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Research in the field of strategic human resource management has attracted a great deal of interest because of its likely impact on bottom line outcomes. Recent work in this area posits that organizational commitment can mediate the relationship between human resource management (HRM) practices and organizational performance. However, most of the studies conducted in this area were concentrated on samples gathered from private organizations, and mainly in western countries. In this paper, the impact of HRM on organizational performance is assessed. Furthermore, this research attempts to shed more light on the ‘black box’ between human resource practices and organizational performance by investigating the mediating function of organizational commitment in two public sector entities within the United Arab Emirates (UAE). The mediating factor was tested through regression of the data collected from a sample of 371 workers who are employed within the two aforementioned public sector entities. The main findings are in line with the outcomes of earlier HRM-performance studies conducted in western public and private sectors, where employers can expect improved organizational performance when their employees’ perceptions of the HRM practices within the organization tend to foster an increase in their organizational commitment.

Keywords: Human Resource Management Practices, Organizational Commitment, Organizational Performance, Public Sector, Non-Western Context

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I. INTRODUCTION

During the past fifteen years, research in the strategic human resource management (SHRM) field has flourished substantially (Boselie et al. 2005). Stemming from the resource based view theory (Barney 1991), conceptualizations in this area mainly posit that human resources can play a significant role in influencing a firm's bottom line outcome. Accordingly, the essence of SHRM theories is that human resource (HR) policies can lead to higher levels of organizational performance (Boselie et al. 2005; Purcell et al. 2003, 2009). This rationale is supported with a growing number of studies which have demonstrated a positive relationship between HRM and firm performance (Arthur 1994; Becker and Gerhard 1996; Becker and Huselid 1998; Delaney and Huselid 1996; Huselid 1995; MacDuffie 1995). Nevertheless, while these studies have provided evidence in favor of the latter argument, it is fair to say that “how and why this takes place” remains an intricate issue to be investigated. This ambiguity in the HR-performance relationship is denoted by the 'Black Box' problem (Purcell et al. 2003). Indeed, according to Macky and Boxall (2007), scholars need to theoretically demonstrate the process through which HRM is linked to performance. In fact, more research is needed on the variables linking the input (HRM policies) to the output (performance indicators). They also argue that the role employee work attitudes play in mediating the relationship between high commitment management HRM practices and desired organizational outcomes remains unclear. They further argue that “these attitudes are potentially important proximal links or mediating variables within the black box of a firm’s labour management” (540). In agreement, Guest (2002, 336) advocates placing workers “center-stage” in the analysis of HRM.

To this end, the present program of research seeks to address the gap highlighted above by attempting to peer into the black box. Specifically, this research tests links from HRM to performance via commitment (specifically affective commitment). Furthermore, previous research in this area has been focused on research in Western countries. To our knowledge, this research will be the first of its kind in the Gulf region and specifically in the United Arab Emirates.

II. LITERATURE REVIEW

1. Uncovering the HR-performance Black Box

Authors investigating the black box posit that the first factor that studies need to account for in unlocking the HR-performance link is the implementation of HR policies rather than the mere presence of these policies (Purcell et al.