from your career so far, you don't need to give me names or anything. So let's start?

Speaker n.13: Yes.

Valeria: Great. The first questions are going to be regarding the training. How do you think that formal training, as a part of the unwritten psychological contract between the employer and the employee, influence organizational performance? Let me give you a small introduction about psychological contract in case you are not familiar with it.

Speaker n.13: No, no. I know. No, no, it's fine.

Valeria: Great.

Speaker n.13: I think it plays a significant role of course.

Valeria: How do you think it will perfect performance if let's say the training is not delivered although it has been promised to the employee by the employer but for some reason hasn't been delivered? How do you think this will influence the performance of the employee?

Speaker n.13: Well, it depends actually how substantial it was in the first place for the performance. For example, if it was to enhance performance is different than introducing new skills that are needed in the job, for example. It cannot be generalized. It really depends case by case. If you are just enhancing existing skills, you can think that, yes, psychologically it would upset them a little bit, but if the reasons for not holding the training is genuine, then

they will understand. If the reasons are not genuine or they don't believe, of course they will feel they have been let down, and they will be a bit demotivated let's say.

Valeria: Okay, so you feel like, if I may summarize what you said, with the clarity of the relationship between the employee and the employer, so if you explain to him and be crystal clear regarding the reason why the training was not delivered, you think that maybe demotivation is going to take place, but it's not going to affect substantially the employee's performance?

Speaker n.13: Again, yes and no. As I mentioned to you, if the training was to build new skills that have become needed for the job is a different situation from enhancing existing skills [crosstalk 00:04:15]-

Valeria: Do you want to elaborate both cases?

Speaker n.13: For example, let's say that I wanted you to enhance a certain technical skill. For example, let's say that I wanted you to work more with numbers and data, so I need you to work on your analytical skills. This was not a requirement in your job before. However, with the growth of the job, it is required now. You acknowledge that, yes, I know how to use Excel, but I just know how to use it simply. I don't know how to analysis and so on, so I tell you, okay, we will put it in your development plan that we will introduce training for you that will enhance your existing skills and will create additional knowledge how to conduct analysis, how to run other more complex operations on Excel, all right?

Speaker n.13: Then comes a time and the training is not delivered, and you come and ask. Of course, I would feel very demotivated if I already told you that the skills are nonexistent and you promise that you're going to give me training regardless of the reasons why you didn't deliver the training, whether they were genuine or not. I will tell you simply how do you expect me to do that when I told you already that I didn't do it, and you're still asking me how did I putting me in a corner. You're trapping me. That's in the case of a new skill, which means that if you are unable to deliver as an organization the training, communication is important, but equally important is looking back as well as a task.

Speaker n.13: When you are unable to deliver the training, did you take this in consideration as well in the tasks assigned to me? That will as well not only affect on my day-to-day performance but it will also affect on your evaluation during the end of the year during the PA.

Valeria: For sure.

Speaker n.13: I would feel very, psychologically I would feel that uncertain. I'm not sure how you will perceive that when you evaluate my performance at the end of the year and so on. Is it clear?

Valeria: Yeah, crystal clear. Great. Let's move on to the second question. It's similar to this one. What do you think there is the influence between the personality characteristics of an employee like loyalty, relationship-building has on the selection of the employee for the training and how this consecutively can affect the organization performance? If there is a loyal employee or an employee that the manager really likes, do you think that this will affect the selection of the employee for the training? How this, at the end of the day, is going to affect the organizational performance and the employee performance as well?

Speaker n.13: Well, these are so many, many questions in one question, huh?

Valeria: Mm-hmm (affirmative).

Speaker n.13: First of all, loyalty is not a personality trait. We have to differentiate between what is personality and what is behavior.

Valeria: Yeah, two different things, but I'm just giving you as an example.

Speaker n.13: For me, I don't see this trait. I don't see the loyalty to the employer as a personality trait. I see it as a behavior because you might be loyal to one employer, and you might not be loyal to other employers because, for example, if the employer is soliciting illegal behavior, for example, you're not going to be loyal to him, correct?

Valeria: Yeah.

Speaker n.13: Let's first make this differentiation. Secondly, the question as I understood it is as an employer, maybe my selection of who gets the training and what training is influenced but by how I perceive my employees, is that correct?

Valeria: Yes. Do you think that because of this characteristic loyalty or relationship, it will affect your judgment of selecting the employees for the training?

Speaker n.13: Well, anything. Anything, if you are not an objective employer, can affect your selection in anything. All right, let's agree on that.

Valeria: Yeah.

Speaker n.13: This brings significantly the question of employer objectivity. If the employer is not objective, he is subjective, for sure his selection will be subjective. For me, there are correlated on the nature of the employer, if the employer is objective or subjective. If he's objective, no, it shouldn't, because then the training should be selected based on the needs of the

organization and the needs of the individual and the department, et cetera. If the person is subjective, then regardless whether you need the training or not or whether your department needs the training or not or whether the whole organization needs the training or not, he or she will send you to the training because there perhaps there is Perhaps there is additional certification that you can obtain. Perhaps so many, many other benefits that are related to training that I want to, in order to benefit you personally, not the organization.

Valeria: Yeah, and how do you think this will affect the organizational performance at the end of the day?

Speaker n.13: Well, it would affect significantly the performance if the selection is subjective because [crosstalk 00:10:13]-

Valeria: In what way-

Speaker n.13: Dedicated ... For example, if you are subjective department director and are selecting your employees on subjective reasons, you like them, you dislike them, there's a relationship, family ties, a neighbor, whatever, it means that the financial resources and the non-financial resources are dedicated or allocated to the wrong recipients, which means that even if the training happens, it's irrelevant to that person so it will not have an affect on the overall organization performance.

Valeria: It would decline?

Speaker n.13: [crosstalk 00:10:52] that employee didn't need it in the first place, so I would see it as a negative relationship, but that's in the case of the subjective personal selection.

Valeria: On the other side?

Speaker n.13: On the other side, if the selection is objective, so there is a need for training and the right people are selected for the training, I would see a possible relationship that taking in consideration that the right employees are selected and the right training is delivered and assessed because you don't want also to think only of the training delivery. You want to make sure that you measure the learning before and across the training. If these factors are achieved, then it will lead positively to organizational-

Valeria: Performance-

Speaker n.13: Performance or efficient performance.

Valeria: Great. Amazing insight. My last question is if you want to add anything else in the interface between HR training and development activities and organizational performance?

Speaker n.13: I would say ... One of the important things that is important I think in training is for training to be always recorded so it becomes another job. Then I think train the trainer as well initiative would help ensuring that the in-house capabilities are built. You don't have always to use external trainers. I would also say training departments can create skills repository always so they know what skills they have and have a track of these skills, like when have they been last assessed, when have they been last upgraded, et cetera. That would be good for training-

Valeria: All of this would affect in a positive way the performance, you mean?

Speaker n.13: Absolutely, absolutely. It will help the department. Of course, I would more appreciate if people move away from the ... word training to learning because training for me seems in one direction, like, I'm training you so you are a recipient and everything depends on what I am sending to you. While learning, I see it more as an interactive activity that involves a greater responsibility on both sides. At the end of the day, you don't want to train. You want to teach. You want people to learn. I would say, yes, moving away from the classic training term to learning, moving away from the classic tools of training to more interactive like mentor coaching, counseling, things I'd like to see that more.

Valeria: Great. Thank you so much for the training section. It was really brilliant, great insight. Let's move on to the next one. It has to do with recruitment. What is the influence that strong and effective recruitment selection system have on organizational performance?

Speaker n.13: Oh, everything. Everything. I mean, I have to use some kind of [crosstalk 00:14:51]-

Valeria: Yes, of course.

Speaker n.13: But garbage in, garbage out.

Valeria: Yeah, okay.

Speaker n.13: It's typically extremely important, for many reasons. One, it affects your performance. Second, it affects the reputation of the organization. Third, it affects the morale of people because if you have some people that see you recruiting rubbish at the same level as usual, the new hire will come with a higher level of salary than the existing level, it's so demotivating. You need to make sure that you have a healthy hiring because recruitment is part of hiring.

Valeria: Of course.

Speaker n.13: It's not the whole process. I rather use the term hiring than recruitment.



- Valeria: Okay, great. You think if I may summarize what you say, it plays a tremendous connection, role in this, directly connected with organization performance. It has a positive relationship as well.
- Speaker n.13: Yeah, so even say if the hypothesis for this, hiring has a significant positive relationship with organization performance.
- Valeria: Great, great. Okay, let's move on to the next question. It's kind of in the same atmosphere. What is the influence that recruitment selection system that could create the feeling of elitism between employees and the significant has on employees' performance?
- Speaker n.13: Sorry, can you repeat the question? I didn't get it, sorry.
- Valeria: Yes, yes. What is the influence that the recruitment selection system with many interviews, maybe one, two, three, four, five, a lot, that could create the feeling of elitism let's say if I went to Google or to Apple or whatever, and this can create this feeling of significance between the employee, that I'm very important, that I want it and I got there. What do you think this feeling can create in terms of the performance of the employee? Do you think it can affect, it doesn't affect, it's neutral? What is your opinion?
- Speaker n.13: I'm not still getting what is affecting the performance, the number of interviews you mean or is it the whole process? What exactly are you asking?
- Valeria: The feeling of elitism that is created by-
- Speaker n.13: The feeling of what, I'm not getting-
- Valeria: Of elitism, of elitism, of feeling elite-
- Speaker n.13: Ah, elite, important.
- Valeria: Yes, the importance or the significance because let's say I'm great, I'm and I went to Google. Oh, I'm very significant. Do you think that this can affect the performance of the employee at the end of the day, or it's-
- Speaker n.13: No-
- Valeria: Not going to ... What do you think?
- Speaker n.13: No, it's a feeling so how can you measure it? It's a feeling. No, no.
- Valeria: You feel that this at the end of the day is not going to affect the performance? It's a feeling. You're just going to have it, and then it's going to end, and that's it?

- Speaker n.13: It's a feeling. It's a feeling. Feelings can change day and night, it's a feeling so no. No. I think you always need evidence-based assumptions. If we go with feelings, everyone can feel whatever he wants to feel.
- Valeria: Yeah, so you don't think it will affect the motivation of the employee or let's say it's going to [crosstalk 00:18:33]-
- Speaker n.13: It can affect relationship among people, but it doesn't affect ... There is no way on earth in my own opinion how [crosstalk 00:18:43] can affect an organization's performance unless, unless I am the tough decision-maker and I'm making my decisions based on my feelings and it's a very autocratic organization where no one has to say anything, which is a very ... I don't know. It's a very rare situation. Then yes, if I am feeling ... If I'm narcissist, and I'm feeling very narcissistic, and I am the CEO of my own company and I take the decisions where no one can deliberate or talk to me or convince me out of it, of course it can have that detrimental effect. Assuming that we are talking about a normal structure of company or [crosstalk 00:19:33].
- Valeria: Right. You feel like it doesn't affect. It's a feeling. [crosstalk 00:19:42].
- Speaker n.13: Yes, unless you are the sole decision-maker. Then of course your feelings can have an effect on the performance and the outcome of the organization, yes.
- Valeria: Okay, great. Let's move on to the next question. It has to do with the influence of the roster, the use of influence in the Recruitment and Selection, the cost on organization performance, so what is the influence of roster in recruitment that has on organizational performance?
- Speaker n.13: If it exists in some organizations, it can have a positive or it can have a negative because it depends. Not every roster is someone who is not good. Sometimes your roster is because you know the person so well and there is enough scientific evidence that word of mouth is very important sometimes in enhancing your selection. It will depend on if that roster is used properly or not. It can have both effects, negative or positive depending on the person who is leveraging this and the person who's going to be recruited. It cannot be abstract. There are some variables that would affect that.
- Valeria: If I may summarize what you said, there are two ways. One can be positive way, can give a positive boost to their performance if it's the right person for the right organization, and can have a negative way if they are person that doesn't have these abilities and skills and it is brought to the organization. It can decline the performance because he's not the right person for the job.

- Speaker n.13: Yes. Again, you need to take into consideration where you see the roster in the process of hiring. Is it at the nomination? Is it at the selection? Is it at the ...
- Valeria: [crosstalk 00:21:47] you think where the [crosstalk 00:21:49] is taking place, it's very important.
- Speaker n.13: Yeah, and what is equally or maybe more important is the hiring and selection processes that you have in place. For example, I can be the roster, but if you have sound recruitment system, I can definitely neutralize the effect of roster. There is a relationship between the selection, the hiring, so recruitment and hiring selection, so between hiring process and roster. If you have a scientific evidence-based selection or hiring process-
- Valeria: You will find the right person anyway.
- Speaker n.13: You will neutralize if the roster is subjective or you will if the roster is objective, you know what I mean?
- Valeria: Yes, yes. If you have the right recruitment selection system, the roster, it's going to influence only in a good way because you have the way to filter who is coming in, correct?
- Speaker n.13: Yeah, yeah. It is in a way can be a cost saving because you don't have to pay for the recruitment agency or for the headhunter. It depends on the position. For example, if I bring you with somebody for to have head the marketing department, I can tell you, well, you know what, I know this person You know what, take his CV, put him as the first candidate to interview, all right? If he's the right person and you are convinced he meets the criteria, he goes through the whole process of scientific evidence and interviews, et cetera, it is a saving for the company. That's why, for example, they have in many, many organizations now
- Valeria: No, it can be a positive. It can be a negative. It depends on your organization, the criteria that you have in the recruitment selection, if I may summarize it.
- Speaker n.13: Absolutely, absolutely.
- Valeria: Great.
- Speaker n.13: Yeah, yeah, you're absolutely right.
- Valeria: Great. Is there anything else you would like to add about the interface between the Recruitment and Selection process and the evaluation on performance?

- Speaker n.13: The importance of scientific evidence through psychometric assessment. That's very important.
- Valeria: You think psychometric [crosstalk 00:24:30]. Psychometric assessment, you think it's going to help the organization performance increase in general the organization to recruit the right people.
- Speaker n.13: Not only recruit but even use it for promotion, internal promotions. It will help you a lot as an organization. It will at least give reasonable assurance that the right person is selected for the right position, which has a positive relationship with organizational performance.
- Valeria: Great. Thank you very much. Let's move on to the next question. That has to do with compensation. The next question is what is the influence that the feeling of justly treatment of compensation has on the employee's motivation and performance? What is the influence of the performance of the feeling of unjustly treatment from the other side and how on their performance? Justly treatment of the compensation and unjustly treatment, what these things can do to performance?
- Speaker n.13: You mean equal treatment?
- Valeria: It can be the feeling of the employee that unjustly taking let's say this amount of money, and the feeling of the unjustly treatment that, no, I'm not feeling that I'm getting the right amount of money because this one, my colleague is getting more and he's doing less. I get this feeling of unjustly treatment. What this thing can do to my performance?
- Speaker n.13: Right, it depends if the unjust that you are feeling is legitimate or not, because it can be a perception maybe that is not true. It also depends on how the compensation and benefits are dealt with at the organization level. Is it something that is discreet, or is it something that is clear and has a clear criteria so you have a system and the reading system says this grade is equal to this number of years of qualification, experience, et cetera, et cetera, et cetera. There are some variables that you need to take in consideration to be able to answer a question. For example, if you are a transparent organization that has a ... Sorry, can you just move the line?
- Valeria: Yeah, yeah, yeah ... No worries, no worries-
- Speaker n.13: [crosstalk 00:27:15] I'm so sorry.
- Valeria: No worries at all. You were telling me about the-
- Speaker n.13: If they had a transparent compensation and benefits policy that employees can access, then the perception would be based on evidence, right? For example, you and me are both same grade, same experience, same

everything, same position, but you are rewarded differently, then of course that would definitely affect my performance. But, if the company is very discreet and they don't share or communicate what is their compensation and benefits policy, et cetera, you can never tell if the perception is just a perception or is it a reality. Two different situations.

Speaker n.13: Now, in the situation that it is true, of course it will affect motivation. In the situation that it is not true or you do not know if it's true or if it's not true, it will also affect the motivation, but ... Again, as I mentioned to you, it will be at the effect of motivation will rise because in one situation, you have an evidence-based demotivation. On the other side you have the perception-based demotivation because even if you're 99.9% sure that I'm better-paid than you, there's still this 1% that maybe she's lying to me, maybe, et cetera. Maybe this, maybe that. By all means, it does have an effect on motivation, yes.

Valeria: If I may ... Yeah.

Speaker n.13: Sorry. Especially, especially if you are ... Because you know, if we are considering good employers, they should know what motivates their employees and what doesn't. For example, for example, I might be someone who's not motivated by money. I might be motivated by development. I might be motivated by decision-making. I like to feel a part of the decision-making process.

Valeria: Exactly.

Speaker n.13: As I mentioned to you at the beginning, there are several variables that would affect my answer.

Valeria: Mm-hmm (affirmative), exactly.

Speaker n.13: If you are someone who is motivated by money and only money, of course this will take a toll on you. If money is only 15% of your motivation, you will say, you know what, I'm getting all the training I want. I'm getting all the There's a balance.

Valeria: Yeah. If I may summarize, you feel like with clarity of expectations on the compensation system and the roles, this can be in many way avoided, this unjustly treatment.

Speaker n.13: Yes. Yes, and, and, and the 'and' is very important, provided also that you know what motivates your people.

Valeria: Of course, of course.

Speaker n.13: If not money, how will it affect your motivation, for example?

Valeria: Yes. Great. Let's move on to the next question about compensation techniques. How compensation techniques, performance-based compensation system, bonus techniques, equity-based compensation influence organizational performance?

Speaker n.13: I think it has a positive effect, and I think it also increase the competition that can enhance performance.

Valeria: Great. You think in general it can be a motivating factor for all the employees that they can give them a boost to perform better?

Speaker n.13: Yes, of course, but provided that you are learning your system objectively and efficiently, yes.

Valeria: Of course. You think there are also some tricky things there that you need to have them in the correct way-

Speaker n.13: Right, yes-

Valeria: In order to [crosstalk 00:31:23]-

Speaker n.13: Yeah, yeah, yeah. Absolutely. For example, management objectives is one of the key examples. I am a department director. I give you your objectives upfront that I know can be achieved easily. In a way, I am definitely ensuring your bonus at the end of the year. On the other hand, if someone was really bad and I'm giving you some unachievable objectives, I know for a fact that you won't get the bonus at the end of the year. Provided that objectives are set smartly and fairly and are aligned to the organizational strategy, yes, they definitely have positive impacts on organizational performance.

Valeria: Great. Is there anything more you'd like to add about the interface between compensation of the employees and organizational performance?

Speaker n.13: Not really. Fairness, as I mentioned, equity, fairness, and clarity-

Valeria: You think all of this will-

Speaker n.13: Everything needs to be documented.

Valeria: Yeah, so you think all of this will be documented and they exist, it will help in a positive way the performance.

Speaker n.13: Yes.

Valeria: Great. Perfect. Let's move on now to-

Speaker n.13: Can I add?

Valeria: Yes.

Speaker n.13: Sorry-

Valeria: Sure, sure, sure, sure-

Speaker n.13: Can I add one thing more since you asked me if I wanted to add something?

Valeria: Yes, yes.

Speaker n.13: I think it is very important to link part of the individual bonus to team performance.

Valeria: Okay, so you think this will affect the performance?

Speaker n.13: From experience, yes, from experience I can tell you that when ... Say 70/30, right? 70 is on individual performance and 30% is based on the team performance. That enhances collaboration and reduces, and enhances positive compensation and reduces negative competition and individualism in performance.

Valeria: Perfect. Great. great insights. Let's move on now to the PA. What is the influence that target-setting, clarity of expectation, and less job ambiguity of PA have on employees' performance?

Speaker n.13: Significant, positively correlated, significantly positively correlated.

Valeria: Mm-hmm (affirmative). Do you want to add something else to elaborate? How do you think that clarity can help or less job ambiguity? In what way I mean.

Speaker n.13: A few minutes ago, I said to you just that unclear and unachievable, unrealistic, not time-bound, of course I'm setting you for failure, you know?

Valeria: Of course.

Speaker n.13: When you have that clarity, when you have smart objectives in an appraisal system, that can be positively related to organizational performance.

Valeria: Then it can enhance them, if I may understand what you're saying.

Speaker n.13: Well, absolutely. Absolutely. At the end of the day, your objectives need to be reviewed. There's an entry review usually for objectives just to make sure that nothing has changed in the strategy or in the performance of the organization. Just to make sure that the objectives are still the objectives that are targeted for a year and to ensure as well that employees have the tools to achieve these objectives.

- Valeria: Mm-hmm (affirmative). You feel it's very important to take and retake, bless you-
- Speaker n.13: Yeah, and team review. Team review is a must. For me, of course that's from my point of view, team review of objectives is significantly related to the successful achievement of these objectives and therefore the company's performance.
- Valeria: Great, great. Let's move on now to the next question. What is the influence that employees' involvement in the establishment of next year's goals and performance standards of the PA has on employees' performance? The involvement, the influence of the employee in the establishment, what do you think, how do you think-
- Speaker n.13: Very important. It's very important. Objectives actually from past experience as well, objectives need to be initialized from the employee, not from the employer, all right? Then you come to me, for example, with your objective, and we sit together. Of course, I always do a format so from that perspective, you come and you know already that you have to put five objectives. You know what are the strategic objectives, and you are aligned with the objectives that you are proposing to be to the strategic objective and telling me how it's going to affect the company's performance. You put your own KPIs, et cetera. Then you come to me as a department director, for example. We discuss together. We agree, we disagree, we amend, and so on. It gives some kind of a significant ownership to the objectives rather than sitting as a student and receiving it from your director, you know what I mean?
- Valeria: Yeah, yeah, yeah.
- Speaker n.13: It creates ownership. It creates accountability. It creates responsibility. Definitely it affects a lot, and I definitely, definitely suggest and recommend that it's not a one-way direction. It's mutual between the employee and the department director.
- Valeria: You think it will affect in a positive way their performance, correct?
- Speaker n.13: Absolutely, absolutely. Absolutely.
- Valeria: Great. Now, what is the influence that an effective and an ineffective performance system? Effective, let's say the management values loyalty over efficiency or their PA is done without consulting the employee could have on their performance of the employee?
- Speaker n.13: It affects your value proposition as an employer. It creates a sense of, definitely, it demoralizes everybody. I cannot think of it except, except in



[crosstalk 00:38:01] again, and I like always to ensure that my answer takes all parameters into consideration-

Valeria: That's great.

Speaker n.13: In a forced measure situation, let's say now, corona, for example, there is a war, there is a virus. I don't know, whatever it is, of course you're not going to wait for you and me to sit together and agree on your objectives and so on. There are some critical situations that will one-way direction of objectives. Your objective now is to do this. We're not going to decide because it's a survival mode of the company, you know what I mean?

Valeria: Yeah.

Speaker n.13: In normal circumstances, of course, if it's a one-way direction, it has a negative impact on morale, on motivation, and on your value proposition in the market among your competitors.

Valeria: Great. You think of course if it is an ineffective PA system, it's going to have a negative effect, but there are some exceptions that we cannot take them into consideration but it's forced and we need to take different kind of measures.

Speaker n.13: Exactly. In this situation, I wouldn't like ineffective, but I would say it's a situation of leadership, you know, that you have to take decisions. You have to tell me, do this or do that. It's not up to you anymore because it's a very critical situation. Either we live or we die, you know what I mean?

Valeria: Yeah, of course, but this is the exception to the whole rule, if I may say.

Speaker n.13: Yeah. Yeah.

Valeria: Great. Is there anything else you would like to tell me about the interface between compensation and employees' organizational performance?

Speaker n.13: No.

Valeria: Okay ... Great. We can move on to the last part. It has to do with Emiratization. I can give you short introduction, but I'm sure you know what Emiratization is.

Speaker n.13: No, no I know. No need, it's okay.

Valeria: Okay. What is the influence of forced quarter system that the Emiratization in these cities have with restraints and paid-only of the employees on the employees' performance and on the organization performance?

Speaker n.13: I think what is important is creating or setting the proper organizational culture from the beginning. Employees need to know that if you are here on temporary basis in the sense that you have a contract. The contract will expire. It might be renewed. It might not be renewed. You might be offered somewhere else at special compensation. Of course, you will not think of ... You try to go where you have a better post and a better if it's in the States, wherever. If we have the right buy-in and organizational culture, we understand that emirates are those who are permanently residing in the country. We will understand that it's a natural and normal and even an obligation on all expatriates to ensure that Emiratization is happening, not only in terms of number but in transferring knowledge to them so they are ready to be in charge.

Valeria: Great.

Speaker n.13: It depends on the organizational culture and the communication and how you foster such a culture, not a culture of theft that they are going to come and take your position but a culture of collaboration.

Valeria: Mm-hmm (affirmative). We all understand that it is an initiative that needs to take place by the government. Just for me, the specific question is the way they do it with the way it's restrained quarter system, payroll retains, what is this ... How this initiatives are affecting the performance? We're not judging now if it's right or wrong, of course [crosstalk 00:42:24]-

Speaker n.13: I don't see ... It's not a matter of judgment, but what other I told you affects the performance. Now, if you believe strongly in what I've just said now, I don't mean you as a person but [crosstalk 00:42:46], it shouldn't affect your performance, negatively your performance. You should perform normally whether we are [emiratizing 00:42:49] or we're not. If you don't believe in this, you will not allow knowledge sharing, correct?

Valeria: Correct.

Speaker n.13: You will not allow such acquisition. You will not allow knowledge dispensation. At the end of the day, it will affect negatively the organizational performance, so believing in the culture, believing in the initiative will allow positive relationship. If you don't believe in it, of course then it's a very individualistic performance that will ultimately affect the company's performance if you leave because you left and you have not shared information, you have not shared knowledge, et cetera, et cetera, et cetera. You get what I mean?

Valeria: Yeah. Yeah, yeah, yeah.

Speaker n.13: At the end of the day, perception is projection. If you don't perceive it positively, you will project it negatively. That will affect organizational performance.

Valeria: You feel it has to do with the way the company is going to embrace the whole Emiratization initiatives, and this has to do tremendously with the organizational performance. As you are saying, it is directly correlated, and it will, if you have a positive image about this and you're a believer of this, it will affect your organization in a positive way. Otherwise, in a negative way.

Speaker n.13: Yeah, if I tell you today, I'm telling you I'm going to get a national who's going to take over your position in six months, what are you going to do?

Valeria: Exactly.

Speaker n.13: If I tell you I'm going to get an emirate who going to learn from you over a period of two years, your contract is two years. Part of your remuneration, part of your bonus, part of your continuity with us is related to grooming this national, telling us how long it will take this national to be ready, for example, to be a director or whatever. What are the kinds of training that the person needs on the job and theoretical training. You become a partner with a company. Furthermore, the company ... The emirate is learning. You are not second. Maybe you will be promoted to another place, and that all will definitely link to an enhanced performance rather than the situation when you feel, ah, they got an emirate who's going to take my position, if I teach him or teach her, which means that my job will become redundant so I better now teach him or teach her. I better be careful of this company because they're going through Emiratization, so they're going to ... Why should I work and put effort when they're going to kick me out? You get what I mean?

Valeria: Yeah. Yeah, yeah. Great. Is there anything more you would like to add about the interface between Emiratization initiatives and the way they are done with job performance?

Speaker n.13: Yes.

Valeria: Any recommendations for the future as well maybe-

Speaker n.13: Yes, I think the percentage of emirates as a quota to private sector should increase because so far there's a focus on the public sector and the banking sector. I think that emirates can tremendously benefit from the knowledge-sharing that can happen at the level of multinational companies because they usually follow best-practice, et cetera, you know.

Valeria: Great, great. We are done. That was it. Thank you so much for your tremendous insight. You have a very different way of thinking, and you analyze all the parameters. This is the first time I have seen that. It's really, really great, and I'm really happy we had the interview with you. If you have anyone else that you want to recommend me like the can do the

#### **14. Transcription Speaker Number Fourteen**

Valeria: Yourself?

Speaker n.14: Yes. So I am currently the recruitment advisor in Atkins. As you said, it's an engineering and construction design consultancy firm. It's a British based company, but now we're bought. Before it was just solely Atkins, but now SNC-Lavalin has bought us, so it has become at SNC Atkins. SNC-Lavalin Atkins. My HR recruitment experience started in 2007 here in Dubai. Basically, it's solid in construction and engineering. So basically I'm handling Recruitment and Selection in my previous role. I've also got the chance to be exposed within a training PA compensation. But as I moved along in my career, my experience was really solid in Recruitment and Selection.

Valeria: Great. So let's start, Speaker n.14. So my first question, set of questions, has to do with training. And how do you think training as a part of the unwritten psychological contract? It means not a written one but as we feel it has been promised to us. It's the psychological contract, describes the unwritten and tangible neutral expectations from the employee to employer. What it has been promised. So it is something oral, not something written. So how do you feel that training as a part of this psychological contract between the employer and employee influence performance? Organization performance or the employees' performance?

Speaker n.14: Well, I believe it really influences the performance of the employee. As I said, it may not be directly within the contract, but for one reason, an employee would select to become a part of that organization or a company if he sees a potential for growth. Growth potential within the company for his career. So it greatly, I mean, obviously it affects the decision making of the candidate. For example, in the recruitment stage, if you have this information that the company provides, or gives you opportunity to attend trainings and all that, it is a factor when they make the decision to belong in a company. And it really helps.

Valeria: And how did you feel if, let's say, a training has been promised to an employee, but for some reason it cannot be delivered? How do you feel this will affect the employee's performance in the future?

Speaker n.14: Yeah, there is a thing, an effect. Not really a full negative effect, but obviously, somehow maybe it triggers or as per experience personally, it triggers... Or you'd be a bit disappointed, or you feel like the company doesn't really give you the potential to grow within the business. Because I mean, if it is promised, obviously it has to be done, right? But most of the time, there are businesses that are not really keen to provide essential trainings to employees for the growth. There is just basically looking for the output of the candidate productivity and all that.

Speaker n.14: The training, I believe this is part of HR pillar that is somehow overlooked most of the time, because unless it's the hiring manager specifies that my staff is not performing very well, he needs additional training and all that. Most of the time there is no training needs analysis. It's done within the team. So somehow it's overlooked. It's really a big thing. If there's really a specific learning and development team within the HR who focuses each time on the training needs of the employees within the business.

Valeria: Mm hmm. (affirmative) Great. So if I may summarize you, really it has in general, the training, has a positive impact to performance. It has been overlooked sometimes. And it's a very important pillar. And if it's not given, sometimes it can lead to de motivation, but this de motivation is not going to last forever. It's going to last for a short period of time.

Speaker n.14: Yeah, of course.

Valeria: Great.

Speaker n.14: Of course. It's more like temporary de motivation.

Valeria: Great. So let's move on to the next question. What is the influence that personality characteristics offer an employee, like loyalty, relationship building, has on the selection for the training? And how this can certainly will affect organization performance. So the personality of the employee, the loyalty, the relationships he has with the employee. How do you think that this influence the selection for the employee for their performance? And how do you think that this can affect organization performance at the end of the day?

Speaker n.14: Are you talking about the personality of the employee?

Valeria: Personality, loyalty, good relationship with the employer, stuff like that.

Speaker n.14: Yeah, I mean, it influences. You mean their personality as opposed to the business?

Valeria: The personality of an employee, and let's say if you like this employee, do you think that this can play a role of the selecting him, if he's, let's say, loyal,

do you think he will be easily selected for the training? If he has, I don't know, like a personal relationship with the line manager or the employer, do you think this will play a selection? And yeah, play a role for the selection?

Speaker n.14: Yeah. Obviously, I think these are factors that influence the position of the line managers as to who will basically enroll, or who would like to add for training, because to be honest, within the business, there are people who has the stronger relationship with the line managers, and they themselves can express very well if they feel that there are some aspects that they need to improve on. So if they have this good relationship with the line managers, then they'll be able to express what they really want, and say, "I need this training, if you could help me with it."

Speaker n.14: On the other hand, loyalty or... There is also an impact with that, because I mean, you have been in the business for so long. And with your performance, say for example, if your performance is not improving, or I mean, you've been in the business for so long, and your performance is not improving, there is really a need for you to go to training. So, that will also impact the selection of the line managers from the learning development team as to who will decide. I mean who they will choose as they move along with the training. So it has an influence.

Valeria: So do you think that this selection, it's going to affect the organization performance as a whole?

Speaker n.14: Yeah, I think it will affect, because first of all, I mean, before you have kind of the training, there has to be a training. There has to be an analysis why there is a need for a training. You cannot just select someone to want to go with training just because he's loyal to the company, just because he's close to the line manager and all that, etc. There has to be a need. The need for the training has to be specified who will benefit, the business or will the organization benefit? So these things has to be primarily considered, other than those other factors. Maybe those will be secondary factors, but the primary should be the need for the training, or the training needs analysis, as we call it, right?

Valeria: Mm hmm (affirmative) Great. So you feel like the personality characteristics play an important role in the selection, but in order to affect the performance, it needs something more than that. It needs to be in a proper way, the selection, for some specific reasons, that they are justified. Not because of any reason, we're choosing this person because of loyalty-

Speaker n.14: Exactly.

Valeria: Because we like him or something. And if, let's say, the selection has been based on this personality characteristic, loyalty, relationship, good

relationship, how do you think this will affect the performance at the end of the day? Positively? Negatively? Neutral?

Speaker n.14: I think it will still impact positively, because the training in general are supposed to impact positively to the employees, regardless of the criteria and the selection. I think it would greatly impact, especially if they have good take aways, good learnings that they get from the training. I think it also has a positive take away.

Valeria: Mm hmm (affirmative) And what about the other employees? Do you feel like they can be demotivated, they can have a feeling of rejection or something? This will affect them or no?

Speaker n.14: I think there is also temporary de motivation every time, because I mean, especially if the team is composed of competitive staff. And so they will think what is the reason why he's being selected, and I am not. So at that point, certainly you're already demotivated. This is what I said. If you have a good relationship with your line manager, then perhaps you can probably express yourself that you need this. Or when there is an appraisal or performance evaluation, your line manager will be able to gauge your ability, if you're performing or not, or if they need this training or not. So yeah, some difference from the others.

Valeria: Great. And my last question about training is if you have anything more to add about the interface between HR training and development, and organizational performance.

Speaker n.14: I think that's just it, really.

Valeria: Okay, great. So let's move on to the next one. It has to do with recruitment. That's your thing as well.

Speaker n.14: Yeah.

Valeria: So what is [crosstalk 00:10:48] that's strong in effective recruitment selection system have on organization performance?

Speaker n.14: If you have a strong Recruitment and Selection process within the business, it will give you the right talent. It will minimize the cost of the business to waste for talents that are not really qualified for a specific role. And it will also impact the productivity of the business. So proper Recruitment and Selection has the good benefit for the business.

Valeria: And in terms of organization performance, do you think it will affect in what way?

Speaker n.14: If you have a recruit that's not good enough for the business, for the team, it will affect the productivity of the whole business, right? That's why when you

do the Recruitment and Selection, it is always important that we vet They will undergo interviews with HR and the technical interviews. And that the result of these interviews are satisfactory so that when the line manager or the hiring manager decides to recruit, then we can really say that he is the right candidate and is perfect for the role. Not only in terms of the budget or the availability, but more so with the technical expertise of the candidates.

Valeria: Great. So you feel it will affect in a positive way, because it will bring the right talent at the end of the day.

Speaker n.14: Yeah, yeah.

Valeria: Great. So now what is the influence that *wasta*, you know in Arabic the use of influence, in recruitment selection has on organization performance?

Speaker n.14: Sorry, say that again.

Valeria: What is the influence that *wasta*, the use of influence in Arabic, if I may translate it, in Recruitment and Selection has on organization performance? So let's say if I bring someone because I know him, or because I owe him a favor or something, you know how these things are in UA? *Wasta* is something really common. And sometimes they enforce it even in Recruitment and Selection. How do you think that this use of influence... What role can play in Recruitment and Selection? And this can affect performance at the end of the day?

Speaker n.14: Yes, positively it impacts if you know someone or if you have this influence to bring in someone in the business that you already know positively, because you will not be, I mean, if I am an average, reasonable hiring manager, I will not be referring a candidate that I do not know his performance very well. So if I will refer a candidate to an organization, I should see to it that I will be able to vouch his or her work efficiency and work effectivity. So if you're going to use this, then it affects the business positively. Performance is, yes, because obviously, when you refer someone or if you know already someone, they're the right talent for the role, then you are confident, and you believe that he will be able to deliver. Right?

Valeria: Yeah. And what do you think if, let's say this *wasta* is not that confident, is not with so many knowledge, is not, let's say, the right person for the place. How do you think this will affect their performance?

Speaker n.14: It will impact negatively. Because surely if he is not the right talent, then you will not be able to expect anything from him that he could deliver. If they have projects and all of that, you will not be able to. If he is not the right talent, he will not be productive in his role.



Valeria: Okay. So if I may summarize what you said, there are two sides of the same coin, let's say. If it is the right person, and yes, the use of influence can be a positive thing and can influence the performance in a positive way. If it's not the right person for the job, it can influence with a negative way. Correct?

Speaker n.14: Yes, that is correct. Yes.

Valeria: Great. So going on to the next question about recruitment. What is the influence that the Recruitment and Selection system, that could create the feeling of elitism and significance between the employees can have on employee's performance? So let's say if you have six, seven, 10, interviews and you wanted to get into Google, and you feel like, oh, I'm the one, I'm the chosen. And I'm the lead. I'm very important because, I managed to get into this company that was very difficult to get in. How do you think this will affect the performance?

Speaker n.14: The performance of the employee?

Valeria: Of the employee and of the organization at the end of the day?

Speaker n.14: At the end of the day, if that is the way of thinking that an employee has, I think it affects maybe somehow negatively.

Valeria: Mm hmm. (affirmative).

Speaker n.14: Because first of all, in the Recruitment and Selection process, you always consider the candidate based on their fitness and merit to work and not because of their influence or their status. Right? So it should always be credentials first before, ideally, it should always be credentials first before influence or before social status or whatever. If that has to be considered. So negatively, if this is really your primary consideration for selecting an employee. But positively, I mean, if you feel that it's already a plus factor, if that candidate is confident and is within the social bounds or social status, and at the same time, he's also effective and efficient in the job that he will be selected for.

Valeria: So at the end of the day, it has to do with the character more. It can give you him little bit of a small boost, but it has to do with the character, how confident he is, how he will manage to do it and stuff like that.

Speaker n.14: Exactly. [crosstalk 00:17:12]

Valeria: Okay, great. So is there anything as you would like to add about the interface between HR recruitment selection and organization performance?

Speaker n.14: I think that's pretty much covered already. That's just it. Just that somehow, I mean, these types of practices cannot be avoided in the business, especially if the hiring managers are more of conventional who are really more into

referrals, candidate referrals and all that. And somehow we have new candidates who have gone through the process of the application, and suddenly they know that there's already a selected candidate. There's a referral from this, from that. It affects the image of the Recruitment and Selection of the company. Because I am the candidate, and I'm religiously applying for the role, then I'm willing to go through the entire process, and then at the end of the day there's already someone waiting there, then somehow it has a negative image, or it gives a negative image for the business. That Recruitment and Selection is not fair. Somehow discriminating or something like that. And it happens all the time.

Valeria: It happens all the time. Here in UAE, you mean?

Speaker n.14: Yes, yes. And not only here. I think, and sometimes it's in general. Maybe it happens. It's a part of the influences from external people.

Valeria: So if I may summarize, you feel like recruitment selection system, it plays a huge role in the performance, and it needs to give a special image, and you need to pay very close attention to who you're recruiting, because it represents the whole image of the company.

Speaker n.14: Yeah, like branding of the business. Branding.

Valeria: Branding. Great. Okay, let's move on now to the compensation. So what do you think? What is the influence that the feeling of justly treatment of compensation, of the money that you get or whatever is that, monetary, it can be whatever. Has on employees' motivation and performance? And what is the influence if the performance if there is no feeling of justly treatment? So let's say you have an employee that he's feeling, okay, I'm fine with what I'm getting. And you have another employee that he's feeling, oh, you know what, I'm not fine with what I'm getting, because the other person, he's the same here, but he's getting more, blah blah blah. And you know we are people, we have these comparisons. How do you think this will affect the employees. Performance and at the end of the day the organizational performance?

Speaker n.14: This plays an important role in the business as a whole. If an employee's underpaid, obviously it will affect negatively towards his performance. And in return, it affects the business as a whole. That's why it is important for the businesses to streamline or to at least have a streamline or avoid discrepancy in terms of the compensation that they provide, which should always be commensurate to the years of experience that the employee has. So that it won't create discrepancy as we move along, because people talk. Within a team, later on they will say, "I'm getting this much. My experience is this much, and I feel that I am underpaid." So, that in itself demotivates any employee.

Speaker n.14: On the other hand, if the employee is given a high salary type packages and given with less roles or less tasks, that would also affect them. Because if they're really keen to perform and keen to excel and deliver, and I am paid this much, so I should work this much, then that should, I mean, that mindset should also have an effect positively if they feel that they really, I mean, if they're given the tasks that they're required and they're happy with it. Negatively, if they're not given equal opportunity as that of the others do to deliver their tasks, and yet they're paid high.

Valeria: So you feel it has a tremendous impact in performance, the feeling of how you're treated. And it can affect in a positive way if you're feeling okay, I'm justly treated, and in a negative way if you feel unjustly treated.

Speaker n.14: Yeah. Yeah.

Valeria: Great. So let's move on to the next question. How compensation techniques, like performance based compensation system, bonus techniques, equity-based compensation influence organizational performance?

Speaker n.14: As a whole, it influences the business's performance. With these types of compensation techniques, if a company has this or if the company is observing these techniques well and religiously, it will impact the performance of the company as a whole. Because then if a business has a reputation to the industry that they give a just and fair compensation to their employees, that will improve their standing and their visibility in the market. So obviously, it also affects their branding as a whole.

Valeria: Mm hmm. (affirmative).

Speaker n.14: [crosstalk 00:22:52].

Valeria: But how you feel like if you get a bonus or if you get a performance based compensation, an equity based compensation like stocks or something, how do you feel these techniques will affect your performance as an employee? And at the end of the day the organizational performance? So do you think that a bonus will help with motivation? With-

Speaker n.14: Yes, yes. Obviously, it will help. Bonuses, incentives. It will help employees feel motivated towards their work. And if everyone is motivated, then it gives productivity to the whole business.

Valeria: Mm hmm. (affirmative).

Speaker n.14: So, yeah.

Valeria: So you feel productivity will be increased? And at the end of the day, organizational performance will be increased with these techniques, because it influences the motivation of the employee?

Speaker n.14: Yeah, exactly. Because this is one of, not primary, but maybe if you're like a family person already, or you're an expert who is looking for a good job here and good earning, that's one of your former reason why you want to work. To earn money, right? To earn money. So if you have these additional compensation, bonuses, incentives and all that, it will boost your morale. And then you feel like you want to give back to the business what you're supposed to give, which is to deliver and to be productive.

Valeria: Mm hmm. (affirmative) Great. Okay. So my last question about compensation is if there is anything else between compensation and organization performance that you would like to add?

Speaker n.14: I think that's just it. It's covered already.

Valeria: Okay. So let's now go to the PA. What is the influence that target setting, clarity of expectation and less job ambiguity, if you know exactly what you're doing at your role, of PA can have on employees' performance? So if you have clear expectations, you know exactly what you're doing, because the PA is setting some specific targets, some specific goals, how do you think this will affect the employee's performance?

Speaker n.14: It will affect positively in terms of their productivity. If you know exactly what you're doing, and if you're confident with what you're doing, and if the expectations are managed right from the very start, it will help the employees have focus, and then be productive at the end of the day. Yeah.

Valeria: Mm hmm. (affirmative) Great. So you feel like there's a straight positive relationship between all this clarity of expectations, let's say, that PA can offer to the employee performance, and at the end of the day, the organization performance?

Speaker n.14: Company as a whole. Yes, exactly.

Valeria: Okay, so now what does the influence that employees' involvement in the next years' goals and performance standards or PA can have on employees performance? So if the employee's involved into all this process? How do you think this will affect each performance?

Speaker n.14: Then again, it's also what is done to productivity. If the employee is involved in this, it's always their productivity that's being... And I mean, it's an outcome. It's a straight outcome. If the employees are involved, then it will help them be productive at the end of the day.

Valeria: Mm hmm. (affirmative) Great. So you feel it has a straight line positive relationship, correct?

Speaker n.14: Yes, that's correct.

- Valeria: Okay. So now what is the influence that an effective and an ineffective PA system, let's say, a PA system that values loyalty over efficiency or PA without consulting the employee can have on performance? So if he doesn't have all of these comes out of him, they don't value his efficiency, they value loyalty. How do you think this will influence the employee's performance?
- Speaker n.14: Performance wise, still de motivation. Because if the PA is happening and there is no consultation, then I would question the result of the PA itself. Because PAs are supposed to be done with the consultation of the line manager and the employee themselves. Right? But more or less like a 360 feedbacking. You know, feedback on your performance and all that. Obviously, if this is not happening, then this will disappoint the employees, and in turn, de-motivate them as they perform their tasks, so there is a negative effect of that. So it is important all the time that these PAs are always done in parallel or in consultation with the employees. To do also give feedback directly. And then the candidate will be given an opportunity to improve themselves.
- Valeria: And if this doesn't happen, how do you feel the employees will be affected?
- Speaker n.14: I think an employee would feel unfair. They have this feeling of unfairness. And not justly treated, because they will not be given the opportunity to refute if there's a need to or defend themselves if there's a need to. At least if it's a two way communication, or two way PA activity, then the candidate or the line manager for that matter would be able to defend themselves and express themselves in communicating it two ways.
- Valeria: Mm hmm. (affirmative) So you feel the two way street is something really important. The clarity, the real good communication between the employer and the employee?
- Speaker n.14: Of course.
- Valeria: And if this takes place in a PA, it can have a positive effect. If this doesn't play an important role, then it could have a negative effect in performance and organizational performance.
- Speaker n.14: Yes, it will. It will create a harmonious relationship between the employee and the line manager, and in turn impacts how they'll become productive with their work.
- Valeria: Great. And the last question is if there is anything else you'd like to add about the interface between compensation of employees and organization? I'm sorry, PA and the organizational performance.
- Speaker n.14: No, nothing. That's just it.

- Valeria: Okay. Great. So now regarding, my last set of questions has to do with the Emiratization, and I'm sure you are aware of this. I can tell you small introduction, but I'm sure if you are recruiting in UAE, you know what's Emiratization.
- Speaker n.14: Yes, definitely.
- Valeria: Yeah. Okay. So what is the influence that first quarter system waives restraints and paid all the of Emiratis that Emiratization initiatives have on employees' performance and organization performance in general?
- Speaker n.14: In general, employee's performance, somehow this Emiratization has affected our employees, especially because in terms of the packages that we give, it cannot be denied that the Emiratis have higher salary expectation regardless of the experiences that they have. The real experience that they have, or the ones that are written in their profiles. It impacts negatively somehow if, as I've said earlier on, people talk, so they will discuss their salaries later on if they know about their packages and all of that. Somehow it de-motivates the employees.
- Speaker n.14: The business and the organization as a whole, it gives a good branding. I mean, obviously if you have Emiratis within the business that would give you an edge, and that will give you the quotas that are required for you to be able to get visa, to apply visas for other nationalities as well. This is a good, I would say, a good practice that the UAE has initiated.
- Speaker n.14: However, I think somehow as they move along with this, the expectations has to be managed with the Emiratis themselves. So because at the moment there is a feeling of superiority, if you notice. I mean, in the market they obviously come up with higher salary expectations, with even high school diploma, not even the true Bachelor's degree certificates. And it impacts. And it demotivates the employees who knew of their capabilities. I mean, I have this experience and how come this guy is, just because he's Emirati and all that, but it will happen fast, because it's part of the process. And it's part of the requirement for the company to have these Emiratization in order for them to exist generally. Yeah.
- Valeria: Mm hmm. (affirmative) So you feel like there is again, two sides of the same coin in terms of employees' performance. They can feel exactly paid. They can feel also Emiratization is getting more, like he doesn't have the same qualifications as me. But at the same time it can have a positive effect on the branding, on the image of the company, because he's hiring local talent. He can have, I don't know, more connections or more good teammates in order to perform better.
- Speaker n.14: Yeah. Plus, you are supposed to really export the government's program. Employing Emiratis as a whole. So it gives you a diversity kind of image for

the company, for the organization as a whole, that you're not really discriminating other employees based on their nationality and all of that. So if you're a company that is diverse enough, especially you cater and accepts Emiratis within the company, then I think it'd be in a good standing.

Valeria: Great. Great. Anything else you would like to add about the monetization and the job performance?

Speaker n.14: No, nothing. I just wish that, as I've said earlier, their expectations should be managed, so that the salaries and the budgets for the role as well would be acceptable for them. I mean, it's not all the time where we can give them exemptions, because they're Emiratis. So it's okay. We give 20000 for secretaries. We cannot give an exemption over time. We're doing this because in order for us to get quotas, right, if we have the target to reach the target for the quota, we give exemptions, and surprisingly, the business approves, because we don't have any choice. If these expectations are somehow, maybe, as this program moves along, if this will be looked into, then it will be good. It will be helpful both ways.

Valeria: So you feel like sometimes you need, because there is a lack of talent, and because you're forced to fulfill the quota in order to survive in your business, you need and you manage to get people that they're not supposed to get so much high salaries as if they were not an Emirati person. That's for you to fulfill the quota. How do you think this affects their performance?

Speaker n.14: Of the employees that are already in the business, negatively. Negatively for sure, because [crosstalk 00:34:51]

Valeria: Of the organization performance?

Speaker n.14: No, organization, it's always positive, because as I've said, it will give it positive branding. The more diverse a business is, the more it's good. But the negative impact is within the employees who are already in the company. Personally speaking, I was recruiting receptionists and secretaries at the range of like 12 to 15000. 12 to 18000, even, at times. And sometimes it's not even the credentials that matters. It's their availability. If they're available to start as soon as possible, then that's it. Because there is a quota to reach, right?

Valeria: Yes.

Speaker n.14: So then it affects negatively to the performance of the employees and your organization, because they will also feel demotivated, just because and all that. It happens, you know? Very honestly.

Valeria: Of course it happens. So you feel like there is a balance or imbalance, because okay, maybe the branding is important, but also employees are important. Who do you think is winning in this balance? The motivation or branding?

Speaker n.14: Ideally it should be the employees. That should be the primary... What do you call this? The employees should be given primary consideration. So I mean, the salary should be streamlined to avoid issues like this. To employees getting demotivated if they feel that Emiratis are overpaid. I think it's employees, aside from the company. It's really the employees are really affected, because for the company it will give a positive standing, because they have Emiratis.

Valeria: Even if the employees have demotivated, you feel like because of the branding, it will give a positive effect at the end of the day for the whole organization?

Speaker n.14: Yeah, yeah. For the whole organization.

Valeria: Okay. Great. So that was it. Thank you so much for the interview. Was-

Speaker n.14: I hope I able to contribute.

Valeria: You were, you were. You had great insights and-

## 15. Transcription Speaker Number Fifteen

Speaker n.15: Hi there.

Valeria: Hi. Good morning.

Speaker n.15: How are you? I'll just put my... there we go.

Valeria: Yeah.

Speaker n.15: Excuse the state of me. No make-up. Just out the shower.

Valeria: It's fine, we have call, so we are okay with that. How are you, Speaker n.15?

Speaker n.15: I'm good. I'm very well. Very well. So where are you? Are you living in Dubai?

Valeria: I'm in Abu Dhabi.

Speaker n.15: Yeah? Oh, in Abu Dhabi, okay. How's things over there? I think not so strict as here.



Valeria: Yes, you are very, very strict. I don't know how you survive. At least we can go to, like, the supermarket, but at least we can go out.

Speaker n.15: Yeah, yeah. It's not too bad. I was out with my friends last night on Zoom.

Valeria: Oh, okay.

Speaker n.15: I've started exercise classes on Zoom, so not finding it too bad. I have stocked up quite a lot, so I don't need to go out for about two months. I've stockpiled, or my husband has. My husband's out working. He's working on a field hospital that they're building in Dubai Parks and Resorts, so yeah, bit lonely during the day. Long days, but work, I'm working from home. That's going by really, really quick. Quicker than being in the office, amazingly enough, so...

Valeria: Yeah, that's-

Speaker n.15: Yeah, all good. All good.

Valeria: Yeah. So my you have an amazing experience in HR, so that's why I wanted to interview you. I am doing my PhD in Cyprus. I'm Greek, and I'm doing my PhD in Cyprus, and I'm working, as well, as an HR manager there, an IT company here, but I'm now in the interview process, so that's why I wanted to have the interview with you today. It's very simple. It will take approximately 45 minutes. It's totally anonymous, and at the end, when I've finished, I can share with you the results. We can help you as well with your organization. It has to do with performance and how HR practice affect the performance.

Valeria: So, yeah, there is no right or wrong answer. You can interrupt me. You can ask me anything you want if you didn't understand something, and that's it, pretty much.

Speaker n.15: Okay.

Valeria: Okay, so let's start? Okay, do you want to have a small introduction about yourself first? Your job, like...

Speaker n.15: Okay, so I'm Sam. Born in Singapore. Parents were British. Lived half my life in Germany, I guess. Well, not half, about 10 years in Germany. Got schooled in Germany, but with a British school. My father was in the forces. I came out to Dubai in 2000 with my company at the time, who were opening a small office up out here, due to a big job that they'd won. Started my career as administration, personal assistant. Came over to Dubai and ran the office, so I did everything from the finance to the HR. Personnel, it was called then. It was a long time ago. PA to the MD, general secretary,

receptionist, dishwasher, bottle-opener, the lot. From there, I went to an architectural company as office manager, and then got into HR.

Speaker n.15: So I'm now working for Aggreko, a large multinational PLC, British PLC. Round about 5000 employees worldwide. I'm the HR manager for the Marina region. So I've been doing pure HR, I guess, now for about 12 years.

Valeria: Okay.

Speaker n.15: Don't have an HR qualification, so it's all kind of experience. Grown up round it, developed into it. Been on various seminars, but don't have a qualification.

Valeria: That's okay. If you have the experience, that's more than enough after 12 years, I suppose.

Speaker n.15: I think so. I think so, definitely.

Valeria: Okay, so let's start. My first question has to do with training. So how do you think formal training, as a part of the unwritten psychological contract between the employer and the employee, influence employees' performance? So let me give you a small introduction about the psychological contract. It's not the written contract. It has nothing to do with that. It's the psychological contract, described the unwritten and set of mutual expectations, understandings, beliefs and commitments that exist between the employee and the employer, so what it has been promised, or it is in the mind of the employee. So how do you think that this psychological contract as... so training, as a part of the psychological contract, influenced the performance of the employee?

Speaker n.15: So I'm still not sure I understand the question. The psychological contract bit, I get, but...

Valeria: Okay, let me rephrase...

Speaker n.15: ... how are you relating it to formal training?

Valeria: Okay, let me rephrase it. So let's say that you have a training, that it has been promised to someone, but it is not written anywhere. But the employer said, "Okay, I will send you for training for next year." But maybe it cannot be delivered for X, Y, Z reasons. How do you think that this will affect employees' performance? If it is delivered, or if it is not delivered?

Speaker n.15: Okay, so I think firstmost and foremost, it's about the psychological contract. It's about meeting expectations, so first and foremost, I think it needs to be very, very clear why the training is happening. Why the employee has been put on the training. What they're expected to get out of the training, and the outcome after, in terms of both benefit to the employee

and the employer. So that's the first thing. Formal training, I feel, should only be part of the development process as lots of different other learning aspects. Excuse me.

Valeria: Bless you.

Speaker n.15: But getting back to it not happening, obviously, it could have, depending what the formal training was, it could have quite a negative impact on the employee. So again, for me, it's, if the training didn't happen, it's being able to explain very clearly to an employee why it hasn't happened. Will it happen in the future? If it can't happen in the future, what are the alternatives to make sure the employee does feel valued, to make sure he feels he is still being developed, and to make sure he is still being valued in the company? That would be my take on it.

Valeria: Okay, so if I may summarize what you say. Clarity plays a big role, a very important role, and if clarity exists in a clear communication between the employer and employee, this bad influence that the not-giving of training can just be eliminated, and it can just not affect the performance if there is a clarity between the employer and the employee and the relationship that they have.

Speaker n.15: I think it might potentially impact. It's up to the manager to do that job, to talk about, "Okay, what can we do to develop you? What can we do to readdress the formal training at a future date?" So yeah, yeah. Obviously, the employee will be disappointed.

Valeria: So this will have a negative impact in their performance?

Speaker n.15: Potentially. Potentially. It depends on the maturity of the employee, I guess.

Valeria: Okay. So my next question has to do also with training. What is the influence that personality characteristics of an employee, like loyalty, relationship-building, has on the selection of the employee for training, and how this consequently can affect their performance as well?

Speaker n.15: I think behavior is huge in the workplace, so if I've understood you correctly, what...

Valeria: Yeah, behavior, loyalty...

Speaker n.15: So you're asking...

Valeria: How these characteristics can affect, let's say, your selection of the employee?

Speaker n.15: The choice on training. Yeah.

Valeria: Yeah.

Speaker n.15: I think big-time. Big-time. So if you look at behavioral, to develop somebody who displays the traits of loyalty, of wanting to get on. He's keen, he's enthusiastic. Doesn't have to be the top performer, absolutely not, but somebody that shows eagerness to get on, or maybe, even, it's where somebody needs a bit of development, personal development. In terms of longevity in the company, again, you need to keep somebody motivated, but it's a fine line between just sticking them on a training course or keeping them developed. They might be in the company for a long, long time. They might not want to move up anywhere, but they might be absolutely fine in the position they're in, no aspirations to climb.

Speaker n.15: And again, it's keeping them motivated. You can do that lots of different ways, not formal training, but peer shadowing, just giving them projects to do that might be different. Shadowing with another company, sorry, another department. They might not want it. They might just be happy ticking along.

Valeria: Great, and how do you think this will affect the organization performance as a whole if, let's say, you decide to pick a specific person because he's loyal, because of... I don't know, because you like him as a personality, instead of choosing someone else that, I don't know, he has more, let's say, need for this training.

Speaker n.15: If a manager did pick somebody over, because they were good, against the guy that maybe did have the need, but maybe didn't show the behavioral traits as well, wasn't so much liked by the manager, of course, it's going to have an effect. That person that is not presented for development will possibly, well, more than likely, feel that he's not valued. It comes down to feeling valued again. Feeling that there's a kind of favoritism within the workplace. That's going to have a big psychological effect on him, I would say, or her.

Valeria: And in his performance as well?

Speaker n.15: Yeah, probably. He probably will think, "Well, my manager doesn't really care about me, and my manager doesn't like me. I'll do my job. I'm not going to put 100% effort in, and do you know what? I might look for another job and do what I need to do until I can find somewhere else, and someone else who appreciates me better."

Valeria: Great. Is there anything else you would like to tell me about the interface between HR training and development activities and organizational performance?

Speaker n.15: Yep. I think it needs to be aligned to the business objectives. It needs to be in collaboration with the managers. It needs to be relevant and it needs to be well thought out. I think you need to look at both the organizational needs and the employee needs, but not tying... just putting bums on seats, as it were. I think, when you're looking at developing people, the organizational structure, and where they're trying to get to, plays a key part too in road-mapping their performance, their development to get to the next level, and that, again, is all in line with the organizational structure, the organizational beliefs. The culture, and the objectives of their strategy.

Valeria: Great insights, Speaker n.15. Let's go now to the recruitment. So what do you think, what is the influence that strong and effective Recruitment and Selection system has on organizational performance?

Speaker n.15: Absolutely. It's like databases. Rubbish in, rubbish out. Now, that's not to say that mistakes are made with recruitment, and that's not to say that you don't employ people that you know will need developing so that first comment was said very lightly, tongue-in-cheek, yeah? But I think selecting the right talent is hugely important for the business. If you don't, then that person that you've brought in is not going to be able to perform his role. He may clash in terms of culture. There's not going to be cohesion between him and his team-mates, then that, I think, just rolls up the organization.

Speaker n.15: In terms of what the organization is trying to achieve, if you don't employ good talent, the correct talent, then that talent's not going to be able to achieve the reason for the business being, if you like.

Valeria: Yeah. And how do think this will affect the whole performance of the organization? The organizational performance?

Speaker n.15: I think the organization would be in big danger of failing if you got a massive lot of people that were not fit for the job.

Valeria: Great. So you feel it has a tremendous influence on performance, and it can be positive if you bring the positive people, the right people for the job, but it can be also negative if you don't bring the correct people at the correct place, if I may summarize what you said?

Speaker n.15: Yeah. Yeah.

Valeria: Okay, now let's move on to kind of the same spirit. What is the influence that a rigorous Recruitment and Selection system, that could create the feeling of elitism and significance between the employees, has on employees' performance? Let's say you have a pretty strict recruitment selection system, but after five, 10 interviews, you manage to get in and you feel like, "Oh my god, I'm the one. I'm relieved that I managed to get into or

something." How do you think this whole feeling will affect the performance of the employee?

Speaker n.15: If the employee has got through a strict interview process and he's joining an elite company, that employee is going to, I would imagine, be ecstatic. He'd be very excited. Maybe, let's be honest, a lot of people are not 100% confident, so nervous that he's actually got in, and now he's going to have to achieve. Bit of fear. So yeah, fear, excitement, elation...

Valeria: Do you feel that this feeling is going to last so much that it can affect his performance, or this feeling, it will fade away and he needs to try to manage and perform?

Speaker n.15: Okay, so I think, initially, everything's going to be great. He's going to think it's a wonderful organization, and he's going to think it's well-structured. It's well set-up. It's elite. It's the perfect organization. After he's been in the organization for a few months and settles down, he's going to realize that it's not perfect. It's not completely as he thought it was. There are policies that are ambiguous. There are not quite strict salary bandings as he first thought.

Speaker n.15: So again, I think it depends on the company culture. I think culture is hugely important to make sure that, after that person has embedded in, and has opened his eyes, and has thought, "Well, you know what? Not perfect, but it's still a great place to work." That is all about culture, a company culture.

Valeria: So if I may summarize, you think that culture plays an important role? Okay, so he's going to have these feeling that, "I am significant. I am the one." But at the end of the day, this feeling is going to fade, and the most important thing if he will manage to fit to the culture in order to perform, otherwise the performance not going to be affected?

Speaker n.15: Yeah. I think culture is massive. Culture breeds culture, so yeah. Making sure that he's supported. Making sure that, like any other employee, he embarks on a journey within that company where he's given opportunity. He's given, I don't know, variety to be kept motivated, whatever that could be. He's well-inducted into the company, so he understands the structure. He understands his peers. He understands how it all works, so I think that helps to drive performance.

Valeria: Great. So now, what is the influence that *wasta*, in Arabic, the use of influence in Recruitment and Selection system has on organizational performance?

Speaker n.15: It can be dangerous if you've got somebody who's got *wasta*, and they want to bring a person in that they know, might be doing a favor for a mate's wife, or might be doing a favor for a mate, or a mate's mate, or something

like that. I think also if that person has not... if he's not good at conducting recruitment initiatives, if he's not a competent interviewer, if he's not able to look into the actual specifics of the technical aspects of the role, and then brings in people that he thinks might be good, because he's had a chat about the weather and living in Dubai for half an hour, and then, let's say, the HR get involved, they interview him and they say, "No, we don't recommend this person, because A, B, C," but the manager says, "Nope, he'll be great. I know. He'll work..."

Speaker n.15: Yeah. It can be dangerous. It can be dangerous.

Valeria: And the effect that it's going to have to the performance of the organization?

Speaker n.15: Yeah, you're going to potentially end up with people who, again, are not right for the job, so it's not just the effect on performance. It's the cost to the business as well. You've ended up hiring somebody, they may not be right. They may not survive in the company. You have to go through, number one, the negative impact on the employee, first and foremost, and two, that the impact on cost of rehiring somebody else, retraining, et cetera.

Valeria: Great. So you feel it's going to have a catastrophic relationship, if we bring someone that is not qualified, only because of the waste of the influence, and it's going to have a wholly negative effect on the performance of the organization as a whole?

Speaker n.15: It could do, yes. It could do. On the other hand, it might be that this person just needs a bit of development, and then the organization invests the time to develop them so that they are competent, depending on the situation. So potentially, yes, it can. It can slow the organization's efficiency down a bit, until that person is trained and comes up to speed. So one or two people, obviously, it's not going to dramatically affect, but if that was en masse, then absolutely, it would, yeah.

Valeria: Great. Okay, so is there anything else you would like to tell me about the interface between HR Recruitment and Selection process and organizational performance?

Speaker n.15: Yep. I think, again, the interview and selection process has to be very much aligned to what the business is trying to achieve. Need to make sure that the people that are employed fit criteria that the business has laid out in terms of the technical competencies, in terms of salary banding. In terms of future, looking towards the future. So yes, I think recruitment needs to interface very strongly with the various managers to understand what the organization needs. And to fully understand the role, because giving somebody a recruitment manager title, "Go and hire me a project manager," doesn't really give enough detail as to what type of project manager. What will they be doing? Where will they be working?

- Valeria: Great. Okay. Let's move on now to the next HR practice. It has to do with compensation. What do you think, what is the influence that the feeling of justly treatment of compensation has on employees' motivation and performance, and what is the feeling in the performance of the compensation if there is a feeling of unjustly treatment, so what is this thing can do to the performance? Because, you know, people are talking. Maybe you know what the other person is getting, and you feel like, "Oh, I'm not getting the same amount as him, and although we have the same experience, we're doing the same job." So what do you think this feeling of justly treatment and unjustly compensation treatment can do to the performance?
- Speaker n.15: Oh, gosh. When it comes to pay, that's so emotive, and I'm sure you have the same... where do you want me to start? So everybody works harder than everybody else. Everyone deserves more money than everybody else. It's not fair that you are not on the same amount as somebody else that you've had a coffee with, and it's not fair that you're more qualified than he is. You've been in the organization longer than he is... so that's the first thing. Always, always. Nobody is satisfied with their salary. That's a lie. A lot of people claim they are not happy with their salary. It's on all our surveys that we do, that's always, always top. And by the way if you look at market work, we're not bad payers. We're not bad payers at all. We're nowhere near the bottom.
- Speaker n.15: So in terms of finding out that your colleague's higher-paid than you, then yep, that's going to really hack you off. Again, I will say it does depend on the maturity of the employee. However, it's human nature that if you think that you are doing something the same as somebody else, you want that same reward. The other danger is that when managers say, "Listen, we want to promote you. We're going to give you an uplift, but first of all, we want you to do the job for six months, and you know what? We'll do something with the salary in six months' time, once you've proved yourself." Not formalized, not structured. No goals set. Gets to the six-month mark, can't get hold of the manager. He says, "Yeah, yeah, I'll deal with it next pay review." That is going to have a massively negative impact on the employee.
- Speaker n.15: If you turn it round to make that situation or scenario a bit more positive. Let's take a scenario where you know that there's no money in the budget for promoting somebody. You know somebody deserves promotion. He's worked for it. You know there is a business need for a promotion. There is a role for him to step into. He's been on his development plan. It's better, I think, to have a very honest conversation with him, and then again, that comes down to the employee's maturity. Does he want to take that role knowing that he might not be rewarded for some time? Knowing that maybe there might be small increment steps to where he needs to get to, depending on the budget for the company and the department?



Speaker n.15: That can have a more positive impact on the organization, because you're still motivating that person. They're doing the new role. They're getting into the new role. It's not all about monetary...

Valeria: So if I may summarize what you said so far, this feeling of unjustly treatment can have a negative effect on the performance, but if your manager have a good communication between the employer and the employee, this can be somehow neutralized?

Speaker n.15: Yeah, as long as the expectations are finally met. If it's all talk and nothing happens, then you're going to end up with an extremely demotivated employee. Probably more demotivated than the one that's being paid less than his colleague, then you're going to lose that employee, potentially.

Valeria: Great.

Speaker n.15: Because they'll feel let down. They don't feel... it goes back to training. They feel let down. They don't feel valued. They feel, "Well, you know what? I've busted a gut here and I've just been stomped on," basically.

Valeria: Exactly. Great. So let's move onto the next question. How compensation techniques like performance-based compensation, bonus techniques, equity-based compensation, influence organizational performance?

Speaker n.15: I think big-time. I think it does have a very strong influence, so you might have a sales team that are on sales incentive bonus plan. The more they sell, the more they're going to get, so they're... excuse me... going to go out and do as much as they can. I think when you look at bonus structure, it has to be weighed up against making sure it is fair, and making sure that people don't just get a bonus for doing nothing. Again, I don't have the answer to this, but I've seen bonus structures where companies give employees the same across the board, in terms of a percentage, maybe, a percentage of their salary. I've seen bonus structure where lower level blue-collar workers get far less than the managers. I've seen structures where there's long-term incentive plans for some managers but not others, and there seems to be no rhyme or reason why.

Speaker n.15: So lots of different incentives. Yes, it does obviously impact the organization.

Valeria: In a positive way?

Speaker n.15: I think yes, if the bonus or the incentive is clear and drives people to move towards the objectives, to meet the objectives of the company, it comes back to the company objectives again, that everybody achieving, yes, it has a good impact.

- Valeria: Great, so if I may summarize, you say that there is a good impact, but clarity, it plays a huge role in order to have this positive influence on the performance. Great. So let's move on now. Is there anything else you would like to tell me about the interface between compensation of employees and organizational performance?
- Speaker n.15: Only that I think it's a really, really tricky subject. I think it'd be great to have a magic science where everybody was equal, but what's the saying? "All men are equal, but some more equal than others." It's very true. You want that talent where they come in on bad things slightly higher than everybody else, so... I think the whole compensation thing is a really tricky business, and any organization that can get it completely right, where there are no unhappy people, then I want to know who that is.
- Valeria: Great. Great insights, Speaker n.15. So let's move on now to PA. What is the influence that target-setting, clarity of expectation, and less job ambiguity of PA have on employees' performance?
- Speaker n.15: Well done, I'd call it, if I can, a performance management system, so an appraisal... the word appraisal to me conjures up one formal meeting a year. Tick-box exercise. "You've done good. You've done bad. I'm going to tell you how you've performed. Thank you very much. Goodbye. Carry on. We'll speak next year." That doesn't work. A performance review process, where objectives are very clearly set, clearly defined, again, linking back to the organizational culture, the organization, we call it plan on page, our objectives, the company's directives, objectives, what we're trying to achieve. Measurable, it has to be SMART. So SMART objectives, well-thought-out objectives. Objectives that, maybe, the employee has presented to their manager works really well, as long as the manager signs it off, all aligning, as I said, to organization structure.
- Speaker n.15: And then those objectives to be looked at, maybe on a quarterly basis, just with a check-in with your manager. "How are you doing? How are you getting on? Is there any support you need? How are you tracking? Is there any influences that are not enabling you to meet your objectives? Has your role changed?" Do we need to relook at it again to, again, align with the organization as well as employees' role? That will have a positive direct impact on the organization as a whole.
- Valeria: Great. So if I may summarize, you think it will have, in general, a very positive effect, but we need to check regularly, and have an open communication between the employer and the employee, in order this positive relationship to keep going?
- Speaker n.15: Yeah, it needs to be a two-way communication. I think it needs to be a very honest communication on both sides. I think what that does as a whole, it

not only enables the employee to have guidance via structure, it also impacts on the relationship between the employee and the employer, making it a more natural relationship, rather than a, "Right, I've been called into the office once a year and here we go, and he doesn't talk to me apart from that."

- Valeria: Great. Okay. Let's move on to the next question. Similar topic. What is the influence that employees' involvement in establishing next year's goals and performance standards of performance and result can have on employees' performance?
- Speaker n.15: Massive. If the employee feels that they are being asked how they can do their best in their role to succeed, it gives them a sense of belonging. It gives them a sense of accountability. It gives them a sense of being valued, and not just being told what to do. "I have the autonomy to do my job that I have been employed for. The trust has been put in me, so I'm going to respect all of that. I'm in a good place," so yeah. To have the employee get involved, absolutely, is crucial I think.
- Valeria: Great. So you feel it's really important to involve the employee. It will give him a kind of psychological push in order to motivate him to work better and perform better?
- Speaker n.15: Absolutely.
- Valeria: Great. So now, what is the influence that an effective and an ineffective PA system, ineffective like management values loyalty over efficiency, or PA without consulting the employees, could have on the employee's performance?
- Speaker n.15: The employee's going to feel undervalued. They're going to feel that their boss has no time for them. That they're going to possibly question their being in the company. Can make them feel unsure about the future, uncertain. It can make them feel that maybe they're not as good as they thought they were. They'll lose confidence. Loss of confidence means that you're going to have, excuse me, less results, because that person, if they become unconfident and unsure, then their work is going to impact. You're not going to get somebody who's going to suggest new ideas. You're not going to have somebody who's motivated. They might be scared to speak out. They might see a brilliant opportunity. They think, "Everyone thinks differently. Four heads is better than one."
- Speaker n.15: So you might lose a lot of insight from that employee, which will impact the organization, and then on the employee themselves, they'll probably look elsewhere. Feel undervalued, and look elsewhere. You're not going to keep them.

- Valeria: Great. So if I may summarize, you think that it has a tremendous influence, and you can even lose your employee if you don't have a PA system that is effective and efficient. If you don't even speak, you don't have a communication with your employee, you can even lose him and he can go to another organization.
- Speaker n.15: I think so, and it's not just about the performance review process. It's about everyday life of how that person is managed. It's kind of like having a leader rather than a manager. It is very important.
- Valeria: So leadership is really important. Great. So is there anything else you would like to add about the interface between PA of the employees and organizational performance?
- Speaker n.15: Don't think so, no.
- Valeria: Great. So let's move on now to our last question. It has to do with Emiratization. So I'm sure you're familiar, but I can give you small introduction about what is Emiratization? It's up to you.
- Speaker n.15: I know all about it. I've been involved in it many years ago.
- Valeria: Great. I have to ask-
- Speaker n.15: Unfortunately, talking about that... I shouldn't say unfortunately, but in my current company, we're free zone, so don't get involved with Emiratization, but have been in previous roles here.
- Valeria: Great.
- Speaker n.15: I don't know what the law is at the moment, because it lapsed, and I know they brought it in again, but it doesn't affect me, but I do understand the concept of it all, yeah.
- Valeria: Great. So what is the influence that forced quota system that Emiratization initiative have forced the private sector. Where do the restraints of the Emiratis have on employees' performance and on organizational performance?
- Speaker n.15: I think this one is a very difficult subject, because the government is forcing, in private sector, to hire Emiratis. From a personal experience when, in a previous company, when we were looking to hire to meet a quota, it was very difficult. At the time, there did not appear to be many Emirati engineers around. I'm going back 10, 15 years ago here. So the skill mix that we needed, the skill sets we needed, to embed them into the core of the business, was not there. So then, looking at other skills, I interviewed many, many people for receptionists/administration role. The culture that they were brought up in certainly did not align with the western workforce

culture. We had lots of... I think about three, four ladies all gave it a go. The longest lasted for three days, and it was too much work for her. "Too much work."

Speaker n.15: It was very, very difficult. I even had a mother come in and bring her friend's daughter. Said, "My friend's daughter is better than yours. Mine, please take her. My daughter is..." It was an interesting experience, so then I got hold of the recruitment agent for Emiratis, and they invited me to a seminar. So they did a very, very, very good talk to explain why they were trying to explain how the young workforce, or the up and coming workforce, really wanted to work. They were really keen, but at the end of the day, they were nationals, so they did expect more money. They did expect to be escalated to manager within six months, so therefore, "Don't see why companies would have a problem with that because they have been educated here." Getting back to the how that affects the company, of course, it goes back to the people feeling that Emiratis have more wasta. Maybe not as well-deserved as that employee who has been working in the company for a long time, and has not been elevated.

Speaker n.15: I'm not saying that you're not going to get good talent, but if you've got talent with a very different work ethic culture, that the talent is not quite as you need, and you're spending time to develop them, then it is going to impact again. However, on the flip side, if you bring in an Emirati who is well-qualified, he might have been educated in the Western world. He might have been educated here. He might just fit right in with the culture, then I think you're in a really strong position, because he's treated like anybody else.

Valeria: And this can affect in a positive way?

Speaker n.15: Depending on the company, yeah. I think integration and diversity's good, so as long as you get the right talent, Emirati, Emiratization, I think it is great. It is diversified. It can have a massive impact on the company, depending what the company does. It can open new doors. You know, that Emirati might have... he can open doors that maybe other people can't. So it could work either way.

Valeria: So...

Speaker n.15: And it comes down to getting the right talent, again, yeah?

Valeria: So you feel there are two sides of the same coin. That it can be a negative influence if you don't bring the right people, and it's kind of difficult to find the right people, because there is a lack of talent out there, but if you manage and you bring the right people, this can open new doors because they have connections. They can add value to the company, and it can bring a certain prestige or value because of their connections?

Speaker n.15: Potentially, yeah. Potentially.

Valeria: Great. So is there anything else you'd like to add about Emiratization and job performance?

Speaker n.15: No, I don't think so.

Valeria: Great. So that was it. That was the interview. You have amazing insights. Thank you so much, and if you have anyone-

## 16. Transcription Speaker Number Sixteen

Valeria: Hello, how are you, how is everything?

Speaker n.16: All good, just doing news about lockdowns and stuff, so yeah, getting used to it.

Valeria: I'm sorry, it has been a challenge for everyone. Anyway, so-

Speaker n.16: I know. And you're in Abu Dhabi, right?

Valeria: Yes. We're working with Chady together.

Speaker n.16: Very well. I'll try to answer as to the best of my ability-

Valeria: Yes, exactly.

Speaker n.16: ... but I just hope it can help you.

Valeria: No, no. There is no right or wrong answer. I know you have a tremendous experience in HR, and I just want your opinion and nothing more than that.

Speaker n.16: Sure.

Valeria: Great.

Speaker n.16: Lovely, lovely. Put a lot of emphasis on the training for employees, it doesn't have to be a classroom setup but when you say there's a psychological, I would include things like the Dell's values and its ethics and compliance and its culture core, that we press in hard and now you join us to execute with any ... what do you call, any sales that they make. So these would pretty much be the unwritten contract that I would say that we sign up with employees because while the employees have their salaries and everything written on the contract and there are a few conflict challenging clauses I mentioned, these are the things that we need employed to actually execute on a daily basis.

Speaker n.16: So things like work ethically and work in compliance with the labor law, work in compliance with the Dell's own framework of stuff, is something that we absolutely want employees to be speaking to the customers on a daily basis. So this is not something we will ask them to sit in a classroom, have one hour training and then know about these things, but this is something, business as usual, basically.

Valeria: Good.

Speaker n.16: So we expect every employee to have this in their DNA so when they're approaching the end user customer, they have to be exhibiting these kind of values that the company like Dell has. So those are the kind of things and we keep doing the workshops, we keep running the schedules for the virtual trainings on and off, just so everybody keeps getting the repetitive message that, while you're doing the sales, while you're getting your commissions, it is not just important on how you're getting it, it's about what you're doing to get it. Those ethical things and stuff like that. It plays a very important role in influencing their performance.

Valeria: Great. So in order for me to summarize your answer, you think it plays a huge role in improving their performance, correct?

Speaker n.16: Yes.

Valeria: Great.

Speaker n.16: Correct.

Valeria: Great. So let's move on now to the second question. That is, what is the influence that personality characteristics of an employee like loyalty and relationship building has on the selection of the employee for training, and how this consecutively can affect organization performance? Hello?

Speaker n.16: Hi, can you hear me?

Valeria: Yes. Now I can hear you again.

Speaker n.16: Okay.

Valeria: Did you hear my question?

Speaker n.16: I did. Yes.

Valeria: Great. Okay.

Speaker n.16: So loyalty and relationship building definitely plays a good role, but I wouldn't say an absolute important role because in the current framework, specifically quoting the IT industry that we work in as well, it's all skills

driven. So while I task and a specific job, my job could have changed the last six months because the way the industry is changing is all about digital transformation. The skill sets are the most important thing I would consider right now for me to have as an employee.

Speaker n.16: Loyalty, relationship, yes, it's good to have. But in the current time frame, I wouldn't see, or I cannot imagine someone being in an IT industry for 25 long years of their career because obviously things and the skill sets that are required and demanded on the job keeps changing, so unless employees absolutely changing with the way the outside world changes, that's fine, but for me, loyalty is just one of those subjective things to have. I wouldn't say that I would absolutely take it as a must requirement. For me, it's just skill set.

Valeria: I understand. So in order for me to summarize, you believe that skills are more important than let's say, relationship, loyalty, and they don't play that major role in the organization performance so for you, the major thing is how skilled is this person in order to go for the training?

Speaker n.16: Exactly, the relevance of the skill sets in the current time frame, because while you might be a very good human being, and you are absolutely loyal to the company, but if you're not able to deliver what we are asking you to do on the job, it would not give me much results. So relevance of the skills sets is what I would be, value the most.

Valeria: Okay. So the skill sets will affect the organization performance and not loyalty, not relationship building. It's good to have-

Speaker n.16: Yes, and then again I wouldn't give them a zero mark for it. They are important, but they are not absolutely essential.

Valeria: Great. So I understand. It's important, but not the most important-

Speaker n.16: Yes, exactly. And specially I am talking about the IT industry, so maybe other companies may have different thing, like if you talk about farmer, if you talk about FMCG, or if you talk about hospitality, yes, these are differently placed employers. But IT, where it's all about digital transformation, where it's all about learning the new skill sets, definitely I would consider these to be the back benchers, basically.

Valeria: So you're saying that technology, it's something that is driven by the skills of the employees-

Speaker n.16: Yes, exactly.

Valeria: ... and not so much about loyalty and relationship building. Okay. Great. Thank you very much. Let's move on the last question of training. And it is,



if there is something that you would like to add for the interface between training and development activities and organizational performance, is there something else, a factor that it is underneath that, that we don't understand that often, it is hidden? An influence, a performance, since you have so many years of experience, do you have something that you want to add that it's not that obvious or anything that you want to add, actually?

Speaker n.16: Yes. So, definitely the training and the way the trainings were delivered in the past versus today have changed big time. So what we are trying to do and I definitely am a person who would believe that any kind of training is absolutely essential for employees to improvise on their, either the soft skills or ... not just talking about technical training here, but from the HR perspective, definitely it's important. However, the way that we deliver the trainings have changed over time.

Speaker n.16: I am absolutely not in favor of any classroom learnings, or instructor-led trainings. I am more about having the flexible or virtual platform arrange for these trainings for employees to log in whenever they feel, have a 15 minute training done and then stop and then continue for the next day, and stuff like that. So it's all supposed to be user-friendly now, and it definitely impacts the performance, because it's not the time in such a fast-paced environment, you cannot have employees going for intensive three day trainings, for example, leaving all their work.

Speaker n.16: So it has to be on the go, it has to evolve with those things as and when it comes. So yes, training is important, it does impact organization performance because definitely if the employees understand what they are supposed to deliver, they'll do it much better, but again, the ways of training, the methods have to change over time. And Dell, we have definitely improvised a lot on those things. We have given everybody a virtual platform, an app basically on their phone, and they can go browse through different modules, do the LinkedIn learning, and all of that on the move, so it's definitely helpful.

Valeria: Great. Thank you so much. You have brilliant insights specifically about training and as you say, it's a great idea, training is changing as life is changing as technology is changing so we need to follow the trend. And you're absolutely right. Let's move onto the next section, that has to with recruitment. So the first question is, what is the influence that strong and effective recruitment selection system have on organizational performance?

Speaker n.16: So as I mentioned earlier Valeria, again for the IT industry particularly, it's all about skills. So unless we have a robust recruitment or a talent acquisition team as we call them in our organization we have them on board, we will not be able to get the right talent into the organization which will obviously impact the organizational performance.

- Speaker n.16: So for me, it's absolutely important to train the first end users, the talent acquisition team on what kind of talent we're looking at, what kind of skill sets we are to leverage on, and it is a complete influence I would say, I mean it's give and take. So if you get the good people into the organization, they will deliver well and your organizational performance as a whole will improve.
- Valeria: So you think it's an absolutely must and it affects a lot in a positive way the performance of the whole organization.
- Speaker n.16: Exactly.
- Valeria: Okay. So let's move on to the next question. It's in the same subject. What is the influence that Recruitment and Selection system that could create the feeling of elitism and significance between the employees can have on organizational performance? So let's say after a lot of interviews, a lot of maybe test or whatever, you manage to get to a company and you have created, this company created for you the feeling the elitism, that your significance. Do you think that this feeling can create a positive performance, can help the employees boost their motivation, or you think it's not going to affect?
- Speaker n.16: No, absolutely it will affect and yes, as you rightly mentioned, interview process nowadays is not just a one time meeting or two. We have multiple tasks and multiple meetings that the candidates are requested to attend. Again, to map their ... what you call the aptitude tests and the psychometric abilities and cognitive abilities and so on.
- Speaker n.16: So it may make the candidate feel that they're going through a lot of recruiters checks but again, it's all down to the how of how they will perform at work. Will they be able to take the stress, will they be able to perform under tremendous pressure and stuff like that.
- Speaker n.16: So I would suggest yes, it's absolutely important to have a rigorous recruitment process in place because the results are not short term. If you have a rigorous process in place, you will actually reap the benefits over a long time because you will have actually made sure the candidate is checked on every single aspect of their career. So even for us, we do background screening which even goes up to the criminal check and credit checks.
- Speaker n.16: You are trying to just make sure that you are bringing in a candidate who is completely in a stable mindset, who is able to deliver under pressure, who is able to take the strong deadlines and who is also okay on the background stuff, you don't have to worry about debt and the banks chasing us or the police coming in. So it's absolutely important to have that rigorous recruitment process in place.

Valeria: Great. So you feel like this feeling of elitism can affect the little bit at the beginning but it's not-

Speaker n.16: Yes.

Valeria: ... the most major thing that it can influence the performance-

Speaker n.16: Exactly.

Valeria: ... of the person for the whole year, let's say.

Speaker n.16: True. And when the candidate sees the kind of company they're getting attached with, so I'm talking about the big names here, so in the IT industry they know that they're coming along with, and getting their CV attached with a company like Dell, they will definitely not mind going through that extra mile, because they know that we will then protect them for anything that happens in future.

Valeria: Oh great.

Speaker n.16: So it definitely is a good process to have.

Valeria: Great. Okay. So let's move on something to more related to UAE. What is the influence that 'wasta' in Arabic the use of influence in a Recruitment and Selection has on organizational performance?

Speaker n.16: Look, we are not a local or a government setup, Valeria, for me to say that we do use it. For us, we absolutely going by the values and culture code of Dell which is across the countries we operate in. Everything is ... Every bit of hiring is done based on the aptitude and skills of the candidate. We do not use any sort of influence. Even if I was to put in a bid for a candidate, he or she will have to go through the entire process of interviews and get the job based on their merit. So I would say as a company which is completely ethical and fair in its practices, we do not use the word wasta, we do not really use influence much in our recruitment process.

Valeria: So you feel it has to do with the company? Correct?

Speaker n.16: Sorry?

Valeria: So you feel it has to do with the company?

Speaker n.16: It will probably have to do with the company because again, if you're a smaller scale company, Valeria, you may not want to spend a lot of money on doing these LinkedIn ads or anything of that sort, in which case you might be asking your fellow colleagues to name some people who can fit the job. Now, Dell on the contrary, we have invested a huge amount of money in training our talent acquisition team to make sure that our social

media page is up to date, to make sure that everything is happening on LinkedIn and Twitter, so we definitely wouldn't use such influences because again, we are risking the whole ideology of how we bring in people.

Speaker n.16: If I was to just use influences to bring in someone who's from the same country or someone like me, then I'm actually going against my diversity and inclusion practices in the first place, so we do not use this much in our organization, or at all I would say.

Valeria: Yeah. What about your career in general? What is your opinion regarding that, not only about Dell? Because I'm not asking you only about Dell, I'm asking you about your career so far, as an HR person.

Speaker n.16: So as an HR person Valeria, I have actually been lucky to be working with some of the very good names, so I started my career with a company called Ernst and Young, which is one of the Big Four firms into audit, so again we had the same practices there. I wouldn't take off anyone doing a lot of these influence work. Then I worked with British Telecom, it was exactly the same. Then I worked with Nokia Siemens, no changes whatsoever, and now I'm with Dell.

Speaker n.16: So through my career, and I'm only picked up some very strong names in the market, and again, because of their diversity and inclusion practices, because of their ethnicity at work, I've never had to come across this kind of ... the influence process.

Valeria: So it has to do totally with the company and you're saying that the companies-

Speaker n.16: I would say so, yes.

Valeria: Yes, that they respect the values and the integrity, they don't use these kind of practices.

Speaker n.16: Correct.

Valeria: Great. So it's not going to influence at all the organizational performance in this case?

Speaker n.16: For us, in the company I am, no, it will not.

Valeria: Okay, great. Okay, so is there anything else you would like to add about the interface of HR Recruitment and Selection processes and organization performance?

Speaker n.16: Generally speaking I think I've covered most of it but what's more important is if the organization wants to ... let me put it this way, if the talent

acquisition team has to do what they are required to do, the business at all levels must support them with the philosophy. So it shouldn't be that they are saying something and the business wants something, so unless you have a complete parity between the two organizations, it'll not work.

Speaker n.16: So for us at Dell, one of the important things we do is we keep training our managers who are typically the hiring managers who are bringing people in, to go by what we are asking them to do. So each of them will have to have a diverse set of candidates in the short list. They will have to have female participation into the short list because obviously in the IT sector, you don't see a lot of females coming into play.

Speaker n.16: So there is a lot of training, if I could link it up with the training piece, that we organize for the hiring managers to make sure they understand what we're talking about. So it's important to have the same, or a common link or a common language that everybody speaks in the organization and that can only be achieved by running these trainings on and off.

Valeria: Great. That's very insightful, okay. Thank you so much for this. Let's to the next section, it has to do with compensation. And my first question is, what is the influence that feeling of justly treatment of compensation has on your employees motivation and performance? And what is the influence in the performance if there is the feeling of unjustly treatment?

Speaker n.16: So when you say unjustly treatment or justly, it's in reference to how they are paid?

Valeria: Yes, to the compensation. Because we are humans, people are talking, employees are talking, maybe they will start saying, "Why he's getting more, we are doing the same job? Why he's having more of benefits and I don't?" You know, this human nature.

Speaker n.16: Sure, okay. So thankfully we ... again, coming to the sector I am with, and I don't know what other companies in IT do, but we have a very transparent process of hiring. So if I was to hire someone, and we have the job levels that are laid out. So the first thing first, the hiring manager will have to agree on what kind of level is he or she hiring people on, and once they have decided on that, the person can only be hired on the midpoint of that job level.

Speaker n.16: When I say midpoint, obviously there are pay ranges that we have in the system, and by default, the system will not accept to bring in a hire on a lower salary than what the system requires to pay. So that will be removing all the manual interface, they're removing all sorts of discrimination or favoritism that could be put into play in this sort of discussions.

Speaker n.16: We make sure that we bring in the candidate at what the system is asking us to bring, so there's absolutely zero human intervention there. So if I was to, for example, coming to your earlier question of wasta, if I was to bring my very close friend into the company, and I say that, "No, please pay her so and so," the system will not allow me. First of all it will not even be able to take her in unless she's gone through a proper interview process and secondly if she was to be hired on a certain rule, it would only hire her at a certain salary, which is not defined by what I want and what she wants, basically.

Valeria: Okay I understand. So if there is an automation involved, that make sure that there is a standard procedure, the judgment for all employees, and the justice is already given. So these things are not created already.

Speaker n.16: Things are not created, so which is where the just or unjust feeling wouldn't come to the employee because while they are not supposed to talk salaries in the workplace, they will still know that this is, I will probably be very close to what my other peers are now. Seniority does have an important role to play, so if I am on the same job level for a couple of years, then obviously I will have moved up the ladder in terms of the salary mix, but the band will stay the same. I will not jump the job level, but I will be on a higher side of the same pay mix.

Valeria: I understand. So there is a clarity there that is helping you-

Speaker n.16: Yes.

Valeria: ... if I may assume that it's helping you to avoid this kind of problems and the performance is not involved at all into this feelings.

Speaker n.16: Yes, you're right.

Valeria: Great. So let's move onto the next question. Have compensation techniques like performance-based compensation system, bonus techniques, equity-based compensation influence organizational performance?

Speaker n.16: So certainly it's got a lot now, companies like sales driven corporates like us, for example, we have commissions into place for sales people. For the non-sales people, we have something like bonus which is linked to their KPI's and the soft targets that they have. So these things definitely drive the performance because while ... If I was a sales guy and I know if I don't do my numbers, I will not be able to get the right compensation, so these things are definitely put in place and they are very well defined.

Speaker n.16: And there are policies for the same, which are up on the internet for our company where they go and see that if you do not match so and so, or do not bring in so and so commission, then obviously your take home salary

will be reduced. So these things are in place and they definitely play a very important role in influencing the performance, I would say.

Valeria: Great. And they're influencing in a positive way, correct?

Speaker n.16: Oh yes, absolutely. Because again, there is something to look forward to, Valeria. For example, the non-sales people, if they have a bonus which is linked to their annual performance, they will make sure that they go an extra mile to make sure that they're earning the full bonus. They will be trying to get the accelerators ... yes.

Valeria: So it will give them the motivation that they need, the push.

Speaker n.16: Oh yes. Absolutely, absolutely. And these are again, very transparent. They are policies as I said, which are laid out for them to see how they could be compensated and how they can go to a higher than 100% mark. So they definitely can see it themselves.

Valeria: So transparency is very important and you think that it's really helpful in that in order to avoid affecting organizational performance in any way and avoid any kind of problems, let's say.

Speaker n.16: Oh yes, certainly. And problems could be many-fold in big setups like these. You do not want things to go out to legal or to external councils on how the company is not paying me well, but they're paying someone else, so being transparent and open in today's world is absolutely required.

Valeria: Great. So openness is very important.

Speaker n.16: Yes.

Valeria: So anything else you would like to add about compensation and performance?

Speaker n.16: The same thing. For any organization, it's important to make sure what the market is also going through. So for example, we as HR, we attend a lot of forums which is got invitations for the other high tech industries just to make sure what we are doing is comparable to the other companies as well in the market.

Valeria: So it's very important to have a knowledge of the competitors as well, this is what you are telling me?

Speaker n.16: Exactly.

Valeria: Okay.

Speaker n.16: Absolutely, because what you do not want is your employees being poached by these competition just because of the salary pieces that you're lacking on some sort of elements because again, these skill sets are very difficult to find, and these skill sets are very difficult to retain, so we definitely do not want to lose out on any caliber just because the market is paying them more than us.

Valeria: I understand. So you need to make sure what the market is doing, where the market is going in order to adjust your criteria in order to meet the demands of the compensation of the employees-

Speaker n.16: Yes, yes.

Valeria: ... and of the competitors. Great. That's great. We can move on if you don't have anything else to add to the PA now. So what is the influence that target setting, clarity of expectation and less job ambiguity of PA have on organizational performance and on employees performance?

Speaker n.16: So absolutely all three are absolutely important for a good PA to be in place. Now a lot of companies don't lay a lot of emphasis on this particular part of the process, but again at Dell, we make sure that everything is up in the system, we have a very good, what I would call open-ended system of gauging the PAs and these three things are absolutely what we keep focusing on.

Speaker n.16: So we definitely want people to know what is expected of them to deliver. We want to make sure that they are, at any point in time, clear about what this expectation is, and obviously all this makes a job less ambiguous. So it's not just about, I want you to do a good performance. We have to explain what good means. Because good for me could be a very different than what you were expecting of it to be.

Speaker n.16: So as much as possible, we try to keep away from subjectivity in these discussions, we are trying to make sure that everything is measurable really, and going by those objectives, we make sure that these things are laid out in advance. So it's all got very important role to play in any employee's performance because unless I have very clear path of what my manager wants of me, I'll not be able to deliver, really, because I wouldn't know what he/she wants. So yes, these are important.

Valeria: So you think that all these three affecting in a very positive way the employee's performance and the organizational performance?

Speaker n.16: Yes. Certainly.



- Valeria: Great. So now what is the inference that employees involved in establishing next year goals and performance standards of PA has on employee's performance?
- Speaker n.16: So employee's involvement in establishing the next year's goals, you mean?
- Valeria: Yes. And performance standards. So, there is an open conversation and the employee gets to know and tell his opinion about next year's goal, performance standards of their PA. So if the employee is involved, how do you think this is going to affect his performance?
- Speaker n.16: So again, I'm talking about transparency and openness we have in the organization. We definitely give them a right to speak up at any point in time if they are not feeling comfortable with the quota they carrying, or the goals they have been put in place. But again, the market is so dynamic in the IT industry, that the goal that I have for today may not be enough for the next year because again, we are trying to pitch or sell a lot of that particular product.
- Speaker n.16: So in our company specifically I do not see employees are given a lot of role there, or a lot of rights to change the plans. It's all done by the business operations team and HR because again, we see what the employee has done in the last year and we try to put in an incremental amount on top of that. But yes, again, going by the openness, they are free to reject the quota for the year or negotiate it. So those are the kind of things we are giving the employee as a right to do. But we do not ask them to 100% discuss the goal and how they want things to be. But that comes from global [crosstalk 00:27:32].
- Valeria: Yeah. What do you think that would be the effect, if the employee had the right to establish next year's role and be involved into the establishment?
- Speaker n.16: I feel if someone is given that right Valeria, they probably want to do it favoring their own situation. So for example, if they see a big deal or numbers coming through, they will take a higher quota because that gives them a higher amount of accelerators and again, I'm only quoting my IT industry here, but it may give them a relaxed feeling and a comfort zone, like they're in comfort zone and no one can touch them, but again, I am going the way our employees are, I wouldn't want them to be a part of this discussion.
- Valeria: Okay. So you feel it's not really offering value to the table-
- Speaker n.16: It would drive subjectivity I guess, because I may want to just have a lower target because of ... for example, in the current situation we are which is led by corona unfortunately we're not able to deliver the numbers. And if I was to give employees the right to choose what they want for this year, they will

probably ask for nothing. They'd be like, "No, don't give me any target." But that's not how businesses will work and operate. So I would say, give them a smaller, a fraction of responsibility but not a decision maker power there.

Valeria: Okay, so you think it's important to give even a little bit, but not the whole power.

Speaker n.16: Exactly. A little bit again, to understand or express their concerns, if at all, and have an open discussion with the business and management, but not to an extent of changing or driving the discussion.

Valeria: Okay, I understand. At the same topic, what is the influence that an effective and an ineffective PA system, let's say ineffective, managing value loyalty over efficiency, or PA without consulting at all the employees, could have on employee's performance and on organizational performance at the end of the day?

Speaker n.16: I would say drastic, and if the PA is not done effectively or not taken seriously by the company, then obviously there's no point of having it in the first place, because it's just not supposed to be a check in the box. It is something that has to be really understood very well by all the stakeholders. So it can definitely ... without a PA if I could quote it, it will just be like employees trying to do things with no end result, or maybe just running around like headless chickens, basically.

Speaker n.16: So unless they have a plan in place, unless they know what they're supposed to deliver, and unless they've had a discussion with their managers, they wouldn't know what exactly is the requirement of the company and what is their career progression or where is the next step up that they can be looking forward to. So not everybody would want to lay it at the same position, right? They would want to have some sort of talent review on how do they get succession in the organization.

Valeria: So you feel it's very important and it has to do-

Speaker n.16: Absolutely.

Valeria: ... majorly with the performance of the employee.

Speaker n.16: Exactly, and there has to be a plan in place to how you can succeed at the role you are in, and obviously without a good understanding of this, it would definitely not drive a great performance.

Valeria: I understand. Okay, so is there anything more you would like to tell me about compensation and employees organizational performance?

Speaker n.16: Definitely keep up to the mark, keep looking through the market practices, the market standards of what the payment mix are, and what kind of allowances are in play because definitely UAE is a market where you have a lot of allowances like schooling and housing and transport, and all those beautiful things, but definitely it's important to keep up to the mark on these things, to be able to retain the employees and obviously manage the performance in a way.

Valeria: Yeah. So in order to be able to understand what's going on in the market, you need to follow the mark and this is very important, you think for the performance of the employee and in turn for the organization.

Speaker n.16: Yes.

Valeria: Great. Thank you very much. Now we are going to the last section of today's interview. It has to do with Emiratization. I'm sure you're aware of what is that, but-

Speaker n.16: Yes.

Valeria: ... I can give you a small introduction. So Emiratization initiative is the nationalization and program that is created by the UAE government in order to encourage and support employment of nationals in preference to ex patriots. Ministerial orders impose on private sector employees a quota system whereby every company with more than 50 employees is obliged to recruit and retain on the payroll the stipulate number of UAE nationals to ensure the minimum percentage of participation of Emirates in the workforce.

Valeria: Other moves to encourage private sector Emiratization are wage subsidize, wage restraints for government employees, quotas on ex patriots labor in the private sector and employees, and employment targets for the year and nation as a whole. So what is the influence of forced quota system, wage restraint and payroll retain on Emirates that Emiratization initiative have on employee performance and organization performance?

Speaker n.16: So are you saying of the influence that Emirati hiring has on the other employees, or ...

Valeria: In general, on employees performance, and in organizational performance. Tell me both.

Speaker n.16: Okay. So look again, we are also completely in privy of this Emiratization rules and we have been able to hire some of the local nationals into our company. Now, the kind of corporate we are, we absolutely invite, we do a lot of internship programs and we do a lot of these sort of assignments, and we absolutely welcome applications from the natives as well. And it does

give us a stronger edge on pitching our deals over to customers who are definitely, most of them are Arab companies, right? Or I would call it, the big companies.

Speaker n.16: So it definitely plays a big role because if they're seeing the sales person coming as an Emirati national, they will definitely value that this company is going by the process and the requirements of the UAE. I wouldn't say it has any negative impact on the performance and organization, it actually brings us some good returns because when you also these Emirati nationals, sometimes you get some sort of subsidy from the government institutes, to expand your business and do certain good things. So for us, it's a If you're getting the right skill sets, we would absolutely want to hire Emiratis.

Valeria: So you think that the most important is the skill set that someone needs to bring into the performance-

Speaker n.16: Yes, absolutely. As I mentioned in the very first point, we are a skill set-driven company so we definitely don't mind bringing in Emiratis, but they have to be the right skills.

Valeria: So do you think so far you get the right skills and you get the right salaries, or you think there is a mismatch there, because of the Emiratization initiatives?

Speaker n.16: We have been able to get the right skills but we have had to put a lot of training efforts into place, and thankfully the next generation or the millennials who are now graduating are definitely of the order that they don't want different sort of pay mix, they don't want less working hours. They are able to absolutely deliver the way our non-Emiratis are delivering. So we have been thankful and lucky on that point. They are coming in on the same salary levels and the bands that we have in the company and they're working the same hours like us.

Valeria: So in the company, you don't make any separation. Whatever you are, you will come, you get this amount of money-

Speaker n.16: Yes.

Valeria: Okay, and you will work this amount of hours. And they-

Speaker n.16: Exactly.

Valeria: ... behave as they supposed to?

Speaker n.16: Yes, so far we have not had a challenge there Valeria. Now again, we are very, very new into hiring them, because it's just been the first year and we've not had much challenge. They are delivering very well what we have expected them to.

- Valeria: Okay. So is there anything more you'd like to tell me about the interface of Emiratization initiatives and job performance? Let's say, okay, we are ... What I have here so far is sometimes yes, it's a good thing, but if it was done in that way, it would offer this thing, and if it was in an alternative way, it would have been better. Something like that. Do you have anything else that you would like to add?
- Speaker n.16: At this point, on this particular topic I don't because as I said, it's something very, very new for us. We've literally just hired in the last six months or it's not even been a year actually. So I don't see much of a challenge but if we were to have this interview maybe next year same time, I will probably be able to give you much more detail. But for now, this is all that I have. They're doing well, they're doing exactly as we have asked them to, but obviously we have been putting a lot of training efforts into play.
- Valeria: So do you think that this training, it is let's say, it's worth it for the amount of money that you are spending to them? If you can make a forecast?
- Speaker n.16: [crosstalk 00:37:21] bootcamp I would say, that we have sent them on. And it has done for literally everyone who comes on board in these kind of positions. So the bootcamp was five months long, they've just returned now and now they'll be actually practicing or practically doing the stuff so we are still to reap the benefits but I would say so far, we are positive.
- Valeria: Okay. So in order for me to summarize, there are some positive things that you have seen so far, but because you are new into this thing, you cannot tell me the overall impact-
- Speaker n.16: Yes. Because it's too new.
- Valeria: ... but so far you have faced ... Yes. So far you can say that it can add value to the image of the organization in terms of sales, in terms of image of Dell and how it is faced by the local companies.
- Speaker n.16: Exactly, I agree.
- Valeria: Great. Okay. That was that. That is the whole interview. Thank you so much.
- Speaker n.16: You're most welcome, you're most welcome.

## **17. Transcription Speaker Number Seventeen**

- Valeria: Hi.

Speaker n.17: Hi.

Valeria: I don't know why ... Something is wrong with your headphones, with your microphone. I don't know because I had an interview before you with someone else, but it's okay. We can talk here, it's fine. It's not going to take more than half an hour.

Speaker n.17: All right, completely fine. Do you want me to still keep this on or ...

Valeria: It's okay, it's up to you. Whatever you want. Face to face is always better to explain you some things. So yeah, leave it on.

Speaker n.17: Okay

Valeria: So my name is Valeria Gouda. I'm doing some research regarding HR practices in organization performance in UAE. Mr gave me your contact. He tells me that you have some knowledge to help me. It's just some simple questions. There's no right or wrong answer. You can just tell me what you think from your experience so far. If you want to give me a little bit of introduction about yourself and then we can start.

Speaker n.17: Hi. So I'm Speaker n.17. I've just joined this company like a couple of months back. It's been like eight to nine months already. So I have done my Masters in International Human Resource. So nothing as such, you know, I'm practicing and I'm putting on my HR knowledge into it so far.

Valeria: So how old are you Speaker n.17?

Speaker n.17: I'm good. How are you? Everything is good.

Valeria: No, how old are you?

Speaker n.17: I'm 24. Actually I'm going to turn 24 this year.

Valeria: So I will ask you some questions and you can just tell me your opinion. Okay?

Speaker n.17: Yes.

Valeria: So how formal training as a part of the psychological contract between the employer and the employee influence employees performance? So the psychological training, it's not the formal ... The psychological contract is not the formal contract that we have written. It's an unwritten and untouchable set of your expectations between the employer and the employee. It's like what you have been promised, let's say. So how do you think the training affects the employees performance?

Speaker n.17: So what do you mean by is, what are the trainings or ... Yes, the training we give to our employees or in general to the employees to have a betterment in the work culture. Correct?

Valeria: Yes. So it's exactly ...

Speaker n.17: [crosstalk 00:04:19].

Valeria: So how do you think that, let's say the training ... You have been promised, the training, but it's not written on your contract, it's just like an agreement between you and your employer. So how do you think this will affect your performance, if it is given or if it's not given?

Speaker n.17: I think if it's given it's well and good because the employee first of all will be aware of all office responsibilities and rules. So he will know, or the employers will know what all things he's expected from or what all the things he needs to give back to the organization. You know, this entirely helps in a smooth functioning because they have a clear understanding about their job function, their job role. So like apart from the contract which is first rightly, like a written thing, like which binds the employer and the employee. The training helps in much more understanding and better performance and you can also build in confidence with the employee because they will know what is expected from them and they will work hard and they will work towards that particular goal. From the employers point of view, we expect our employees to give their best. If we want them to give their best, we want them to understand what they are needed to be, depending what is required as per their job role and the job description.

Valeria: So if I may summarize, you feel like it will affect in a positive way and it will help the motivation of the employee.

Speaker n.17: Completely.

Valeria: Now let's go to the next question. What is the influence that personality characteristics of an employee, like loyalty, good relationship building, has on the selection of this employee for the training and how this can affect also the organization performance and the employees performance?

Speaker n.17: So I feel loyalty, responsibility, this all about the work culture and the relationship between an employer and employee. Just to give you a small example, in our organization people have been working for years. This is basically, you know, upon the trust, the loyalty and ... How do I call it? A better relationship, a good friendly kind of relationship because people have been working here for like around 10 years, 20 years. If you don't give them the confidence that the organization is wanting something out of it, in a positive way.

Valeria: So you feel it will affect in a positive way.

Speaker n.17: Yes.

Valeria: If like loyalty and a good relationship exist it will affect even more in a ...

Speaker n.17: It's because the employer have ... The employees had stressed upon their employer, or the organization, that whatever I am putting forth, like into my work the organization is expecting it, is appreciating it, you know, to giving me more training to improve myself. So automatically that trust builds in

Valeria: So trust is important.

Speaker n.17: Yes.

Valeria: Any other things you want to add about the relationship between training and performance?

Speaker n.17: Well I feel training should not be just as the part of any work process, like example if someone is new to the company and they obviously go through the training process but not necessarily it should be at the end or at the beginning, it should be throughout to improve their career goals and to career craft basically.

Valeria: So you feel like, if I may summarize what you said, that the performance in order to be increased, the training needs to have ... It needs to take place all year long and not only in a specific period of time.

Speaker n.17: Correct, but not all year long because the training process is a bit Because we have like around 4,000 to 5,000 employees, so every year doing it, it's a bit tedious stuff. So not every year, maybe two years in a span of time.

Valeria: Let's move on to the next question. This has to do with recruitment. What is the influence that strong and effective Recruitment and Selection system have on organizational performance? So Recruitment and Selection, how do you think this affects the organizational performance?

Speaker n.17: So having, first of all the organization, the employer needs to know what kind of employees they want. What kind of job responsibilities required from them, like from there end. So that the employee can give it to us. So scrutinizing it and selecting it with a tedious task or selecting it in a way where all the abilities, all the performance come out of that employee, or the candidate. So that at the same when the candidate is onboard he has a smooth recruitment process. He has a small selection process, the training process. So he'll be automatically able to perform better and he'll be able to give back to the organization because himself knows what role he is required to do, we know what is expected from the employees. We know how the candidate was.



What know it with the CV and the process that we went through for Recruitment and Selection.

Valeria: So you feel it's a straight forward positive relationship and it will affect in general the organization in a positive way. Now what is the influence that is Recruitment and Selection system that could create the feeling of elitism and significance between the employees has on employees performance?

Speaker n.17: If you don't mind, can you a bit exaggerate this? Like what do you want in this?

Valeria: So let's say if you are in a company and they for you like 10 interviews and you manage to get in. You are like feeling very special because you managed to get to Google, you managed to get to Apple. Do you think that this feeling that you have of significance, it's going to affect your performance and for how long it's going to affect, if it's going to affect?

Speaker n.17: Like a feeling of accomplishment do you mean?

Valeria: Of accomplishment, of significance, of elitism that I am the one, I managed to get in.

Speaker n.17: See at the beginning, obviously everyone will be filled by getting into an organization. For me it's ... I'll be giving you a personal example when I got selected here I enough, yes, I'll be working in Dhabi Contracting, you know, because the name itself says a lot of things. I do not need to expand it further. So I was feeling very accomplished and I had set a goal in my mind that being in such a big organization I need to put myself in a like ... How do I put it in words?

Valeria: You need to performance?

Speaker n.17: Performance and I should not bring the name because it's not just the employer and me as an individual. With me the organization name is also included. If I do something wrong or if I have done any mistakes over here in the process then it will affect the work, it will affect the overall process. At the end it will somehow impact on the organization performance. So keeping that in mind, not just being too confidence. Being confident enough to put yourself out there to be performing well enough, to put out your creativity to improve certain stuff basically.

Valeria: So you feel it will affect you in a way, at the beginning it will give you a push to perform better.

Speaker n.17: Correct, and like significant or this importance, it should be there throughout, so that your value in this organization is being known.

Valeria: So let's move on to the next question. What is the influence of [wasta 00:13:07], use of influence in Arabic, in the Recruitment and Selection has on an organizational performance?

Speaker n.17: Sorry, can you repeat it again please?

Valeria: So what is the influence of wasta, wasta in Arabic means use of influence in a Recruitment and Selection process has on organizational performance as a whole? So the meaning of wasta, I don't know if you have heard, it's like if you know someone and you will use your influence to bring him to the company, to give his CV, to somehow give him a boost. So what do you think that this ... How do you think this influenced their performance?

Speaker n.17: I think that ... The answer to my previous question, it definitely gives you a stand to put yourself out there compared to others. The word you said, wasta, I think in referring to that I would say it gives you a platform to move more forward than the others. You might not have to rush into or be in the same race. You will get an opportunity to be working in a better work environment in the organization. So keeping that in mind and also knowing your knowledge and understanding about your job role plays an important part here. If you are aware of this and if you have the influence or the opportunity to put out yourself, like put yourself out there, then yeah. The overall, your performance at the end, I would say for recruitment or for organization performance is directly linked to your own performance and your output that you give into the organization. Not that the organization will perform, if the employee is performing then the organization performs.

Valeria: This is like subsequently it affect the organization. So you feel like if they bring you someone but he has like a knowledge ... Someone that knows someone, so they bring you their CV and you recruit them and you bring them to their organization, how do you think this will affect the whole organization? In a positive way, in a negative way, in a neutral way?

Speaker n.17: I think at the beginning I would say in a neutral way. Then depending upon the performance, then it makes ... Depending upon the performance it might ...

Valeria: The performance of the person you mean?

Speaker n.17: Yeah. The performance of the employee. At the beginning it will be neutral because neither of the party knows what is expected or what will be the end process and how will it go through? So at the beginning I would say it will be neutral, but then throughout there is this fluctuation that's my goal. It can be, the outcome can be positive, the outcome can be negative. It depends upon how it's being put out there.

Valeria: Is there anything else you would like to add about HR Recruitment and Selection and organization performance, the interface. What is going on there, the influence and the relationship?

Speaker n.17: I just like for Recruitment and Selection, particularly because that's the start of any HR activity or the start of any organization process. If we do it correctly, and if we hire someone who is well worthy, or has the qualifications, the knowledge, the experience of what the job is required then definitely it helps the employee, its management and then it affects the entire organization.

Valeria: So let's move on to the next question, it has to do with compensation, the money that you get. So what is the influence of justly treatment of compensation that has on employees motivation and performance? What is the feeling of unjustly treatment that has on performance? So if you feel like you're getting the correct amount of money comparing to your colleagues, to your other employees and if you're feeling that you're not getting the correct amount of money because of the X, Y, Z reasons. Because people compare each other and stuff like that. So how do you feel that this will affect the performance of the organization in general?

Speaker n.17: In the terms of compensation, not necessarily it will be monetary. Monetary definitely plays a big part and a big role for employee satisfaction, for an employee to feel like self worth in that particular organization. But according to me not necessarily the employee needs to get the monetary benefits. There are other kinds of benefits that he will gain throughout his ...

Valeria: Whatever benefits, what we don't care about that compensation, we can have a lot of forms.

Speaker n.17: So if the employee is getting the right kind of compensation, definitely he will give you ... You know he has that sense of satisfaction, that happiness inside him to give back to the organization because it's the organization itself, the management itself is helping him out to be better, to be a better version of himself in the job role. So certainly if the employee is getting a good amount of compensation in whatever manner it is, then employer will be a

Valeria: And if not?

Speaker n.17: Here again it links with having the loyalty, having a good relationship in these terms, because the employee will feel that he's being treated well, so he now has this relationship, he feels this relationship with the organization in good terms. Answering your second question, which if it's not given correctly then he will somehow feel not motivated. He will not be like giving his best outcome. For example, if someone is not getting the amount that he should be paid for, he will feel like worthless, like, why am I even giving myself out

there? Why am I even putting myself, like giving ... Like working for this, if I'm not getting what I'm ... for.

Valeria: You feel like it could be a negative effect on the performance, if I understood correctly.

Speaker n.17: Definitely, because, see, if the employee is not happy, if the employee is not performing, if the employee is not giving himself completely or performing to his best of his ability, then automatically the work environment statistically he will not ... Mentally he will not be stable. There will be lot of grievances amongst the employees. As you said, if people like ... Because everybody talks, so he might think, oh, I'm being underpaid or that other person is being well paid. Why am I even here or why am I giving myself so much? So yes, overall it effects, it will have a negative effect on the organization performance.

Valeria: So let's move on to the next question. How do you feel compensation techniques, like performance based compensation system, bonus techniques, equity based compensation, influence organization performance? So you know, like the bonus, performance based compensation, so like if you perform well, you get more money. The equity based compensation you can get, let's say a percentage of a company, how do you think all these techniques will affect the performance?

Speaker n.17: As I said before, if the person is getting any type of compensation, be it monetary, non-monetary, the employee gets satisfaction that he's being valued, he's being understood, he's being appreciated for the work that he's been putting in. So not necessarily giving bonuses every time or having this bonus all on the year. Maybe other kind of benefits where ... Regarding his or you know any other increment.

Valeria: Yeah, any type, any type of this kind of techniques, what do you think this kind of techniques ...

Speaker n.17: Here then he will sense, feel his worth of being in that organization. He will then have trust with the organization. Definitely he himself will feel giving his best outcomes because the company or the organization is giving back to him for his work. So this impacts a lot in the work performance, the organization performance, which goes simultaneously.

Valeria: Is there anything else you would like to add about the interface between compensation and organizational performance?

Speaker n.17: Nothing much, but overall like compensation, like a organization needs to have this compensation, so that there is a smooth functioning and a smooth flow in the process in the employee, within the employees and within the organization, employer and employee.

Valeria: So now we will move on to PA. What is the influence that target setting, clarity of expectation and less job ambiguity of PA, have on employee's performance? So if you have the PA that is very clear with crystal clear goals, no job ambiguity because like you clarify exactly what you need to do. What is your role, what is your target, what are the things that you need to do? So how do you feel this will influence the performance of the organization and the performance of the employee?

Speaker n.17: See if the employee, if the organization is being cleared about the employees goals, employee tasks, that, okay, this particular year or by the end of this year you have this much target that you need to achieve. If you achieve, obviously that will impact on your performance. That we impact on your [upgradation 00:23:21] or for your bonuses, for your increment and other kind of stuff. So he himself will have that validation that I need to achieve something. I have a target which I need to be working on this, on which I will be measured in terms of ... Because there is no right or wrong, or there's no measurement tools of how good the employee is. It's purely based upon how the work he has been put into, or how the result has come out of. So the PA in terms of, as you said, being clear about the job role or the responsibility of his goals, he will focus on that. He will try to make it as good as possible and try to achieve that in a better way.

Valeria: So you feel it will give ...

Speaker n.17: I'll just give you an example ...

Valeria: So you feel it will give him a push in order to perform better?

Speaker n.17: Correct. For example, for me, if I have a certain task which even I know, okay, this is my I need to, I would put in all my sources and I will put in all my efforts and knowledge and the resources that I have to complete that particular task. Definitely if everything is put in the end result will be good enough. That overall gives a good employee performance, increases it. Now here we are just talking about one employee. If each and every employee in the organization does the same work or put in the same effort, then the organization performance, the cycle, it increases.

Valeria: So what do you think will be they influence if an employee is involved in establishing next year goals and performance standards of PA? What do you think this will make to the performance of the employee? It will increase, decrease, neutralize, if the employees involved? He's taking a place in all of this establishment of the PA.

Speaker n.17: So you mean like taking part in the PA or being evaluated upon ...

Valeria: Taking a part in the establishment of next year's goals.

Speaker n.17: So here the employee, so I would say it will increase, I will say like it will increase a lot, because since the process, the PA process, he's involved in it, he's very aware of what the organization wants, what the organization wants from the employee, what I ... Like the goals it needs to achieve, the years end target. So this simplifies a lot of things. Firstly a clarification of the work. Then secondly, I would say being confident enough because the employee has understood and he knows what is being expected. So he will have the self confidence, he's putting himself out there and putting his work out there in a way that it's being appreciated. It then turns into a increase in the performance, employee performance.

Valeria: Is there anything more you'd like to tell me about the interface between PA and organizational performance?

Speaker n.17: Now, PA and organization performance?

Valeria: Mm-hmm (affirmative).

Speaker n.17: See now the PA is purely upon the employee's performance. It's not to get the result of how the organization is performing. It's how the employee performs and through that we can analyze and we can cut to a result that what we are doing, or what the qualities of the structure of our organization is. It's working smoothly or not. Because if, in the process, like if in the PA the employees have a good amount of results, the good amount of outcomes that means that the structure is clear. The employee has understood their role. The employee knows the work that the organization wants. This at the end eventually, you know have a good impact on the organization's performance. But first the employee is well aware and clear and he's putting himself with a good amount of work.

Valeria: No we're coming to the last questions. It has to do with emiratization. Emiratization is the initiative of this organization, program, that it's created by the government in order to encourage and support the employment of the nationals. They impose some private sector employers a quota in order to have a specific amount of Emiratis in their payrolls if you have in your workforce more than 50 employees. Then they have other as well measures, like to retain on your payroll the Emirati employee, to give him a certain amount of money and this participation of the employees needs to be to ensure that you have the minimum percentage of the Emiratis in your workforce. Not less than that. So there are some initiatives that encourage the private sector to recruit as many Emiratis as possible. It helps with ... They do sometimes subsidize of their salaries in order to have like the certain amount of money that Emiratis are getting. So what did you think the influence of this forced quota?

Valeria: The quota is like how many Emiratis you need to have if you have 50 and above and wage restraints, so you need to have the specific amount of money to give to the Emirati employees and payroll retains, so you need to retain them on your company, not fire them. So what do you think all of these measures are doing to the organizational performance?

Speaker n.17: Well obviously it's helps in increasing because we are getting more and more employees, in a sense where if a company is big, if the company has a lot of employees, then definitely a part of it are the Emiratis. The output is also involved in the organization performance, it's not that they are just on both, but they are working towards the benefit of the organization as well. For example, in any of the private sector or any of the organization, the first priority is definitely given to the Emiratis, to the locals. Where we go through through the website to put in the job role that we require. If we find any then we go forward with that. If not, then we start looking for other candidates. But the first and foremost priority is given to the locals, the Emiratis, for that matter. That there is nothing to do with not having a good organization performance or not, you know, having good employee performance. They work as good as any other employee. There is no discrimination or any kind of stuff. It's just the wording right. Emiratization has been put forward. But they are also working as hard as any other employee. Also, having a good employee performance, they are putting themselves out there. They are bringing changes, I would say.

Valeria: You feel like, because sometimes you know they need to be paid higher, this is going from the cost of the company. So do you feel that this will not affect their performance at all?

Speaker n.17: Apart from Emiratis, if any other employee, if they're working they will also get the payment, right. They will also get the salary. It's just that's for them, for Emiratis, it's not necessarily it's a big amount. If the organization is big obviously more profit and revenue. It is a cycle. It's the organization cycle that runs to the employee, like overall. So it helps profit making and everything. So if a company itself is getting the profits from its employees definitely a person that goes back.

Valeria: So you feel like they will have a value to add in the organization and at the end of the day it's not going affect in a negative way but in a positive way because they will add value?

Speaker n.17: Yes.

Valeria: Anything else you want to add about the emiratization and performance in general?

Speaker n.17: No, actually emiratization for me, when I read it or when I started to know about it, it's kind of a good thing to bring out new talented and creative minds

out there, because everybody has a different mindset and everybody has a level of performance that they can put in. So with getting new energetic and fresh graduates from a good university will definitely bring in and improve, you know impact on the organization performance. Not just the organization performance but the environment, towards its profit basically.

Valeria: So you feel like from now like because they have started like getting their selves in good universities. They are educated and it has been differentiated than the past and now they can add value to the organization, real value.

Speaker n.17: Definitely, I've been personally ... Be giving a personal experience. I have been in touch with some of the local people, but they have the knowledge. It's not the guys that we used to think. It has completely changed. They have the same amount of knowledge, experience and creativeness, thinking. They work towards having something better and improving the work, the organization. [crosstalk 00:33:46].

Valeria: So you feel this is just a stereotype that we have started moving on and passing from the stereotype?

Speaker n.17: Sorry, can you repeat it again please?

Valeria: So you feel like this is a stereotype that it has been obsolete now, we have moved past it?

Speaker n.17: Yes.

Valeria: Thank you so much. It was a great pleasure talking to you. If you have any HR manager that you can recommend me, definitely please do that.

Speaker n.17: Sure. Definitely but at the moment ...

Valeria: Thank you for your time.

Speaker n.17: Thank you very much.

Valeria: Bye,

Speaker n.17: Have a safe day.

Valeria: You too.



## 5. Interviewees' data

Interviewees number	sex	nationality	Job title	age	seniority	diploma	Business sector	Nationality of the company
1	Female	Lebanese	HR manager	35	senior	Master's degree	Service provider	UAE
2	Female	British	HR Business partner	42	senior	Master's degree	Service provider	UAE
3	Male	Egyptian	HR recruitment manager	50	senior	Bachelor's degree	Service provider	UAE
4	Male	Indian	HR Manager	52	senior	Master's degree	Service provider	UAE
5	Male	Australian	HR consultant	42	senior	Master's degree	Service provider	UAE
6	Female	British	HR Manager	45	senior	Master's degree	Service provider	UAE
7	Male	Indian	HR Manager	46	senior	Bachelor's degree	Service provider	UAE
8	Male	British	Head of HR	47	senior	Master's degree	Service provider	UAE
9	Male	British	HR and L&D Manager	55	senior	Master's degree	Service provider	UAE
10	Male	Greek	Head of HR and Business Partner	40	senior	Master's degree	Service provider	UAE
11	Female	Emirati	HR Manager	34	senior	Bachelor's degree	Service provider	UAE
12	Female	Philippines	Recruitment and Selection Manager	40	senior	Bachelor's degree	Service provider	UAE
13	Female	British/German	HR Manager	50	senior	Bachelor's degree	Service provider	UAE
14	Female	Indian	HR manager	47	senior	Master's degree	Service provider	UAE
15	Female	Indian	HR assistant manager	32	Middle	Bachelor's degree	Service provider	UAE