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THE MEDIATING EFFECT OF WORKING  
ENGAGEMENT ON TRANSPARENCY  
AND COMMITMENT OF HUMAN  
RESOURCE MANAGEMENT  
PRACTICES AND JOB  
PERFORMANCE



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BASSAM MOHSIN MOZAEEL

SULTAN IDRIS EDUCATION UNIVERSITY

2023



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THE MEDIATING EFFECT OF WORKING ENGAGEMENT ON  
TRANSPARENCY AND COMMITMENT OF HUMAN  
RESOURCE MANAGEMENT PRACTICES AND  
JOB PERFORMANCE

BASSAM MOHSIN MOZAEL

THESIS PRESENTED TO QUALIFY FOR A DOCTOR OF PHILOSOPHY  
(RESEARCH MODE)

FACULTY OF MANAGEMENT AND ECONOMICS  
SULTAN IDRIS EDUCATION UNIVERSITY

2023



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## ACKNOWLEDGMENT

*“In the name of Allah, the Most Gracious and the Most Merciful”*

Alhamdulillah, first and foremost, praise be Allah, the Cherisher and Sustainer of the World and to the Prophet Muhammad (Peace and Blessings of Allah Be Upon Him) who was sent by Allah to be a great teacher to the mankind.

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## ABSTRACT

The main purpose of this study was to investigate the relationship between the transparency and commitment of Human Resource Management (HRM) practices and job performance. The study also aimed to examine the mediating role of working engagement in the relationship between the transparency and commitment of HRM practices and performance, in the context of the Iraqi banks industry. This quantitative study utilized the explanatory research design. Using random sampling techniques and proportionate sampling, a set of questionnaires was used to collect the required data from employees in three banks in Iraq. There are 400 respondents from employees in three Iraqi banks namely, Rafedeen Bank, Baghdad Bank, and Kurdistan Bank involved in this study. Data analysis was conducted using AMOS as embedded in Structure Equation Model (SEM) to test three main research hypotheses pertaining to the causal relationship among the variables. The result showed that transparency of HR practices and commitment to HR practices has a significant effect on working engagement ( $\beta=0.41$ ,  $p<0.01$ ), ( $\beta =0.39$ ,  $p<0.01$ ) respectively. The result also showed that working engagement has a significant effect on the accuracy of working tasks ( $\beta =0.26$ ,  $p<0.01$ ) and the quality of working tasks ( $\beta =0.33$ ,  $p<0.01$ ). The finding of this study also revealed that working engagement mediates the effect of transparency and commitment of HRM practices on job performance including accuracy and quality of work tasks. Thus, all the hypotheses of this study were supported. The findings provide insights to decision-makers in the banking industry to improve the transparency and commitment of HRM practices and the working environment that can promote the engagement of employees in their work to improve their job performance.





## ABSTRAK

Tujuan utama kajian ini adalah untuk mengkaji hubungan di antara ketelusan dan komitmen Pengurusan Sumber Manusia (PSM) dengan prestasi kerja. Kajian ini juga bertujuan untuk menentukan peranan pengantara penglibatan kerja dalam hubungan di antara ketelusan dan komitmen PSM dan prestasi kerja, dalam konteks industri perbankan di Iraq. Kajian kuantitatif ini menggunakan pakai reka bentuk kajian penerokaan. Menggunakan teknik persampelan rawak dan persampelan berkadar, satu set soal selidik digunakan untuk mengumpul data yang diperlukan daripada kakitangan bank di Iraq. Seramai 400 orang responden dalam kalangan pekerja di tiga buah bank di Iraq, iaitu Bank Rafedeen, Bank Baghdad dan Bank Kurdistan yang terlibat dalam kajian ini. Pemodelan Persamaan Struktur (SEM) dijalankan dengan menggunakan perisian AMOS bagi menguji tiga hipotesis utama berkaitan hubungan di antara semua pemboleh ubah kajian. Dapatan kajian menunjukkan bahawa ketelusan PSM dan komitmen PSM mempunyai pengaruh signifikan terhadap penglibatan kerja dengan nilai ( $\beta=0.41$ ,  $p<0.01$ ) dan ( $\beta=0.39$ ,  $p<0.01$ ). Dapatan kajian juga menunjukkan bahawa penglibatan kerja mempunyai pengaruh signifikan terhadap ketepatan tugas ( $\beta=0.26$ ,  $p<0.01$ ) dan kualiti tugas ( $\beta=0.33$ ,  $p<0.01$ ). Hasil analisis kajian ini juga menunjukkan penglibatan kerja memainkan peranan sebagai pengantara yang mempunyai pengaruh terhadap hubungan di antara ketelusan dan komitmen PSM dan prestasi kerja yang merangkumi ketepatan dan kualiti tugas. Oleh itu, semua hipotesis dalam kajian ini adalah disokong. Hasil kajian ini dapat dijadikan maklumat kepada pembuat keputusan dalam sektor perbankan untuk menambah baik ketelusan dan komitmen PSM dan mewujudkan persekitaran kerja yang menggalakkan penglibatan pekerja bagi meningkatkan prestasi kerja mereka..



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## CHAPTER 1

### INTRODUCTION



This chapter presents the research background to clarify the main concepts, variables, and importance of this study. This chapter presents the main research directions of this study. The chapter consists of eight sections starting by the first section which outlines the content of this chapter and followed by the background of the study as well as the problem statement. The research objective as well as the research questions. The significance of the study as well as the scope are highlighted followed by the structure of the thesis and the definitions of operational and conceptual terms.





## 1.1 Background of the Study

### 1.1.1 Job Performance

Job performance is one of the most important indicators for the overall performance of organizations. Having high job performance of employees indicates that the overall performance of the organization is high and vice versa. Rewards systems and incentives can be linked with the performance so that assessment systems become an incentive instrument that benefits both the employee and the organization. Nowadays, the issues that related to job performance of the organizations are important researching topic (Song et al., 2018; Masa'deh et al., 2017). The job performance can be defined as the effective achieving of organizations goals through conduct the job tasks (Ismail et al., 2019; Katzenbach & Smith, 2015). Thus, the job performance can be seen as the performance level of working tasks that accomplished by the employees (individual or group), and the total job performance can be measured based on the overall accomplished working tasks (Frieder et al., 2018; Masa'deh et al., 2017).

The globalization era in the world lead to external and internal changes in business environment (Kerdpitak & Jermsttiparsert, 2020). These changes increase the challenges that face the organizations to stay in competition with other organizations in same industry (Kerdpitak & Jermsttiparsert, 2020; Saad & Abbas, 2018; Dunning, 2014). The competitive advantages of the organization should be enhanced continually to assure the success of businesses (Nasifoglu et al., 2020; Liao





et al., 2015). This requires the improvement of job performance whatever the occurred changes in business environment.

The improvement of job performance is very depending on how the employees accomplish their tasks (Al-husseini, 2020; Yuen et al., 2018; Davenport, 2015). For effective job performance, the employees should provide high level of engagement with the organizational plans and goals and accomplish their working tasks in best ways (Ramawickrama et al., 2019). In this context, Cheng et al. (2007) categorized the job performance as the following four main dimensions that include task, behaviour, management, and self/personality.



### 1.1.2 Working Engagement



Based on the above dimensions of the job performance, the concept of working engagement should be explained. The working engagement is the level of employees' commitment to accomplish the working tasks effectively based on the organization strategies, plans, and objectives (Setiyani et al., 2019; Gerards et al., 2018; Wahlberg et al., 2017; Albrecht et al., 2015). Thus, the behaviors of employees must be motivated by the leaderships to enhance the employees' honesty and cooperation. Here, the leadership should have good and trust relationship with the employees. This relationship requires the leadership integrity, which is the truth of leaders' words and actions toward the employees (Miranda et al., 2020; Engelbrecht et al., 2017). Once, the employees' behaviors are motivated they will encourage to do their best to





accomplish quality and accurate working tasks based on their experiences and knowledge.

In order for an employee's motivation to be successful, they must be engaged in their job (Miranda et al., 2020; Setiyani et al., 2019; Gerards et al., 2018; Wahlberg et al., 2017; Lu et al., 2016). "A pleasant or good emotional state arising from the evaluation of one's job or workplace experiences" is the most often used definition of employee working engagement. "an employee's good attitude toward the firm, coworkers, and lastly, the job" are two additional major definitions of employee satisfaction (Chughati & Perveen, 2013). (Sypniewska, 2014). Having a pleasant experience at work is a sign of working engagement when the institution fulfills expectations (Green, 2000).



Dissatisfaction is described as an employee's attitude toward their employment if they experience negative and unpleasant sentiments at work" (Miranda et al., 2020; Setiyani et al., 2019; Antwi et al., 2016). How much the workers like or despise their job and how well their expectations for work are met are examples of working engagement in this context (Song et al., 2018; Fast et al., 2014). Working engagement, according to Wright and Kim (2004), is a relationship between employees and their work environment and between what they desire from their employment, what they perceive, and what they get. As a result, the amount of employee commitment varies depending on the circumstances of the person."

The psychological, cognitive, and behavioral components of an employee's well-being are all intertwined when it comes to work engagement (Ismail et al., 2019;



Saari and Judge, 2004). A working engagement may be characterized as a person's emotions about their employment, their ideas and beliefs about their job, and their behaviors with regards to their workplace (Miranda et al., 2020; Judge, et al., 2017).

Connecting between the employees' working engagement with job performance, the management or leadership should have effective communication and interpersonal relationship with the employees in order to understand the needs of the employees. This research focuses on the extrinsic needs of the employees. The overall job performance of the organization could be improved as a result of enhance the working performance of the employees or groups. To enhance the employees' working tasks, the employees' working engagement must be enhanced.

### **1.1.3 HRM Practices**

The foundation of organizational success is based on developing a healthy interaction between human resources and the organization's strategic goals (Abbas, 2020; Cascio, 2018). This method stresses the significance of the organization's most important asset: its people (Ekemam et al., 2020; Albrecht et al., 2015). Thus, an organization's success or failure may be determined by the incentive aspect of its human parts (Kiprotich et al., 2018). Organizational performance may be boosted by using appropriate human resources strategies, which impact employee engagement in achieving their expectations and support high levels of job productivity (Adawiyah et



al., 2020; Miranda et al., 2020; Blom et al., 2018; Ahmedabad, 2005). "Extrinsic perks may be used to stimulate people in the workplace.

The organization's HRM procedures classify the extrinsic advantages (Yin, 2018; Nieves & Quintana, 2018). One of the most fundamental tenets of HRM is the use of human resources (HRM). An important part of human resource management (HRM) is assessing and planning work, identifying human resource requirements and recruiting prospective personnel. HRM also includes hiring people, onboarding them, training them their roles and preparing them for the future. (Obeidat et al., 2020; Beijer et al., 2019; Guest, 2017). A number of studies have broken down the HRP into two broad categories: training and compensation (Obeidat et al., 2020; Doz, 2020; Beijer et al., 2019; McClean & Collins, 2019; Chang & Chin, 2018; Tzabbar et al., 2017; Subramaniam et al., 2016; Nasurdin et al., 2015; Caligiuri, 2014).

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Training is seen as an extrinsic advantage for workers since the organization provides them with free opportunities to improve their skill sets via various training programs (Chang & Chin, 2018; Tzabbar et al., 2017). Training and development is a planned educational component and an amazing way for sharing the organization culture, which advances from one job skill to grasp the workplace ability, growing leadership, inventive thinking, and problem-solving abilities. " (Meister, 1998). A organization's culture may be better understood by its workers if the conditions for a technical training program are met, according to Jehanzeb and Bashir(2013). Employee productivity will increase if employers give them with training tailored to their specific work duties. The ideal training and development program for employees must include education, career advancement, and goal-setting in order to be effective





(Jehanzeb & Bashir, 2013). These methods will make the program more beneficial to the organization's workers and stakeholders. Today, most companies have a variety of training and development programs in place for their personnel."

The pay is a major factor in employee satisfaction since it is central to the working relationship and affects both workers and employers in the same way (Obeidat et al., 2020; Subramaniam et al., 2016; Nasurdin et al., 2015). Direct and indirect pay make up the bulk of total remuneration (Ellmer & Reichel, 2018). Pre- and post-fixed remuneration for an employee's normal performance might be termed as "direct compensation." Post-and-conditional incentives that are offered to workers who perform better or more innovatively are known as indirect pay. There are a number of compensations, including salary, bonuses, severance pay, retirement benefits, insurance, and social security (Alam, 2015).

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Two HRM practice processes should be controlled to ensure employee commitment to the organization's goals. First and foremost, HRM rules must be open to workers and explained by upper-level management. Human resources management (HRM) techniques must be made clear to workers, as well as their duties in receiving them (Wiewiora & Kowalkiewicz, 2019; Miao et al., 2018; Weiss et al., 2018; Gill et al., 2018; Xu et al., 2017; Ehnert et al., 2016; Kaptein, 2011; Palanski & Yammarino, 2011; Kernis & Goldman, 2006). Second, leaders and employees must be able to clearly and easily understand and apply human resource practices, and the leaders must be committed to doing so. Thus, the transparency and commitment of human resource practices can be defined as the clearness and understandability of human





resource practices by leaders and employees and the commitment of applying these practices by the leaders

Human resource management techniques' openness and dedication fall under the broad rubric of leadership authenticity, which is concerned with the truthfulness of putting promises into reality in a genuine working environment (Gill et al., 2018). As a result of HRM methods that lack openness and dedication, the confidence between management and workers may be eroded. As a result, employee motivation and productivity will suffer, as will their job results. This means that when HRM rules are well defined and the leadership is honest in implementing these policies, workers will feel pleasant emotions and be pleased" (Viitala et al., 2017). When workers are fully invested in their work, they are more likely to provide high-quality results, which



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#### **1.1.4 HRM and Working Engagement in Banks**

The banking industry is one of the most booming industries in countries (De Grauwe, 2018). Banking sector of any country plays very important role and help to increase the economy growth of any country. Basically, bank is an institution which has deal with cash and instrument related cash (Ahmad et al., 2015). Banks are always giving facilitation like lending, distribution, and consumption of wealth (Ahmad et al., 2015). Studies such as Zaitouni et al. (2011) focused on the HRM practices effect on the working motivation of the employees in banking sector in Kuwait. The findings showed that the extrinsic HRM practices like





rewards and allowances have greater effect on employees' motivation more than other HRM practices like competence development and information sharing.

De-motivated employees early quit from current organization as compared to motivated employees due to weak and unclear implementations of HRM practices in the banks (Shafiq & Naseem, 2011). HRM practices plays important role in the employees' working engagement in the banks in developing countries due to low levels of salary and other economic benefits in these countries (Majumder & Hossain, 2012). In line with this finding, prior studies in Iraq show that the employees in the study area are not satisfied due to two main reasons; (1) the HRM policies are not clear for the employees, and (2) the HRM practices like compensations and training does not satisfy the extrinsic needs of the employees (Zardasht et al., 2020).

Bowra et al. (2012) in Pakistan found that there positive and significance relationship between the HRM practices in the bank and the improvement of employees' behaviors toward enhance the performance level of their working tasks. For effective management of HRM practices, the compensations such as rewards and promotions should be provided according to performance level of the tasks that accomplished by the employees. This requires effective evaluation of the tasks performance that accomplished by the employees. The performance evaluation involves many performance dimensions such as tasks quality and accuracy. Bowra et al. (2012) explained that the employees should understand the HRM policies to motivate them to enhance their working performance in order to receive the possible HRM practices.





Furthermore, Ahmad et al. (2015) explained that the retention of the employees in the banks would be improved through various HRM practices such as free training, salary, bonuses, leave benefits, and insurance. One of the main retention elements is the employees' working engagement, which can be enhanced through motivate the employees using various economic benefits. The leader commitment and honesty of provide the compensation according to clear policy is important to improve the positive emotions of the employees. Approximately, the same explanations were presented by Mahmood et al. (2014) in Pakistani banks.

Adank et al. (2016) examined the relationship between the employee's motivation and employee's satisfaction (working engagement) in the context of job performance in the banking sector. The significant results showed that the economic benefits are important to enhance the employees' satisfaction. Hence, the employees will expend more effort to enhance their working performance. Based on the above explanations, there are various studies show the clear relationships between the effective HRM practices, working engagement, and the job performance. However, there are many research limitations in many points such as the dimensions of HRM practices management (like the transparency and commitment, the dimensions of employee's satisfaction (like working engagement), and the relationship between the transparency and commitment of HRM practices and job performance through the mediating effect of working engagement.



### 1.1.5 Selected Variables in This study

This research focuses on three main variables that include transparency and commitment of HRM practices which are the practices such as salaries, rewards, allowances, and bonuses should be managed and clarified through transparent policies for all employees. On the other hand, the leadership must responsible and honest in apply the HRP policies in the working environment. The second variable is working engagement which can be addressed through apply effective HRP practices to satisfy the employees' needs of extrinsic benefits. The dependent variable is job performance: the employees' satisfaction is necessary to motivate the employees to accomplish their working tasks effectively which enhance the overall job performance of the organization. Hence, this research considers the transparency and commitment of HRM practice as independent variable, the employees' working engagement as mediating variables, and the job performance as dependent variable. Figure 1.2 illustrates the standpoint of the research variables

The selection of these variables is supported by many theories such as economic exchange theory, authentic leadership theory and total quality theory. The social exchange and total quality theories explain that the existence need of employees like HRM practices (compensations and free training) are required to be provided by organizations in order to strength the employees working engagement and consequently achieve the needed growth in the organizations such as job performance. The growth of job performance in the organization includes many important elements such as services quality and working productivity.



These elements are very depending on many dimensions of job performance such as the accuracy and quality of conducted working tasks by the employees based on their knowledge and experiences. On the other hand, the prior theory and authentic leadership explain that the effective policies of HRM practices characterized by two important dimensions; (1) HRM practices policy should transparent and clear for all employees in the organization, and (2) the leaders must be honest in applying the HRM practices in the working environment. The next section discusses the problem statement of this research.

## 1.2 Problem Statement

In the current business environment, firms must maintain long-term competitive advantages to remain relevant in their environment (Masa'deh et al., 2017; Liao et al., 2015; Dunning, 2014). In order to optimize value, firms need to look at their resources. One of the most important valuable resources of the organization is the human resources. For human resources to be successful and efficient, they must have a sense of purpose (Zameer et al., 2014). In this regard, employee motivation is critical to a organization's long-term growth and profitability. Employee motivation has a significant impact on the success or failure of a organization (Abera, 2016; Daft, 2006).

The level of commitment of employees to their job is a critical problem for any organization's human resources (GonzálezGancedo et al., 2019; Setiyani et al., 2019; Gerards et al., 2018; Wahlberg et al., 2017; Kumar et al., 2015) As a result of



this, leaders should promote their employees' engagement in the work environment so that they may perform at their best (González-Gancedo et al., 2019; Setiyani et al., 2019). Employees who lack a sense of belonging in the workplace were unable to give their duties their full attention (Miranda et al., 2020). There are some ideals and expectations that workers bring with them when they join a business, according to Snelgar et al (2017). Those whose values and expectations are met work hard to accomplish organizational objectives and are expected to stay in the organization for a long length of time if those expectations are met. Instead of increasing employee engagement, if there are significant disconnects between what they want from their jobs and what they receive, this could lead to decreased productivity, high staff turnover, or attempts by employees to find other ways to meet their expectations (Miranda et al., 2020; González-Gancedo et al., 2019; Setiyani et al., 2019; Weerasinghe, 2017).

The lack of engagement at work might have a negative impact on one's ability to succeed at their job (Ismail et al., 2019; Song et al., 2018). To a large extent, a organization's success is determined by the quality of the work that its workers do as a whole (Katzenbach & Smith, 2015). When employees put forth the effort to do their jobs in the most efficient manner possible, their job performance improves (accuracy and quality). Due to a lack of motivation from the personnel, the job's performance may suffer as a result (Ismail et al., 2019; Song et al., 2018). Employers need to know what drives their workers and how to enhance their level of productivity in order to optimize their organization's overall success (Lazaroiu, 2015). Employees who are motivated by virtue of their character, such as honesty, are more likely to achieve high levels of performance in their work (Leroy et al., 2015).



Employees in the banking industry may be categorized into two categories based on where they work (Ahmad et al., 2015). Personnel allocated to banks' key core areas and in charge of the sector's direct operational operations are referred to as core personnel. Credit operations, local banking operations, and foreign banking operations comprise the bulk of these divisions. Workers in support functions such as planning and business development, human resources management, accounting and finance, legal service, and so on make up the other half of a bank's workforce. They are often in charge of supporting these functions. Because the characteristics of the work performed and the sector's expectations of both groups vary, it does not seem to be reasonable to evaluate the levels of motivation of both groups on the same basis (Jehanzeb et al., 2012).



Employees, on the other hand, can only be successful in their positions if they

can improve the working environment by collaborating with their coworkers who have a variety of responsibilities within the same organization and providing support for the numerous tasks that are completed (Albrecht et al., 2015). Workers in the banks must have a high degree of workplace engagement, and the bank's executives must encourage such engagement (Aquilani et al., 2017). The economic advantages of HRM policies like salary and free training are major motivators for workers' working engagement. Chang and Chin, 2018; Tzabbar et al., 2017; Subramaniam et al., 2016). As long as the firm meets the workers' extrinsic demands, they may be enticed to produce a greater degree of productivity.

According to Bowra et al. (2012), a number of human resource issues exist in developing countries, including a lack of useful performance values, a lack of ability





to fire people, a lack of incentives for excellent performance, and employment measures that do not attract the attention of properly skilled people. Promotion guidelines based more on seniority than on actual performance, deliberate promotion, and a lack of compensation for hard work were also highlighted. These issues may be resolved if the economic advantages of HRM practices were properly managed. Another significant issue is the negative leadership behavior toward HRM practices, which can be summarized in two points (Wiewiora & Kowalkiewicz, 2019; Miao et al., 2018; Weiss et al., 2018; Gill et al., 2018; Xu et al., 2017; Viitala et al., 2017); the ambiguity of HRM practices policies (i.e., the HRM practices). The leadership must build trust and honesty with the workers in order to improve the employees' HRM practices policies and therefore their job performance. It is possible that a lack of clear and open policies about the economic advantages of HRM practices might reduce the degree of trust between leadership and workers. When HRM rules are not implemented honestly as genuine activities in the workplace, confidence in them might be eroded.

This study examines the performance of Iraqi employees in banking sector. The sector has weak and comparatively traditional services, and this is mainly due to issues of working engagement and transparency as well as commitment of HRM practices (Makttoofa, Khalidb, & Abdullahc, 2020; Deckenbach, 2019). Employees are less engaged due to several factors such as the high nepotism in the country and the lack of transparency in term of rewards, promotion, training, and compensation (Alalie, Harada & Noor, 2018). The contribution of the sector to the economy is small comparing with other sector such as oil and petroleum sector. HRM practices affecting the performance of employees as well as the banks by encountering bad loan





due to weak selection and transparency as well as commitment of employees (Sameer, 2021).

The contribution of Iraqi public banks to the economy is in decreasing trend with an increase of non-performing loan by 4% in average between 2010 to 2019. In addition, the contribution of public banks are less than private banks to the economy and employment. The human development index in Iraq is 0.674 which is lower than regional and global average and placed the country in the rank of 123<sup>rd</sup> out of 192 (Hamzh & Salman, 2021; Dhannoon, 2021). Therefore, these issue of low ranking as well as the low contribution is linked to HRM practices such as transparency and commitment as well as the working engagement of employees which affect their job performance and ultimately the performance of the banks (Mahdi et al., 2021).



Based on the above problems, this research aims to investigate the relationships between the transparency and commitment of HRM practices and the employees' working engagement, and the impact of this relationship on the job performance of the banks. The following section presents the required research questions to address the research problems.

### **1.3 Research Objectives**

The general objective of this study is to examine the effect of transparency and commitment of HRM practices and employees' working engagement in Iraqi banks. It also aims to examine the effect of employees working engagement on job





performance. In addition, the objectives focus on the mediating role of the employees' working engagement. Based on the research questions, the following objectives need to be achieved:

1. To investigate the relationship between transparency and commitment of HRM practices and employees' working engagement in Iraqi banks.
2. To investigate the relationship between employees' working engagement and job performance in Iraqi banks.
3. To examine the mediation effect of employees' working engagement on the relationship between transparency and commitment of HRM practices and job performance in Iraqi banks.



#### **1.4 Research Questions**

According to the problem statement, this research must investigate the role of transparency and commitment of HR practices in improve the employees' working engagement in the banking sector, and the impact of this role on enhance the job performance of the banks. Based on the problem statement, the following research questions are required:

1. What is the relationship between transparency and commitment of HRM practices and employees' working engagement in Iraqi banks?
2. What is the relationship between employees' working engagement and job performance in Iraqi banks?



3. Is there mediation effect of employees' working engagement on the relationship between transparency and commitment of HRM practices and job performance in Iraqi banks?

## 1.5 Research Scope

The main research scope is the banks environment due to the importance of banking sector in the world. The banks represent the major financial hub in any country due to importance of banks assets and services for the growth of country economy (Beck & Levine, 2004). There is wide number of banks services such as provide loans for customers, money transferring, operate the customers and government capitals, help the government and organizations to distribute the employees' salaries, and involve the stock exchange in the country (Ahmad et al., 2015).

The case study of this research focuses is the banking sector in Iraq, which considered as one of the most important sectors of the economy of Iraq. The Iraqi banks play important role in the economic growing of Iraq due to the large capitalization in the Iraq stock exchange, which makes it a key pillar and a main driver of the Iraqi economy (Venables, 2016). According to 2017 annual report of Iraqi central bank ([www.cbi.iq](http://www.cbi.iq), 2017), the banking sector in Iraq is consists of 70 banks, and the total branches number of these banks is 814. The 70 Iraqi banks are classified as five categories: governmental banks (7 banks), private commercial banks (24 banks), private Islamic banks (20 banks), international commercial banks (16 banks), and international Islamic banks (3 banks).



This research focuses on investigate the relationship between the transparency and commitment of HRM practices and job performance in Iraqi banks through the mediating effect of the employees' working engagement. Without effective management of HRM practices in the banks, it is difficult to enhance the working engagement, which effect on the job performance of the employees. The HRM practices policy could be managed through three main activities; (1) manage effective economic benefits of HRM practices according to employees' performance, (2) assure high level of HRM practices transparency based on clear and structured policies, and (3) assure the leadership commitment and honesty in applying the transparent HRM practices policies. This study focuses on three banks in Iraq. This is due to the time, cost, and availability, as well as the cooperation of the banks. The study collects the data from employees working in these banks.



Basically, there are two main approaches of this research that used to collect the necessary data of this research. Firstly, the literature review was conducted to identify the various aspect and dimensions that related to HRM practices management, employees' satisfaction (working engagement), and job performance in the banks. As well as literature review will be helpful to identify the research gaps, theoretical model, and research hypotheses. Based on the literature review the proposed conceptual model and research hypotheses will be developed. Thus, the second research data collection approach (quantitative data collection using questionnaire survey with workers in Iraqi banks) could be conducted to test the research hypotheses. Further information about research data collection approaches will be presented in Chapter 3.





## 1.6 Research Significance

The job performance is very important in any organization like the banks because no organization can survive and success without provide high performance level of services and product. The importance of the study came from the importance of the impact of HRM practices management on job performance through working engagement in the banks. The human resource in the banks represents the main key of the job performance. The job performance is based on the quality and accuracy of the working tasks that conducted by the employees using their experiences and knowledge. Thus, it is necessary to motivate the employees to do their best when accomplishing their working tasks. This requires high level of employees' satisfaction and working engagement. The economic benefits of HRM practices such as rewards, allowances, and free training are playing important role in enhance the employees' working engagement and the motivation to improve the job performance. Thus, the economic benefits of HRM practices should be managed effectively through transparent policies, and these policies must be executed honestly by the leadership.

This study clarifies the most important economic benefits of the HRM practices that could be managed and applied by the leaderships in the banks. In addition, the study clarifies the importance of formulate transparent and clear HRM practices policies for the employees in the banks. More focus is given to the importance of the leadership honesty in applying the transparent HRM practices policies. The study provides decision makers with the importance of effective HRM practices management in enhances the working engagement in the banks. The importance of enhancing the working engagement to improve the job performance of





the banks. Lastly, the study presents a model that includes meaningful information to clarify the relationship between the transparency and commitment of HRM practices, employees' working engagement, and job performance of the banks.

## 1.7 Definition of Operational Terms

The following definitions are given in this study to enhance the clarity of the terms that are used in the study.

### Job Performance

Job performance is defined as a worker's effective execution of tasks or job and useful contribution to the social work environment (Abramis, 1994). In this study, it refers to the ability of employees in the Iraqi banks to achieve their job effectively within specific timeframe and resources.

### Working Engagement

Harter et al. (2002) define working engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work". In this study, it is defined as involvement of employees in the banks to achieve their work in high quality.





## HRM Practices

HRM practices is defined as the pattern of planned human resource deployment and activities that help organisations attract, evaluate, motivate, and develop people with the appropriate behaviours and competencies to meet current and future needs (Huselid, 1995). In this study, it is transparency and commitment to implement professional practices in selection, recruitment, promotion, evaluation and training and development of employees in Iraqi banks.

## 1.8 Thesis Structure

The structure of this thesis includes five chapters which are as follows:



### Chapter 1: Introduction

This chapter consists of several sections, and it discusses the background of the study as well as the issues and the problem statement of this study. In addition, the chapter discusses and highlights the research questions and objectives, scope and significance of the study as well as the structure of this research.

### Chapter 2: Literature Review

This chapter reviews the past literatures begins with the underpinning theories and the existing models and framework that are related to the variables of this study. Independent variables which is the transparency and commitment of HRM practices are discussed, followed by the mediation variable which is the employees' satisfaction (working engagement), and last presented is the dependent variables which is the job





performance. Additionally, the research gaps and conceptual model are presented to summarize the research's idea.

### Chapter 3: Research Methodology

In chapter three, the development of the research framework as well as the research design and the methodology is discussed through the scope of population and sample, and all issues related to the questionnaire that used to conduct the study, beside the data analysis techniques that will be used.

### Chapter 4: Data Analysis and Findings:

This chapter presents the analysis, findings and result of hypotheses testing. The chapter provides the results of filtering the data and screening the data for missing value, outliers, normality, and multicollinearity as well as the non-response bias.

Further, the chapter discusses the confirmatory factor analysis along with the assessment of the measurement model and the structural model which includes the hypotheses testing of this study.

### Chapter 5: Discussion and Conclusion

The findings of the study are discussed in the fifth chapter. Some implications are suggested, and conclusion draws from the study. Specifically, the study discusses the findings of this study and compare it with the findings of previous studies. In addition, the chapter also provides the implication from theoretical and practical perspective as well as the direction of future work and the limitation of this study. Last section summarizes the findings of this study.

