



DEVELOPING AND VALIDATING THE HRM FRAMEWORK IN THE UAE ALUMINIUM INDUSTRY CONTEXT

Ahmad Karim Dad Karamⁱ,

Mohd Shukri Ab Yazid,

Ali Khatibi,

S. M. Ferdous Azam

Graduate School of Management,

Faculty of Business Management and Professional Studies,

Management and Science University (MSU),

Section 13, 40100 Shah Alam, Selangor, Malaysia

Abstract:

In current time, business environment is far away from being static since it is continuously going through and experiencing changing situations. Therefore, a company needs to perform multiple tasks to produce the products or services they offer. This cannot be performed by one individual. Therefore, the entire operation depends on the combination of right people with the right qualification to do the job well. Hence, the main objective of this study was to investigate the dimensions of HRM in the UAE aluminium industry context. A self-administered questionnaire was developed basing on the literature review. A random sampling method was used to select the samples for this study. All the questions were tested for reliability, validity and unidimensionality through confirmatory factor analysis. Finally, SEM analysis was carried out to test the proposed model for HRM. This study proposed five sub-constructs for HRM. All the constructs were extracted based on the literature review those were found most suitable for the Saudi aluminium industry. These elements will help to better understanding the linkage between HRM and its sub constructs in the Saudi Arabian aluminium industry context. Identifying the definite mechanisms is crucial to understand the relationship between HRM practices and organisational success. This is due to the fact that business strategies are defined in line with the organisational goals and objectives Therefore, a proper HRM policies need to identify which will lead any organisations towards success.

ⁱ Correspondence: email bo_nouf55@hotmail.com

Keywords: HR strategy, employee retention, employee assessment, employee management, HR developments

1. Introduction

In recent time, HR is seen as *“the available talents and energies of people who are available to an organisation as potential contributors to the creation and realization of the organisation’s mission, vision, strategy and goals”* (Boselie et al., 2009, p. 464). Gardner and Wright (2009) have termed HRM as *“The pattern of planned human resource developments and activities intended to enable an organisation to achieve its goals.”* (p. 58). A further study conducted by Nishii and Wright (2008) have noted HRM as *“A general approach to the management of human resources in accordance with the intentions of the organisation on the future direction it wants to take. It is concerned with longer term people issues as part of the management processes of the business.”* (p. 226). According to Deb (2006), *“HRM is the process by which an organisation ensures that it has the right number and right kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organisation achieve its overall objectives.”* (p. 76).

The need for management of talent and experts in organization is imperative. Talent Management (TM) has as of late been the objective of expanding intrigue and is thought to be a strategy by which organization can meet the requests that are connected with expanded multifaceted nature (Nilsson & Ellström, 2011). Employees with specific knowledge or experts in their field of knowledge are considered talented individuals. Initiatives to retain them in organizational must be put high consideration by the top management.

Top management have a vital role in determining the loyalty of individual in an organization. Talent management is considered as one of the five key areas faced by human resources profession (Vaiman, Scullion & Collings, 2012). Hence, human resources need to identify the potentials and the capability of employees that can benefits the organization for competitive advantage. When these talented individuals are overlooked, they might be hired by their competitors in the same area of business which can cost organization dearly. Challenges currently facing in retaining the workforce have brought the management of top companies and organization to talent management. Values and money had been significantly invested in recruiting, retaining and developing talented individuals in order for significant contribution to performance.

In many of research in the area of talent management, scholars have paid attention into several key areas. Issues that are focused on such as talent conceptualization, talent management degree of inclusivity, demand and supply of

talent forecast, talent management and business strategy alignment and talent management and human resource management differences. There are still many gaps in addressing the area of talent management as in various industries; the focus might be different either on a specific issue or multiple issues at one time. The government agencies as well as the private companies have lots of responsibilities to adhere to talent management principles in order to not only increase the profits but also the human capital development.

From this fact, the investment in human resources became an important part for the organizations' strategies in order to be able to compete globally. Therefore, it is necessary to pay attention to the talented human elements in contemporary organizations as it is the most important elements towards excellence and success. Besides, changes and developments in technology and economy create new issues in the field of human resources as the organization alone cannot deal with these challenges without considering and investment on talented human capital.

2. Literature Review

Organizations are realizing that intellectual capital or corporate talent is a valuable asset that can be managed as effectively as physical assets in order to improve performance. The focus of talent management is connecting people, processes and technology for the purpose of leveraging corporate talent. The database professionals of today are the talent managers of the future, and they will play an integral role in making these connections possible. With the help of this study, a further contribution to better success assessments of talent management should be supplied.

Talent management is the most important new concepts in management field. Talent management is the process of acquisition, career planning and retaining through attracting, selecting, rewarding, developing and retaining employees. Organizations have given more attention and focuses on the talent management concept in order to develop and increase skills, knowledge and abilities of their employees. The importance of this study rests on addressing the relationship between HRM and talent management that increases organizational success in UAE.

Fundamentally, a company needs to perform multiple tasks to produce the products or services they offer (Glaister et al., 2017). This cannot be performed by one individual. Rather, group efforts are needed to accomplish that task. Therefore, the entire operation depends on the combination of right people with the right qualification to do the job well (Hassan, 2007). Thus, HR department has a great role to play here. Basing on the situation, HR department then divides these activities into two functions

namely of job analysis and job design to build teamwork spirit among employees (Hutzschenreuter, 2009).

Any organization is responsible for employees' training activities to develop employees' efficiency that is needed for the overall development of the organization (Cadwallader et al., 2010). Thus, organizations strive toward upholding the goal of ensuring that organizations do train each and every employee in developing their skills that increase their commitment towards the organization (Cania, 2014). This ensures that the newly skilled and qualified human resource will satisfy the managerial needs which are ensured by providing adequate training and development opportunity to the employees of the organization (Cassoni, & Labadie, 2013). However, what sorts of training and developments are needed entirely depends on the organization's needs and wants (Maloney, 1997). Therefore, basing on the requirements and future needs, organizations do decide the specific trainings and developments for their employees.

For companies, the measures of employee performance are basically focused on how employees are performing their jobs despite different categories. In spite of the merits of the financial and accounting measures, in evaluating the any industry employee performance, it is more on cost-based and regressive looking for providing the industrial motivation (Mittelman, 1991). The top management take steps to adjust income with expenses to make a balance between them which is heavily demanded for supporting resources and lowering price to increase the competitive levels (Longenecker & Fink, 2012). This might consider the undertaking of continuous improvement programs for enhancing organizational value (Mohamad & Lo, 2009). With this all understanding, the employee performance can be analyzed, which is applicable to any industry.

As such, taking care of the employees can improve their performance that will ultimately improve organizational performance both in terms of financial and non-financial performance (Yeung & Berman, 1997). Effective staff management can generate information about how to utilize its human resources towards improving the financial position and performance of organizations (Cania, 2014). Hence, top management should be careful in improving staffs' performance by providing various incentives on a regular basis (Rhee, Zhao & Kim, 2014; Zhuet al., 2008). Hence, HRM is responsible for the overall management of the employees who ensures employees are updated on their work knowledge to keep up with the ever increasing needs and demands to satisfy the customers. Based on the above discussion, the identified key elements of HRM are tabled below (Table 1).

Table 1: Key Elements of HRM Practice

Author	Key Element	Description
Noe et al., 2010; Silva, 2014; Paauwe, 2009; Wood, 2009; Yeung & Berman, 1997	HR Strategy	Hiring and firing the right number and right kind of people, at the right place, at the right time
Alagaraja, 2013; Bashir & Khattak, 2008; Boxall & Macky, 2014; Boxall & Purcell, 2008	Employee Retention	Keeping the right people whose service is required by the company
Cadwallader et al., 2010; Cheng & Robertson, 2006; Cokins, 2009; Hassan, 2007; Huselid, 2011; Sheehan, 2014	Employee Assessment	Ensuring right compensation and benefits for employees through proper employee performance assessment
Dave & Wayne, 2005; Dearden et al., 2006; Lin & Chen, 2007; Boselie et al., 2009; Nankervis et al., 1999	Employee Management	Efficiently manage employees in completing their tasks that is needed to achieve organisation's overall objectives
Leopold & Harris, 2009; Purcell & Kinnie, 2007; Raj & Kothai, 2014; Rhee et al., 2014; Youndt et al., 1996	HR Developments	Manage the entire human resources and other activities to develop the entire organisation

3. Methodology

A self-administered questionnaire was developed basing on the literature review. However, few items were also being adapted from the existing scales on HRM. After adapting, all the items were modified according to the study requirements to make those fit for UAE context. The target respondents were the employees working at different aluminium industries in UAE. A random sampling method was used to select the samples for this study. Prior to that, the respondents were asked their willingness to participate in this survey and only those who voluntarily agreed were given the questionnaire.

All the questions were tested for reliability through pilot study (Sekaran & Bougie, 2016). Respondents were asked to correct or suggest any needed changes in the items to ensure that all the items are readable and understandable by the respondents. Besides, experts were asked for their suggestions on the items to achieve content validity. Finally, the output from the pilot study was compared with existing scales to achieve criterion validity. All scaled items were in interval scales. This study used a five point Likert scale. The questionnaire was divided into 2 sections. The first section consisted of questions to obtain information on demographic background of the respondents. Section two consisted of the items to discover the dimensions of HRM.

This study used Cronbach's alpha as a measure of reliability and to calculate the consistency of the research items and to exclude the extreme responses. By doing so, it helped to determine whether the respondents' feedback is reliable or not. Secondly, construct reliability was assessed through confirmatory factor analysis (CFA).

4. Data Analysis

The data collected from the respondents were run into SPSS to do the analysis and all the results have been presented in this section. This section gives a clear picture of all the analysis, which has been conducted and testing the hypothesis that has been formulated for this study.

From the total respondents, 62.6 percent of respondents were male while female respondents answered 37.4 percent of the questionnaires. The result showed the distribution between male and female respondents. Base on the question answered, 6.7 percent of the respondents come from respondents aged between 0 to 25 years old. Another 37.7 percent come from people aged between 26 to 35 years old. 39.1 percent of respondent fall between the age of 36-45 and the rest 16.5 percent falls in age of 46 and above. Base on the question answered, 20.2 percent of the respondents are unit heads. Another 71.7 percent are line managers and the rest 8.1 percent belongs to the top management. The questionnaire in this study had been distributed among the locals as well as to the foreigners who are living in UAE. The majority of the respondents are locals. Out of the 297 respondents, 64.6 percent of them are locals. Foreigners consist of 35.4 percent that include respondents from many different countries. This reflects the popularity of UAE to the foreigners as a preferred job location.

Descriptive analysis was carried out for all the attributes of HRM, talent management and organizational success. To achieve the discriminant validity, this study first needed to conduct the measurement modelling. In order to be significant, the inter co-relationship among variables should be less than 0.85 (Hair et al., 2010). Figure 1 indicates that all the co-relationship value is less than 0.85 that indicates the model is valid for further analysis.

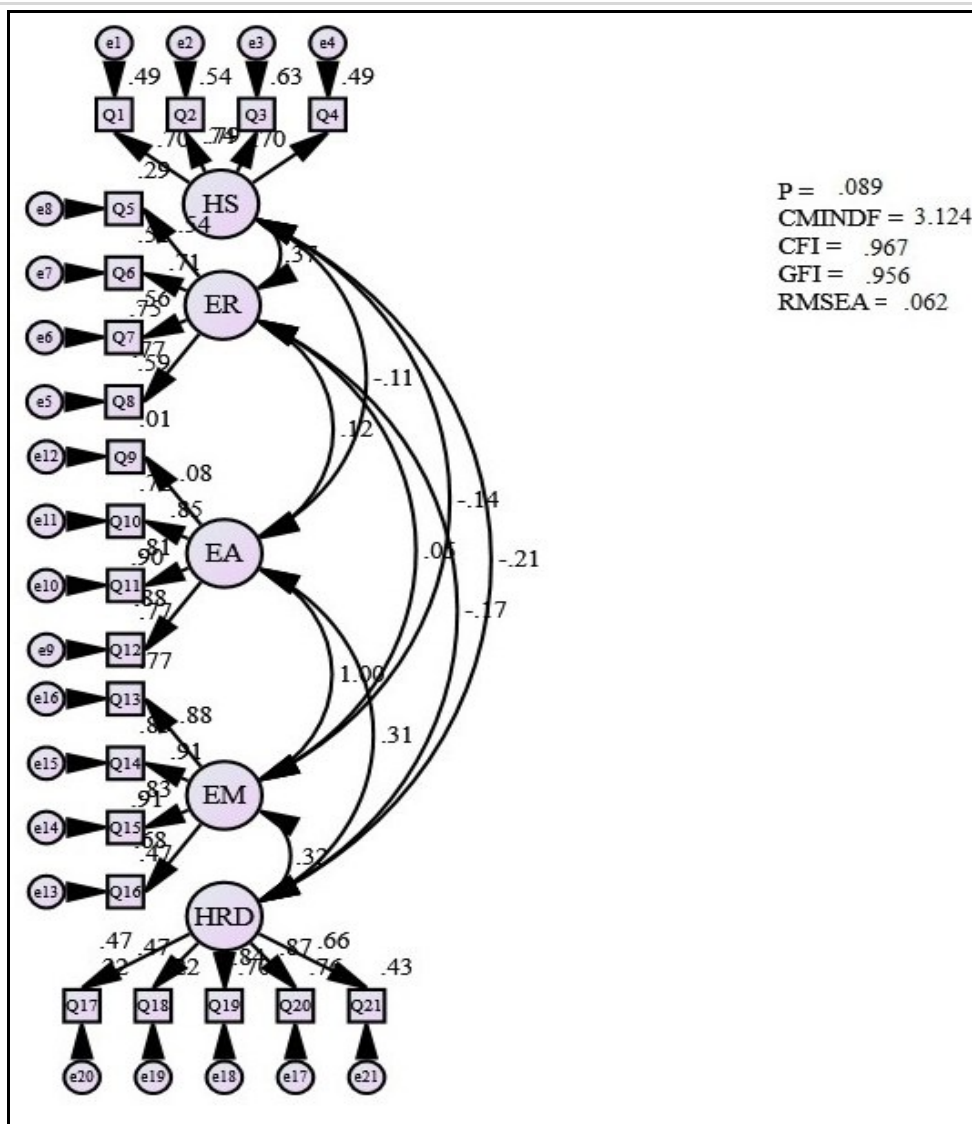


Figure 1: Measurement Model

Furthermore, SEM analysis was carried out to test the proposed model for HRM. Figure 2 indicates that all the HRM sub-constructs' path value is higher than 0.20. Besides, the goodness of fit for the HRM model shows that it has achieved the required fitness value [Incremental fit (CFI) = .952, (GFI) = .939; Parsimonious fit (ChiSq/df) = 3.334; and Absolute fit (RMSEA) = .044]. Thus, it ensures that all the sub-constructs are significant indicators of HRM.

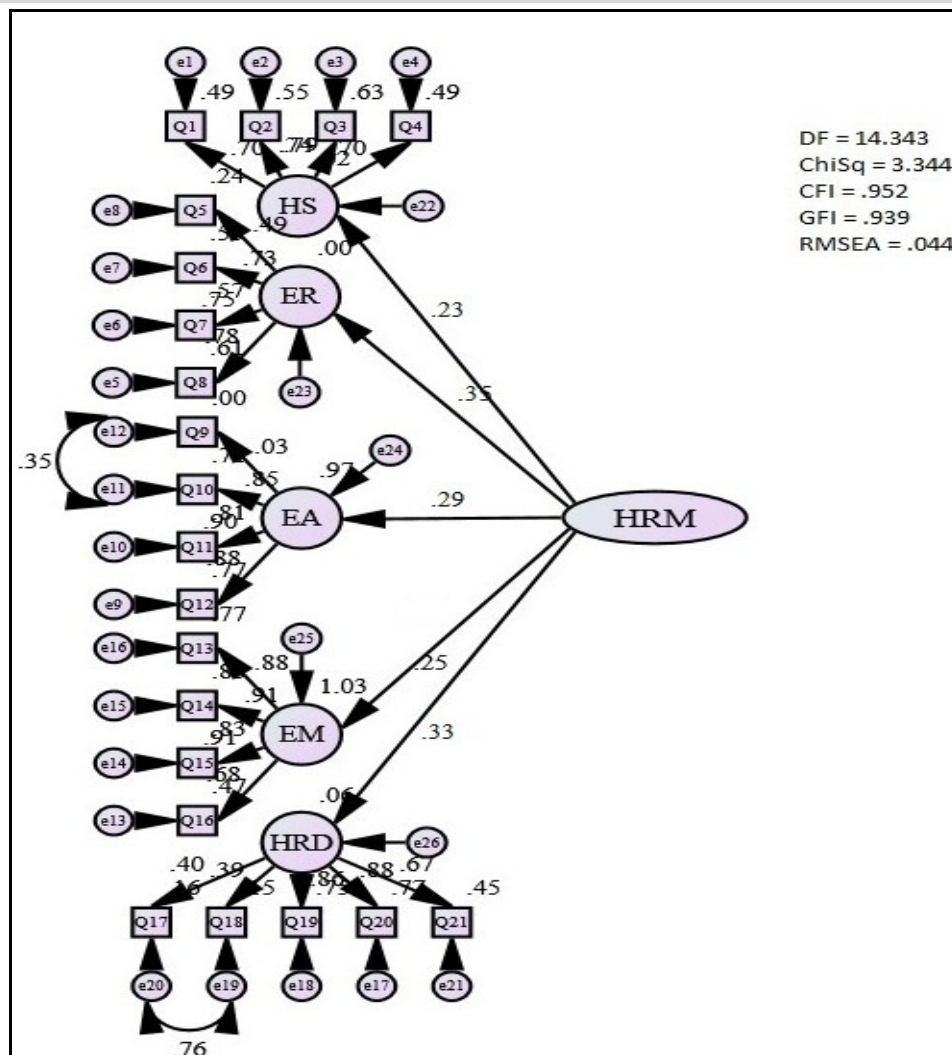


Figure 2: Model for HRM

The finding also supports the empirical evidences on the relationship between HRM and talent management. Many authors also identified that it is better to manage the entire human resources and other activities to develop the entire organisation (Cadwallader et al., 2010; Deb, 2006; Gardner & Wright, 2009; Ian et al., 2004; Leopold & Harris, 2009; Purcell & Kinnie, 2007; Raj & Kothai, 2014; Youndt et al., 1996). Nishii and Wright (2008) noted that HRM is the way to guide its people towards achieving organisation’s future goal. Therefore, this is a job of HRM to efficiently manage employees in completing their tasks that is needed to achieve organisation’s overall objectives.

The finding of this study supports past evidences (Guthridge et al., 2008; Minbaeva & Collings, 2013; Nilsson & Ellström, 2011; Vaiman et al., 2012; Whelan et al., 2010) where the authors argued that talented individuals, are considered to deliver and perform or believed to have to deliver on higher contribution to the organization compared with other employees, in whatever position or sector in any industry.

However, as this study was conducted on the aluminium industry in UAE where the employees consist of different backgrounds and expertise, hence, managing talent in this type of diverse industry with thousands of staffs will be very challenging. Moreover, the next section will be discussing the other perspectives as well.

5. Conclusion

This study proposed five sub-constructs for Human Resource Management (HRM) namely; HR strategy, employee retention, employee assessment, employee management, and HR developments. All the constructs were extracted based on the literature review those were found most suitable for the Saudi aluminium industry. The main objective of this study was to investigate the relationship between HRM and talent management towards organisational success in the UAE aluminium industry context. Katou (2008) pointed out that identifying the definite mechanisms is crucial to understand the relationship between HRM practices and organisational success. This is due to the fact that business strategies are defined in line with the organisational goals and objectives (Vermeeren et al., 2014). Therefore, a proper HRM policies need to be identified which will lead any organisations towards success.

However, in larger organisations, it is not an easy task to manage its employees. This will have bigger variation in the output compare to smaller organisation. This is because, large organisations may be more likely than small ones to have well-developed HRM policies. In addition, capital intensity, industry and degree of unionisation also influence the values and development of the organisation. Hence, these elements will help to better understanding the linkage between HRM and its sub constructs in the UAE aluminium industry context.

In the modern time, the importance behind the assessment of success evaluation has heightened as a result of globalization and its effects. As a matter of fact, globalization has indeed drastically increased competition between organisations and traditional industries specifically in well-built aluminium markets. Therefore, this particular study intends to analyse and acquire a detailed insight in regards to the relationship between HRM and TM in the UAE aluminium industry. Particularly, this study holds the purpose of gaining a detailed understanding about the relationship that is taking place between HRM and TM that leads to the success of organisations. It anticipates to investigate which determinant is the most important when it comes to organisational success. The potential implications and recommendations of this study are discussed from methodological, empirical, and practical standpoints.

From the empirical view point, this study has collected data from the employees working in different aluminium companies in UAE and further tested through

structural modelling. This empirical evidence has significantly contributed in the understanding of the relationship between HRM and talent management towards organisational success. Every company should understand that talent management is the most important concepts in management that deals with acquisition, career planning and retaining through attracting, selecting, rewarding, developing and retaining employees. Hence, organizations should give more attention and focuses on the talent management concept in order to develop and increase skills, knowledge and abilities of their employees. The importance of this study rests on addressing the relationship between HRM and talent management that increases organizational success in UAE through the structural modelling that has been presented in this study. Hence, empirically, this study tested the proposed model; thus, contributed to the development of new framework on the relationship between HRM and TM that increases organisational performance in the UAE aluminium industry perspective.

Methodologically, there is a lack of proper mechanism by which HRM is related to talent management (Treblay et al., 2010; Yeung & Berman, 1997). Therefore, this study filled this research gap in the UAE context. This study has developed a reliable and valid measurement tool to measure HRM and its relation to talent management and organisational success. This study has provided such guidance to the academics as well as to the practitioners.

From the practical posture, the outcome of this particular research intends to provide the academics and management authorities working in the aluminium companies in UAE with an opportunity and strategy for properly managing and handling their human resource and turning them into their success factors. At the same time, it will also facilitate the managers in creating and modifying their organisational policies and rules regarding human resource recruitment, selection, training and development. As such, the findings will serve as an important guideline for HRM for ameliorating employee motivation and also retaining employees with high potential and talent, in the setting of UAE.

Reference

1. Alagaraja, M. (2013). HRD and HRM Perspectives on Organisational Performance: A Review of Literature. *Human Resource Development Review*, 12(2), 117-143.
2. Bashir, S., & Khattak, H. R. (2008). Impact of selected HR practices on perceived employee performance: a study of Public Sector Employees in Pakistan. *European Journal of Social Sciences*, 5(4), 243-252

3. Boselie, P., Brewster, C., & Paauwe, J. (2009). In search of balance-managing the dualities of HRM: An overview of the issues. *Personnel Review*, 38(5), 461-471.
4. Boxall, P. & Purcell, P. (2008). *Strategy and human resource management*. (2nded.). Basingstoke: Palgrave Macmillan.
5. Boxall, P., & Macky, K. (2014). High-involvement work processes, work intensification and employee well-being. *Work Employment & Society*, June 12. doi: 10.1177/0950017013512714.
6. Cadwallader, S., Jarvis, C. B., Bitner, J. M., & Ostrom, A. L. (2010). Frontline employee motivation to participate in service innovation implementation. *Journal of the Academy of Marketing Science*, 3(5), 219-239.
7. Cania, L. (2014). The Impact of Strategic Human Resource Management on Organizational Performance. *Economia. Seria Management*, 17(2), 373-383.
8. Cassoni, A., & Labadie, G. J. (2013). *The Impact of HRM Practices on Organizational Performance: A General Model and a Test for Uruguay*. Paper presented at the annual meeting of the BALAS Annual Conference, 20-22 March, Universidad ESAN, Lima, Peru.
9. Cheng, P. L., & Robertson, W. R. (2006). Not for Bread Alone—Motivation among Hospital Employees in Singapore. *Public Organization Review*, 6, 155-166.
10. Cokins, G. (2009). *Performance Management: Integrating Strategy Execution, Methodologies, Risk, and Analytics*. New York: John Wiley and Sons, Inc.
11. Dave, U., & Wayne, B. (2005). *HRM value of proposition*. Boston: Harvard Business School.
12. Dearden, L., Reed, H., & Van Reenen, J. (2006). The Impact of Training on Productivity and Wages: Evidence from British Panel Data. *Oxford Bulletin of Economics and Statistics* 68(4), 397-421.
13. Deb, T. (2006). *Strategic Approach to Human Resource Management: Concept, Tools & Application*. New Delhi: Atlantic Publishers & Distributors.
14. Gardner, T. M., & Wright, P. M. (2009). Implicit human resource management theory: A potential threat to the internal validity of human resource practice measures. *International Journal of Human Resource Management*, 20(1), 57-74.
15. Glaister, A. J., Aydin, G. K., Demirbag, M., & Tatoglu, E. (2017). HRM and Performance – The Role of Talent Management as a Transmission Mechanism in an Emerging Market Context. *Human Resource Management Journal* (In Press). Available at: <http://repository.essex.ac.uk/20194/>.
16. Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis: A Global Perspective* (7th Global ed.). Upper Saddle River: Pearson Prentice-Hall.

17. Hassan, A. (2007). Human resource development and organizational values. *Journal of European Industrial Training*, 31(6), 435-448.
18. Huselid, M. A. (2011). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635-672.
19. Hutzschenreuter, J. (2009). *Management Control in Small and Medium-Sized Enterprises: Indirect Control Forms, Control Combinations and their Effect on Company Performance*. Google eBook: Springer Science & Business Media.
20. Katou, A. A. (2008). Measuring the impact of HRM on organisational performance. *Journal of Industrial Engineering and Management*, 01(02), 119-142.
21. Lin, C. Y. Y., & Chen, M. Y. C. (2007). Does innovation lead to performance? An empirical study of SMEs in Taiwan. *Management Research News*, 30(2), 115-132.
22. Longenecker, C. O., & Fink, L. S. (2012). Breaching the barriers to creating human-resource management value: an executives' guide. *Effective Executive Journal*, 15(2), 39-52.
23. Maloney, W. F. (1997). Strategic planning for human resource management in construction. *Journal of Management in Engineering*, 13(3), 49-56.
24. Mittelman, W. (1991). Maslow's study of self-actualization: A reinterpretation. *Journal of Humanistic Psychology*, 31(1), 114-135.
25. Mohamad, A. A., & Lo, M. C. (2009). Human resource Practice and Organizational Performance. Incentives as Moderator. *Journal of Academic Research in Economics*, 1(2), 229-244.
26. Nankervis, A. R., Compton, R. L., & McCarthy, T. E. (1999). *Strategic Human Resource Management* (3rd Ed.). Melbourne: Nelson ITP.
27. Nishii, L. & Wright, P. (2008). Variability within Organisations: Implications for strategic human resource management. In D.B. Smith (Ed.). *The people make the place: Dynamic linkages between individuals and Organisations* (pp. 225-248). New York: Taylor and Francis Group.
28. Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2010). *Human resource Management: Gaining a competitive Advantage* (7thed.). New York: McGraw-Hill/Irwin.
29. Paauwe, J. (2009). HRM and performance: Achievements, methodological issues and prospects. *Journal of Management Studies*, 46(1), 129-155.
30. Raj, A. B. V., & Kothai, P. S. (2014). Study on the Impact of Human Resource Management Practices in Construction Industry. *The International Journal of Management*, 3(1), 1-22.

31. Rhee, J., Zhao, X., & Kim, C. (2014). Effects of HRM Practices on Chinese Firms' Organizational Performance: The Moderating Effect of CEO Support. *Asian Social Science*, 10(13), 210-221.
32. Sheehan, M. (2014). Human resource management and performance: Evidence from small and medium-sized firms. *International Small Business Journal*, 32(5), 545-570.
33. Silva, L. M. E. (2014). The State, Unions, and Work ReOrganisation: Lessons from Today's Brazil. *Latin American Perspectives*, 41, 22-41.
34. Vermeeren, B., Steijn, B., Tummers, L., Lankhaar, M., Poerstamper, R. -J., & van Beek, S. (2014). HRM and its effect on employee, organizational and financial outcomes in health care organizations. *Human Resources for Health*, 12, 1-9. Doi: 10.1186/1478-4491-12-35.
35. Wood, S. (2009). HRM and Organisational performance. In D.G. Collings & G. Wood (Eds.), *Human Resource Management: A critical approach* (pp. 55-74). London: Routledge Taylor & Francis Group.
36. Yeung, A.K., & Berman, B. (1997). Adding value through human resources: reorienting human resource measurement to drive business performance. *Human Resource Management*, 26(3), 321-335.
37. Youndt, M. A., Snell, S. A., Dean, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy, and firm performance. *Academy of Management Journal*, 39(4), 33-42.
38. Zhu, C. J., Thomson, S. B., & De Cieri, H. (2008). A retrospective and prospective analysis of HRM research in Chinese firms: implications and directions for future study. *Human Resource Management*, 47, 133-156.

Creative Commons licensing terms

Authors will retain copyright to their published articles agreeing that a Creative Commons Attribution 4.0 International License (CC BY 4.0) terms will be applied to their work. Under the terms of this license, no permission is required from the author(s) or publisher for members of the community to copy, distribute, transmit or adapt the article content, providing a proper, prominent and unambiguous attribution to the authors in a manner that makes clear that the materials are being reused under permission of a Creative Commons License. Views, opinions and conclusions expressed in this research article are views, opinions and conclusions of the author(s). Open Access Publishing Group and European Journal of Management and Marketing Studies shall not be responsible or answerable for any loss, damage or liability caused in relation to/arising out of conflict of interests, copyright violations and inappropriate or inaccurate use of any kind content related or integrated on the research work. All the published works are meeting the Open Access Publishing requirements and can be freely accessed, shared, modified, distributed and used in educational, commercial and non-commercial purposes under a [Creative Commons Attribution 4.0 International License \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).