

THE EFFECT OF HUMAN RESOURCE
MANAGEMENT PRACTICES DIMENSIONS
ON JOB COMMITMENT OF CULTURALLY
DIVERSE EMPLOYEES IN UAE
MULTINATIONAL
COMPANIES

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SULTAN IDRIS EDUCATION UNIVERSITY

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THE EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES
DIMENSIONS ON JOB COMMITMENT OF CULTURALLY
DIVERSE EMPLOYEES IN UAE MULTINATIONAL
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ABSTRACT

This study examines the effect, including the dominant effects of human resource management (HRM) practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay and benefits, teamwork, and employment security) on job commitment among multinational companies (MNCs) in the United Arab Emirates (UAE). Next, the study will also examine the levels of HRM practice dimensions and job commitment among culturally diverse employees in multinational companies in the UAE. A quantitative approach was used, and data were collected via an online questionnaire from 361 employees across four UAE-based MNCs using proportionate stratified random sampling. Data were analyzed with the Statistical Package for the Social Sciences (SPSS) version 26, involving descriptive and multiple linear regression analysis. The descriptive results indicated low mean scores across HRM dimensions: recruitment, selection and retention ($M=2.373$, $SD=0.700$), training and development ($M=2.385$, $SD=0.817$), performance appraisal ($M=2.450$, $SD=0.898$), pay and benefits ($M=2.146$, $SD=0.623$), teamwork ($M=2.160$, $SD=0.610$), and employment security ($M=2.125$, $SD=0.540$). Job commitment also showed low levels ($M=2.212$, $SD=0.687$). Multiple regression analysis showed significant positive effects on job commitment for recruitment, selection and retention ($\beta=0.084$, $p=0.001$), performance appraisal ($\beta=0.217$, $p<0.001$), pay and benefits ($\beta=0.511$, $p<0.001$), and teamwork ($\beta=0.225$, $p<0.001$), while training and development ($\beta=-0.031$, $p=0.416$) and employment security ($\beta=-0.016$, $p=0.666$) were not significant. While dominant effects analysis indicated that pay and benefits ($\beta=0.511$, $p<0.001$) were the strongest drivers of commitment, followed by teamwork ($\beta=0.225$, $p<0.001$) and performance appraisal ($\beta=0.217$, $p<0.001$). The findings suggest that, in the UAE's multicultural context, targeted improvements in compensation systems, collaborative work design, and transparent appraisal processes can yield substantial gains in employee commitment. The study contributes context-specific evidence for HRM in MNCs and offers practical guidance for building a more engaged, productive, and inclusive workforce.



KESAN DIMENSI AMALAN PENGURUSAN SUMBER MANUSIA TERHADAP KOMITMEN KERJA PEKERJA PELBAGAI BUDAYA DI SYARIKAT MULTINASIONAL UAE

ABSTRAK

Kajian ini meneliti kesan serta kesan dominan dimensi amalan pengurusan sumber manusia (HRM) (pengambilan, pemilihan dan pengekalan, latihan dan pembangunan, penilaian prestasi, ganjaran dan faedah, kerja berpasukan, dan keselamatan pekerjaan) terhadap komitmen kerja dalam syarikat multinasional (MNC) di UAE. Seterusnya kajian ini turut meneliti tahap dimensi amalan HRM dan komitmen kerja dalam kalangan pekerja pelbagai budaya dalam MNC. Pendekatan kuantitatif digunakan dan data dikumpul melalui soal selidik dalam talian daripada 361 pekerja di empat MNC di UAE menggunakan persampelan rawak berstrata berkadaran. Data dianalisis menggunakan Perisian Statistik Sains Sosial (SPSS) versi 26 melibatkan analisis deskriptif dan analisis regresi berganda. Keputusan deskriptif menunjukkan skor min yang rendah merentas kesemua dimensi HRM: pengambilan, pemilihan dan pengekalan ($M=2.373$, $SP=0.700$), latihan dan pembangunan ($M=2.385$, $SP=0.817$), penilaian prestasi ($M=2.450$, $SP=0.898$), ganjaran dan faedah ($M=2.146$, $SP=0.623$), kerja berpasukan ($M=2.160$, $SP=0.610$), dan keselamatan pekerjaan ($M=2.125$, $SP=0.540$). Komitmen kerja juga menunjukkan tahap yang rendah ($M=2.212$, $SP=0.687$). Analisis Regresi Berganda menunjukkan kesan positif yang signifikan terhadap komitmen kerja bagi pengambilan, pemilihan dan pengekalan ($\beta=0.084$, $p=0.001$), penilaian prestasi ($\beta=0.217$, $p<0.001$), ganjaran dan faedah ($\beta=0.511$, $p<0.001$), serta kerja berpasukan ($\beta=0.225$, $p<0.001$), manakala latihan dan pembangunan ($\beta=-0.031$, $p=0.416$) dan keselamatan pekerjaan ($\beta=-0.016$, $p=0.666$) tidak signifikan. Analisis kesan dominan menunjukkan ganjaran dan faedah ($\beta=0.511$, $p<0.001$) ialah pemacu terkuat komitmen, diikuti kerja berpasukan ($\beta=0.225$, $p<0.001$) dan penilaian prestasi ($\beta=0.217$, $p<0.001$). Dapatan kajian mencadangkan penambahbaikan tersasar pada sistem pampasan, reka bentuk kerja kolaboratif dan proses penilaian yang telus dapat meningkatkan komitmen pekerja dalam konteks pelbagai budaya di UAE. Kajian ini menyumbang bukti khusus konteks bagi HRM dalam MNC dan panduan praktikal ke arah tenaga kerja yang lebih terlibat, produktif dan inklusif. Kajian ini menyumbang kepada pembuktian konteks bukti khusus bagi HRM dalam MNC dan menawarkan panduan praktikal untuk membina keterlibatan tenaga kerja, produktif dan inklusif.



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LIST OF ABBREVIATIONS

AMO	Ability-Motivation-Opportunity
CAIS	Computerized Accounting Information Systems
EFA	Exploratory Factor Analysis
GCC	Gulf Cooperation Council
GDP	Gross Domestic Products
HCT	Human Capital Theory
HRM	Human Resource Management
IHRM	International Human Resource Management
KMO	Kaiser-Meyer-Olkin
MNCs	Multinational Corporations
PCNs	Parent Country Nationals
RBV	Resource-Based View
SET	Social Exchange Theory
UAE	United Arab Emirates

CHAPTER 1

INTRODUCTION

1.1 Introduction

The first chapter provides a brief explanation of the research. Following the introduction, the study background and the problem statement are discussed. Further, the main purpose of research, objectives, and research questions formulated for the study are addressed. This chapter also presents the research hypotheses and the study's conceptual framework. Operational definitions of the variables are provided to clarify the study's context. This chapter ends with the limitations and importance of research.

1.2 Background Research

In today's competitive environment, organizations operate in different forms, and Multinational Companies (MNCs) are popular corporations for businesses to expand their operations and geographical presence outside their home countries (Isaac et al., 2020). These multinational companies usually employ locals as well as expatriates.

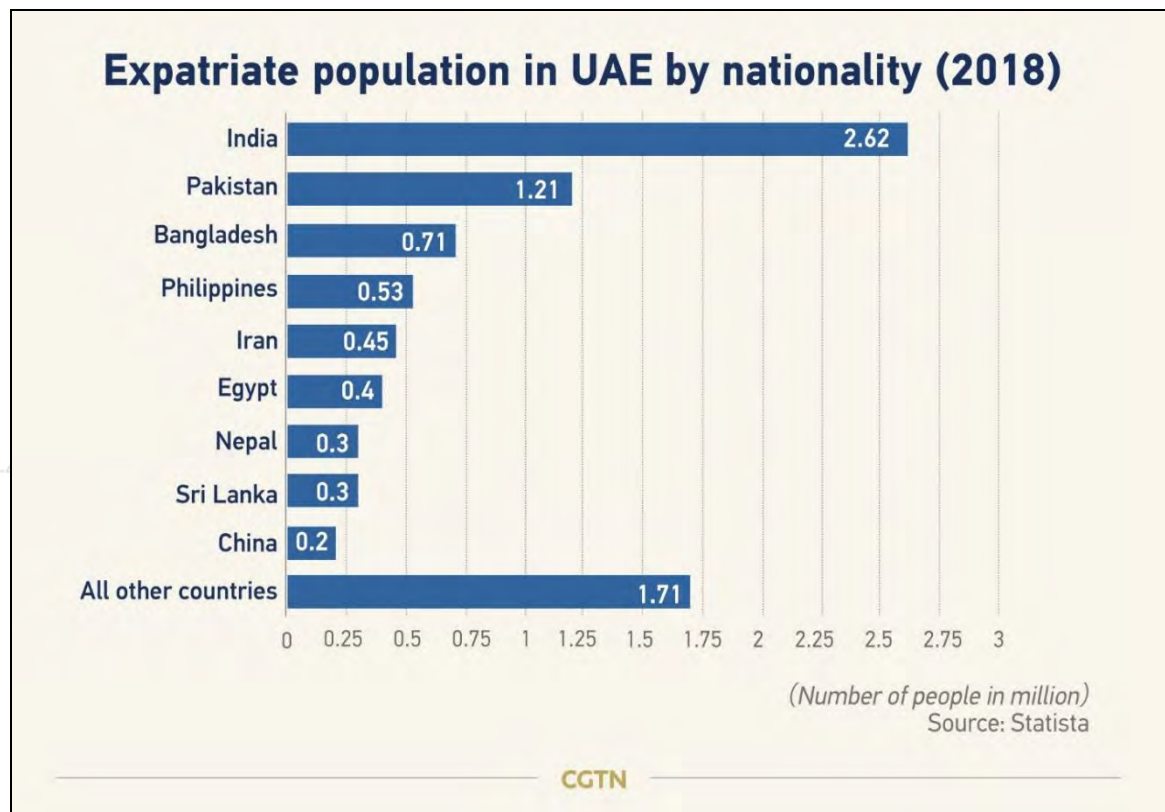
The Gulf Cooperation Council (GCC) is identified as one of the regions with many expatriates from various countries living and working. The United Arab Emirates (UAE) is recognized as one of the countries with the highest number of expatriates (Alarife, 2018). When considering the population of the UAE. A large portion of the population consists of non-locals as they are working as expatriates with 9 million (88.52 percent) of the country's population (Global Media Insight, 2023). UAE hosts people from almost 160 nations searching for job opportunities in this country (Chams & García-Blandón, 2019). The increase in the number of expatriates from different countries in the UAE in 2018 is illustrated in the graph (CGTN, 2020).

Below Figure 1.1 shows the expatriate population in the UAE in 2018, categorized by nationality. These expatriates are mostly from different countries, mainly including India, Pakistan, Bangladesh, Philippines, Iran, Egypt, Nepal, Sri Lanka, and China. Indian nationals constitute 2.62 million which is the largest expatriate community in the UAE followed by Pakistan, which constitutes 1.21 million and is the second-largest expatriate group, Bangladesh (0.71 million), Philippines (0.53 million), Iran (0.45 million), Egypt (0.4 million), Nepal (0.3 million), Sri Lanka (0.3 million), and China (0.2

million). They are engaged in various sectors such as construction, hospitality, IT, finance, and security.

Figure 1.1

Expatriate Population in UAE by Nationality in 2018 (CGTN, 2020)



In addition, there are expatriates from African and European countries. Since these expatriates are from different countries, they have different cultures, backgrounds, norms, and practices indicating cultural diversity. Therefore, cultural diversity among expatriates who live and work in the UAE is very high.

Another important changing demographic factor in the UAE region workforce is the participation of women in the workforce. In 2006 as much as 20 percent of the workforce was women, expected to grow to 50-60 percent by the end of 2020. According to the latest insights of the World Bank (2022), 54.9 percent of females participate in the labor force in the UAE. This is an indication that the UAE has gender diversity. In multinational corporations, the participation of female employees is encouraged even at the board level as a part of national cultural dimensions (Attah-Boakye et al., 2020). Growing emphasis on women in business leadership has been created through different leadership summits or the introduction of organizations like the ‘Dubai Businesswomen Council’. These strategies are expected to change the business's HRM practice in this region. One would also find a powerful influence on the Islamic tradition of the region and the sociocultural business environment. The general culture here is vibrant, which significantly shapes workplace practices. There has been a considerable shift in socio-cultural and demographic factors, as the traditional local culture becomes increasingly influenced by globalization. Consequently, businesses must be aware of these cultural shifts to sustain the growing competition resulting from globalization (Feitosa et al., 2018).

In any organization, employees are the most valuable among all the assets. Attracting and retaining talented employees is a top business priority. Organizations expect their employees to showcase a high job commitment level to achieve the intended business performance and outcomes. Job commitment is a person's devotion to the efficient completion of responsibilities directly related to their employment. It refers to an



individual's professional and emotional investment in the accomplishments of the organization to which they belong (Young & Guo, 2020). It is a key factor for businesses to achieve the company's success as employees with high job commitment have positive contributions to achieving their goals and objectives.

Numerous issues and problems can impact job commitment in MNC companies operating in the UAE with culturally diverse employees. Language difficulties, varying communication styles, and potential misunderstandings contribute to significant communication gaps, which present a severe problem (Lasrado & Zakaria, 2020). These obstacles may prevent productive collaboration and decrease employees' commitment. Due to disparities in values, beliefs, and practices, there are frequent cultural conflicts and misunderstandings. They may cause division and reduce commitment to the job when these disagreements occur (Tamunomiebi & Ehior, 2019). The lack of cultural sensitivity and inclusion is a key concern as well. Differences in expectations for work-life balance can also impact devotion to one's career (Gunapalan & Ekanayake, 2019). Employee dissatisfaction and lack of commitment may result when they feel that their personal and family commitments must be appropriately considered (Alarife, 2018). By addressing these issues, MNC firms in the UAE may create a welcoming and inclusive workplace that strengthens employee commitment among their culturally diverse workforce.

The current pressure to remain competitive in the global economy is also a driving force that calls for proper approaches in business management. The two different





approaches in the process of business internationalization or expansion are globalization and localization (Ahmad, 2014). In localization, the central approach of management in a multinational organization is modified as per the needs of the local market. However, in globalization, a standard format is used for different markets (Al-Jenaibi, 2016). Therefore, it is critical that, among the two strategies, the top management choose the one that would be best suitable for their business. There is a common practice amongst multinationals to hire and form a workforce that is diverse or belonging to more than one race, culture, or ethnic background, and the ideas are oriented towards building up a multicultural workforce. This practice had significantly been triggered due to globalization. The dawn of globalization marks the start of expansion for many companies into the overseas market, and a diversified and multicultural workforce helps optimize company operations. Although it can be rightly said that companies cannot ignore the policies and procedures prevalent in the land where operating, yet to flourish and make a mark, the management practices necessary for expansion need to be adopted. From this practice of forming and retaining a multicultural workforce, the concept of cultural diversity comes into the picture (Birmingham, 2020).



women within society, and globalization. Traditional personnel management models are insufficient for addressing modern HRM challenges (Gunapalan & Ekanayake, 2019).

Contemporary HRM focuses more on combining three factors management, resources, and human beings. Due to globalization and increased reliance on multicultural teams, HRM focuses on managing the workforce to achieve organizational goals. Cultural differences among the present-day workforce are influencing HRM practices. Globalization has allowed businesses to expand in foreign environments. When MNCs enter such environments, in most cases. It can be said that the company's work culture and practices are different from the cultural practices and operations of the locals of the host country. These differences often lead to conflicts that significantly complicate HRM (Greene, 2017). According to the study by Reiche et al. (2019), cultural differences can affect different HRM practices dimensions. Selection, recruitment, and retention practices are culture-bound. Recruitment, selection, and retention in high-performance orientation cultures focus on technical skills and job-related knowledge intensely (Reiche et al., 2019).

Cultures that are high on uncertainty avoidance implement more selection tests than those in this cultural dimension. Compensation and benefits also are related to cultural aspects. For example, cultures representing high power distance often design their pay systems focusing on the person instead of the job. Individualistic cultures prefer to be paid based on individual performance, while collectivist cultures prefer group-based pay allocation (Orsini & Magnier-Watanabe, 2022). It becomes incredibly challenging



for the human resource managers of MNCs to adapt to the needs and be responsive to the differences in the company culture and the host country. Therefore, it can be inferred from these findings that highlight the role of cultural diversity in workforce expansion or internalization (Croitoru et al., 2022). However, incorporating cultural diversity leads to different challenges for HRM practices. The differences in the cultures of the companies and the host countries can result in conflicts and failures like poor retention if effective management is not considered. UAE from the above discussions can be observed to emerge as an opportunity for different multinationals. It is worthwhile to understand how the prevailing cultural diversity effects the HRM practices of the multinationals already operating across the country (Grimmette, 2019).



UAE is a non-oil-based country and MNCs have a significant impact on the development of the country's economy. Due to the increase in the effect of MNCs, employment opportunities have primarily increased, which has enabled higher growth in the market (Geert, 2019). In the UAE, where there is a diverse population of expatriates from various cultural backgrounds, it is not uncommon for cultural differences to affect employee job commitment. Some common challenges include differences in work ethics, communication styles, and attitudes toward authority. Additionally, expatriates may struggle with feelings of isolation or homesickness, which can negatively impact their job commitment. Therefore, the role of HRM practices in facilitating employee is crucial to enhance employee job commitment and help multinationals achieve their goals (Ayber et al., 2021).



1.3 Problem Statement

Cultural diversity is one of the identified challenges that needs to be thoroughly studied. Cultural diversity occurs within workplaces due to beliefs, practices, traditions, or employee values, depending on gender, race, ethnicity, age, nationality, language, or religion. Globalization within the economy has resulted in a higher cultural diversity emergence among the organizations' workforces. Cultural diversity can affect different levels and HRM practices or workforce management within organizations (Turner & Merriman, 2022). These practices include recruitment, training, resourcing, record-keeping, development, etc. Considering and deploying employees from different cultural backgrounds results in varied competencies and skills. However, this also complicates the tasks and responsibilities of the managers. The interests, viewpoints, motivations, and perceptions differ from one team member to another in a culturally diverse workforce. Thus, managers must understand each employee to ensure effective management of employee relations and retention (Croitoru et al., 2022).

There are around 4.111 million workers in the country, of whom 85 percent are foreign workers and the remaining 15 percent are UAE citizens. This demonstrates a demographic disparity, with expatriates comprising 70 percent citizens and 30 percent of the population. From them, any foreigner working in a multinational company in the UAE faces many different challenges. As evidenced by researchers, MNCs in the UAE employ a diverse workforce, spread across a variety of cultural backgrounds. This diversity can lead to challenges that affect employee commitment, such as conflicts, disparities, and misunderstandings in expectations and work ethics. Thus, those

challenges are mainly based on the cultural differences among the local and foreign employees (Haak-Saheem & Brewster, 2017). For some employees' food is also very different and they find it hard to get used to new types of food and tastes. Foreign employees need time and effort to adjust to the multicultural work environment. There is a requirement in the research study to understand how crucial it is for organizations to address these challenges and manage and engage effectively in this diverse talent pool as there is little attention on this area in the UAE.

Employee retention and job commitment are other critical challenges that trigger the need for thorough research. In the UAE's culturally varied workforce, turnover rates among foreign employees are often higher due to employment attitudes. It is believed that the multicultural workforce in the UAE may encounter many challenges when it comes to job commitment. Workers from diverse cultural backgrounds may encounter difficulties adjusting to the social and professional standards of the UAE. Communication styles, culture of mistrust, food preferences, lack of appreciation, and challenges with cultural assimilation (Nadiv & Kuna, 2020). As per Budhwar et al., (2019), employee loyalty and confidence in the firm may be impacted by the organization's lack of awareness or failure to address compliance issues in a multicultural workforce.

Dubai has around 85 percent of foreign workers. As a result, because of their transient job attitudes, many of them may show less long-term commitment, which raises turnover rates. Trust and security in the workplace play a major role in an employee's job commitment. A culture of mistrust and a decline in employee commitment can be caused



by a lack of security and trust at work. Thus, a lack of appreciation for workers' efforts may result in discontent and a decline in commitment. Moreover, working within a multicultural environment is extremely difficult because of the lack of transparency, which may create an environment of suspicion (Budhwar et al., 2019). These job commitment challenges may be alleviated by HRM practices ensuring employment security, building trust, and creating an atmosphere of transparency and appreciation (Budhwar et al., 2019). Thus, achieving employee satisfaction is fundamental to altering the unproductive behaviors of the employees who are dissatisfied with the job to become more committed and productive, rather than seeking other opportunities (Gerhart & Feng, 2021). Therefore, it is required to understand the link between HRM practices dimensions and job commitment in culturally diverse settings.



In addition, the adaptation of global HRM practices to the UAE context is a unique issue for UAE as it has a diverse workforce where the employees would find it difficult to adjust to new norms and values of the workplace and the environment in their social lives (Nadiv & Kuna, 2020). Because of the UAE's unique labor laws and socio-cultural environment, global HRM practices need to be adjusted to fit the local situation. Arab leadership styles, cultural norms, and local worker expectations are crucial here. Multinational firms must find a balance between using Western HRM practices and Arab socio-cultural norms to avoid conflict and poor organizational performance. Moreover, organizations need to think differently and rather regard the employee as a valued asset rather than merely a resource; this relates to the fact that the employee is one of the essential and core assets of the business, which provides the organization with a



competitive advantage over others in the market (Werner & Balkin, 2021). Therefore, it is necessary to investigate if global HRM approaches can be successfully modified for the UAE to promote employee commitment.

Also, employee engagement in MNCs is a challenge as the UAE is a multicultural society in which people from different nationalities live. The management of an organization working in a multicultural environment suffers from greater issues than the managers working with team members from the same culture (Feitosa et al., 2018). Moreover, dominant culture can lead to conflicts due to variations in communication methods, accents, decision-making styles, and fluency levels, decision-making styles, and different attitudes in the hierarchy (Stadler, 2019). These differences could adversely affect the management process, teams, and the business progress. The geographic position and the sparse population of the Middle Eastern region are a few of the issues which serve as a drawback to the significant investments made by international business organizations (Hunt et al, 2018). HRM must create inclusive policies and processes to encourage employee involvement in culturally diverse workplaces. Programs like multicultural communication training, inclusion initiatives, and staff appreciation programs must be implemented to effectively support business goals. Otherwise, different motivational drivers and perceptions of fairness impact their engagement and commitment. Research is required to identify HRM practices that create engagement for employees from various cultural backgrounds.

Since the UAE is a hotspot of multicultural employees, it is hypothetically hard to identify the best HRM practices that fit into the diverse cultures of every employee in MNCs. Moreover, HRM practices can motivate employees to instill job commitment because the way employers treat their employees significantly effects their commitment (Grimmette, 2019). In multinational firms with culturally diverse people in the UAE, researching HRM practices might help resolve the job commitment problem. Human resource divisions can concentrate on implementing successful diversity and inclusion initiatives (Bratton et al., 2021). Also, HRM can create a culture where employees feel appreciated, valued, and involved by creating comprehensive initiatives that welcome cultural diversity and advance equality. Employees who have a sense of belonging are more committed to their jobs because they are more likely to be engaged and inspired to do their best work (Walumbwa et al., 2018). There is a gap in understanding which practices have the greatest impact on multicultural workforces, such as those in the United Arab Emirates.

HRM can also offer communication and intercultural training courses. These programs give staff members the knowledge and abilities to negotiate cultural differences and communicate successfully. HRM assists employees in developing deeper relationships and collaborating more effectively by eliminating communication gaps and fostering cross-cultural understanding (Mockaitis et al., 2018). As a result, employees are more committed to their jobs since they feel a sense of belonging to both their company and colleagues. However, it is difficult to assess how successfully these training programs foster commitment to one's profession and improve cross-cultural

communication. How employees perceive and feel training outcomes may be influenced by their preferences, cultural background, and prior experiences. Some cultures stress hierarchical communication, whereas others emphasize equality in communication.

HRM might also concentrate on leadership development initiatives that stress inclusive leadership practices and cultural awareness (Shore et al., 2018). This is because HRM ensures that leaders can successfully manage a culturally diverse workforce by educating them on recognizing and valuing various cultural viewpoints (Ehsan, 2021). Employees' trust and loyalty are inspired by inclusive leaders who appreciate diversity and foster an inclusive workplace, which increases levels of job commitment. Arab leaders, management values, people, and leadership of UAE are contributing factors to any business's success and performance in the nation. Management of organizations is accountable and responsible for guiding and managing their workforce, and this would also help them successfully perform business activities. Moreover, the emotional status of the employee and how attached they are to the organization determines their commitment and loyalty to the organization they work for (Ayber & Hojeij, 2021). In addition, it is said that Arab nations also suffered from a lack of necessary skills and knowledge for leaders that significantly hampered the performance of organizations. Incompetency in implementing Western professional rules and regulations due to the impact of Arab socio-cultural factors could be accountable to some extent for friction within organizations (Fenech et al., 2019). Thus, long-term indirect impacts are often derived from leadership development programs.. It can be difficult to establish a direct and quantifiable link between these programs and workers' dedication to their jobs since

training takes time to produce noticeable results. The researchers may have trouble capturing how leadership training affects employee commitment right away.

HRM can also set up honest and open performance management and reward methods. HRM ensures its employees' contributions are appropriately assessed by taking cultural settings and expectations into account when evaluating performance (Stone et al., 2020). Recognizing and rewarding employees for their accomplishments and efforts strengthens their loyalty to the company and inspires them to keep giving their best work. However, employees from various cultural backgrounds could view performance requirements and assessments differently and have different expectations as some employees in hierarchical societies could anticipate a top-down assessment. Therefore, there is a thorough exploration of how performance management's effect on job commitment may be impacted by these differences and how it is viewed and appreciated.

On the other hand, the UAE is identified as a country that creates a range of opportunities for businesses. Due to the incredible wealth of natural gas and oil resources, various global organizations are duly attracted to invest in different functional sectors of the country. This practice tends to promote greater amounts of globalization within the country. There has been a greater demand for human capital in recent times due to the increasing demand for operations within the country (Hur & Perry, 2020). To meet the high demands of modern business organizations, an increased need for a skilled workforce has arisen. A diverse workforce is assistive for the business organization in meeting its goals with efficacy as they have more significant amounts of expertise to

select from (Ely & Thomas, 2020). It can be stated that globalization has resulted in great exposure to the resources of the UAE. As a result, multinationals are attracted to utilize the resources and work on their internalization and profits. Concentrating on the potential issues HRM professionals experience while encountering diverse cultures as opposed to the culture and values of the company, can negatively impact the core values and objectives of the multinationals (Galli, 2019). However, Research is necessary to determine how job commitment impacted by HRM practices helps organizations achieve their objectives in a competitive market.

From the discussions above, HRM practices contribute to the success of any organization. Plus, managing culturally diverse employees is a “herculean task” as this.

Ay lead to conflicts and disagreements between employees from the host countries and the expatriates. The problems emphasized here are related to the proper management of HRM practices and the suitable handling of cultural diversity. Therefore, the problems identified in the study were cultural diversity which requires a thorough analysis to comprehend how HRM practices may manage cultural differences and promote inclusiveness. Then, employee retention is a key global challenge. Further analysis of the relationship between job commitment and HRM practices in culturally diverse settings is essential. The UAE presents special challenges for HRM for global firms due to its distinct legal, cultural, and economic frameworks. To encourage job commitment, the study is needed to determine if global HRM practices can be effectively adapted for the UAE. Additionally, varying motivating factors and perspectives on the justice of various employees impact their involvement and dedication level. Research is required to identify



HRM practices that create engagement for employees from various cultural backgrounds. Thus, It is necessary to identify HRM practices that support employees from diverse cultural backgrounds as it is still unclear how well HRM practices can foster employee engagement in multicultural settings like the UAE. Eventually, it is necessary to evaluate how job commitment affected by HRM practices contributes to achieving organizational goals in a competitive market.

Considering all these factors, the present research study has focused on investigating the effectiveness of HRM practices in managing the cultural diversity of the MNCs operating across the UAE, and their impacts on employees' job commitment.



1.4 Purpose of the Study

The research aims to identify the effect of HRM practices (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) of UAE multinational companies on the job commitment of culturally diverse employees.



1.5 Research Objectives

There are three research objectives developed for the study.

- a. To determine the levels of human resource management practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) and job commitment among culturally diverse employees in multinational companies in the UAE.
- b. To investigate the effect of human resource management practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) on the job commitment of employees working for multinational companies in the UAE.
- c. To investigate the dominant effect of human resource management practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) on the job commitment of employees working for multinational companies in the UAE.

1.6 Research Questions

Three research questions were formulated based on the objectives of this study.

- a. What are the levels of human resource management practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) and job commitment

among culturally diverse employees working in multinational companies in the UAE?

- b. What are the effects of human resource management practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) on the job commitment of employees working for multinational companies in the UAE?
- c. What are the dominant effects of human resource management practice dimensions (recruitment, selection and retention, training and development, performance appraisal, pay benefits, teamwork, and employee security) on the job commitment of employees working for multinational companies in the UAE?

1.7 Research Hypothesis

The null hypotheses are as follows.

H₀₁ - There is no significant effect of Recruitment, Selection, and Retention on job commitment among MNCs in the UAE.

H₀₂ - There is no significant effect of Training and Development on job commitment among MNCs in the UAE.

H₀₃ - There is no significant effect of Performance Appraisal on job commitment among MNCs in the UAE.

H₀₄ - There is no significant effect of Pay and Benefits on job commitment among MNCs in the UAE.

H₀₅ - There is no significant effect of Teamwork on job commitment among MNCs in the UAE.

H₀₆ - There is no significant effect of Employment Security on job commitment among MNCs in the UAE.

1.8 Conceptual and Theoretical Framework of Research

The conceptual framework illustrates the relationship between independent and dependent variables in the study. HRM practices are the independent variables, while job commitment is the dependent variable. It seeks to investigate the effectiveness of the current HRM practices of MNCs among their culturally diverse employees. In addition, the study wants to determine if these HRM practices have a significant effect in fostering various forms of job commitment among culturally diverse employees through this framework

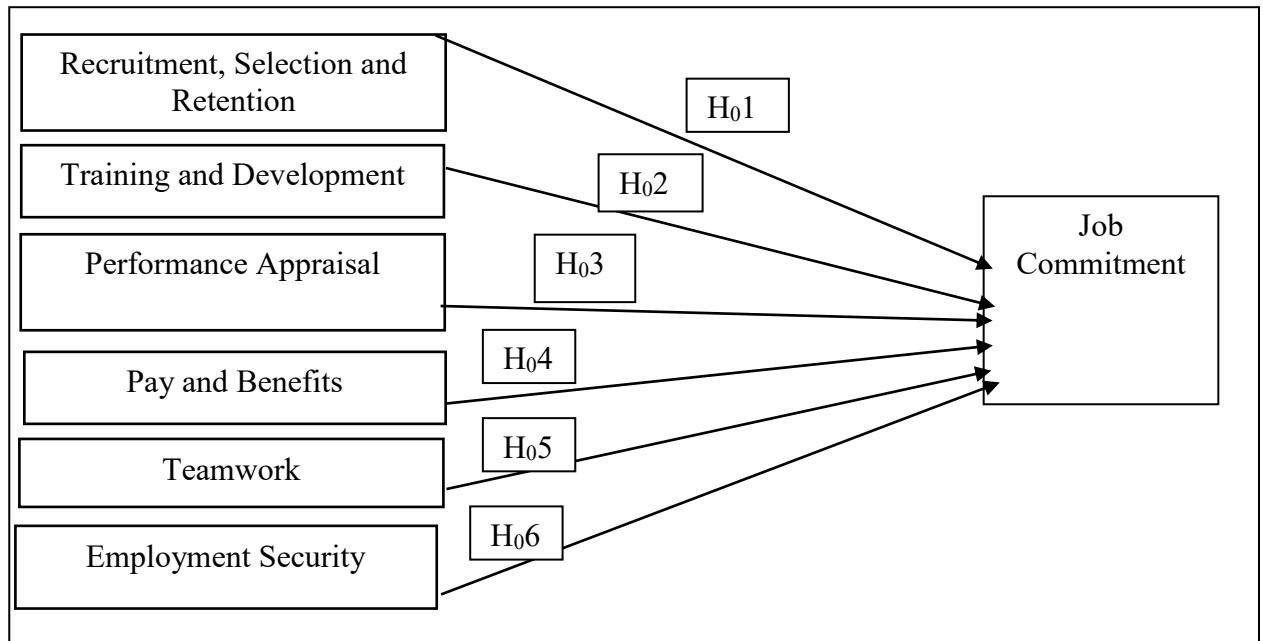
Figure 1.2*Conceptual Framework*

Figure 1.2 presents the conceptual framework developed by the researcher to guide the study, drawing on both empirical literature and theoretical foundations. Specifically, the framework is supported by the Resource-Based View (RBV) and Human Capital Theory (HCT), which emphasize the strategic value of employees as organizational assets and the importance of investing in their capabilities. In addition, the framework integrates the Social Exchange Theory (SET) to explain the reciprocal nature of employer-employee relationships. According to SET, when organizations implement supportive and fair HRM practices, employees are likely to respond with greater loyalty, trust, and commitment. Together, these three theories provide a holistic foundation for examining how HRM practices effect job commitment within a culturally diverse workforce.

1.9 Operational Definitions

In this study, operational definitions explain exactly how each variable was measured in the context of multinational companies (MNCs) operating in the United Arab Emirates (UAE). All variables were assessed through a structured questionnaire using a 7-point Likert scale (1 = Strongly Disagree to 7 = Strongly Agree), with items adapted from established HRM and organizational commitment studies. The definitions below reflect both the academic meaning of each term and how it was applied in this research.

a) Human Resource Management Practices

HRM practices in this study refer to the structured policies and strategies that UAE-based MNCs use to manage, develop, and retain their employees. The focus is on six key areas: recruitment, selection and retention, training and development, performance appraisal, pay and benefits, teamwork, and employment security each measured using multiple items adapted from Lee et al. (2010) and Kamran and Dawood (2015).

b) Recruitment, Selection, and Retention

This dimension covers how organizations attract suitable candidates, select the best fit for the job, and implement strategies to keep them long-term. It was measured using five items (e.g., “The company uses effective methods to recruit skilled employees”), adapted from Hunt et al. (2018), Hur & Perry (2020), and Kepha et al. (2014).



c) Training and Development

Training and development in this research refers to the learning opportunities provided to employees so they can improve their skills and adapt to changing work needs in a multicultural environment. It was measured through four items (e.g., “The company provides regular training to improve my skills”), adapted from Lee et al. (2010).

d) Performance Appraisal

Performance appraisal means the structured process of reviewing and evaluating employees’ performance, giving feedback, and setting goals. This was measured with four items (e.g., “My performance is evaluated regularly and fairly”), adapted from Lee et al. (2010).



e) Pay and Benefits

Pay and benefits refer to the full compensation employees receive from salaries and allowances to bonuses and non-financial perks. This was measured using four items (e.g., “I am satisfied with the pay and benefits provided by my organization”), adapted from Lee et al. (2010).

f) Teamwork

Teamwork in this study means employees working together across different cultural backgrounds to achieve shared goals. It was measured through four items (e.g., “Employees in my department work well together as a team”), adapted from Lee et al. (2010).



g) Employment Security

Employment security is about how stable and secure employees feel in their jobs. It was measured with three items (e.g., “My job is secure in this organization”), adapted from Lee et al. (2010).

h) Job Commitment

Job commitment here reflects how connected employees feel to their organization, whether emotionally (affective commitment), out of obligation (normative commitment), or due to the costs of leaving (continuance commitment). This was measured using six items (e.g., “I feel emotionally attached to this organization”), adapted from Kim & Beehr (2022).

i) Culturally Diverse Employees

Culturally diverse employees in this research are those from different nationalities, ethnicities, religions, and cultural backgrounds who work together in UAE MNCs. Although demographic diversity data was not collected in the survey, this factor forms part of the study’s context, reflecting the UAE’s unique workforce where expatriates make up around 85% of employees (Nadiv & Kuna, 2020; Turner & Merriman, 2022).

1.10 Study Limitations

This research is subject to several limitations across different aspects of the study. First, the scope of the study is mainly confined to four leading MNCs. These were selected from the UAE's construction sector. Therefore, the findings may not be generalizable to other industries since the effects can vary from one sector to another. Secondly, the researcher limits the independent variables to six factors though HRM practices are broad in general. This implies that all the HRM practices are not considered for the study where some of the key HRM practices are not included in the study. Though the research title has the part of the job commitment of culturally diverse employees in UAE multinational companies, the researcher did not include cultural diversity as a control, moderating, or mediating variable to the study. Although cultural diversity is not treated as a formal moderating variable in the model, it is contextually central to the research. The selected sample reflects the UAE's multicultural workforce, allowing for meaningful insights into how HRM practices affect culturally diverse employees. Considering the expat population of UAE, the selected sample size of the study is too small to deliver generalized findings to the entire population. Also, this research is limited in terms of the type of research where this is purely quantitative in nature, with no inclusion of qualitative methods. These are the main limitations evident in the research.

1.11 Importance of Research

The economic and business landscape in the UAE is evolving, with demographic shifts being a major driving force. With these changing social and economic dynamics, businesses are facing the impacts of technology, legal changes, and global forces (Ghauri et al., 2021). Under this changing environment, businesses need to re-evaluate the management practices currently operative. Businesses must adopt more adaptive and responsive human resource strategies to succeed in this changing environment. Considering this, the researcher identified the challenges faced by employees, including expatriates, working for MNCs due to the cultural diversity within the UAE. These challenges have significant effects on the job commitment of employees working for MNCs in the UAE. Therefore, the researcher decided to investigate the effect on the job commitment of employees through various HRM practices adopted in MNCs in the UAE.

The findings of this research would be beneficial for management practices primarily in the field of HRM in areas like planning and developing HR programs tailored to the culturally diverse population of the UAE. This study attempts to research the role of cross-cultural and other key factors that impact HRM practices in the UAE. Hence, the present study provides deep insight into the current practices of UAE organizations and how various factors affect them. The study concludes with actionable recommendations for HRM in multicultural settings (Rahayu et al., 2019).

This research also has academic and research significance. While the study is grounded in the HRM context, its focus on the UAE makes it a unique contribution. In



other words, only a few researchers attempted to research the job commitment of culturally diverse employees in the UAE through HRM practices. Therefore, this research expects to make a significant research contribution and future researchers benefit from the study findings. Future researchers may use this study as a reference or secondary data source because of its strong theoretical foundation and research contribution. Therefore, this research has strong practical and academic significance.

Three theoretical frameworks guide this research and help explain the relationship between HRM practices and job commitment in culturally diverse settings. These theories work together to provide a solid foundation for understanding how multinational companies in the UAE can better manage their diverse workforce.



The Resource-Based View (RBV) theory provides a theoretical foundation for understanding how HRM practices can strategically manage a culturally diverse workforce in MNCs in the UAE. The research aligns with RBV by offering insights into how companies might gain a competitive edge in the international market through their unique human resources. As a framework for strategic management, RBV positions culturally diverse employees as rare, valuable, and difficult to imitate resources that can create sustainable competitive advantage when properly managed through effective HRM practices (Barney, 2019; Kraaijenbrink et al., 2022).

Human Capital Theory (HCT) complements RBV by focusing specifically on the knowledge, skills, and capabilities that employees bring to organizations. This research



contributes to HCT examining how investments in human capital through various HRM practices (such as training and development, performance appraisal, and teamwork) enhance employee capabilities and consequently their commitment to the organization. By highlighting the role that diverse workers play in increasing job commitment, the researcher demonstrates how HRM methods function to develop and leverage human capital as a key asset in enhancing organizational performance (Gerhart & Feng, 2021; Hamadamin & Atan, 2019).

Social Exchange Theory (SET) provides insights into the reciprocal relationship between employers and employees, particularly in the culturally diverse contexts. This research contributes to SET by examining how HRM practices create perceptions of organizational support and fairness among culturally diverse employees, which in turn foster job commitment through social exchange mechanisms. By investigating how different HRM practices effect employee commitment in the UAE's multicultural environment, this study enhances our understanding of the social exchange dynamics that underpin successful employer-employee relationships across cultural boundaries (Cropanzano et al, 2021; Chernyak-Hai & Rabenu, 2022).

By integrating these three theoretical perspectives RBV, HCT and. SET this research provides a more comprehensive understanding of how organizations can effectively manage culturally diverse workforces to enhance job commitment and organizational performance in the unique context of the UAE.

1.2 Chapter Summary

This chapter covered the introduction to the study, the effect of HRM practices on the job commitment of culturally diverse employees in UAE multinational companies. The researcher provided a detailed background on employees working in MNCs in the UAE and highlighted the cultural diversity among these employees. It also explains how HRM practices are linked to employee job commitment. In the problem statement of the study, the researcher explained the challenges faced by employees working for MNCs due to cultural diversity and how HRM practices can address the challenges. The chapter also outlined the study's purpose, objectives, and research questions. There are six research hypotheses developed for the study based on identified six independent variables. The relationship between independent and dependent variables is shown in the conceptual framework developed for the study. Finally, the chapter discussed operational definitions, study limitations, and the overall importance of the research.