Edited by
Toyin Ajibade Adisa · Chima Mordi

HRM in the Global South

A Critical Perspective

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ISBN 978-3-030-98308-6 ISBN 978-3-030-98309-3 (eBook)
https://doi.org/10.1007/978-3-030-98309-3

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG.
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Toyin Ajibade Adisa
To my parents, Oyin, Shasili and Adam
Chima Mordi
To Prof and Dr. (Mrs.) Mordi, Tonbara, Nathaniel and Daniel

Contents

Notes on Contributors

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Sana Usmani holds a PhD degree in Human Resource Management from the Brunel University. She has worked in the financial sector for over 15 years. She currently works in the banking sector and writes in the area of International Human Resource Management in Pakistan.

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Part I

Introduction

1

Introduction: Context Matters in Human Resource Management

Toyin Ajibade Adisa, Chima Mordi,
and Gbolahan Gbadamosi

Human resource management (HRM) relates to all aspects of people management—from identifying, attracting, recruiting, and selecting people to managing them while in the organisation, to developing and enhancing their competence, evaluating their performance and finally managing their exit from the organisation. For some scholars (e.g., Guest, 2017; Kochan, 1994), HRM also include evaluations of processes and systems for everyday management of people including longer-term HR planning, well-being, and the management of the interface between production process and technologies, as well as the administration of the

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_1

employment contract and reward systems. In essence, HRM is about employment relations and the management operational approach, and how these affect the existing and prospective workers (Wood & Budhwar, 2021).

Human resource (HR) has evolved over the years from the status of being insignificant, a cost centre, a profit centre to being recognised as critical to organisational success. HR (through different people management initiatives, programmes, and activities) now helps to drive revenue generating activities, which enhance cash inflows (profit) and reduce cash outflow (loss) in organisations. This development may relate to the fact that management has realised the importance of HRM and its overall value in achieving and sustaining organisational success. HRM now adds value to the strategic utilisation of human resources (employees), as well as creates and sustains employee programmes that positively impact the business. Most popular and cited studies have been undertaken and concentrated in the context of Global North—leaving countries in the Global South relatively neglected area of study in the field of HRM (Kramar & Syed, 2012).

Cross-cultural analysis and cultural interaction across continents suggests a difference between an instrumental view of people as a resource to serve the ends of the organisation and a humanistic view which sees people as having a value in themselves (Anakwe, 2002; Jackson, 2002). Thus, a blanket statement that HRM approaches/frameworks/theories proposed and tested in the Global North will fit and be applicable to all contexts is inappropriate. The advancement of HRM has also been explored from other contextual perspectives such as financialised capitalism leading to arguments that the discipline is at risk of losing its pride of place in the long term. Dundon and Rafferty (2018), for example, argued that this challenge is in both academia and professional practice and attributable to two trends namely ideological individualism and the marketisation of HR practices. Even within the context of the Global South, these impacts cannot be underplayed as cultural individualism, marketisation, and digitalisations are gaining momentum. The three contemporary developments in HRM used to illustrate the argument: reward strategies, talent management, and high performance work systems are all constantly changing, becoming more global than local practices.

Furthermore, in a special issue of Human Resource Management Review on the subject of "Navigating the shifting landscapes of HRM", the editors (Harney & Collings, 2021) concluded that global trends evidence that HR is experiencing disruption and change on an unprecedented scale. They made several recommendations on the repositioning of HRM.

Context matters significantly in HRM research and it tends to be underappreciated (Dundon & Rafferty, 2018; Gallardo-Gallardo et al., 2020; Harney & Collings, 2021); future research therefore needs to be more contextualised and more practical problem-oriented (Cooke et al., 2021). If we are to improve our understanding of global HRM, particularly HRM in the Global South, we need country-specific studies that take local factors and institutions into account—this means that context matters in the study of HRM.

Management practices are often transferred from western-developed countries to developing nations with the belief that western-world developed theories would work everywhere—especially for most multinational organisations. However, developing countries have unique national, economic, and cultural context and traditional institutions, which are often in conflict with the western-developed approaches/frameworks/theories, and traditional ways of doing things. Such conflict has contributed to confusion, frustration, and ambivalence for the employees (e.g., Ahiauzu, 1989; Nzelibe, 1986; Onyemelukwe, 1973) in the Global South and sometimes failure for the multinational companies (Dowling, 1999). Scholars (such as Kanungo & Jaeger, 1990; Kamoche, 2000; Nzelibe, 1986; Onyemelukwe, 1973) have criticised the importation of western-developed management practices for countries in the Global South due to their lack of consideration for contextual factors—such as sociocultural, competitive environment, and industrial relations (Kamoche, 2000). Furthermore, the adoption of western-developed management practices may be detrimental to the development of indigenous management practices. Therefore, there exists a gap with respect to understanding HRM practices and functions—and how they are executed—in the Global South. Anakwe (2002) also called for contextual studies on HRM, especially in developing countries. To this end, this book examines the dynamic of HRM in developing countries—encompassing countries in Africa, Asia, South America, and the Middle-East.

The book combines insights from conceptual, theoretical, and empirical analysis—using qualitative, quantitative, and mixed methodology—to examine the dynamics of HRM in Nigeria, South Africa, Egypt, China, India, Pakistan, Malaysia, Bahrain, Jordan, United Arab Emirate, and Argentina; each chapter evinces the unique and diverse configurations of HRM in these countries—thus providing the much-needed broader view of the concept of HRM in the Global South. Furthermore, the book offers chapters on the rise of technology-based entrepreneurship, gig work, artificial intelligence, and digitalisation in business practices—and the implications of these for HRM. The aim is to showcase and understand the dynamic trajectory of the future of HRM, that is, the impact of artificial intelligence and digital HRM on people's management in the non-western environments. This book offers students, researchers, and practitioners a coordinated insight into HRM in the Global South with the biggest economies in Africa and Asia included in the chapters. This ground-breaking piece answers the need for a serious textbook on HRM in the Global South.

The Structure of the Book: A Brief Overview of the Contents

This is a reading book that will appeal to undergraduate and Masters students who require a comprehensive yet coherent and integrated coverage of debates on HRM from a Global South standpoint. The book contains chapters on HRM topical issues in different Global South countries. Doctoral students and other researchers will equally find this research book a good literature providing a sound introduction to studies in the different countries covered in the book. While the academic underpinning is strong throughout, yet many of the chapters are very much applied in their findings and far reaching in implications. It also calls attention to a lot of new research opportunities. Consequently, the book will be found accessible for practitioners looking for solutions to HRM issues specifically in the area of international human resource management. While the book brings together multiple perspectives of HRM in the Global South, we hope that readers will gain insight into some of the divergent viewpoints and controversies within selected countries. Topics discussed in this book contribute to the wider HRM debate and critical management literature and thus stimulate further research and debate where gaps have been identified especially in the Global South context. We hope that you will enjoy reading this book as we look forward to increasing the global coverage and country focus in subsequent editions. There were three chapters based on an empirical investigation (Malaysia, Pakistan, and Nigeria [digital HRM in Nigeria]); and another ten chapters were conceptual or based on literature review (Egypt, South Africa, Jordan, United Arab Emirate, Bahrain, Pakistan, China, India, Malaysia, and Argentina). While Chap. 15 provides an insight on trade union, artificial intelligence, and gig economy, Chap. 9 identifies and explores the declining importance of trade unions and the rise of artificial intelligence and gig economy in the Global South.

This book is divided into five parts. Part I introduces the book and the chapters therein and provides the basic overview of the topic—HRM in different Global South context. Part II presents 'The African World'. There are three chapters in this part covering Nigeria, South Africa, and Egypt. These are three strategic countries in Africa in terms of economies and human resources. We showcase HRM and future research directions in these countries. Part III, 'Middle-Eastern World', presents three chapters which discuss HRM in three strategic countries in the Middle-East: United Arab Emirate (UAE), Jordan, and Bahrain. Part IV presents four strategic countries in Asia (China, India, Malaysia, and Pakistan) and a South American country (Argentina), using both critical engagement and empirical data from these countries. Finally, Part V showcases digital HRM, artificial intelligence, and activities of trade unions in the Global South. In all, the 15 chapters provide a thought provoking work on the state of HRM in the Global South.

Part I: Introduction: Context Matters in Human Resource Management

In this chapter *Toyin Ajibade Adisa, Chima Mordi, and Gbolahan Gbadamosi* in the introduction highlights the importance of context in management study—specifically in the study of HRM. The context, such as the dynamic of cultural, traditional, political, and business environment, provides value and meaning for HRM practice/theories/models. Context also helps in understanding HRM functions such as approaches and systems for workforce governance, work procedures in organisation, staffing and development, reward systems, and other contingent variables. The chapter provides a brief academic overview and scholarly evidence of the importance of context in the study of HRM in the Global South. The chapter identifies current research gaps and rationalises the need for Global South contextual studies on HRM. The chapter then evidences how the book pushes the boundary of knowledge by attempting to bridge the knowledge gap. The chapter finally outlines the book's structure and a brief overview of each chapter content is also highlighted.

Part II: The African World

In Chap. 2, *Gbolahan Gbadamosi and Toyin Ajibade Adisa* used Nigeria as the contextual focus to elicit the emerging dynamics of HRM practices and redirect future research. The chapter evaluates how HRM research and practices have evolved over the colonial and post-colonial era, identifies how current issues of ethnicity, gender, the nature and scale of the informal sector, and information technology have all shaped the emerging challenges of HRM practices. The chapter reveals that in Nigeria, issues such as sociocultural, ethno-religious affiliations, poor infrastructure, and institutional voids are compounded by the nature and scale of the informal economic sector which influences how HRM is practised in both the foreign and local organisations. The chapter then proposes a Nigerian HRM model that is deemed useful for setting an agenda for future research.

In Chap. 3, *Ahmed Mohammed Sayed Mostafa* shed light on employee reactions to HRM in Egypt. This chapter provides an overview of the concept of HRM and discusses its measurement. The main theories that have been used in the literature to explain the relationship between HRM and employee outcomes are then reviewed. This is followed by a discussion of the Egyptian context and the implications of culture and religion on the practice of HRM in Egypt. The chapter then reviews the main studies that have examined the relationship between HRM practices and employee outcomes in Egypt in the past ten years. The author concludes by providing an agenda for future research.

In Chap. 4, *Nasima Mohamed Hoosen Carrim, Karel Stanz, and Deborah K. Brown* conduct a systematic review of the development of HRM in South Africa. The chapter explores the development and evolution of HRM in South Africa, its current standing both in South Africa, focusing on, for example, Human Capital Trends, and the future role of HRM in the post-COVID-19 era and the fourth and fifth industrial revolutions. The chapter also discusses the global direction of HRM and highlights the importance of rethinking HRM in South Africa.

Part III: The Middle-Eastern World

In Chap. 5, *Osama Khassawneh and Mohamed-Osman Shereif Mahdi Abaker* focus on HRM in the United Arab Emirate. The chapter expounds the salient elements of the UAE's socio-economic status and the contribution of HRM in the existing economic reforms. They elucidate HRM's historical development in the UAE and focus on the structure of the labour market. Several issues comprising Emiratisation, workforce diversity, education, and employment of women were addressed. The authors delineate HRM policies and practices within the United Arab Emirate's context and analysed significant challenges and future advances in HRM. They also evaluate the possible effects of the unique institutional as well as cultural setting of the United Arab Emirate about HRM practice and the latter's ramifications on theory and practice. They conclude by providing an agenda for future research.

In Chap. 6, *Chima Mordi, Hakeem Ajonbadi, Esam Ismail Al-Alawi, and Layla Faisal Al-Halwachi* focus on the importance of gender equality to communities, nations, and organisations. The chapter adopt the review approach in conceptualising gender discrimination in the Bahrain banking sector. The authors use integrative review technique to access, analyse and synthesise the gender discrimination literature and provide an overview of the gender discrimination knowledge. The chapter recommends that management should make a concerted effort not to let the concept of gender discrimination intrude into policies such as recruiting, promotion, and appointment to higher offices or positions in order to improve employee job satisfaction and improved performance. The authors discuss implications for HRM and made useful recommendations for future research.

In Chap. 7, *Tamer K. Darwish and Tamara Mohammad* focus on human resource management (HRM) in Jordan. Given that Jordan has limited natural resources, human resources represent the country's largest asset. The authors found that the full potential of HRM is not yet recognised in Jordan. They present the main aspects of the country's socio-economic status and discuss the role of HRM in the current economic reforms. The authors also discuss the key factors that determine HRM policies and practices in the context of Jordan and explore the potential impact of the national unique institutional and cultural setting on HRM practice and the implications of the latter for theory and practice. The chapter also presents the key challenges and future developments in HRM in Jordan and concludes with several important areas for future research.

Part IV: The Asian World

In Chap. 8, *Xi Wen (Carys) Chan, Chao Ma, Sudong Shang, and Xuchu Liu* review existing studies that have explored the predictors and outcomes of employee engagement in China at individual, team, organisational, and national levels. The authors also explore the unique role of labour institutions (e.g., *Ministry of Human Resource and Social Security*, *All-China Federation of Industry and Commerce*, and *All-China Federation* *of Trade Unions*) and relate it to employee engagement in Chinese organisations. They also explore how employers and managers within and beyond China can gain deeper insights into workplace best practices that increase employee engagement in the Chinese context. They conclude by offering future research directions for employee engagement in China.

In Chap. 9, *Bishakha Majumdar, Sushanta Kumar Mishra, and Pawan Budhwar* trace the evolution of HRM in India since 2000. They identify and explore the major trends, such as the receding importance of trade unions, the rise of individualised HRM, adoption of digitalisation and artificial intelligence, gig economy, and more recently, the role of HRM in combating crises such as pandemics and labour reforms. In addition, they identify relatively less-explored issues in Indian HR practices that merit exploration in the coming decades. India is one of the world's largest growing economies and it has witnessed remarkable transformations in industrial operations and the concurrent management of human resources in the last two decades.

In Chap. 10, *Wee Chan Au*, in an empirical investigation, focuses on how SMEs engenders high commitment in Malaysia. Developing human resources practices to motivate and engage employees to perform at a high level is critical in organisational success, especially in competitive environments. The study adopts a qualitative approach with 48 in-depth interviews with Malaysian SME owner-managers. The study finds that taking care of employees is essential for SMEs to garner employee commitment and engagement. Unlike large firms with the institutional structure and financial resources to offer formal practices and support, the study finds that Malaysian SMEs rely on informal HR mechanisms to develop a personalised approach to support provisions. The study also identifies performance-based and care-based social exchange mechanisms, as these are the primary approaches SMEs use to implement HR practices, configure their high performance work system, and support employees.

In Chap. 11, *Sana Usmani, Hakeem Ajonbadi, and Chima Mordi* explore the sociocultural influences on employee intrinsic motivation. They critically review existing literature that enables the contextualisation of intrinsic motivation. They identify the main triggers of sociocultural dynamics, which include (a) national culture, (b) institutional legitimacy,

(c) the economic landscape. The chapter then identifies how these socio-cultural dynamics impact Pakistani organisational culture and its effect on behavioural constructs related to intrinsic motivation. The chapter offers important implications for HRM.

In Chap. 12, *Maria Camila Botero, Mariana Elisa Politti, and Gisela Isabel Delfino* conducted a systematic review of HRM literature to examine the current work and the future of work in Argentina. They highlight the fundamental role of human resources in synergising technology, employees, and the organisation while seeking to guarantee the well-being of human capital. They also outline the importance of evaluating competencies, training, and digitalisation as the main focus of companies willing to acquire and retain talented personnel. The chapter analyses prominent consultants' data that highlights the challenges and possible scenarios confronting organisations in Argentina, especially during this current COVID-19 pandemic.

Part V: Digital Human Resource Management, Trade Union, and Artificial Intelligence

In Chap. 13, *Toyin Ajibade Adisa, Olatunji David Adekoya, Issa Abdulraheem, and Chima Mordi*, in an empirical investigation, examine the acceptability and practicability of digital HRM in Nigeria. In an era in which digital human resource management, digitisation of human resource management, digital transformation of human resource management, and the digital disruption of human resource management continue to gain prominence, they find that the acceptability and practicability of digital HRM in Nigeria are still far-off and almost hypothetical at the moment. The study also found that organisations and human resource managers in Nigeria are affixed to the old methods of delivering human resource functions, and they lack the required skills and mindsets to go digital. The authors thus suggest that a 'growth mindset' rather than a 'fixed mindset' will enhance acceptability and adaptability of digital HRM, employee potentials, and organisational outcomes in Nigeria.

In Chap. 14, *Ghada El-Kot, Mike Leat, and, Shaimaa Masry*, through a systematic review of literature, shed light on the digital HRM role in facilitating the transfer to digital Egypt. The chapter explores HR digitalisation in Egypt by highlighting the importance of digital HRM functions, the strategic role of digital HRM, the importance of digital workplace, and digital workforce to achieve Egypt vision 2030. Furthermore, the authors discuss the challenges associated with adopting digital HRM in Egypt with a focus on the factors affecting the adoption of digital HRM, the consequences of digital HRM for people, and the implications of adopting digital HRM in Egypt.

In Chap. 15, *Michael Oyelere, Adejoke Ige-Olaobaju, and Rashmi Maini*, through a systematic review of literature, explore contemporary issues around trade union revitalisation in the fourth industrial revolution. The chapter then explores the concepts of gig economy and artificial intelligence and reviews how they have affected trade union revitalisation activities. Central to this chapter is the critique of the meaning of 'gig economy' and 'artificial intelligence'. The chapter discusses all of these from a Global South perspective. It concludes with a review of alternative suggestions of revitalisation paradigms considered specifically for countries within the Global South hemisphere.

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Part II

The Africa World

2

Human Resource Management in Nigeria: A Review and Conceptual Model

Gbolahan Gbadamosi and Toyin Ajibade Adisa

Introduction

Human resource management (HRM) as a discipline and practice has transformed and evolved over the decades in response to societal changes in general and the business environment more specifically (Kamoche, 2002). A vast body of knowledge on the dynamics and challenges of managing people in various parts of the world now exists (Bartram et al., 2009; Budhwar & Debrah, 2004; Guest, 1997; Nikandrou et al., 2005). However, most of the research on HRM has been undertaken within the contexts of advanced industrial societies—with countries in Africa (such as Nigeria) being largely understudied (Okpara & Wynn, 2007; Wood,

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_2

2008; Wood & Brewster, 2007). The paucity of empirical information on African HRM has been noted frequently in academic literature, yet lots of documented work are available on selected African countries, such as Nigeria, Ghana, and Kenya, but many of these might not be located in what most western scholars consider to be acceptable or accessible scholarly publication outlets. Bischoff and Wood (2012) shared this view when they indicated that it is incorrect to surmise that there is a general lack of attention to people management issues in Sub-Saharan Africa (SSA). HRM policies and practices tend to be predicated on the economic, political, legal, and social climate of a society. Therefore, historical, cultural, and institutional insights into the society are often needed to understand processes and philosophies which are strategically required in the effective design of national HRM models (Bobina & Grachev, 2016; Shoobridge, 2006). This essentially means that there is no singular HRM model that fits all environments. Nevertheless, much of the literature about management and HRM in SSA has been influenced by cultural accounts, especially drawn from the work of Hofstede (Jackson, 2002b; Bischoff & Wood, 2012).

Essentially, HRM policies and practices cannot be divorced from contextual factors such as the economic, political, legal, and socio-cultural climate of a society (Fajana et al., 2011). Therefore, this review paper brings to the fore some of the critical issues of HRM research and practices in Nigeria. It evaluates the various issues that characterise HRM policies and practices in Nigeria, to set an agenda for future research. The chapter also develops an HRM model that takes into consideration the relevant indigenous and contextual factors in Nigeria. The remainder of the paper is structured as follows: Next, it discusses HRM practices in context; followed by a rationalisation of why Nigeria. The next section discusses the scope and method of the review. This is followed by emanating details on HRM in Nigeria: perspectives and discourse. The section following that discusses current issues facing HRM in Nigeria; followed by a conceptualising a Nigerian HRM model; then a synthesis of themes and future research directions. The final section provides some conclusions.

HRM Practices in Context

The concept of HRM is well documented in the existing body of literature on management (Anakwe, 2002; Brewster, 1995; Kamoche, 2000). HRM is the organisational function which deals with issues relating to people, such as recruitment, performance management, compensation, organisational development, benefits, safety, training, and employee motivation (Sparrow et al., 2004). Bach and Edwards (2013, p. 19) defined HRM succinctly as involving 'all management decisions related to policies and practices that together shape the employment relationship and are aimed at achieving individual, organisational, and societal goals'. However, Wilkinson et al. (2009, pp. 4–6) argued that effective HRM must be (a) human focused (concerning employee rights and wellbeing), (b) resource focused (employees as a resource for enhancing performance), and (c) management focused (a strategic approach involving managing change, relationships, and organisational culture). HRM, therefore, gives a unique strategic leverage for all organisational resources (Morris & Snell, 2009).

This phenomenon has resulted in the development of a body of knowledge on the dynamics and challenges of managing people in various parts of the world (Kamoche, 2002; Jackson et al., 2013). However, the literature is overwhelmingly based on western and Anglo-Saxon perspectives and models, which do not reflect the cultural and contextual factors of countries in Africa such as Nigeria (Kamoche, 2001; Wood & Brewster, 2007). Some scholars have, rightly, questioned the appropriateness of western management practices for African countries due to their lack of consideration of the relevant socio-cultural and environmental factors (Anakwe, 2002; Gbadamosi, 2003; Jaeger & Kanungo, 1990; Kamoche, 2000).

Bischoff and Wood (2012) argued that while it is correct that the body of HRM work in Africa is limited, yet we must recognise that South Africa and to some extent Nigeria has dominated the discourse on the African continent. Perhaps, the more cogent point they made, however, is that people management issues have neither been ignored in Africa nor has labour repression been the only problematic symptom of HRM in

Africa. On the side of caution, Gbadamosi (2003) argues that a systematic and human orientation, and a tendency to view practice in relation to an ideal, are culturally embedded values shared by many African managers. Thus, they suggest the need to develop a broader HRM management philosophy based on African values so we can move away from rhetoric.

While the enabling legal statutes tend to be present in most parts of Africa, the problems mostly identified are the limitations in government capacity and a lack of political will to enforce these HRM related laws (Wood & Brewster, 2007). Kamoche (1997) reported that much of the literature on HRM in Africa has focused on the concerns and needs of multinational companies, rather than more broadly, the needs of organisations and individuals based in Africa. Furthermore, Nyambegera (2002) suggests that the ethnic diversity often reported in and about African organisations, if well managed, could enhance organisational harmony and effectiveness thus allowing more inclusiveness which can, both improve image and effectiveness of organisations operating in Africa. The representativeness of Africans writing in major international journals on work and employment relations issues in Africa has been well covered (Wood & Brewster, 2007; Wood & Dibben, 2006). The argument of under-representation and thus under-exposure of topics relating to HRM in Africa in such journals is a common one (De Cieri et al., 2007). It is on this basis that Özbilgin (2004) noted that Africa represents a 'blind spot' when studying HRM. The fact that not much has changed well over a decade later is thus worthy of note. It is implicit, therefore, that if the entire continent remains underrepresented, Nigeria, which is a big part of the space, suffers a similar fate. In sum, there is a need to examine a country-specific context of the development of HRM in Africa. *The International Journal of Human Resource Management* (*IJHRM*) has published a few HRM in Nigeria-focused papers (1991–2016); these include Adigun, 1995; Anakwe, 2002; Fajana, 1991; Gomes et al., 2012; Huault, 1996; Ogunyomi & Bruning, 2016. There have been other papers dealing with more specific HRM-related issues (Ituma et al., 2011), and several more broadly SSA and Africa-focused papers (Jackson, 2002a; Khan & Ackers, 2004; Parboteeah et al., 2014). This chapter focuses on Nigeria and provides a context that promises to reveal the nuances of HRM practices in a non-western African setting.

Why Nigeria?

In an earlier *IJHRM* paper on HRM practices in Nigeria, Anakwe (2002, pp. 1044–1045) provides some background information on why Nigeria should be of interest for a study such as this one. It is a diverse country with rich within-country cultural differences (Adigun, 1995). Nigeria is a highly pluralistic nation, with many ethnic groups and corresponding indigenous languages, physically located in the western part of the African continent. It is the most populous black nation on earth and the single largest African democracy, with a population of about 219 million people. The country occupies a land area of 923,768 sq. km, of which 910,768 sq. km is landlocked and 13,000 sq. km is covered by water (CIA World Factbook, 2021). The Nigerian labour market, like many other developing countries, is characterised by high unemployment. The dominant informal sector—often associated with poor working conditions, low wages, and low productivity—provides the bulk of employment (Ogwumike et al., 2006). The return of democratic rule in 1999 and the government policy of privatisation have turned Nigeria into one of the most attractive destinations for foreign direct investment (FDI) in Africa (Fajana et al., 2011; Osabutey & Okoro, 2015; Ovadje & Ankomah, 2001). Since most foreign firm employers in a host country should rely on local human resources, these firms generally require a good understanding of how HRM works.

Since its independence in 1960 Nigeria has been continuously reported in numerous reports and publications as a country with great potential. Several other emerging economies of similar standing in the 1960s and 1970s have since been recognised to have achieved that potential, yet Nigeria seems to remain a promise for the future. This chapter brings to the fore the recently growing interest in Nigeria as an economy that remains attractive to businesses and individuals with aggressive FDI interest. Nigeria is reported understudied in HRM reviews (Budhwar & Debrah, 2004; Ovadje & Ankomah, 2001). Yet, labour and employment relations in Nigeria have been reported as having a long problematic history in several studies (Otobo, 2016). The situation of Nigeria and its use of human resources is peculiar because while the country is rich in resources, its people are poor (Bako & Syed, 2018). Fajana (2008) highlighted some of the national challenges slowing down Nigeria to include a divided society, corruption, hyperactive demography, growth in GNP limited to the non-real sector, double digit inflation, skilled unemployment, low industrial capacity utilisation, capital-biased factor intensity, and political activism and wage determination process (see pp. 373–375). These realities of Nigeria have only been more vividly evidenced and widespread since 2019. Dowling (1999) noted that activities such as recruiting, promoting, rewarding, and dismissal are often determined by the culture-specific practices. This suggests that concerted efforts at planned research activities to understand and take advantage of these cultural differences especially in a multicultural context such as Nigeria might reveal some nuances which HRM research, theory, and practice might benefit from.

Scope and Method of the Review

Identifying the relevant HRM literature in Nigeria was the very first step we undertook. We followed two lines of systematic searches for published academic materials using two keywords as benchmarks of our search: HRM or human resources management and Nigeria. In our literature search, the target was to achieve a comprehensive coverage of scientific articles focusing on human resources management in Nigeria. We followed the three main stages of conducting a systematic review: planning, conducting, and reporting and disseminating the review (Tranfield et al., 2003); which Watson et al. (2018) referred to as 'Searching', 'Screening' and 'Extraction/Synthesis'.

Search Protocol

In the first step we used the 2018 iteration of the Chartered Association of Business Schools (CABS) Academic Journal Guide (AJG), for the UK. These were business and management journals from different disciplines within business. We focused exclusively on HRM-specific journals. In all there are 54 journals ranked under the category termed Human Resource Management and Employment Studies. The journals were ranked 4*, 4, 3, 2, and 1. None of the journals was at 4* level, there were 5 journals ranked 4, 9 journals ranked 3, 22 journals ranked 2, and 18 journals ranked at 1. We used this list as a guide as it provided a thorough, carefully selected HRM journals that has gone through careful peer review selection and adjudged as appropriate following careful academic scrutiny. It is, therefore, more credible and easier to reference due to the rigour of its methodology (CABS Academic Journal Guide Methodology, 2018). To ensure a careful and thorough search we searched one journal at a time.

The 54 journals generated a total of 240 hits. The screening was done by the authors to allow for comparison and enhance reliability and credibility. We reviewed and coded the articles adopting Kauppi et al. (2018). Our detailed and careful strategy resulted in inclusion and exclusion criteria being specified and discussed, followed by evaluation, review and refinement and then finally agreed. A total of 26 articles which formed the core of our third stage (reporting and dissemination/'Extraction/Synthesis') resulted. In the second round of our search we did a more generic and popular systematic search. Several scholarly databases were identified for search: Academic Search Ultimate, Business Source Ultimate, PsycINFO (this includes Emerald, Elsevier, Wiley, SAGE, EBSCOhost databases). Again, using two keywords: HRM or human resources management and Nigeria in our search, a total of 110 hits resulted. Careful evaluation by authors generated a total of 28 relevant articles. We, thereafter, followed up our review with careful checks of the reference list of our selected readings. This generated a further 14 relevant articles. As a key exclusion criterion, which is also important for the credibility of our work, we avoided paper published in outlets that are deemed 'predatory' journals (Beall, 2016; Demir, 2018; Xia et al., 2015), as these seem to be a major problem among Nigeria-based scholars.

In total, we extracted a total of 68 relevant articles on HRM in Nigeria. There were 11 qualitative papers (that used interviews, focus group, or a mixture); 33 were quantitative based mostly using surveys and a few using large data sets; 21 were conceptual papers; 3 used mixed methods of both qualitative and quantitative strategy; and 4 were classified as 'others' having used archival, historical or other secondary unclassified data. There were papers that were double counted as they fell into more than one category. It was not the intention of this paper to do a systematic literature review, but we have ensured a comprehensive and inclusive literature search as detailed above which allowed us to exhaustively identify published materials on the subject of HRM in Nigeria. Each of the final sources formed the core of our reading. There are two notable limitations in our search protocol, it has left out books and book chapters, albeit particularly valuable ones, that were part of our more general readings. The second limitation relates to scholarly papers that have been published in non-electronic mediums, mostly available in print in Nigeria. Such publications are common in Nigeria and may indeed contain some useful additional information which have been missed. The logistics and difficulty of physically putting such together made it impossible for us, and unrealistic to pursue. Nonetheless, the quality and breadth of materials that has come out of our careful systematic search is comprehensive and credible, even if not exhaustive, and we anticipate future studies may take this useful gap as a springboard to further bridging our knowledge of HRM in Nigeria.

HRM in Nigeria: Perspectives and Discourse

HRM (and employment relations) in Nigeria have been products of endogenous and exogenous factors. On the one hand, modern wage employment—which constituted the remote origin of modern employment relations within the formal sector of the country as it were—was originally introduced by the British colonial administration, and hence externally induced from the onset. However, the initial structures of wage employment gradually grew in Nigeria and remained intact for periods beyond political independence in October 1960 and through the 1970s. And then, as a result of factors that were also internally and externally accounted, the existing employment market institutions and formal work organisations in Nigeria had undergone further regimes of transformation and regeneration—considered as being sometimes chaotic and disruptive of macro-level development, and which actually lasted until the 1980s and 1990s (Matanmi, 2000, pp. 95–96). Also, historically and contextually within Nigeria, the concepts of 'HRM' and 'personnel management' (PM) have generally tended to be used interchangeably, despite that HRM models differ from PM models in terms of their focus, principles, and application (Tubey et al., 2015). Nevertheless, HRM has replaced what is traditionally known as PM in Nigeria. Prior to the colonial era, HR practices, in terms of methodology and procedures applicable for recruitment, selection, induction, and training, were determined by the chiefs (kings), guilds, influential people, and institutions in the Nigerian society (Ovadje & Ankomah, 2001). Recruitment, selection, and other processes were undertaken discretionarily and did not take into consideration candidates' qualifications, skills, or talents. The advent of colonialism brought several foreign organisations whose HRM principles were basically bureaucratic (Taylor, 1992; Waweru, 1984). HR practices such as personnel functions were addressed and replaced by colonial methods (Akinnusi, 1991). The post-political independence era, however, widened the HR functions in Nigeria. In addition, the indigenisation of the private sector eventually led to the emergence of local businesses and the consequent replacement of foreign labour with local employees (Hawkins, 2000). Such processes required some level of indigenisation of HRM policies and practices.

As many countries in Africa witness different phases of transitioning—from pre-colonial to post-colonial to military era then to democratic rule; economic activities evolve and so should the practice of the related management processes. These historical shifts in development and business activities are expected to be associated with the concurrent evolution of HRM practices. Traditional Nigerian societies and organisations have developed their own HRM systems from the pre-colonial to the post-colonial era (Ovadje & Ankomah, 2001), which has led to various indigenous management practices. Arguably, Africans had their own forms of management practices before colonisation and continue to use management practices which are more akin to indigenous methods (Jackson, 2012). Many changes have also occurred since independence from British colonial rule. For example, the Federal Character Principle (FCP) gave rise to a quota system in Nigeria (Abdulraheem & Adisa, 2013; Fajana et al., 2011). This was aimed at reducing inequality and marginalisation of minority groups. The expectation was to minimise the dominance of persons from identified states and/or ethnic or other sectional groups in government agencies and other public sector organisations (Fajana et al., 2011). The FCP, as a Nigerian Federal Government Act, was incorporated into the 1999 Constitution. In addition, the Quota System Policy (QSP) was also aimed at redistributing national resources to rebalance wealth distribution across ethnic groups (Abdulraheem & Adisa, 2013; Son-Thierry & Weil, 2010).

HRM functions such as recruitment and selection had to, therefore, seek to redress such differences. Other HRM practices such as performance management and motivation require in-depth understanding of the needs, expectations, and motivations of the diverse ethnic groups. Although public organisations were mandated by the FCP of 2003 and the QSP in terms of recruiting employees according to the national diversity legislation (Arubayi & Tiemo, 2012), such processes were, inadvertently, likely to influence practices in the private sector. Generally, the FCP and QSP would affect other aspects of HRM practices. Nigeria has also become known as one of the countries in Africa which has increasingly received high inflows of FDI (Osabutey & Okoro, 2015). Due to the increasing presence of foreign firms, the need to understand the dynamics of HRM issues in Africa has begun to gain interest in the emerging literature (Kamoche, 2002; Osabutey et al., 2015). Anakwe (2002), in a survey of three major cities in Nigeria, found that HR practices were now a blend of western and local practices, emphasising the crossvergence among HRM practices. Although Azolukwam and Perkins (2009) predicted convergence, they conceded that the current evidence suggests that cultural and institutional influences have resulted in a blend of indigenous and foreign HRM practices. Therefore, while HRM practices are influenced by foreign practices, the evolving HRM practices are heavily influenced by cultural and institutional factors (Adisa et al., 2017a). Consequently, it is important to note that the HRM practices in Nigeria have been influenced by indigenous practices which have evolved over the decades before and after independence. In addition, the increasing presence of foreign firms has also shaped HRM practice in the country. However, cultural and institutional issues cannot be ignored if HRM practice is expected to perform to its full capacity.

Studies on strategic HRM (SHRM) policies, opportunities, and practices in Nigeria are particularly important now that Nigeria is open to international trade and investment and has become a key player in the international markets inside and outside of Africa (Gomes et al., 2012; Okpara & Wynn, 2007). There is, therefore, the need for studies that elicit the SHRM issues in Nigeria with the view to developing a specific Nigerian HRM model that would enhance the understanding of Nigerian HRM practices. The problems of Africa are located firmly in Africa's colonial past as well as in its postcolonial present (Ahluwalia, 2001), yet any effort to proffer a solution must be interrogated within this reality (Nkomo, 2011). It is yet appropriate to challenge this orthodoxy in the light of rapid global development in other parts of the world especially south east Asia. The complex argument of colonialism, anti-colonialism, post-colonialism, and western hegemony serves an important reflective purpose as demonstrated by Nkomo (2011). It also helps to position narratives or sometimes appreciate lack of convergence, yet it has had much less positive impact on progress broadly within Africa research or HRM studies more specifically. In this chapter, we deliberately avoid narratives along the historical journey of HRM in Nigeria. Whereas, such a taxonomy creates logic and boundaries, yet much has been written on employment relations, industrial relations than HRM. Moreover, the extant literature presented along this trajectory are not isomorphic.

Current Issues Facing HRM in Nigeria

Effective HRM is one of the essential tools for achieving greater productivity in theory and practice. Consequently, although HRM literature has not been richly developed in Nigeria, our review of extant literature reveals many important issues highlighted by scholars. The effective management of an organisation's human and material resources for achieving greater productivity is the focus of HRM (Beer et al., 1985). The broad issues identified from the literature include ethnicity and related differences, gender issues, the informal sector, modernisation and information technology, and human resource development.

Ethnicity and Related Differences

HRM in SSA often tend to be an autocratic, low-wage, and low-skill model operating with a strong paternalism that incorporates conceptions of personal and family based ties, rights, and obligations (Otobo, 2016; Ovadje & Ankomah, 2001; Wood & Brewster, 2007). In Nigeria, HRM cannot be divorced from various ethnic issues due to the highly diverse and multi-ethnic nature of the country. Arguably, ethnicity and related differences constitute a major dimension of diversity in terms of employment relations in most of Africa (Nyambegera, 2002), and especially Nigeria (Adigun, 1995). The concept of managing diversity through HRM involves various issues, such as the employment of ineffectual employees and paltry productivity (Ogunyomi & Bruning, 2016; Oruh et al., 2020). Adisa et al. (2017c) revealed several inherent challenges confronting employee resourcing in Nigeria, including favouritism, ethnicity, age, and gender discrimination, and corruption. These are significant inhibitors of effective employee resourcing in Nigeria and thus these differences in personal characteristics constitute fundamental HR challenges in the Nigerian context. Adigun (1995) reported significant job attitude differences among the three major ethnic groups (Yoruba, Igbo, and Hausa) of Nigeria thus confirming the importance of cultural differences in understanding workers even within the same country as values, beliefs, and customs differ. Significant within-country cultural differences are very common. Relatedly, Parboteeah et al. (2014) also highlighted the important role of HRM in furthering ethics and creating an ethical culture, albeit this has been mostly ignored in the African context.

Similarly, Parboteeah et al. (2014) discussed ethical considerations in the HR process including during recruitment, career advancement, and training opportunities highlighting the positive and adverse impact that could play out. The notion of obligation to close relatives and friends during such processes was equally addressed by Kamoche (2001). The FCP and QSP, designed to prevent oppression and marginalisation of employees due to their socio- and ethno-religious affiliations, were found to have inadvertently eliminated competitiveness and have bred mediocrity in the recruitment and selection processes (Adeleye et al., 2014; Adisa et al., 2017c). The socio-cultural diversity of Nigeria has implications for HRM practice as ethno-religious affiliation segregates people and jobs. This is because the national culture is heavily inclined towards culture, language, gender, religion, and ethnic affiliation in terms of employment (Adisa et al., 2017c; Emerole et al., 2013; Pitts & Wise, 2010; Shoobridge, 2006). A wide range of external pressures—ranging from wider political instability to the demands placed by extended kin-based networks—often precluded managers from operating effectively (Bischoff & Wood, 2012). Essentially, ethnicity, local values, and customs are critical in HRM in Nigeria.

Gender Issues

Additionally, gender inequality in Nigeria has always been an important issue in HRM. Fatile and Adejuwon (2011) highlighted the government's apathetic attitude in terms of pursuing an employment policy which would ensure gender balance in the workplace (specifically in government institutions)—thus putting the female gender at the mercy of subordination and discrimination. However, gender stratification, in terms of male and female advantages, pervades every system of HRM in Nigeria, regardless of the sector (Ogunrin et al., 2011). This phenomenon may relate to the broad assumption that women's domestic responsibilities often affect their participation in the labour market (Hochschild, 1997) and their performance at work (Adisa et al., 2014). It may also be connected to the patriarchal nature and the traditional division of labour within a section of the Nigerian society, which allocates the primary breadwinning role to men and the homemaking role to women (Adisa et al., 2016, 2017b).

Bako and Syed (2018) discusses women's marginalisation and gender inequality in all phases of life in Nigeria attributable to patriarchal culture and legislative gaps. This has resulted in massive constraints for women participation in all spheres of life with implications for HRD as well as economic development more generally (Adisa et al., 2021). Despite signing the enactment of anti-discriminatory laws, gender inequality and women marginalisation persist due to the patriarchal culture and religious norms that have a strong influence on the society (Adisa et al., 2021; Bako & Syed, 2018; Nwaka et al., 2016). Nwaka et al. (2016) investigated gender differences in self and paid employment and found that gender difference is higher in self-employment compared to paid employment. The findings further reveal that pay structure varies across employment sectors—waged and self-employed—and that the determinants of the employment sector also vary by gender and family roles. Gender prejudice is an indication of ineffective HRM and a significant challenge.

The Informal Sector

Generally, in Africa, informal sector activities are overseen and regulated by business owners who operate from makeshift structures (Muuka & Mwenda, 2004), with informal obligations being promoted (Bischoff & Wood, 2012). Relatedly, the nature of businesses and the ownership thereof is also crucial to the effectiveness of HRM in Nigeria. The Nigerian informal sector has evolved over the past 50 years (Nwaka, 2005). Albeit, most businesses are privately owned, meaning that the informal sector accounts for a large proportion of the urban workforce (Arimah, 2001). The Nigerian informal sector contributes around 58% to the economy (Ministry of Budget and National Planning, 2017). However, despite the huge size of the Nigerian informal sector (which comprises several micro and small businesses) (Ovadje & Ankomah, 2001), there are no formal HRM rules, sanctions, or models guiding the HRM activities of organisations (Ogunyomi & Bruning, 2016). Business owners often adopt what they deem suitable HRM models. These usually tend to lean towards western approaches (Fajana et al., 2011).

Fajana (2008) provides an original and detailed review of employment relations in non-standard work. This vast non-unionised informal sector, Fajana (2008) opined, could be a valuable strategy for achieving decent work and pay, hence minimising poverty as well as enhancing Nigeria development objectives. Yet, there have been barriers in this area and more than a decade later, there has not been much progress made. Ogunyomi and Bruning (2016) examined HRM and organisational performance in SMEs, the findings reinforce extant studies from developed countries tentatively suggesting the generalisability of relationships between HRM practices and firm performance from large organisations to SMEs, while also raising awareness of the effectiveness of implementation of some practices for effective testing in SMEs. Overall, a lack of a framework for standardised HRM policies and practices within the informal sector in Nigeria undermines fair employment standards.

Modernisation and Information Technology

Electronic HRM (e-HRM) is still emerging in Nigeria. Much less research has been reported in this area. Much interest is reported within the banking industry probably due to affordability and the high cost associated with digitalisation (Iyiola & Osibanjo, 2014; Oruh, 2013). Although computer and internet usage in Nigeria is much less than it is in many western nations, many organisations in Nigeria continue to recognise the important role of computerisation/digitalisation in different areas of HRM (such as recruitment, selection, performance appraisal, employee benefits), and are now storing employee data electronically. Noe et al. (2003, p. 38) described e-HRM as 'the processing and transmission of digitized information used in HRM…from one computer or electronic device to another'. However, technological knowledge expertise (and utilisation) is still in short supply; as there is equally lack of financial resources to acquire, update, and maintain critical Human Resource Information Systems (HRIS), a chronically unreliable electricity supply; and an ineffectual internet service (Sylvester et al., 2015). All these factors undermine the optimum impact of e-HRM in Nigeria. The introduction or adoption of e-HRM will increase employee commitment and service delivery which may facilitate organisational performance (Iyiola & Osibanjo, 2014), and a method of implementing HR strategies, policies, and practices (Nura et al., 2012).

Human Resource Development

Another challenging issue is the lack of effective human resource development (HRD) policies and practices. Effective training (which focuses on developing superior HR) is crucial for the development of HR in an organisation. In many Nigerian organisations, developing a standard HRD strategy to stimulate effective and efficient HRM is still largely a goal. Similarly, identifying the need for staff training and, in many cases, the financial resources needed to sponsor the training remain huge setbacks for many organisations (Arubayi & Akobo, 2018; Oguntimehin, 2001), especially in the informal sector. Although the Industrial Training Fund (Amendment) Act 2011 mandated employers with just five or more employees to contribute to the fund in order to facilitate effective training and development for employees, anecdotal evidence suggest that majority of organisations in the informal sector do not have dedicated budgets for the support of many HRM practices, including employee evaluation, compensation, training, and development. Individuals entrusted with HRD tend to frame their interventions in terms of how they viewed the local cultural setting (Bischoff & Wood, 2012; Hansen, 2003).

The issues highlighted here are problematic and undermine the fundamentals and potentials of HRM in Nigeria. There are several empirical studies to draw from. Okpara and Wynn (2007) found that while HRM practices, such as training, recruitment, compensation, performance appraisal, and reward systems, are in place, the issues of ethnicity, training and development, and corruption remain significant challenges. In another study, Suleiman et al. (2018) drawing upon Badura's social cognitive learning theory investigates mediating role of transfer motivation on trainee characteristics when transferring training among Nigerian teachers. They found that the extent of involvement in organisational commitment and full involvement in their jobs would drive employee's persistence and intense efforts towards utilising skills and knowledge learned in the work settings. Moreover, transfer motivation is a fundamental element in the transfer of training processes. Similarly, Oseghale et al. (2018) examines the main drivers, nature, and extent of employee training. The findings suggest several factors including government regulations, health and safety concerns, industry-education outreach programmes, and the general state of industry tend to trigger proactive measures in developing relevant training programmes. Moreover, organisations' strategies, policies, health and safety concerns, and technological changes influence training decision-making. While these issues are core to success, they are however not exhaustive. Nonetheless, dealing with such organisational management challenges require a strategic Nigerian HRM (NHRM) model which would consider all the relevant variables identified. The following section, therefore, conceptualises a workable NHRM model based on the foregoing issues and challenges.

Conceptualising an NHRM Model

Many scholars have called for a country-specific model to fit well in HRM context (Anakwe, 2002; Jaeger & Kanungo, 1990; Kamoche, 2000; Okpara & Wynn, 2007), and this would be most appropriate in the case of Nigeria given its unusual multicultural setting. Often western HRM models do not sit well in the non-western Nigerian context. SHRM theories developed and conceptualised in western-developed countries (Hendry & Pettigrew, 1990) have key environmental influences on HRM. Such theories concentrated on mapping the context while ignoring the analysis of the possible linkage between the context and performance. Some scholars built and concentrated on strategy and structure; hypothesising that organisations which have a fit between business strategy, structure, and HRM policy and practice will have greater performance (Miles & Snow, 1984; Schuler & Jackson, 1987). Other scholars proposed descriptive theories focusing on the classification of the content of HRM and different outcomes (Beer et al., 1985; Kochan et al., 1986). While Beer et al. (1985) concentrated on HRM policies and practices and their key outcomes, Kochan et al. (1986) focused on a systems approach which described the interrelationships between levels. Normative theories on the other hand were prescriptive in nature (Walton, 1985), proposing that either a sufficient body of knowledge exists to provide a basis for the prescribed best practice or that a set of values indicate best practice (Guest, 1997; Pfeffer, 1995). The main contention is that a higher employee performance is required, if an integrated set of HRM practices is applied to achieve the normative objectives of high commitment to the organisation (Guest, 1997).

This segment of the chapter aims to present a best fit considered appropriate in the Nigerian context—the NHRM model. This is essential as many western theories/models are not fit for purpose in Nigeria, nay SSA. The more critical debate remains whether a universal HRM model exists. Some scholars have submitted that such a model exists (Huselid & Becker, 1995; Pfeiffer, 1998). Others have argued that the effectiveness of HRM practices depends on the specific organisational and environmental context (Mayer et al., 1993; Venkatraman, 1989). Therefore, following the foregoing analysis and review of extant work in Nigeria, a country-specific HRM model is proposed here. The descriptive, normative, or strategic models do not provide insight into the contextual background of NHRM. This chapter, thus, introduces five contextual factors which must be considered when developing an NHRM model that would be fit for purpose and best HRM practice in the Nigerian context. The factors are cultural and social factors, environmental factors (internal and external), merit and standard practices, organisational requirements and institutional mechanisms, and organisational outcomes. With these factors in place, best policies and practices will be assured, and the right people will be in the right job performing the right tasks.

Cultural and Social Factors

Societal culture has an important influence on the way organisations manage their employees and the way HRM practices are developed and implemented (Sparrow et al., 1994). Culture involves rules and regulations which define the totality of people's lives in a society, regardless of the organisation in which they work. Cultural diversity in Nigeria means that, often, organisational systems and approaches (which have a major influence on attitudes, perceptions, decision-making, and other vital aspects of an organisation) may be different across the country. The three dominant cultures in Nigeria are: the Hausa, Yoruba, and Igbo cultures albeit there are hundreds of other ethnic groups. The value of inclusiveness which HRM espouses means numerous ethnic groups must be factored in when designing policies. Nigerian cultural values include, not necessarily in order of importance: (a) religion, (b) family unity, (c) community life, (d) respect for the elderly, and (e) respect for parents and authority (Cohen, 2007). NHRM philosophy should focus on how HR functions can be managed in a way which embraces Nigerian cultural ideologies and way of life. In this respect, it is important for organisations to consider the ethnic composition in the area of its operation. Edoho (2001, p. 74) argued that 'for a theory or model to be practical in Nigeria, it must embrace the contextual reality and daily existence and experience of the people'. Similarly, every culture has developed specific and unique insights into HR and the management of organisations through their own histories (Laurent, 1986; Singh, 2009). Furthermore, researchers have extensively commented on the impact of culture on HR practices and the need for a balance between different cultural values and practices (Wang et al., 2008; Westney, 2005).

The question remains: to what extent does culture influence how HRM practices are developed and implemented? In the USA and Europe, the pay for performance scheme is prevalent (Hatton, 1988; Jones & Kato, 1995) whereas the lifetime employment and quality circle programmes are embedded in Japanese organisations and management policies (Newman & Nollen, 1996; Pascale & Maguire, 1980). These programmes are not currently popular and are unlikely to be successful in Nigeria. In a high-power distance Nigerian culture, loyalty, and obedience to superior or constituted authority are all required and essential to HR functions such as performance appraisal/management, promotion, and benefits. Socially acceptable behaviour thus takes precedence over results/performance criteria of the individual in HRM decisions. Therefore, cultural factors must be considered in the design and implementation of an HRM model for Nigeria.

Environmental Factors

Many studies have documented the relationship between, and the importance of, environmental factors in designing and implementing a vibrant HRM model (Buller, 1988; Cascio, 1993; Jackson et al., 1989; Wright et al., 1994). Environmental factors include both the internal and external factors. Internal environmental factors comprise the organisational purpose/mission, organisational size and structure, organisational strategies and objectives, actions of corporate headquarters, and the priorities of management. On the other hand, external environmental factors are composed of government regulations, economic conditions, technological advancement, and workforce demographics. All these factors are different and operate differently in Nigeria. For example, the economy of Nigeria was out of recession recently having been in recession for two years previous (Agri et al., 2017). Consequently, this has had a direct impact on the HR activities of both public and private organisations—in terms of recruitment, training and development, pay and compensation, and other HR functions. Researchers have stressed the significance of several environmental factors on HRM including the economy, technology, and government regulations (Kabene et al., 2006). Developing a good HRM model for the Nigerian HRM and organisational system requires careful consideration of all the external factors, some of which are unique to the Nigerian context.

Merit and Standardised Practices

The challenges surrounding the value of merit over and above other considerations is a rather difficult debate in many non-western contexts including Nigeria. The complications around ethnicity, family and kinship obligations, and loyalties among others suggest that merit and standardised practices within HRM practices are often compromised. Khan and Ackers (2004) previously proposed a modified version of Ackers' (2002) 'neo-pluralist' theoretical framework as the basis for understanding and resolving some of the issues involved in HRM in SSA. The proposal which covers the external context, the institutional context, as well as HR policies and practices are an attempt to institutionalise some elements of the African social systems into formal HRM policies and strategies. It is, however, inadequate to comprehensively address the entire remit of people management for today's HRM functions. It pays little attention to contemporary issues and salient practices such as merit and standardised practices and organisational outcomes.

Furthermore, it deconstructs family, kinship, and religious obligations as external context, both of which are among today's dominant internal dynamics that determines who the employee is and what role the organisation plays in their care. Nyambegera (2002) highlights the positive contribution of ethnic diversity in African organisations, arguing that if well managed could enhance organisational harmony and effectiveness. He further advocates that African organisations consciously embrace approaches of 'inclusion' rather than 'exclusion' for HRM. It is noteworthy though that the actual practice and implementation of this proposal may be beset with intricate albeit surmountable challenges. Similarly, if organisations appreciate the inherent employee 'differences' this may significantly enhance the reputation and effectiveness of organisations. It is imperative that organisations standardise their practices and embrace merit to ultimately achieve a successful organisational outcome. This is a potentially rich research area and a proposal that is open to empirical validation and further research.

Organisational Requirements and Institutional Mechanisms

Organisational requirements deserve consideration for the development of the NHRM model because every organisation has plans and requirements which further determine the trajectory of its progress. Such organisational requirements include the organisational vision and mission, its goals and objectives, its priorities, its plans, standards and protocols, and resource parameters. It is essential to note that the source of organisational requirements is rooted in organisational structures, the activities of individuals and groups, power structures, obligations and responsibilities, and control and autonomy (Harker et al., 1990). All these must be carefully considered when developing an NHRM model. The FCP and the QSP are two prominent institutional mechanisms which have been established and operated in Nigeria and aim to manage equality, diversity, and inclusion in organisations (Adeleye et al., 2014). The FCP (Federal Character Commission, 1996) and the QSP (Federal Government of Nigeria, 2011) detailed in the cited documents were established to curb the excesses of HR managers and other recruitment agencies, preventing bias, inequality, and marginalisation in recruitment into public organisations (Fajana et al., 2011). However, while some researchers have argued that FCP and QSP have not achieved their lofty objectives (Arubayi & Tiemo, 2012; Bodunrin, 1989; Mustapha, 2009), others have suggested that these mechanisms should be reviewed as they undermine the principles of merit and excellence (Adeleye et al., 2014; Adisa et al., 2017c). Vibrant institutional mechanisms evidencing merit and transparency in the system, which were discussed in the previous section, should be incorporated into the proposed NHRM model.

Organisational Outcomes

Many studies have demonstrated that there is a nexus between HRM and organisational outcomes/performance (Boselie et al., 2009; Combs et al., 2006; Delaney & Huselid, 1996; Huselid et al., 1997). The alignment of organisational strategy and various HR practices within an organisation are crucial for explaining the link between HRM and organisational outcomes: when HRM is properly aligned within the organisation, the employees know what is expected of them (Baron & Kreps, 1999). Although there is evidence in the existing literature on this topic that HRM improves organisational outcomes (Huselid, 1995; Huselid et al., 1997; Ogunyomi & Bruning, 2016), it is essential to examine the outcomes of any proposed HRM model in relation to the outcomes on the part of both the employer and the employee, while these need to be clearly communicated to the employee. Nishii et al. (2008) argued that employees may make attributions about HR practices and their motives, which can impact their attitudes and behaviour. Essentially, the purpose, intention, and outcomes need to be communicated clearly to the stakeholders to ensure buy-ins as well as consistent execution across the organisation.

Synthesis of Themes and Direction for Future Research

There are five discernible but interconnected prospective areas for future research highlighted by this review. First, there has been a systemic failure of investigative empirical research in all aspects of HRM in Nigeria. Many published researches have been in silos with no systematic follow-up. We did not find any study that followed up on previous empirical published studies. This lack of follow-through makes it difficult to identify a research trajectory and create a path that may lead to credible conclusions, as well as feasible theoretical or applied value. The absence of any studies that have followed up on any of our key readings make it difficult to demonstrate how extant studies have advanced HRM knowledge and bridged the gap in the HRM literature in the case of Nigeria. Future studies, therefore, require a more systematic approach that would engage with the HRM challenges that are both general global practices and specific NHRM challenges. Second, Ovadje and Ankomah (2001) argued that modern practices such as peer and/or subordinate appraisals do not sit comfortably within the Nigerian culture where critical face-to-face comments may be misconstrued as personal attack. This is a curious take which may have anecdotal evidence but requires empirical support. Yet, we did not find any performance appraisal review-specific research that has evaluated or challenged this viewpoint. This is an important area for future investigation that may reveal valuable insight into employee review and performance.

Third, softer and contemporary HRM issues are generally missing from current outputs from Nigeria. Contemporary and topical issues such as Green HRM, emotional intelligence and the role of HRM in ethics are missing from empirical investigation in our literature search. These issues are topical globally and have massive implications for the future of HRM. There is, therefore, a need to infuse such areas of investigation in the sphere of future HRM research in Nigeria. This is instructive owing to the changing dynamics of the organisational landscape and the need to adopt an integrated approach. Fourth, diversity, gender, and technology are also contemporary issues globally. While there are few reported studies in these areas from our review and engagement with the literature, yet neither research nor practice of HRM in Nigeria is at the forefront of best practice in any of the three areas. This is despite the fact that these issues are unique for Nigeria as a country with great diversity challenges (Adigun, 1995; Anakwe, 2002; Ogunyomi & Bruning, 2016). Moreover, there are massive gender gap differences and women discriminatory practices (Bako & Syed, 2018; Nwaka et al., 2016), and the use of technology could have quick positive impact on its HRM practices (Iyiola & Osibanjo, 2014; Nura et al., 2012; Sylvester et al., 2015). Future research geared at empirically demonstrating how diversity, gender, technology could support the attainment of better HRM practices are therefore timely. Fifth, there is also a dearth of funded research and/or sponsored projects. We found only one published paper in 2002 that received some grant. It is not clear if it is the lack of available bids, the absence of submitted proposals, or the failure of submitted bid proposals that accounts for this gap. However, it provides an impetus for bridging this gap.

Conclusions

The chapter emphasised the importance of designing HRM research and practices to suit country-specific contexts. It argues that, in Nigeria, socio-cultural, ethno-religious affiliations, institutional measures (FCP/QSP), the informal economic sector, poor infrastructure, and the need to blend foreign and indigenous HRM practices have strongly influenced HRM policy and practice therein. Consequently, it calls for a critical review and reflection of contextual factors when applying HRM theory especially in developing countries such as Nigeria. A key contribution of the chapter is the identification and discussion of indigenous and comprehensive contextual factors which must be considered when developing an NHRM model or best HRM practices for Nigerian organisations and/or organisations operating within Nigeria. Many researchers have argued that an overwhelming theme in African HRM literature is the pertinence of western management principles and practices (April & Shockley, 2007; Jackson, 2004; Jackson et al., 2013; Kamoche & Newenham-Kahindi, 2013; Mangaliso, 2001). This phenomenon is problematic for organisations operating in Nigeria because many adopt western practices with little or no consideration for the African indigenous systems and models of leadership, culture, and environment factors (Jackson et al., 2013; Mangaliso, 2001; Mbigi, 2000). This chapter, thus, highlights a unique, distinctive workable approach for the management of HR functions in Nigeria which many researchers have previously called for (an NHRM model) (Anakwe, 2002; Fajana et al., 2011; Kamoche, 2002; Nyambegera, 2002).

Although there has been no agreement on the nature of the NHRM model, this chapter proposes a suitable NHRM model for industries and organisations operating in Nigeria. An NHRM typology must be contextualised within the framework of the specific socio-cultural, economic, and other institutional determinants of organisational existence, survival, and continuity. With a deep understanding of these factors, the best HR policies and practices will be assured and the right people will be deployed in the right places, performing the right tasks (Fig. 2.1). It is hoped that

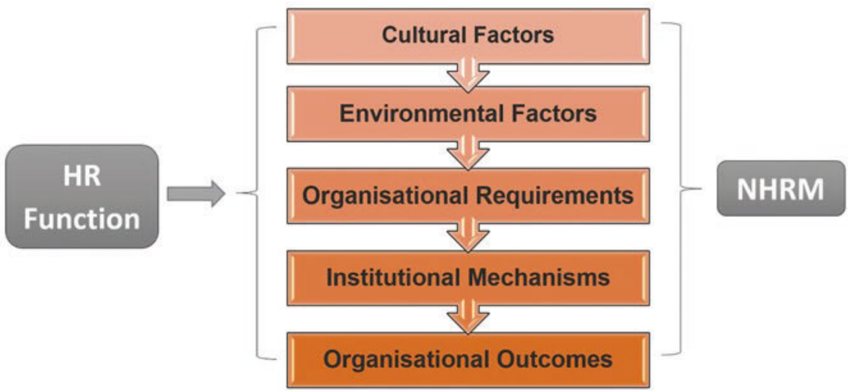

Fig. 2.1 Proposed Nigerian HRM (NHRM) model

this chapter will stimulate impactful research on the development of an NHRM typology as well as further research on HRM in Nigeria, which is limited. This would be useful for international organisations that are required to incorporate local nuances to enhance international HRM policies and practices. Such an approach would reduce over-reliance on western HRM models and practices, moving on from this reliance to the development of an appropriate NHRM typology which will add value to HR practices.

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3

Human Resource Management and Employee Outcomes in Egypt

Ahmed Mohammed Sayed Mostafa

Introduction

In the past three decades, strategic human resource management (HRM) scholars have given much attention to understanding the relationship between HRM and organisational performance (Mostafa, 2021). After accumulating strong evidence for the positive association between HRM practices and several organisational outcomes, scholars started directing attention towards understanding the mediating mechanisms through which this association occurs. The focus in particular was on an organisation's employees and their outcomes (Gould-Williams & Mostafa, 2021). Employees are the organisation's most important asset, and their effective management helps provide a non-imitable competitive advantage (Guest, 2002). HRM practices help enhance positive employee outcomes and encourage employees to act in ways that are in line with the organisation's objectives. Therefore, employee outcomes are viewed as the main

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_3

mechanism linking HRM and organisational performance (Messersmith et al., 2011; Jiang et al., 2012b).

Many studies have been conducted on the relationship between HRM practices and employee outcomes in different countries across the world (e.g. Mendelson et al., 2011; Ang et al., 2013; García-Chas et al., 2013; Jensen et al., 2013; Kehoe & Wright, 2013; Takeuchi & Takeuchi, 2013; Shen et al., 2014; Vermeeren et al., 2014; Kilroy et al., 2017; Ogbonnaya & Valizade, 2018). The main aim of this chapter is to shed light on this relationship in Egypt, which is one of the largest and most populated countries in the Middle East. The chapter starts by providing an overview of the concept of HRM and then discusses its measurement. The main theories that have been used in the literature to explain the relationship between HRM and employee outcomes will then be reviewed. This will be followed by a discussion of the Egyptian context and the implications of culture on the practice of HRM in Egypt. The chapter then reviews the main studies that have examined the relationship between HRM and employee outcomes in Egypt in the past ten years and concludes by providing future research avenues.

Defining HRM

Since the early 1980s, the concept of HRM has gained considerable attention from scholars (Boselie et al., 2021). Yet, there is no one agreed definition of the concept (Heery & Noon, 2008; Paauwe, 2009). For example, Storey (1995, p. 5) defines HRM as "a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques". Also, Armstrong (2003) describes HRM as a coherent and strategic approach to the management of the most valued assets of an organisation: its people, who individually and collectively contribute to the achievement of its goals. Another definition comes from Heery and Noon (2008, p. 215) who view HRM as a "coordinated approach to managing people that seeks to integrate the various personnel activities so that they are compatible with each other". A broad definition of HRM is provided by Boxall and Purcell (2008) who describe it as all the activities related to the management of work and people in formal organisations. Overall, HRM is viewed as an "evolving field of academic inquiry" which focuses on the study of the employment relationship and the means by which individuals are managed at work (Paauwe, 2009, p. 130).

Storey (1995) classified HRM into 'hard' and 'soft' versions. Hard HRM, referred to also as the control approach, (Whitener, 2001) views employees as a resource or object that can be treated dispassionately and in a formally rational way (Storey, 1995). It is mainly focused on effective employee utilisation and the alignment of HR practices with an organisation's business strategy (Guest, 1999, 2002). This approach relies on rules, rewards, sanctions, and monitoring to guide worker behaviour (Whitener, 2001). In contrast to hard HRM, soft HRM (also referred to as the commitment approach; Whitener, 2001) stresses the need to treat employees as valued individuals and places emphasis on their wellbeing (Storey, 1995). Soft HRM is linked to the human relations movement. It emphasises the importance of winning the commitment of employees to achieve organisational objectives. Therefore, employees according to this approach are regarded as means, not objects (Guest, 1999). The soft approach has dominated the literature on the relationship between HRM and employee outcomes.

Soft HRM has been linked with the concept of 'high performance' work systems or practices (Guest, 1999; Butler & Glover, 2010). High performance HR practices are a group of interrelated HR practices designed to improve overall organisational performance through enhancing employees' skills and efforts (Whitener, 2001; Messersmith et al., 2011). They are also referred to as 'high commitment' or 'high involvement' work systems or practices (Gould-Williams & Mostafa, 2021). There is no agreement regarding the specific practices that should be included in high performance work systems. However, the most widely used practices include selection, training and development, performance-related pay, performance appraisal, communication and autonomy (Mostafa & Gould-Williams, 2014; Mostafa, 2016; Boon et al., 2019).

Measuring HRM

This section will discuss two main issues that relate to the measurement of HRM practices: (1) the focus on HRM systems or bundles rather than individual HRM practices and (2) HRM system levels.

HRM Systems

The whole is greater than the sum of the parts. The assemblage and gathering of the actions of different elements can engender greater combined effects than what could be anticipated when the different elements work in isolation (Subramony, 2009). This means that the collective effects of different HRM practices can lead to a net result that surpasses the effect of one single practice. Individual HRM practices work together, not in isolation, and workers are concurrently exposed to several different practices (Jiang et al., 2012a). Therefore, HRM scholars recommend focusing on bundles or systems of HRM practices, rather than individual or single HRM practices, when studying the relationship between HRM and employee outcomes (Jiang et al., 2012a; Boon et al., 2019). The main assumption here is that the effectiveness of a single HRM practice is determined by other practices in the system, and when practices fit into a coherent or consistent system, they reinforce each other and generate synergies (Boon et al., 2019). In fact, even though there is no agreement about the number and combination of practices that should be included in HRM systems, an increasing body of research has shown that HRM systems or bundles are more strongly related to employee outcomes than individual practices (Jiang et al., 2012b; Boon et al., 2019). As noted before, HRM systems are given different labels such as 'high performance', 'high commitment', or 'high involvement' work systems or practices (Gould-Williams & Mostafa, 2021).

Scholars argue that practices in an HRM system can be related in different ways (Boon et al., 2019). They could have independent effects and add together without affecting each other (additive relationship). They could also have an interactive relationship where the effectiveness of one practice will depend on the presence of others. They may also be substitutes or display negative or positive synergies (Delery, 1998). In general, there is no agreement on how to integrate HRM practices in a system and big differences exist between conceptual approaches to combining different practices (Boon et al., 2019).

HRM System Levels

Employee perceptions of HRM practices are different from organisational intentions (Bowen & Ostroff, 2004; Nishii & Wright, 2008). HRM practices have different meanings at different levels, and therefore, form different constructs at these levels (Boon et al., 2019). In 2008, Nishii and Wright proposed a process model of HRM in which they distinguished between intended HRM practices, actual HRM practices and perceived HRM practices. Intended HRM practices are those designed by the HR department and specified in HR handbooks or official documents. Actual practices are those implemented by line managers, while perceived HRM practices are those experienced and perceived by employees. Nishii and Wright's (2008) model highlights the important role played by line managers in applying intended HR practices, and proposes that the implementation of HRM practices by line managers' affects the differences between intended HRM practices and the perceptions of these practices by employees. Furthermore, according to the model, HRM is beneficial to organisations, and will enhance their performance through positively influencing employee reactions. Thus, there is variability in HRM both between and within organisations, and any differences or variations between the implementation of HRM practices by line managers and the perceptions of these practices by employees should be considered when studying the relationship between HRM and organisational performance (Nishii & Wright, 2008). An important point to note here is that some HRM practices, such as HR planning, may not be salient or relevant to all organisational members. This usually results in different interpretations of the HRM practices for different rater groups (e.g. employees and managers). In addition, sometimes employees may perceive practices that are not part of the intended or formal HRM system but are offered by line managers to fit the specific needs of employees. Recently, there have been calls for more research on which practices are usually offered by managers beyond the formal HRM system and how these could influence employee perceptions of HRM systems (Boon et al., 2019).

Theories Explaining the HRM-Employee Outcomes Relationship

Two theories have dominated the literature on the relationship between HRM and employee outcomes: Blau's (1964) social exchange theory and Appelbaum et al.'s (2000) ability-motivation-opportunity (AMO) theory. However, other theories have also been used to explain this relationship including the attraction-selection-attrition (ASA) framework, self-determination theory (SDT), affective events theory (AET), job demands-control theory, job demands-resources (JD-R) model and conservation of resources (COR) theory. In this section, these theories will be briefly discussed.

Social Exchange Theory

Social exchange theory is based on the norm of reciprocity, which suggests that individuals feel obliged to give back to those who have given to them (Gouldner, 1960). Thus, when workers perceive that they are treated fairly and given something of value by the organisation, they will provide something of value in return (Mostafa et al., 2015, 2019). HRM practices are an important input into the social exchange process. They signal that the organisation is trying to establish trusting and long-lasting relationships with employees. Investments in HRM practices demonstrate to employees that the organisation is committed to them, cares about their development and wellbeing, and wishes to invest in them. Employees, in turn, will reciprocate in positive ways by displaying attitudes and behaviours that benefit the organisation (Mostafa et al., 2015, 2019).

Ability-Motivation-Opportunity Theory

The ability-motivation-opportunity (AMO) theory postulates that employees will display positive attitudes and work behaviours when (1) they have the skills and knowledge required to perform their job (abilities); (2) they are incentivised to do that job (motivation) and (3) they are given opportunities for expression and provided the needed support (opportunity to participate; Boxall & Purcell, 2008). Appelbaum et al. (2000) suggest that certain HRM practices are important for enhancing employee abilities, motivation and opportunity to participate (i.e. the AMO variables). Practices such as recruitment and selection, and training and development help enhance employee abilities, while promotion opportunities, high wages and performance appraisal help enhance motivation. Practices such as involvement in decision-making and job autonomy help promote opportunities to participate. Enhancing the AMO components will encourage employees to show desirable attitudes such as affective commitment and positive behaviours such as organisational citizenship behaviours (Appelbaum et al., 2000; Boselie et al., 2021).

Attraction-Selection-Attrition Framework

Schneider's (1987) attraction-selection-attrition (ASA) framework suggests that an organisation attracts, selects and retains individuals whose personal characteristics match the organisation. Individuals are attracted to an organisation based on their pre-entry beliefs of the organisation's main goals and values. After that, via formal and informal selection policies, the organisation selects individuals who fit its goals and values. Later on, if individuals change their goals and values, and no longer fit the organisation, they will be likely to leave. This, to some extent, reflects mistakes of judgement on the part of the individuals who do not fit and/or the organisation that has selected them in the first place (Schneider, 1987). It could also reflect unfulfilled expectations on the part of the worker. HRM practices are a key factor that helps match workers with their organisations. Practices such as selection, training and development, reward systems, job security and promotion consistently communicate organisational goals, values and expectations to workers, which in turn should increase workers fit with the organisation. When a good fit is achieved, workers will be more likely to display positive attitudes and behaviours and will experience improved levels of wellbeing (Mostafa & Gould-Williams, 2014; Mostafa, 2016).

Self-determination Theory

Deci and Ryan's (2000) self-determination theory (SDT) suggests that people have an inherent desire for personal growth and development, and that the degree of this growth and development is dependent on the fulfilment of three basic psychological needs: autonomy, relatedness and competence. The need for autonomy involves exercising control over one's own actions and not feeling controlled by external constituencies; the need for relatedness involves feeling connected with and important to others; and the need for competence involves feeling effective and having mastery over one's work. According to SDT, within organisational settings, the fulfilment of these psychological needs will result in high levels of intrinsic motivation and the internalisation of external values, which in turn will bring about desirable work-related outcomes such as positive attitudes and behaviours, improved performance and improved psychological wellbeing and adjustment (Gagné & Deci, 2005). HRM practices are viewed as one of the main factors that can help satisfy employees' basic psychological needs in work organisations through their creation of supportive work environments and their influence on task characteristics and work design (Marescaux et al., 2013). This, according to SDT, should lead to positive work attitudes and behaviours, and higher levels of wellbeing (Gagné & Deci, 2005).

Affective Events Theory

Weiss and Cropanzano's (1996) affective events theory (AET) focuses on the "causes and consequences of affective experiences at work" (p. 11). The theory suggests that specific aspects of the work environment influence the occurrence of certain events. These events stimulate or provoke different affective reactions, which in turn influence the attitudes and behaviours of workers. Thus, according to AET, work-related outcomes are determined by workers emotional or affective responses to workplace events (Weiss & Cropanzano, 1996). HRM practices are an important aspect of the work environment that helps promote positive affective experiences or reactions by creating favourable events such as positive social interactions with colleagues and supervisors, receiving rewards and praise from others, and sharing good news and information (Mostafa, 2017). These positive affective experiences should result in desirable attitudes and behaviours at work such as increased job satisfaction and citizenship behaviours (Weiss & Cropanzano, 1996).

Job Demands-Control Theory

In contrast to the previously discussed theories, which mainly explain the relationship between *soft* HRM and employee outcomes, the job-demands control theory has been used to shed light on the potential "dark side" of HRM and explain the relationship between *hard* HRM and employee outcomes (Jensen et al., 2013). Karasek's (1979) job demands-control theory consists of three components: (1) job demands, which are psychological stressors such as task pressures and expectations of working hard and fast; (2) job discretion, which is the potential control a worker has over tasks and (3) mental strain, which includes factors such as anxiety and role overload. The theory suggests that mental strain is a function of both job demands and job control, and that, when individuals have more autonomy and control over how and when decisions are made, they will be able to better cope with job demands and feel less strain than when they have little or no control or discretion (Karasek, 1979).

HRM practices can place demands on workers. They could help achieving a competitive advantage but at the expense of individual workers. HRM practices may have some negative consequences such as leading to burnout, role overload and increased pressure on workers (Godard, 2004; Kroon et al., 2009; Jensen et al., 2013). Drawing on job-demands control theory, it has been argued that workers who have less discretion or control over when and how work is done could suffer more negative consequences from the job demands accompanied with HRM practices than workers who have more discretion. In this case, the perception of workers shifts from a soft HRM approach to a hard approach (Jensen et al., 2013).

Job Demand-Resources Model

A framework that considers both the soft and the hard sides of HRM is the job-demands resources (JD-R) model. Schaufeli and Bakker's (2004) JD-R model postulates that job characteristics could be classified into job demands and job resources. Job demands are organisational, social and physical aspects of the job that require sustained effort. An increase in job demands is usually associated with particular physiological and psychological costs such as exhaustion. Job resources, on the other hand, are the organisational, social, physical and psychological aspects of the job that (1) are functional in achieving work goals, (2) could help decrease job demands and the related psychological and physiological costs and (3) stimulate personal growth and development. Job resources predict work engagement and lead to improved performance.

HRM practices can influence both job demands and job resources, and consequently influence employee outcomes (Conway et al., 2016; Veth et al., 2019; Chen & Chen, 2021). For example, training helps employees enhance their skills and abilities and expand their horizons. Therefore, it helps increase job resources. However, training could also be time and energy consuming, which may lead to increased job demands, which in turn could lead to negative outcomes. Flexible working arrangements, such as flexitime and job sharing, could enable individuals pursue their life beyond work. However, they could also reduce learning and development opportunities, which could also result in undesirable outcomes (Veth et al., 2019). Performance management can help employees develop, but at the same time is associated with increased monitoring and control. This could lead to increased work intensification and higher levels of emotional exhaustion (Conway et al., 2016). Overall, HRM practices could be viewed as a predictor of job demands and job resources, and can have negative and positive effects on employees (Conway et al., 2016; Veth et al., 2019; Chen & Chen, 2021).

Conservation of Resource Theory

The focus of Hobfoll's (2001) conservation of resources (COR) theory is on obtaining, protecting and fostering resources. Resources, according to the theory, are "objects, personal characteristics, conditions, or energies" that are valued by individuals because they help in the attainment and preservation of other valued resources (Hobfoll, 2001, p. 339). The theory postulates that a loss of resources is usually associated with individual anxiety, stress and other undesirable emotional experiences, whereas resource acquirement and protection help mitigate the negative consequences of resource loss and promote individual wellbeing (Hobfoll, 1989). Scholars view HRM practices as an organisational resource that helps in achieving work objectives and promoting personal growth and development (Boon & Kalshoven, 2014; Li & Lin, 2021; Yunus & Mostafa, 2021). COR theory postulates that resources acquired from the organisation, such as HRM practices, are usually reinvested in the organisation (Hobfoll, 2001). Accordingly, HRM practices can bring about a gain spiral and encourage workers to contribute to the organisation. Workers will reinvest their acquired resources back into the organisation by displaying positive outcomes (Boon & Kalshoven, 2014). The main aim of this chapter is to shed light on the relationship between HRM and employee outcomes in Egypt. The next section describes the Egyptian context.

The Egyptian Context

Egypt is the most populous country in the Middle East and has one of the largest economies in the region. Both its large population and strategic location have made it an attractive market for foreign investments (Gould-Williams et al., 2015). Egypt is rich in human resources and has a good blend of semi-skilled, skilled and highly qualified workforce (Burke & El-Kot, 2011). The Egyptian culture is collectivistic with high levels of power distance and uncertainty avoidance, and moderate levels of masculinity (Parnell & Hatem, 1999; Leat & El-Kot, 2007). This had significant implications for the practice of HRM in Egypt. Loyalty to the group has usually taken priority over job task requirements in Egypt. In many organisations, nepotism was very common and friendship had a big influence on the selection and promotion of workers (Parnell & Hatem, 1999). Employment was also long term (and still is in some public sector organisations), and rewarding employees was mainly based on seniority. Moreover, performance-related rewards were generally group or relationship based (Leat & El-Kot, 2007). Because of the high level of power distance, Egyptian workers used to seldom disagree with their supervisors or managers, who were typically viewed as autocratic (Parnell & Hatem, 1999).

In many organisations, there were no clear job descriptions, and job responsibilities and duties were not defined clearly, which enabled supervisors or managers to exercise authority in a personal manner. In addition, many Egyptian managers used to believe that human capabilities and potential are limited and somewhat fixed. Because of this, training and development, and career planning was limited (Leat & El-Kot, 2007). However, in recent years, Egyptian employees, managers and organisations have been exposed to more international influences. There are now many western educational institutions in the country and a lot of students travel abroad. There has also been a rise in inward or foreign investment, and a rapid increase in the number of multinational companies (MNCs). These influences have affected HRM practices employed by organisations together with individuals' work-related values. Improving organisational effectiveness has become a major concern, with more emphasis on reducing cost and increasing productivity (Mostafa & Gould-Williams, 2014; Mostafa, 2016).

Religion plays an important role in the Egyptian society. More than 90% of the population are Muslims and the rest are mostly Christian. Islam impacts the daily life of Egyptians and their work-related values (Mostafa & Gould-Williams, 2014; Mostafa, 2016). The Islamic work ethic places much emphasis on dedication to work, self-discipline, hard work, consultation in decision-making, teamwork and workplace generosity (Yousef, 2001; Branine & Pollard, 2010). Therefore, it is believed to have an influence on employees' and encourages them to display positive work-related attitudes and behaviours (Gould-Williams et al., 2015). In fact, workers supporting the Islamic work ethic have been found to be highly satisfied with their jobs, committed to their organisations and willing to display behaviours that contribute to organisational effectiveness (Yousef, 2001; Alhyasat, 2012).

With regard to management practice, there is a difference between what is expected according to the principles of Islam and what is actually practised by managers and organisations in Egypt (Mostafa & Gould-Williams, 2014). Islamic management principles primarily aim for linking the interests of the organisation to those of the society (Ali, 2010). However, due to economic pressures and endeavours to reduce costs, not many organisations have incorporated the Islamic management principles in employment practices and policies (Ali, 2010; Branine & Pollard, 2010). Nevertheless, as noted before, in recent years, many organisations in Egypt have been exposed to more international influences which have impacted the practice of HRM. Nowadays, several organisations in Egypt have started directing more attention towards internal social responsibility. They give attention to the physical and psychological work environment and engage in activities that relate to worker health, safety and wellbeing (Mostafa & Shen, 2020).

Currently, more than half of the country's workforce is employed in the private sector. Historically, for Egyptians, employment in the public sector was highly desirable as it offered high levels of job security and status. However, in recent years, with the increase in the number of private sector organisations in Egypt, the public sector has largely lost its appeal especially that the private sector offers better salaries and working conditions (Gould-Williams et al., 2015). To improve their standard of living, many public sector employees work simultaneously across the public and private sectors. Many workers also migrate to the Arab Gulf states because of the limited development opportunities and low salaries. Egyptian governments have been working on improving the working conditions of workers in the public sector (Mostafa, 2016). However, and in spite of the increased government expenditure on public employees' salaries and wages, workers in this sector still complain because of poor working conditions. This suggests that more work still needs to be done in relation to managing human resources in Egypt.

Studies on the HRM-Employee Outcomes Relationship in Egypt

In this section, the studies that have examined the relationship between HRM practices and employee outcomes in Egypt will be summarised. The focus here is only on studies published in international peer-reviewed journals. Unpublished dissertations or theses as well as conference papers were not considered. The studies here only used a quantitative, not a qualitative, methodology and their focus was on multiple HRM practices rather than a single practice. Only three studies were found. None of these studies focused on actual or intended HRM. Instead, the focus was on employee perceptions of HRM practices. The focus of the studies was also on a bundle or system of HRM, rather than individual HRM practices. The main aim of these studies was to examine a mechanism or a mediator of the relationship between HRM and employee outcomes. The three studies were conducted in the public sector.

In the first study, using a sample of 671 professionals in the Egyptian health and higher education sectors and drawing on both AMO theory and the ASA framework, Mostafa and Gould-Williams (2014) examined the role of person–organisation (P-O) fit as a mediator of the relationship between High performance HR practices (HPHRPs) and job satisfaction and organisational citizenship behaviours. P-O fit describes the compatibility or congruence between the characteristics of employees and their organisation (Kristof, 1996). The results showed that HPHRPs are positively associated with P-O fit, job satisfaction and citizenship behaviours. Furthermore, P-O fit partially mediated the relationship between HPHRPs and both job satisfaction and citizenship behaviours.

In another study, using the same sample and drawing on social exchange theory, Mostafa et al. (2015) tested the mediating role of public servant motivation (PSM) on the relationship between HPHRPs and employees' affective commitment and organisational citizenship behaviours. PSM refers to a "particular form of altruism or prosocial motivation that is animated by specific dispositions and values arising from public institutions and [their] missions" (Perry et al., 2010, p. 682). The findings of the study revealed that PSM partially mediated the relationship between HPHRPs and both affective commitment and organisational citizenship behaviours. In the third and final study, using a sample of public health sector workers and drawing on the ASA framework, Mostafa (2016) examined the mediating role of P-O fit on the relationship between HPHRPs and two negative employee outcomes: work-related stress and quit intentions. Mostafa (2016) found that HPHRPs were positively related to P-O fit, which in turn had significant negative associations with both outcomes. In the study, P-O fit fully mediated the relationship between HPHRPs and both work stress and quit intentions.

Avenues for Future Research

There is a growing body of research on the link between HRM practices and employee outcomes in many different countries and regions of the world such as North America (e.g. Mendelson et al., 2011; Kehoe & Wright, 2013; Kilroy et al., 2017), Europe (e.g. García-Chas et al., 2013; Jensen et al., 2013; Vermeeren et al., 2014; Ogbonnaya & Valizade, 2018), Asia (e.g. Takeuchi & Takeuchi, 2013; Shen et al., 2014) and Australia (e.g. Ang et al., 2013). However, as shown in the previous section, very limited attention has been directed towards understanding this relationship in the Middle East and particularly in Egypt. The very few studies that have been conducted in the Egyptian context are useful. However, these studies have several theoretical and methodological limitations, which provide ample avenues for future research. First, the focus of the studies was on the relationship between HRM and employee outcomes in the public sector. Previous research has shown that there is a difference between HRM in the public sector and HRM in private sector organisations (Mostafa, 2021). Therefore, research is needed on the relationship between HRM and employee outcomes in private sector organisations in Egypt. Future research could also consider the differences in this relationship between the two sectors.

Second, the focus of the studies was on employee perceptions of HRM practices, and none has considered intended or actual HRM. Future work testing the assumptions of Nishii and Wright's (2008) process model in Egypt would be useful. As noted before, some of the practices perceived by workers are not part of the formal HRM system intended by the organisation, and sometimes practices may be offered by line supervisors or managers on their own initiative (Boon et al., 2019). This is of relevance to the Egyptian context where nepotism is very common and friendship has an influence on the implementation of some HRM practices. Third, the studies have examined the mediating role of two factors on the relationship between HRM and employee outcomes: P-O fit and PSM. More research is still needed on the mechanisms through which this relationship takes place in Egypt. Previous research in other countries has shown that factors such as perceptions of organisational support, psychological empowerment, positive affect and quality of working life mediate the HRM-employee outcomes relationship (Messersmith et al., 2011; Shen et al., 2014; Mostafa, 2017; Liu et al., 2019). Testing the role of these as well as other mediators could help provide a better understanding of *how* HRM is related to employee outcomes in Egypt.

Fourth, studies could also examine the moderating role of different factors on the relationship between HRM and employee outcomes. Research in other contexts has shown that HRM practices could sometimes be negatively related to employee outcomes or even not related to such outcomes (Mostafa et al., 2019). This variation suggests that there are moderators of this relationship. For example, in the public sector, because of bureaucracy and red tape, the positive outcomes that could result from HRM practices are more likely to be reduced (Gould-Williams & Mostafa, 2021). Studying the role of these as well as other organisational and individual-level contingencies will help identify *under what conditions* HRM practices are more or less effective in Egypt. Fifth, the focus of the studies was mainly on the positive consequences of HRM practices. The mainstream view is that HRM practices are advantageous for organisations and employees. However, some scholars argue that HRM practices have a "dark side", and claim that HRM practices could help enhance organisational performance but at the expense of employees through role overload and increased work pressure (e.g. Kroon et al., 2009; Jensen et al., 2013). Future studies may wish to consider the potential negative side effects that the use of HRM practices may hold for employees in Egypt.

Sixth, a limitation of the studies is their cross-sectional design. This prevents drawing conclusions regarding causality. To address the issue of causality, longitudinal research designs are needed. However, identifying the appropriate time-lag is not easy, especially that the consequences of HRM interventions may take several years before they become totally recognised and, sometimes, the introduction of an HRM change could be associated with negative consequences until employees adapt (Boselie et al., 2005). Finally, in the three studies, data were collected from the same respondents at the same time, which raises concerns regarding common method bias. Common method bias (also known as common method variance) refers to distortions in relationships between a study's variables, which are measured using the same technique or method of measurement (such as self-report). The main concern here is related to the inflation of the observed relationships and the greater potential for Type 1 error (Merritt et al., 2019). The three studies used procedural remedies besides statistical techniques to ensure that common method bias is controlled for. However, ideally, to minimise common method bias concerns, measures of the study variables need to be collected from more than one source (Podsakoff et al., 2012).

Concluding Remarks

This chapter has shed light on the relationship between HRM practices and employee outcomes in Egypt. Despite the increased attention directed by scholars towards understanding the HRM-employee outcomes relationship in many countries around the world, research on this relationship in Egypt is still in its infancy and many questions still need to be answered. The chapter sought to provide a clearer steer for those wishing to contribute to scholarship in this area. Employee outcomes are vital in the study of HRM since employees are the essence of the organisation and its most important asset. Therefore, better understanding of the HRM-employees' outcomes relationship in Egypt can help provide a comprehensive way of evaluating HRM in one of the largest and most populated countries in the Middle East.

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Human Resource Management in South Africa: Yesterday, Today and Tomorrow

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Introduction

HRM in South Africa has undergone radical changes since the first approach to personnel management in the early 1900s (Wärnich et al., 2018). In South Africa the professionalisation of HRM became a topic of discussion at the Institute of Personnel Management (IPM) Council meetings between 1973 and 1976, while elsewhere the role of personnel management was being shaped on the international stage (Van Rensburg et al., 2011a).

The human resource (HR) function has had to undergo developments due to changes in the South African environment such as differences in

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_4

legislation and organisational operation between the apartheid and post-apartheid eras (Kraak, 2005). Developments and changes of the HR function over the last couple of decades have arisen due to the impact of the Fourth and Fifth Industrial Revolutions, which can be characterised by the advancement of technologies (Sharma & Singh, 2020). Organisations have had to implement these technologies in order to be internationally competitive. In recent times the HR function has also had to adapt to the new world of work imposed by the coronavirus (Velavan & Meyer, 2020). The new technologies incorporated in employees' daily lives have made workplaces more remote, with HR practitioners having to rethink their roles in the effective management of personnel. Trends in HRM across the globe indicate a strong need for progressive workplaces, the implementation of modern technology to streamline work and the emphasis on the employee experience. In the sections to follow, the development and current status of HRM in South Africa, HRM in turbulent times, and where HRM is heading globally will be discussed with a focus on how HRM is developed and adjusted over time in South Africa.

The History of Human Resource Management in South Africa

The approach to HRM changed significantly during the twentieth century. In the early 1900s the scientific management approach was conceptualised by Frederick Taylor from the USA (Wärnich et al., 2018). This approach used scientific data to create performance standards for different jobs, with managers paying bonuses to those who performed above the standard (Wärnich et al., 2018). This approach was readily adopted in South Africa in the 1900s. Employee welfare programmes were implemented during this time to support workers but were discarded in the 1920s and 1930s due to these programmes having authority that was automatically accepted and unquestioned (Wärnich et al., 2018). In the 1930s and 1940s the Hawthorne studies in the USA gave rise to the human relations approach (Wärnich et al., 2018). This approach saw that employee performance was affected not only by monetary incentives, but also by social and psychological factors (Wärnich et al., 2018). This approach was introduced in South Africa due to foreign workers coming to South Africa to work in the mines and by the growth of labour unions at the time (Wärnich et al., 2018). This approach was later discarded by managers in the 1950s and 1960s because, although employee environments improved, there was no significant increase in employee satisfaction (Wärnich et al., 2018). In the 1970s HR became the approach that managers employed in the management of people (Wärnich et al., 2018). This approach adopted the view that employees are resources for an organisation and not just people who complete an output (Wärnich et al., 2018). This approach is followed in modern times.

The Professionalisation of Human Resource Management in South Africa

The professionalisation of HRM in South Africa was established on 15 October 1982 by the South African Board for People Practices, previously known as the South African Board for Personnel Practice (Van Rensburg et al., 2011a; Wärnich et al., 2018). Before the professionalism of HRM, this topic was first discussed at council meetings at the Institute of Personnel Management (IPM) between 1973 and 1976. These discussions occurred due to the sugar industry strike that occurred in 1973, which highlighted the fact that human resource practitioners did not have the professionalism to deal with the crisis. It was concluded that for South Africa's economic development, skilled worker shortages needed to be handled and manpower needed to be used optimally (Van Rensburg et al., 2011a). Around 1977 consultations were held with a large number of businesspeople and HR practitioners. The first chairman of the SABPP, Garry Whyte, also known as the founding father of the SABPP, had the view that this board would provide a home for young HR professionals entering the workplace. The original plan was for IPM and the South African government to launch the board together, but the government required the profession to be established first, which led to the inauguration of the SABPP without government involvement. In 1978 an ad hoc committee was established by the IPM Council (Van Rensburg et al., 2011a).

In 1980, research to define the profession was undertaken by Langenhoven and Daniels at the University of the Free State and Nelson Mandela University and the National Institute of Personnel Research (NIPR). This study highlighted the importance of professionalising the HR profession and constituting a regulatory body that would set guidelines for tertiary institutions for training. This research still provides the core of HR qualifications at tertiary institutions in South Africa today (Van Rensburg et al., 2011a). As mentioned, the SABPP was established in 1981 due to the recommendation by the ad hoc committee of the IPM Council. There was a focus on anti-discriminatory and affirmative action selection practices for board members, with members of previously disadvantaged groups being part of the board from the beginning (Van Rensburg et al., 2011a). The Board's mission, strategy and philosophy were announced to Government and accepted. The first meeting of the SABPP Board occurred on 29 November 1982, with the first order of business being to appoint a registrar. The following committees were also established during this time and their chairs appointed: the Education and Training Committee, the Disciplinary Committee, the Registration Committee and the Finance Committee (Van Rensburg et al., 2011a).

During 1983 and 1984 registration opened to those falling under the categories of practitioner, technician and candidate. The first code of conduct for the Board was also established, which included the ethical conduct of professionals registered with the SABPP. In 1983 a board meeting discussion included the establishment of a special committee to investigate an agreement between the Board and the Institute of Industrial Psychology, which concluded by adding specialist categories for industrial psychologists and psychometricians. In 1984 the heraldic device for the SABPP was designed and registered (Van Rensburg et al., 2011b). On 4 October 1985 the Board gained official recognition with the publishing of the charter in the Government Gazette. The Personnel Practice Bill was published after some controversy and negotiation. This controversy included the argument that official legislation would make the HR profession more expensive (Van Rensburg et al., 2011a). In 1987 the Board had to rethink their position on statutory recognition. Voluntary professionalism was the main discussion point at this time, as other non-legislated professions could enjoy official recognition without statutory recognition. The Board, which at this time included representatives from the IPM, the Institute of Industrial Psychology and employer organisations, insisted that they should remain an association that did not operate for gain. The first board election, held during the course of the year, ran smoothly (Van Rensburg et al., 2011a).

In 1988, an executive committee meeting, including the new chairman, vice chairman and registrar, reviewed the basics of the SABPP, including the qualification requirements for professions. The name was also reviewed, but the Board later decided to keep the name as is. Ethical codes and disciplinary procedures were reviewed during the year. Also within this year, registration for the Board was computerised by the firm Tony White & Associates (Van Rensburg et al., 2011b). In 1989, the Executive Committee expanded to include the Chairpersons of the Board's committees. In the first board meeting of this year, considerations were given for a Personnel Technician to be upgraded to a Personnel Practitioner. In May 1989, the first full-time registrar was appointed. Later that year the regulations of the Board's charter were amended and approved. By the end of the year, six of South Africa's leading universities had requested the SABPP for accreditation of their personnel programmes (Van Rensburg et al., 2011a).

In 1990, the curricula of certain South African tertiary institutions were accredited for a period of three years through an auditing programme. The first formal annual report of the SABPP was published in this year with information on the Board's 1989 fiscal year (Van Rensburg et al., 2011b). The first board examinations were held in 1990 for those who would like to enter the professional ranks but did not hold the required qualifications. Later that year the chairperson and the registrar of the Board met with the Minister of Manpower, who spoke about the Board's contribution towards resolving socio-economic and political problems. The first position paper, which included a Generic Competency Model for HRM practitioners, was published in 1990 in collaboration with Eskom (Van Rensburg et al., 2011a). In 2002, the SABPP was given the status of "Education and Training Quality Assurance body for HRM qualifications" (Wärnich et al., 2018). In 2009, the name of the SABPP was changed from “South African Board for Personnel Practices” to “South African Board for People Practices” (Van Rensburg et al., 2011a). In early 2012 the SABPP released a set of minimum HRM standards for South Africa, indicated in the SABPP HR systems standards model (Wärnich et al., 2018). Later that year its status was changed to learning and quality assurance (LQA) body (Wärnich et al., 2018).

Development and Current Status of Human Resource Management

HRM has undergone dramatic changes in the last two decades. Before South Africa became a democracy in 1994, internationalisation was not a reality for South African organisations (Lynham & Cunningham, 2004). Once this reality was recognised there was a massive need for support in creating a skilled workforce in South Africa. This included the rapid development of national policies that could promote social development and growth in the economy, with a focus on training, development and education (Lynham & Cunningham, 2004). This created a critical demand for HRM to guide this change. In the 1970s, non-racial trade unions became a focus of government, leading to amendments to the Labour Relations Act in South Africa (Lynham & Cunningham, 2004). These changes brought about a modification of workplace policies that drove the development of HRM. The post-apartheid era brought about a skills crisis that government had to overcome (Carrim, 2018; Kraak, 2005). As the labour force of South Africa was predominantly unskilled, substantial changes were needed in order to compete internationally. When organisations came to view employees as a resource they started investing in their education and training, leading to the development of HRM (Lynham & Cunningham, 2004).

Today there are several laws and acts of legislation that govern human resource practitioners in their work (Lynham & Cunningham, 2004). These include The Constitution of the Republic of South Africa No. 108 of 1996, The Companies Act No. 71 of 2008, the Labour Relations Act No. 66 of 1995, the Employment Equity Act No. 55 of 1998, the Basic

Conditions of Employment Act No. 75 of 1997, the Skills Development Act No. 97 of 1998, the Skills Development Levies Act No. 9 of 1999, the National Qualifications Framework Act No. 67 of 2008, the Occupational Health and Safety Act No. 85 of 1993, the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the Unemployment Insurance Act No. 63 of 2001.

Ulrich (1996) listed the functions or roles of HRM departments, which was revolutionary at the time. These roles included human resource business partner, change agent, administration expert and employee champion. More recently, the roles of HRM have developed and evolved to encompass a wider variety of functions. According to Wärnich et al. (2018) there are 13 functions of HRM: appointments, compensation and rewards, performance management, career management, training, development and learning, relationship management, administration, culture management, industrial relations, exit management, work design and structure, HRM information systems (HRIS) and human resource strategy, policy and practice. The roles listed by Ulrich (1996) are embodied in the functions listed by Wärnich et al. (2018), showing the adaptation of previous roles into modern organisations. The impact of COVID-19 on organisations and people worldwide has meant that the function of HRM has had to adapt to the new world of work, which includes employees working more remotely (Rachidi, 2020). Emphasis has been placed on employee wellbeing as well as the rapid inclusion of technology to ensure operations can resume and productivity can continue.

The Development of the Human Resource Management Systems Standards Model

In May of 2013 the SABPP led a team of HRM directors and professional bodies to create the HRM standards for South African HRM professionals (Meyer, 2020). The group formed 13 standards that were coupled with case studies showing best practices in South African organisations for each of them (Meyer, 2020). The next task was to create implementation guidelines for HRM professionals to apply the standards within the workplace (Meyer, 2020). At a "Standards roll-out event" in 2013, a large number of South African HRM managers and managers from other countries gave their input on the implementation of the standards. These inputs were collated by the SABPP and officially approved by the Board in November of that year (Meyer, 2020).

Once these standards and their implementation guidelines had been approved, an HRM Audit Framework was created (Meyer, 2020) to audit organisations in South Africa against national HR standards. The auditors are trained by the SABPP (Meyer, 2020). In May 2014, HRM Professional Practice Standards were developed, which included practice standards specific to different areas of HRM, such as succession planning (Meyer, 2020). By the end of 2017 a total of 27 professional practice standards had been developed. As HR metrics was decided on as an HR standard, the National Human Resource Metrics Committee developed a national HR scorecard, which included a set of national HR metrics and analytics for South Africa (Meyer, 2020). This scorecard created a benchmark for comparing organisations in South Africa. In September 2015 a human capital reporting framework was launched which included an HRM reporting framework consisting of five HRM metric dimensions across three scorecards (Meyer, 2020). In October 2020 the SABPP launched its national leadership standards, which had started development in 2017 (Meyer, 2020). These standards were developed after extensive consultations with leaders from all over South Africa and from all different industries. In providing individuals in South Africa with guidelines on what excellent leadership is, these standards were important in launching South Africa forward on an international level (Meyer, 2020).

Human Resource Management in Turbulent Times

On the 30 January 2020 the World Health Organisation (WHO) announced a health emergency that was occurring on a global scale, a pandemic. The SARS-CoV-2 virus, also known as a coronavirus or

COVID-19, emerged in the Hubei province in the Republic of China (Velavan & Meyer, 2020) before spreading rapidly to the rest of the globe due to globalisation (Rachidi, 2020), creating panic for the health and safety of people, communities and organisations. In South Africa the first case of COVID-19 was reported on 5 March 2020 before spreading rapidly (Stiegler & Bouchard, 2020). In response the government implemented a hard lockdown to protect its citizens and hopefully reduce the spread of the virus. The lockdown protocol that was implemented included five levels, with level five being the highest level of lockdown and level one the lowest. During Level 5 non-essential businesses had to shut down in the sense that their employees were not allowed to work in office buildings or conduct any form of work that involved physical contact with others. Increased sanitisation procedures were implemented in organisations still operating, and social distancing became the norm (Ruggunan et al., 2020; Koekemoer et al., 2021). Due to physical restrictions, many businesses and their personnel felt the impact of not being able to conduct their work. Organisations had to adapt to these restrictions and create new ways of working that involved their personnel adopting a work from home (WFH) policy, or working in safer environments (Collings et al., 2021a). Individuals who could not work from home were given opportunities to ensure their health and safety, such as restricted access to offices and more frequent changes in shifts (Ruggunan et al., 2020).

In South Africa the new world of work was faced with many challenges (Carrim, 2016). With personnel needing to work remotely, there was a significant increase in the use of technology and online connectivity between people (Ruggunan et al., 2020). IT departments became increasingly important, needing to provide support to all those in the organisation. This included setting up virtual workspaces for employees, educating people on the use of technology to complete their jobs, and sorting out problems that people were facing with technology (Ruggunan et al., 2020). Connectivity between people remotely became of the utmost importance, with communication needing to continue between personnel. Connectivity has been a challenge in South Africa as many people do not have access to the right equipment or the internet, or do not even have electricity in their homes. There has also been the challenge of differences in people's living circumstances, with some children and spouses creating a disruptive environment not conducive to working effectively (Ruggunan et al., 2020). This impacts the person-environment fit, in that workplaces are usually designed for optimal employee performance whereas households are not (Rachidi, 2020). Employees may not be able to separate their work from their personal lives when working remotely, which can cause work-life conflict; an issue that HR practitioners needed to manage increasingly due to the pandemic (Rachidi, 2020).

It is evident that the pandemic placed a significant strain on organisations and on the economy as a whole, and it has been up to HRM to play a leadership role in recovering in assisting their organisations to recover from the effects of the COVID-19 pandemic (Dubey, 2020). HRM practitioners were faced with the challenge of rethinking the way in which people work, and doing so rapidly. HRM functionaries were faced with having to manage the personnel remotely and having to adapt to the new world of work, not just for their organisation, but for themselves as well. HRM practitioners needed to become more flexible to adapt to the rapid changes that occurred (Ruggunan et al., 2020). Although a remote working situation has been a necessity during the COVID-19 pandemic, research shows that this will continue to be a trend in the future (Mefi & Asoba, 2021a). In South Africa, employee wellness became increasingly important as the pandemic created significant stress on individuals (Rachidi, 2020; Ruggunan et al., 2020). HRM practitioners needed to rapidly adapt to these stressors and create coping programmes to increase employee wellness, such as implementing stress management and grief counselling (Rachidi, 2020; Ruggunan et al., 2020). Communication between the HRM function and its personnel needed to become clearer and more frequent to ensure employee wellness (Ruggunan et al., 2020). Communicating a clear policy regarding remote work helped to alleviate the stress of uncertainty (Rachidi, 2020).

Just as employee wellness was important, so too organisational trust became a key focus area for HRM. Performance management needed to be restructured in order to monitor employees remotely. This included using technology to monitor employees' performance, or simply monitoring them to ensure that they met their deadlines (Ruggunan et al., 2020). Although HR faced other crises in the past, they were labelled as financial crises, whereas the crisis of COVID-19 was labelled as a human crisis (Collings et al., 2021b). While many authors mention how the HRM function has become less of a necessity over the years, Al Mala (2020) emphasises the need for HR as many industries collapsed during COVID-19 due to the absence of their people (Al Mala, 2020).

Fourth and Fifth Industrial Revolutions and Human Resource Management

The momentous technological advances during the nineteenth and twentieth centuries have been characterised as industrial revolutions. The first, known as Industry 1.0, began in the eighteenth century with the advancement of the steam engine and the beginning of mechanisation (Sharma & Singh, 2020). The second, known as Industry 2.0, began in the nineteenth century and saw the invention of electricity and assembly lines (Sharma & Singh, 2020). During this time manufacturing became more streamlined and mass production became increasingly popular. The Third Industrial Revolution, also known as Industry 3.0, occurred in the 1970s, with the introduction of computers and partial automation (Sharma & Singh, 2020). The internet was first developed during this time and a digital revolution occurred, with the transition from analogue to digital systems (Sharma & Singh, 2020).

In the twenty-first century the Fourth Industrial Revolution has become the forefront of technological advancements and momentous changes in industries (Sharma & Singh, 2020). Technological advancements that have occurred due to Industry 4.0 include, but are not limited to, the internet of things (IoT), big data, artificial intelligence (AI), smart factories and homes, cyber-physical systems (CPS), cloud computing and smart devices (Sharma & Singh, 2020). Although Industry 4.0 has been the technological focus for only the last ten years, there is already a new industrial revolution occurring in modern times, namely Industry 5.0 (Sharma & Singh, 2020), which is focused on the relationship between humans and machines and the "collaboration between human intelligence and cognitive computing" (Sharma & Singh, 2020, p. 71).

Industrial revolutions of the past have had a negative impact on the environment, whereas Industry 5.0 is more focused on environmental sustainability, with systems being put in place to create less waste and renewable energy, such as solar power instead of coal-fired generation (Sharma & Singh, 2020).

The impact of these industrial revolutions can be felt across the globe in organisations and their personnel. A 2020 study at the University of Johannesburg on the role of HR professionals in Industry 4.0 in the South African context proposed a preliminary holistic model for navigating Industry 4.0. It is clear from this study that the role of HR professionals has become an essential part of Industry 4.0. (Dhanpat et al., 2020). In order to remain competitors in the global environment, organisations need to adopt and integrate these technological changes (Dhanpat et al., 2020). With modern technological advancements come changes in the workplace. HRM departments and practitioners have had to adapt to these advancements in technology and change the way that they do things in order to keep up with the rapidly changing working environments. Digitisation has had a large impact on the way that South African HRM practitioners manage employees, with both positive and negative consequences (Van den Berg et al., 2020). With the invention and advancement of robotics, many employee jobs are being replaced to ensure better efficiency and productivity, meaning that there are fewer employees for HRM departments to manage (Van den Berg et al., 2020). Proactive human resource management has thus become an important consideration for HR professionals (Stroebel et al., 2021). With AI becoming more popular in organisations, HRM functions such as recruitment are being taken over by these technologies; functions that would normally have taken a HRM practitioner hours or even days to complete are being completed in seconds (Van den Berg et al., 2020). Even in South Africa providers of recruitment management systems (Talent Genie, 2021) rely on applicant tracking software to assist the recruiter in employment activities such as advertising vacancies, obtaining CVs, scheduling candidate interviews and facilitating onboarding processes (Rąb-Kettler & Lehnervp, 2019).

Until recently the HRM function has not been able to demonstrate the value that they bring to an organisation as their impact was not felt by organisational leaders (Carrim, 2016). However, the use of advanced technologies such as human capital analytics enables leaders to view the performance of employees in real time and see the value of the HRM function (Van den Berg et al., 2020). As HRM practitioners are given more recognition, they will need to ensure that the use of technologies benefits the organisation and its employees. Technologies that are used to monitor employee performance need to be carefully utilised so as not to infringe on the privacy of individuals but used for performance enhancements instead (Van den Berg et al., 2020). HR professionals have to be creative, innovative and agile to redesign their practices and synergy with technology that will accommodate the growth and realign the HR profession. Engagement strategies that are well-planned and flexible can enhance organisational performance (Ahmed et al., 2020). HRM information systems (HRIS) is a core function of modern HRM practitioners (Wärnich et al., 2018). HRIS can be defined as "a system used to acquire, store, manipulate, analyse, retrieve and distribute pertinent information about the HRM of an organisation" (Poisat & Mey, 2017, p. 2). Similar to HRIS, the concept of e-HRM (electronic HRM) includes a system that has many functions, such as supporting HRM activities, for example with recruitment and selection, as well as managing employee information (Poisat & Mey, 2017). HRM practitioners need to utilise these designated technologies to streamline their work and ultimately lead to high levels of productivity and efficiency. Poisat and Mey (2017) mention the value that these technologies can create for HRM practitioners and their organisations, such as reduction of costs, improvements in productivity, a higher return on investments and improvements in communication with employees.

With rapid changes in technologies come negative effects on employees, such as increased anxiety and doubts about their careers (Dhanpat et al., 2020). These negative effects can be brought about by technology replacing certain jobs, the need to constantly reskill and the increased inequalities that employees are facing (Dhanpat et al., 2020; Van den Berg et al., 2020). The role of the HRM professional in modern times is to ensure that employee, organisational and other stakeholder interests are taken care of (Dhanpat et al., 2020). The inevitable replacement of certain jobs with technological advancements such as robotics and AI will require the HRM function to ensure that the correct competencies remain in the organisation to ensure high levels of performance (Carrim, 2017; Van den Berg et al., 2020). As organisations in South Africa adopt new technologies that lead to human replacements, it is the role of the HRM function to ensure the competencies related to these changes are retained in the organisation, for example through education and training (Carrim & Senne, 2016; Van den Berg et al., 2020).

Just as HRM practitioners need to ensure that the correct competencies keep pace with the addition of new technologies within organisations, they also need to ensure that their own competencies develop accordingly (Van den Berg et al., 2020). The Fourth and Fifth Industrial Revolutions have brought about the need for HRM practitioners to broaden their skills base to include a large variety of new skills (Mefi & Asoba, 2021b). In the discussion of their preliminary holistic model for navigating Industry 4.0, Dhanpat et al. (2020) classify HRM competencies into three broad categories, namely technical, managerial and social. Van den Berg et al. (2020) on the other hand distinguish between four competencies that HRM practitioners require in a digitally transformed organisation, namely business knowledge, HRM expertise, change management and technology expertise. It is evident that HRM practitioners need to have a large variety of competencies that can be applied in the highly dynamic modern workforce. Although HRM practitioners both nationally and globally may not have been part of strategic decision-making in the past, they are strategic partners in modern times and are required to be active decision-makers for organisational success, especially in times of rapid technological advancement (Mefi & Asoba, 2021b).

Where Human Resource Management Is Heading Globally

There are many aspects that have impacted the HRM function from a global perspective, with practitioners in this field having to constantly adapt to the dynamic environment in which they operate. A global trend that HRM practitioners will need to adapt to is the new and progressive workforce. This includes a workforce that has many generations—categories of people based on age—that is focused on mental health and wellbeing and that emphasises diversity, equity and inclusion (Milligan, 2018; Totah, 2019; Asanify, 2020; Gilliland, 2020; Haak, 2020; Empxtrack, 2021). The new workforce includes employees who emphasise the need for diversity, equity and inclusion in the workplace, with HRM practitioners needing to apply ethical leadership in their work (Haak, 2020). Milligan (2018) and Asanify (2020) emphasise the need for a more inclusive and diverse culture due to the trend of the gig economy. The gig economy is becoming increasingly popular and includes freelance work and short-term contracts instead of traditional long-term contracts (Asanify, 2020). Diversity in the workplace is important for the new workforce and will require HRM to include a diversity of decision-makers instead of ensuring only that there is a degree of diversity in the workforce (Gilliland, 2020).

It is evident from the effects of COVID-19 on organisations and their employees around the world that a preoccupation with mental health and wellbeing is a global trend that HRM practitioners will need to emphasise. It is only in recent years that mental health has been getting the attention it deserves as a serious health issue that can impact an individual negatively. HRM practitioners will need to place a strong focus on ensuring the mental health of their employees and implementing new policies and procedures to do so (Totah, 2019). HRM practitioners will be faced with the task of creating wellbeing programmes for employees and evolving employee benefits, such as creating flexible working hours, including childcare facilities at the location of the organisation, and including paid time off for mental health problems (Gilliland, 2020). It is evident that the Fourth and Fifth Industrial Revolutions have had a large impact on HRM, with organisations implementing major technological advancements in order to remain competitive. Although the functions of HRM practitioners have remained the same, the way in which they carry out these functions has changed (Folarin, 2021). The inclusion of advanced technologies in HRM functions is probably the largest trend identified globally.

With organisations implementing the global trend of remote working, new technologies are being used that HRM practitioners will need to manage for the safety of their employees (Asanify, 2020). Digital tracking has become ever more popular, in that organisations want to be able to monitor their employees when they are working remotely (Haak, 2020). This can create ethical issues that South African HRM practitioners will need to deal with to protect their employees' privacy while at the same time ensuring that the organisation is satisfied with employee performance management. Virtual reality (VR) has become more popular in organisations and is predicted to be a growing trend. This technology can be used to streamline and improve the processes that HRM practitioners use when completing functions such as selection, recruitment, onboarding and training (Meister, 2019; Haak, 2020; Empxtrack, 2021). South African HRM practitioners will need to include VR in their current competencies and ensure that this technology is used for the benefit of the employee and for organisational success. VR training will transform the way that individuals are trained, and it is the role of South African HRM practitioners to lead this training, coupled with gaining an intensive knowledge of how it works (Meister, 2019).

A trend that numerous organisations and South African HRM practitioners find alarming is the increasing threat of cybercrimes, heightening the need for cybersecurity. South African HRM practitioners will have to create policies around cybersecurity, with an emphasis on confidentiality and privacy (Asanify, 2020). Employees who are working remotely are not able to interact face to face with fellow members in their organisations. Technologies such as Zoom and Facetime have been implemented around the world to facilitate communication between people online. This type of communication could create potential misunderstandings when people are unable to read each other's body language (Asanify, 2020). It is therefore important for South African HRM practitioners to incorporate policies and procedures around communication on online platforms, including best practice documents for employees to follow (Asanify, 2020). One of the biggest trends likely to affect South African HRM is the inclusion of AI and big data (Asanify, 2020). As AI replaces the jobs of many people, South African HRM practitioners are faced with the challenge of reskilling people for new job positions arising from advances in technology (Asanify, 2020). AI will create new jobs and also assist employees to do their jobs more effectively (Meister, 2019).

Selection and recruitment practices will need to focus increasingly on skills that are unique to humans. South African HRM practitioners will therefore need to focus on unique skill developments and to rethink the ways they hire employees (Meister, 2019).

Employee experience is a global trend that is becoming more prevalent and necessary in organisations. Whereas in the past organisations have focused on the experience of their customers, the trending focus now is on the importance. The most important trend in South Africa is ethics and experience of their employees from the moment they are hired to the moment they leave (Totah, 2019). A strong and positive employee experience can foster loyalty to the organisation, improve employee satisfaction, increase employees' productivity and encourage them to work towards implementing the organisation's vision (Totah, 2019). Ways that can improve the employee experience include continuous feedback, mentoring and coaching, providing personalised output from employee feedback and investing in employee development (Meister, 2019; Totah, 2019; Empxtrack, 2021). The Deloitte South Africa 2020 Human Capital Trends report identifies ten human capital trends in South Africa that are congruent with the global trends of HRM mentioned above (Deloitte, 2020). These trends are discussed below in order of the future of work (Deloitte, 2020). The factors that drive this importance are legal requirements, the adoption of AI in the workplace, external stakeholder pressure and the composition of the workforce. South African HRM practitioners need to note their importance and adapt to these trends with a focus on the development and implementation of workforce policies and strategies to ensure ethical management in the workplace of the future. The adoption of AI in South Africa corresponds with its trending use in organisations across the globe. It is important for HRM to consider the inequality that these technologies may bring to the South African workforce (Deloitte, 2020). HRM practitioners in South Africa need to have policies and procedures in place to ensure that the adoption of AI technology does not create discrimination and that privacy is protected. The composition of the workforce in the global context has changed rapidly, with many more people working for themselves and operating in the gig economy. Gig workers are not nearly as prevalent in the South African workforce as in other countries, but it is still the responsibility of HRM practitioners to accommodate them by creating standards of work and practices that promote fair management (Deloitte, 2020).

The second most important trend is to foster in employees a sense of belonging in their organisation (Deloitte, 2020). Individuals want to feel included and respected in their workspace, and it is therefore the role of HRM to ensure that an inclusive culture is implemented and encouraged. The global concern with employee wellbeing and mental health corresponds with this trend in South Africa, where a strong focus on belonging is seen to lead to personal success and improved organisational performance (Deloitte, 2020). HRM practitioners should put added effort into supporting their employees and ensuring an inclusive culture. Arising from this, the third most important trend is designing work to ensure wellbeing (Deloitte, 2020). The onset of the COVID-19 pandemic caused considerable stress, fear and uncertainty, compelling organisations to shift their focus on employee wellbeing. Although global trends require the implementation of employee wellbeing programmes, Deloitte (2020) insists that wellbeing should be incorporated into the design of the job itself. Doing this will lead to the employee feeling gratified and performing at a high level. HRM is seen as responsible for wellbeing in an organisation and should therefore drive the change in designing jobs to embody wellbeing.

The fourth most important trend is knowledge management, which means retaining knowledge in South Africa (Deloitte, 2020). The new world of work, which has been accelerated by COVID-19, shows more people moving between jobs, countries and organisations, with their knowledge accompanying them. HRM practitioners need to educate their organisations on what knowledge management actually means, with a strong focus on knowledge as an asset and not merely data (Deloitte, 2020). The fifth most important trend is the post-generational workforce (Deloitte, 2020). There are currently five different generations operating in the workforce both globally and in South Africa. Traditionally, age differences have been used to segment groups, but the modern multigenerational workforce needs people to be understood in terms of attributes other than age grouping (Carrim, 2016). Traditional career paths and progressions have been shown to be less prominent in modern organisations, with age no longer determining employees' progression or deployment (Deloitte, 2020). HRM practitioners should focus on designing HRM functions such as career management around an individual's attributes and performance, not their age.

The sixth most important trend identified by Deloitte (2020) is the need to look beyond reskilling. Although there is a skills shortage worldwide, reskilling is not able to keep pace with change in organisations. Instead, HRM practitioners should focus on individual and organisational resilience, which will counteract the uncertainty that accompanies rapidly changing environments (Deloitte, 2020). To ensure this resilience, HRM practitioners should focus on training and developing their employees to increase their skills and capabilities. The seventh most important trend is the role of HRM (Deloitte, 2020). Although the HRM function often puts a focus on transformation, HRM needs instead to increase their influence and impact in their organisations by incorporating new technologies, increasing their own knowledge and capabilities and optimising boosting agility in the structure of the workforce (Deloitte, 2020). The eighth most important trend is the governing of workforce strategies (Deloitte, 2020). Due to the chronic instability of South Africa's economic climate and the impact of workforce changes caused by COVID-19, organisations need to emphasise workforce metrics that can assist in rapid decision-making during uncertain times. With the utilisation of workforce metrics, actions can be decided on regarding uncertain occurrences, such as the remote work trend caused by COVID-19 and South Africa's uncertain economic environment. HRM practitioners need to lead the utilisation of these metrics by understanding the workforce by asking the right questions, deciding on the right technologies to use and taking action on developing workforce strategies that will assist in the uncertainty of the environment (Deloitte, 2020).

The ninth most important trend is the compensation conundrum (Deloitte, 2020). Organisations in South Africa seem to be stuck in a cycle of compensation issues that are affecting organisations in the new world of work. HRM practitioners need to create compensation strategies that can stand firm during uncertain times. These strategies need to incorporate employees' personal views on compensation and rewards as they are vital drivers of employee performance and satisfaction (Deloitte, 2020). The tenth most important trend is the implementation of super-teams through the use of AI (Deloitte, 2020). The implementation of AI technologies is a global trend, with different authors highlighting both negative and positive aspects of adopting them. The fear that AI will replace human jobs is exacerbated in the South African context due to the lamentable unemployment rates; the replacement of jobs by AI is an option leaders cannot take. The use of AI in South African organisations should be to increase employees' productivity and to assist them to do their work well (Deloitte, 2020). HRM practitioners should design and implement strategies around the use of AI with this in mind.

Conclusion

HRM in the South African context has evolved and matured over the last century, readily adopting the global changes in HRM. Although in some respects it is still evolving, it already has a rich history that reflects the challenges and changes that have occurred and that have been addressed and overcome in many pragmatic ways. In describing the history of HRM in South Africa, this chapter considered how it developed and evolved over time, paying particular attention to its current standing in the post-COVID era and how the Fourth and Fifth Industrial Revolutions will influence the future role of HRM in the workplace. This chapter indicates that HRM in South Africa, like the rest of the world, will need to relook at how work is conducted. While many jobs may become obsolete, others will be revamped and yet some tasks will remain. Regardless of the changes taking place, HRM personnel will need to become agile in the wake of new trends and developments in the field. This chapter concludes by benchmarking how HRM in South Africa is faring against emerging international trends.

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Part III

The Middle-Eastern World

5

Human Resource Management in the United Arab Emirates: Towards a Better Understanding

Osama Khassawneh
and Mohamed-Osman Shereif Mahdi Abaker

Introduction

The United Arab Emirates (UAE), occasionally known as the Trucial States or the Trucial Coast, is a federation of seven emirates on the Arabian Peninsula's south-eastern corner. UAE is bordered on the east by the Sultanate of Oman and the Gulf of Oman, on the south and west by Saudi Arabia, and north by the Arabian Gulf. The total land area is 83,000 square kilometres (32,278 square miles) (Taryam, 2019). The emphasis of the chapter is on HRM in the UAE. Despite the paucity of literature on HRM in the Middle East in general and UAE in particular, we explicate the salient elements of the UAE's socio-economic status, in addition to examining the contribution of HRM in the existing economic reforms. This chapter elucidates human resources management

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_5

(HRM) in the UAE and focuses on the structure of the labour market. The chapter delineates HRM policies and practices within the country's context and analyses the significant challenges and future advances in HRM. Furthermore, the chapter evaluates the possible effects of the unique institutional and cultural settings of the UAE about HRM practice and the latter's ramifications on theory and practice. This chapter concludes with several prominent areas where future studies should be focused. Establishing a reliable HR Information System (HRIS) for personnel departments and creating a professional HR body will support the growth of HRM in the UAE.

Political Background

Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman, Umm al-Qaiwain, and Ra's al-Khaimah are the seven emirates that make up the United Arab Emirates. On 2 December 1971, the UAE declared independence from the United Kingdom (Zahlan, 2016). Its constitution was drafted when the country gained independence and was rendered permanent in 1996. Because the president is chosen from among the absolute monarchs who rule each of the seven emirates, the system is known as a federal presidential elective monarchy (Ulrichsen, 2016). President Khalifa bin Zayid al-Nuhayyan, the ruler of Abu Dhabi, has served as the UAE's top state since 2004. Muhammad bin Rashid al-Maktum (ruler of Dubai) is the Vice President and Prime Minister, while Saif bin Zayid Al-Nuhayyan (since 2009) and Mansur bin Zayid Al-Nuhayyan are the Deputy Prime Ministers (since 2009) (Alsuwaidi et al., 2021). A Cabinet, or Council of Ministers, is appointed by the president. There is also a Federal Supreme Council (FSC), which meets four times a year and comprises the seven rulers of each of the seven emirates. The Federal Supreme Court (FSC) is the UAE's highest constitutional body, establishing broad principles and enforcing federal legislation. The FSC also elects the President (and Vice President) from among its members, convening every five years to confirm or elect the current president (Malit & Tsourapas, 2021). The emirs of Abu Dhabi and Dubai, on the other hand, enjoy effective veto power over presidential elections. The UAE's legal system is built on a dual

Sharia and civil court system. The UAE Constitution guarantees the independence of the judiciary, which comprises the Supreme Court and the Courts of First Instance. The president appoints the judges. Each emirate is governed by its own local and municipal governments. The division of authority for each level of government was defined by the constitution (Yaghi & Antwi-Boateng, 2016).

The UAE Economy

The UAE boasts as one of the world's most open economies. This legacy of inviting business and trade dates back to the early Gulf era when ships travelled to India and as far south as Mozambique along the East African coast. Based on the Organization of Petroleum Exporting Countries (OPEC) production schedule and announcements, the Central Bank of the UAE (CBUAE) projects real Gross Domestic Product (GDP) to recover to positive growth of 2.5% in 2021, with non-oil GDP growing by 3.6% and oil GDP remaining flat (Srouji, 2020). Increased fiscal spending, a pick-up in credit and employment, and relative stabilisation of the real estate market, aided by confidence recovery, are likely to fuel real non-oil GDP growth. In 2022, the economy is predicted to recover completely, with overall real GDP rising by 3.5% and non-oil real GDP rising by 3.9% (Ibrahim, 2019). This will be the outcome of ongoing fiscal spending growth, solid bank credit growth, strong job growth, improved business sentiment, and a portion of Dubai EXPO 2021 taking place in 2022 (Phuong, 2020). Furthermore, the UAE is projected to gain from Qatar's FIFA 2022 World Cup, which will be held throughout the year and held in the UAE, the region's key tourism, transit, and economic hub. Non-oil sectors continued to improve in Q4 2020, as lockdowns were lifted and travel resumed, and the country began the initial stages of vaccine distribution (Shadab, 2021).

Employment has improved, with four straight months of M-o-M growth as of December 2020. In the fourth quarter of 2018, the Purchasing Managers' Index (PMI) fell by only−0.9% on average compared to the same period in 2019, reaching the expansion zone of 51.2 in December. This reflects the improved mood brought on by the preparations for the Dubai EXPO (Faheem et al., 2021). Due to the resumption of international travel, tourism, and hospitality data in Abu Dhabi in November and December show a comeback in occupancy and revenue, the highest performance since February 2020 (Al-Qasem, 2021). The Oxford Stringency Index increased from 51 at the end of Q3 to 49 at the end of December 2020, indicating that the economy continues to open up. Given its role as a regional commercial, transportation, and travel hub, the UAE benefited from this (Ashraf, 2020). Manufacturing was boosted as well as the supply chain recovered from the earlier interruptions. As a result, the actual GDP growth projection for 2020 has been increased to 5.8% (El-Mahmah, 2017). In 2020, real non-hydrocarbon GDP was expected to have decreased by 5.7%. According to CBUAE, real non-oil GDP growth slowed slightly in the fourth quarter (Abdulkadhim, 2020).

As an oil exporter, the UAE is poised to bear the brunt of lower global oil demand due to a worldwide slowdown in economic activity, particularly transportation and international travel. In keeping with the OPEC agreement, UAE oil production declined 17.7% year on year in Q3 and 18.2% year on year in Q4 (Said, 2019). In 2022, real oil GDP is expected to fall, resulting in average oil output of 2.78 million barrels per day for the year. In 2020, the UAE's entire labour force was 7.384 million people (Elessawy, 2020). A total of 7.219 million individuals were employed. The highest pay was AED 62,857 million for those working in the wholesale and retail trade industry, followed by AED 52,959 million for those working in the construction and building sector (Lambert et al., 2020).

The Demographic Environment in the UAE

The population of the UAE is predominantly Arab, descended from the tribal confederations that dominated the peninsula long before written history. Although Arabic is the official language, English and other languages like Urdu, Malayalam, and Tagalong are also widely spoken. The official religion of the UAE is Islam (Elessawy, 2020). The UAE's population growth had slowed dramatically since 2000 when it increased by more than 5 million people. The population is currently 9.89 million people and is expected to increase to 10.71 million people by 2033 (Ameen & Anand, 2020). After that, the population is predicted to gently fall and plateau, with roughly 9.03 million people remaining at the end of the twenty-first century. Between 2019 and 2020, the population of the UAE increased by 1.23%, with the addition of almost 120,000 individuals (Zeyad et al., 2020). The population grew at a rate ranging from 5.35% per year to 13.26% per year between 2000 and 2010 (Matsumoto, 2019). With 1.42 births per woman, the UAE has a low fertility rate. The UAE's fertility rate rapidly declines, creating anxiety among government officials (Mahdavi, 2019). The UAE government has implemented programmes to encourage childbirth among its inhabitants, such as providing financial assistance to young married couples. The median age is expected to rise to 32.6 in 2020 if the fertility rate does not increase (Mahdavi, 2019).

The Socio-Cultural Environment in the UAE

The UAE is a forward-thinking social investor, looking for new methods to improve prospects for UAE individuals while also addressing regional and global issues. Educational reform, improved healthcare, extending the role of women, and environmental preservation is among the UAE's key goals (Baroudi & David, 2020). In 1975, males had a literacy rate of 54%, while females had a literacy rate of 31%. Literacy rates for both sexes are now approaching 95%. Emirati women's educational success best exemplifies the UAE's tolerance and openness beliefs. According to de Waal and Frijns (2016), a few women attended school less than 50 years ago. However, The Highness Sheikh Zayed Al Nahyan personally initiated a campaign to ensure that all females had access to learning. Nowadays, more Emirati women than men complete secondary school and continue their education at the under-graduate and post-graduate levels. Seraphim and Haq (2019) claim that females have the same legal rights, access to education, claim to titles, right to practise professions, and right to inherit property as males under the UAE constitution.

The Emirati culture is built on a foundation of sharing and involvement. In the past, the ruling Sheikhs would travel to isolated areas of the

UAE and camp in villages, holding impromptu meetings in big tents. These gatherings were informal, emphasising sharing, discussing, and resolving local issues, including society, agriculture, trade and economics, housing, medical care, and other topics affecting people's health and happiness. These events, known as Barza or Majlis (Arabic for "gathering"), drew large crowds of Emiratis (AlMazrouei & Pech, 2015). The government of the UAE has used its oil fortune to construct a nation with world-class infrastructure. Emiratis now have access to high-quality education, health care, housing, and other essential infrastructures like public works, banks, and telecommunications. The UAE leads the Arab world in most of these fields (Zeineddine, 2017). Emirati families still live together today as a result of their tradition of settling in groups. They represent religious and tribal bonds, as well as traditional principles of cooperation and sharing. Emiratis are gregarious people (Wang & Kassam, 2016). They enjoy meeting new people and continue to host regular get-togethers in their homes or public places. They are kind hosts who treat their visitors with respect (Guéraiche, 2016). An Emirati man shakes hands with another Emirati man by rubbing their noses together. Handshakes, embrace, and peace greetings follow. Economic factors continue to influence social behaviour. One thing that has not yet changed is the Emirati culture's affinity for Islamic principles (Young, 2018).

Human Resources Management in the UAE

In the last few decades of the twentieth century, the UAE entered the global marketplace. The UAE's rapid economic development allowed it to transform from a primarily rural agricultural community to an urbanised society with a lifestyle comparable to that of other civilised nations worldwide in less than half a century. HR departments in Gulf Cooperation Council (GCC) countries in general, and the UAE in particular, have struggled to become professionally structured and acknowledged as valuable in enterprises, both public and commercial, over the previous decade (Awad, 2018). For example, in the UAE's private sector, small- and medium-sized businesses lack clear rules and procedures for HRM concerns, including recruiting, promotion, pay, training, and development (Farouk et al., 2016). According to Kaleem (2019), pay is not just low compared to the public sector, but a large proportion of private-sector employers either pay employees late or do not pay them at all (Tahir, 2021). There are around 7.384 million UAE employees, with 86.5% of men and 13.5% of women employed. In the United Arab Emirates, the labour market is built on a sponsorship system known as the Kafala system. Every employee must have a sponsor, also known as a Kafeel (Zeffane & Melhem, 2017).

Each worker in the private sector must have a local sponsor, whereas, in the public sector, the Kafeel is the government department that employs the individual. The government has made it a priority to ensure that each local individual is employed and trained to satisfy the labour market requirements. A reduction in the number of foreign workers in the UAE labour force is also a goal (Pereira et al., 2020). The goal of the UAE National Human Resources Development and Employment Authority (TANMIA) is to provide employment, training, and development opportunities to all UAE citizens. The Emiratisation programme combines the goals of total national employment with a reduction in dependency on foreign labour. If there is a potential of available knowledge in the country, it is decided to hire locally. For example, administrators are frequently hired domestically (Abaker et al., 2019; Singh & Sharma, 2015).

Job postings can be found in local newspapers, social media, and recruitment agencies. In addition, TANMIA is contacted to see if any nationals are available for the position. Face-to-face interviews happen at the firm if an applicant is available locally. According to Abaker et al. (2019), Waxin and Bateman (2016), Emiratisation is a process that aims to increase the participation of UAE nationals in the labour market through a variety of macro- and micro-level instruments, ranging from national policies and regulations to organisational and individual level tools and procedures. As a result, the factors influencing the success or failure of Emiratisation initiatives are likely to be distributed across multiple levels (Alansaari et al., 2019). According to Daleure (2016), Emiratisation is more than just recruiting UAE nationals to replace expatriates; it is a huge process that necessitates training for nationals to obtain the required skills and competencies for the assigned work to assure a successful Emiratisation process. According to Sarker and Rahman (2020), larger firms are more likely to expand the HR department so that resources may be committed to Emiratisation, which includes factors like recruitment, procedures, rewards, performance appraisal, and training.

Such expanded divisions can also assist in overcoming expatriate employee resistance to change and actively supporting external organisations such as TANMIA. Before starting the nationalisation projects, the UAE government acknowledged that workforce education must be aligned appropriately with labour market needs; however, many firms attract foreign workers to perform jobs that nationals could never perform well (Aljanahi, 2017). As a result, the government provides training to increase the national workforce's competencies and abilities to boost the labour force's employability in both the public and private sectors. The Middle East and North Africa (MENA) are among the most prominent global consumers of corporate training. Waxin et al. (2015) state that some government-controlled businesses, including thorough assessments using competence models and multi-source comments, individual development plans, education, continuing mentoring or coaching, and rotating tasks in national and international positions, follow many accepted good practices in organisational and executive development.

As the programme proceeds, participants' development is closely tracked, and their career paths are a source of great curiosity. An independent accrediting authority may conduct an external examination of the programme. Additionally, Reddy and Kota (2019) note that nationals employed in the public sector receive substantial training and development support. Emiratis are frequently employed in jobs and then helped in their educational, training, and development needs to satisfy the required qualifications, including receiving full or partial tuition payments or release time to engage in programmes thought to benefit their professional growth. According to Zeffane and Kemp's (2020) study of HRM practices in a UAE-based telecommunications business, the HR department delivers all-inclusive training activities that promote an Emiratisation policy.

The corporation has built an Academy, which is rated as the leading training centre for leadership skills, business, telecommunication, governmental development, and information technology, as a direct initiative of the HR department. Furthermore, the corporation has formed partnerships with many local institutions and universities to provide training to its employees. The organisation has developed several development programmes aimed at various occupations, from entry-level positions to executive positions (Pereira et al., 2020). The company's career development section's primary goal is to produce the company's future generation of corporate personalities. Almaskari and Marni (2020) discuss the cultural difficulty of employing Western-style training approaches. The findings are based on a survey of 70 Emiratis who have just joined a major bank in the UAE. According to their research, collaborative and competitive behaviours have the most beneficial impact on sales and business performance; accommodating behaviours are neutral; compromise and avoiding behaviours have the most negative impact on sales and business performance.

As a result, the participants' preference for compromising and avoidance approaches negatively impacted the anticipated training outcomes. As seen in the UAE, cultural preferences might pose a significant risk when employing Western-style training programmes. On the other hand, these training programmes need to be tweaked before being used in the Arab world. According to Qasim (2020), some UAE firms hire interns from prestigious colleges to teach them on the job before offering them full-time positions. Furthermore, many firms offer a graduate training programme to provide vocational training to recent graduates before they join the main operations. As part of a cabinet change in October 2017, the UAE established a ministry for artificial intelligence. The 'UAE Strategy for Artificial Intelligence (AI)' was launched by the UAE government. This is the start of the post-mobile era of government, characterised by a diverse array of future services, businesses, and infrastructure projects. This is the first approach of its kind in the Arab world (Qasim et al., 2021).

HR Diversity in the UAE

Due to the extreme constant expansion in the number of expatriates working in various economic sectors in the UAE, diversity in HRM is an essential topic. The huge number of expatriate employees has made it critical for organisational leaders to find innovative approaches to manage their highly diversified workforce in the last 20 years. The UAE's workforce has a distinctive demographic personality, with over eight million expatriate employees from all over the working world side by side (Alketbi, 2020). In all UAE's economic sectors, expatriates accounted for over 90% of the workforce in 2020. Organisations must develop HR diversity practices capable of retaining a productive staff due to the realities of workforce diversity. In other words, HR diversity should help organisations to perform better. Managing a diverse workforce is critical to ensuring that individual variations do not obstruct business goals (i.e. productivity) (Klaffke & Catalan Opulencia, 2020). According to studies, the UAE has taken small steps to institutionalise diversity initiatives. Essentially, the government's response has been confined to creating new rules that preserve the native workforce's rights, such as the Emiratisation programme. Large private companies adhere to government policies, which state that all employees should be treated equally regardless of personal differences (Pereira et al., 2020). Other private firms manage workforce diversity using a conflict management method, in which the administration only intervenes when workforce differences trigger arguments or problems that threaten the organisation. However, with the influx of foreign personnel and the rise in work-related conflicts, there has been a growing need in recent years for the government and businesses to manage diversity concerns (Waxin et al., 2020; Abaker et al., 2019).

Several investigations have been performed to see how employees evaluate successful human resource diversity practices in their workplaces. Since the UAE's economy is primarily reliant on expatriates, it is critical to understand how employees perceive diversity and interact with coworkers who differ in ethnicity, gender, language, health condition, and religion (Hennekam et al., 2017). Working women's rights should be protected by all organisations in the UAE, according to government rules. Underage and determination have the same legal protection (the UAE Federal Human Resource Law No. 11/2008). Article 14 of the law defines the employment process for people's determination, stating that federal agencies must recruit people of determination based on professional merit. Those with the necessary intellectual and physical abilities to accomplish the job's minimum standards, regardless of handicap, should be assigned (Warner & Moonesar, 2019). Organisations that discriminate against people of determination or fail to fulfil their requirements are subject to the law. Apart from these specific legal restrictions, people of determination are treated the same as everyone else regarding employment rules, including induction, work tests, appointment procedures, promotions, resignation, and retirements. Additional articles addressing includes working women in the law (Al Jerjawi, 2016). Working women are entitled to a 60-day paid maternity leave under Article 53-1. Article 53-2 permits mothers with a newborn kid (under four months old) to take two hours off work each day to care for their children. The law allows such women to use the flexi-time method to select when they want to leave work; they can opt to arrive two hours late or leave work at any moment for the same amount of time. In a related matter, Article 54 of the law provides fathers with three days of paid leave when their wives give birth to a child within the country. Articles 65 and 66 of the law emphasise that all employees should be treated with high respect and treated equally in all professional affairs, including expatriate personnel. Cultural and racial disparities should be viewed as an organisation's source of wealth. The law prohibits discrimination based on an employee's religion, race, language, or ethnicity (Sergio et al., 2017).

Emiratisation

Throughout the GCC's six member states, the necessity to develop more employment possibilities for national residents has grown in importance over the previous 30 years. Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, and the United Arab Emirates have all taken steps towards political nationalisation (Kaabi & Sandhu, 2018). There are significant similarities between these GCC countries regarding demographics and labour markets, such as a firm reliance on expatriates, high local unemployment rates, and low levels of national worker participation, particularly among women (Thompson & Wissink, 2016). Human capability development, particularly among nationals, is acknowledged as a significant strategic objective. Government policy and legislation aimed at increasing nationals' engagement in the workforce have altered the GCC labour market environment.

For international companies operating in this region, Emiratisation has become a vital employment consideration (Qambar, 2015).

Consequently, a body of recent research on Emiratisation in the Gulf Cooperation Council (GCC) countries has arisen, demonstrating that GCC workforce localisation tactics and outcomes differ from those in other regions such as Asia and Africa. The utility of cross-county/region knowledge on workforce localisation is limited due to numerous contextual (including historical, demographic, and cultural) differences among regions (Waxin & Bateman, 2016). Government organisations in the GCC and the UAE have effectively implemented workforce localisation policies, with some agencies employing more than 90% of nationals. Emiratis made up about a third of the workforce at many of Abu Dhabi's largest government-linked enterprises across various industry sectors in 2019. On the other hand, the private sector has had a far lower success rate with labour localisation (Patterson et al., 2020).

In 2019, 54% of UAE citizens were working, with only 9% working outside the state sector. As previously stated, the UAE government recognises the need to manage diversity as an unavoidable reality (Abdulkadhim, 2020). Various regulations, on the other hand, exist to protect the employment rights of Emirati nationals. For example, under Labor Law No. 43/2005, at least 4% of all bank employees must be citizens (public or private) (Al Murshidia & Al Riyamib, 2020). Every insurance firm is required by Labor Law No. 42/2005 to set aside 5% of its jobs for national job searchers (Waxin & Bateman, 2016). According to Labor Law No. 41/2005, commercial businesses with 50 or more employees must increase the number of national employees by 2% each year. The Emirati Labor Law No. 544/2011 establishes a new classification system for businesses based on the number of Emirati employees they employ. The government rewards companies that employ many Emiratis with incentives and preferential treatment (Almarashda & Sarpin, 2020). Because of the country's demographic imbalance, Albloushi (2015) claims that managing diversity is difficult for organisations in the UAE. She discovered that 30% of international employees in the UAE had issues with several HR rules established by their employers. According to the report, over 65% of the foreign workers suspected their businesses' ability to embrace diversity strategies properly.

Education and Employment of Women in the UAE

In the UAE, women account for three out of every five students enrolled in public higher education. The overwhelming majority of these young women (80%) are first-generation college students. Because Emirati men had access to school and various work options much before their female counterparts, their fathers are more likely to have higher educational levels than their mothers. Men's schools first opened their doors in the early 1950s, followed by women's institutions over a decade later (Allagui & Al-Najjar, 2018). Although their slow start, women have achieved significant progress in all areas of education due to two reasons. The first is the rulers of the United Arab Emirates' significant support for education. The second and possibly more powerful reason is the provision of gender-segregated and cost-free primary, secondary, and tertiary education, which allows women from various socio-economic and family circumstances to access higher education (Kharroubi, 2021).

Women's apparent educational success, on the other hand, has not translated into comparable improvements in employment rates. In 2019, just 18.7% of Emirati women were employed full-time, up 5.1% from 9.6% in 2010, with the bulk of women working in the public sector as teachers or as clerical workers (Allagui & Al-Najjar, 2018). Male foreign workers have dominated private-sector employment, with less than 6% of Emirati natives (both male and female) involved in that sector (Ahmad et al., 2021). Women's employment is a big issue in the MENA area, which has the world's lowest female workforce participation rates. According to Al Matroushi et al. (2020), women in the public domain in February 2004 report that the regional governments have spent an average of 5.3% of GDP on education over the past decade, the highest allocation in the world. This massive investment in education has closed the gender gap in higher education institutions, with women outnumbering males in numerous nations. It has resulted in the highest growth in the employment rate over the last decade. Despite this improvement, the region's female labour force participation rate in 2018 was 32%, the lowest in the world. Emirati women's low labour force participation rates can be attributed to three issues (Heath, 2021).

The first factor concerns the family, which is frequently referred to as the Arab world's basic socio-economic unit (Marmenout & Lirio, 2014). The family is the only institution through which individuals inherit their religion, social class, and cultural identities, and it plays a crucial role in both men's and women's lives. Individual interests are prioritised over family interests, and the family has a significant impact on an individual's attitude and decisions. Family attitudes on female employment and a woman's capacity to balance work and family commitments are frequently cited as essential factors in obtaining and maintaining employment. The second part, which is closely related to the first, concerns the social conditions that women must adhere to under the "code of modesty," which requires men and women to be separated to protect family honour. This code is followed to differing degrees by various groups in society, and it restricts women's employment opportunities to mostly female labour areas, such as schools. The third and last factor concerns women's rivalry for public-sector jobs and their strong preference for positions in the civil service. Civil service statutes protect indigenous people and make it difficult for companies to fire them without a lawsuit. Emirati women can also count on public-sector jobs to keep them employed even if they are absent for long periods owing to illness in their immediate family or paid maternity leave. However, falling oil prices caused the government to experience lower revenues throughout the 2000s, prompting the implementation of policies limiting the expansion of public-sector employment through automation and privatisation, resulting in a sharp reduction in the number of new hires and the possibility of jobs in that sector (Sandhu et al., 2021). The private sector has the highest rate of job growth. Except for the banking sector, where government laws mandate banks to maintain a 5% national workforce quota, Emirati women have limited access to private-sector positions. Emirati women are not in a good position for the future because of the restrictions placed on them by their families and communities and their preferences, in addition to the lack of network linkages within the commercial sector (Prager, 2020).

HRM Institutional Perspective

The institutional viewpoint provides a single point of entry into the UAE's HRM setting. The function of social organisations as external influences shaping company policies and practices emphasises this theoretical approach. It provides a theoretical foundation for assessing various fundamental difficulties that organisations face in a given context. The main point is that most businesses are influenced and pressured by social forces to adopt appropriate methods for their surroundings (Karam & Kitana, 2020). Al Bastaki et al. (2020) argue that HRM practices are context-specific and that both culture-free and culture-bound variables influence national HRM practices in their attempt to draw a link between institutional arrangements and HRM policies and practices. In other words, institutional and cultural arrangements are likely to impact HRM policies and practices in firms in a specific environment. More recently, the impact of institutions on HRM and how essential HRM practices are still embedded in the respective institutional environments have received much attention (Haak-Saheem & Festing, 2020). Organisational decisions, policies, and practices, according to institutional theory, are impacted not just by rational decision-making procedures aimed at optimising effectiveness but also are affected by the institutional context in which they operate. According to Rezaei Zadeh et al. (2020), organisations are institutionally constituted entities that must conform to the rationalised and institutionalised expectations of their environment and adopt expected structures and management methods to survive. Previous research (e.g. Haak-Saheem & Festing, 2020; Pereira et al., 2020) emphasises the UAE's indigenous management conceptions and paradigms, as well as their impact on human resource management. According to Wilkins and Emik (2021), organisations acquire diverse behaviours through three types of isomorphism: coercive, mimetic, and normative isomorphism. According to Haak-Saheem et al. (2017), national institutional configurations are durable, whereas organisational-level practices within individual countries are route-dependent, reflecting specific historical circumstances.

Haak-Saheem et al. (2017) examine how Multinational Enterprises (MNEs) operating in the UAE are largely depending on International Human Resource Management (IHRM) rules and strategies. The existing research on institutions indicates that the MNEs are influenced and pressured to pursue HR practices that are deemed acceptable for an environment and a situation. Previous research has ignored the UAE's unique institutions and their effects on MNEs' HRM. Instead, they investigate the influence of home-country institutional determinants on IHRM in overseas subsidiaries, with a specific focus on institutional theory. The research shows that IHRM activities based on institutional framework are unstable, reliant, and ambiguous situations, rather than the substantial and secure institutional foundations existing in industrial nations. Singh et al. (2017) examine the prevalence and influence of distinct HR management on firm performance across various types of firms in a developing market scenario, including UAE. According to comparative capitalism research, official and unofficial laws in advanced nations are mutually beneficial and supported by HR network systems. In environments where institutional structures are poor, there are limited opportunities to disseminate mutually beneficial HR bundles. Nevertheless, even if they do, they are unlikely to produce superior results.

Challenges and Future Perspective

Despite the consistent increase over time, as previously said, growing female participation in the labour force remains one of the UAE's primary HR problems, particularly in the private sector (Budhwar et al., 2019). Some companies are still hesitant to hire women because they are seen as less efficient, demanding more and offering more petite, and unable to operate under pressure. Furthermore, as previously stated, some women refuse to accept specific positions and prefer to remain job seekers. Teaching occupations, for example, are preferred over nursing jobs. The government must raise awareness among women and their families about the critical role that women play in all aspects of life and that they are equally vital in education, agriculture, health, and other fields. Misalignment of talents and education is another issue (Saeed et al., 2015). In the UAE's labour market, the incidence of skills and educational mismatch is expected to increase. Even though the UAE labour market is in demand, the educational system in the UAE is not adapting and delivering the skills and qualifications that graduates require to seek new jobs or excel in their existing ones. This emphasises the need to align graduates' abilities during their formal education with those required by particular employment (Al Nuaimi, 2020; Raji, 2019).

There is a lack of coordination between the various stakeholders participating in the education-to-employment process in the UAE, which is increasing the influence on skill and education mismatches in the country. Furthermore, in this digital age, future academics are recommended to explore the possibilities of sophisticated technology and design a framework that can be applied to the country to dynamically modify levels of a mismatch as supply or demand changes (Goher et al., 2020).

Furthermore, new regulations and processes are required to reform the private sector's job. Even if it meant waiting a long time for a job, most job seekers prefer government work. HRM concerns such as recruitment, promotion, remuneration, training, and development are not well-defined in the private sector, particularly among small- and medium-sized businesses. Wages are one of the most prominent factors that deter citizens and expatriates from working in the private sector. Compensation is not just low compared to the public sector, but many private-sector employers postpone or refuse to pay employees' pay cheques. Alternatives such as higher salary, non-monetary perks, shorter working hours, and so on are not available in the private sector. Many commercial sectors work ten hours per day, six days per week, and split shift (which is most frequent in the Al Ain region), whereas the public sector works in a straight and single shift, eight hours a day, and five days per week system (Al Ali & Ahmed, 2017).

Since the beginning of this year, the total number of labour disputes submitted with the Ministry of Labour and Social Affairs has been set at 9674, with unpaid salaries being the greatest in number (Tahir, 2021). Using wages as an example, the entire reform of the private sector would not only inspire national women and men to seek employment in this market, but it will also develop and increase their participation in society's welfare. Even though the UAE has the greatest population growth rate in the Arab world and one of the highest rates in the world, the most severe difficulty it faces on a national level is the population imbalance mentioned previously. To deal with this problem, the government needs to adopt a precise approach. As previously indicated, the government introduced Emiratisation to bridge the gap between locals and non-locals (Budhwar et al., 2019). It is thought that as expatriates who are laid off depart the country, this problem would be alleviated in the long run. Meanwhile, the Emiratisation program's effectiveness is significantly contingent on the country's supply of qualified and equipped human resources. Waxin and Bateman (2016) investigated the elements that influence HR in the UAE in this context. They stated that about 10% of the workforce is made up of nationals. In other words, expatriates account for 90% of all employees in the country (Waxin & Bateman, 2016). Even though the UAE government is making a determined effort to strengthen the country's human resources, this is a shared goal. This objective must be shared and carried out by all community members, whether individuals or groups, private or public organisations.

Keeping in view the critical role that HRM plays in organisational success, the current serious efforts are likely to lead to many developments in the field of HRM. HRM efforts such as computerising major HR activities as a reflection of the information technology revolution that is booming in the UAE, as well as increasing the degree of partnership in HRM in most companies in the country (Zahran et al., 2016). Furthermore, a few points need to be addressed in this section that is directly relevant to the future of HRM in the UAE. First and foremost, organisations must broaden their understanding of the HR department's function in the workplace. For example, HRM departments are not involved in critical HR activities such as selection, hiring, and assessment in many firms. Their responsibilities are confined to minor tasks such as payroll preparation and sick leave management. The majority of top-level and line managers are unaware of HRM's critical function. As a result, workshops, conferences, seminars, and meetings are essential for orienting these organisations on this subject (Singh et al., 2016).

The second issue is inextricably linked to the first. There is a need to elevate the HR profession. Many HR department managers in the UAE are not HRM specialists, which means they are ill-equipped to manage employees. HR jobs in the UAE appear to be a job for people who do not have work. Unfortunately, many executives believe that all it takes to run an HR department is a ten- or fifteen-hour training course on preparing wages and creating sick leave and vacation applications (Lim, 2014). As previously discussed, the bulk of HR professionals are not HRM specialists. This could be one of the reasons why HR departments are not interested in some HR matters. This phenomenon is also linked to the scarcity of specialist HRM degrees and certificates addressed earlier in this chapter. Consequently, professionalising HR positions and graduating students with a specialisation in HRM will significantly improve HRM's status in the UAE (Abdelhamid & Sposato, 2019). Finally, the establishment of HR partnerships between firms will have a favourable impact on their performance and the development of personnel management. This will necessitate creating a reliable information system for personnel departments to communicate HR-related issues and exchange best practices. Establishing a professional HR body (at the national scale) in the UAE will support the growth of HRM in the country (Naqbi et al., 2018).

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6

Gender Discrimination in Bahrain: Implications for Human Resource Management

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Introduction

Gender discrimination in the workplace is a multifaceted phenomenon that is embedded in the structures, procedures, and practices of companies. Human resources (HR) practices are where some of the most damaging gender inequities get imposed on women (Kossel & Buzzanell,

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_6

2018). This is because HR practices (policies, decision-making, and implementation) have an impact on women's hiring, training, remuneration, and advancement. Female employment has risen considerably, resulting in an internationally visible social revolution (United Nations, 2017). Women continue to face inequity in terms of promotion chances for higher management positions or compensation, which is still lower than that of their male colleagues. Evidence abounds that, women face gender-biased work environments both in underdeveloped and developed countries (Amaout et al., 2019; Gustafsson, 2018; Stamarski & Son Hing, 2015). Even though the ratio of female workers in the Bahraini labour market has expanded dramatically in recent decades, statistics reveal that there are fewer women in high-level professions (LMRA, 2016).

This chapter articulates some conceptual issues associated with workplace gender discrimination. First, we provide a synopsis of Bahrain and the financial sector, followed by a brief background of the workforce in Bahrain. Going on, we further explored the concepts of gender discrimination and gender discrimination factors, as we embraced understanding the female workforce composition, market segmentation as a trigger of gender discrimination, barriers affecting women's advancement, and gender discrimination consequences. This chapter also conceptualises the impact of mentorship on female workforce participation, followed by discussing gender discrimination in the Bahrain banking sector. Finally, this chapter presents implications for Human resource management and conclusion.

A Synopsis of Bahrain and Its Financial Services Sector

Over decades, the Kingdom of Bahrain has moved away from its traditional industries such as fishing and harvesting of pearl towards other diversified industries such as financial services. The kingdom is now considered as one of the leading countries in the banking industry (Bobbitt-Zeher, 2011) even though it is still highly reliant on its oil revenues (ILO, 2008). Bahrain has always been a main point of entry into the Arabian land through Arabian Gulf. It has accepted different ethnicities and religions more than any other neighbouring country (Al Gharaibeh, 2011). Bahrain was a British colony, but in August 1971, it received its independence and established its constitution. After a year of independence, the country steadily, but rapidly developed in various aspects including the role of Bahraini women, which supposedly played an equal role with their male counterparts to build its modern and urban nation (Al Najjar, 2006). Although Bahrain like other developing economies has its main roots in agriculture, it has further contributed to the development of four main sectors that support the growth of its economy, including manufacturing, telecommunication and transport, personal services, and financial services. Both financial and manufacturing services have steady track records in high growth rate but with an unchanged contribution to the country's GDP over the last ten years, for example, manufacturing represented 18% of contribution to GDP growth and is considered as one of the leading sectors that encouraged diversification in the country (Economic Yearbook, 2013). The financial services sector is the largest non-oil sector that plays a major role in the country's economy with a share of 17.2% of the total country's GDP in 2012 with a growth rate of 18.14% annually between 2001 and 2012 (Economic Yearbook, 2013).

According to the World Bank (2020), there is a little over one million workers within the Bahraini workforce. However, only 20% of the female population are included in the workforce, making Bahrain's female participation in the workforce one of the lowest rates in the world (World Bank, 2020). Moreover, the female workers are underrepresented in the banking sector; for instance, in his speech at the Bahraini Women's Day Conference, the governor of the CBB stated that Bahraini female workers are only representing 32% of the total Bahraini workforce (CBB, 2015). The number of expatriate workers has increased especially in sectors such as construction and tourism. However, this increment was triggered by the labour productivity reduction. Hence, the country stressed on the necessity of having innovation and more focus on higher value-added sectors (Economic Yearbook, 2013). Bahraini national workers are mainly seen within the trade and finance services sectors. They represent 39% of the total workforce of large private companies. The corresponding share for medium-sized private companies, small-sized companies, and micro-sized companies are 28%, 24%, and 9%, respectively. According to the Central Bank of Bahrain—CBB (2020), there are 376 financial sector institutions in Bahrain, consisting of a different range of banking and financial activities such as wholesale and retail banking, Islamic finance, asset and portfolio management, and various range of insurance. Bahrain provides very attractive facilities to investors where it is a tax-free country in which the government allows 100% ownership of firms by foreigners without paying taxes on corporate incomes and capital gains (Ernst & Young, 2012).

The kingdom of Bahrain plays a major role in the region and the global Islamic financial industry with its outstanding Islamic finance and banking services. This is due to the national human capital that is highly skilled to occupy different jobs as well as the novel financial solutions that were introduced by such institutions in compliance with the Shariah (Economic Yearbook, 2013). However, the divided market has caused restrictions of the financial firms to compete globally, despite the support from the CBB to increase the opportunity for firms to merge for better capital resources diversification that can reinforce for instance the balance sheets with merged shareholder equity (CBB, 2015). Islam is the predominant religion in Bahrain as 84% of its population are Muslims. The Sharia law is applied in the kingdom where the Holy Qur'an directives serve as a guide for the people and their relationships, especially between men and women. (Al Gharaibeh, 2011). According to Article 22 of the Constitution of Bahrain, 2014, the country guarantees the freedom of practising any religion but with certain limitations from the government (Kossel & Buzzanell, 2018). Since most of the population are Muslims, the Islamic values foster the culture of Bahrain and other spheres of life in the kingdom.

Both religious and secular parties always have arguments about different issues related to gender equality in Islam. One issue is related to keeping men and women in one place especially when those are not first-degree relatives which is one of the Islamic taboos. Another issue is related to the travelling of women without getting permission from their guardians such as fathers and husbands (Tlaiss, 2013). The norms of the Bahraini culture if compared to other neighbouring countries in the region are based on liberty. However, there are still some negative beliefs, perceptions, and stereotypes about the role women play in the society which are derived from the male-dominated or patriarchal environment caused by misunderstanding of the interpretation of the Quran (Memon & Jena, 2017). Therefore, against this backdrop, it is important to understand the Bahraini workforce composition.

Conceptualising Workplace Gender Discrimination

There is a global acknowledgement that equality between men and women in the workplace is a fundamental value of human rights and the international community. Over the last decades, the world has put significant efforts to improve gender equality in the workplace, this is visibly expressed in the International Labour Organisation (ILO) resolutions that discussed gender equality policies and legislation (ILO, 2015; Memon & Jena, 2017). In the psychology field, discrimination is defined as a degree of difference in treatment that is based on membership in a social grouping such as race, sex, gender, and age (Fiske, 2017). The word discrimination is similarly defined by Thun (2020) as treating "someone differently from others, based on their membership in a social group". Workplace gender discrimination exists when decisions in the workplace such as promotion and job responsibilities are taken based on the gender type of the individuals rather than on their performance (Gutek et al., 1996; Choi, 2019). Scholars in behavioural psychology differentiate between discrimination, stereotype, and prejudice. Stereotype refers to having some beliefs about specific groups, and prejudice is defined as having bias or negative reactions and emotions towards specific groups (Fiske, 2017; Eagly et al., 2020). There is a strong relationship between these three terms where prejudice leads to discriminatory action while unfair treatment leads to prejudiced attitudes (Sharma, 2016; Fiske, 2017). However, stereotyping does not primarily result in discriminatory treatment even though the two terms frequently go together (Memon & Jena, 2017). Table 6.1 illustrates the conventional definitions of different forms of discrimination.

Table 6.1 The common definitions of discrimination

Discrimination definitions	Authors/ references
Discrimination *"Treated Someone differently from others based on their membership in social group"*	Thun (2020)
Gender discrimination *"Any distinction, exclusion, or restriction made on the basis of socially constructed gender roles and norms that prevents a person from enjoying full human rights"*	Stamarski and Son Hing (2015)
Discrimination at work *"A difference in work-related opportunity or treatment for which there is no objective or legitimate justification"*	ILO (2008)
Discrimination in employment and occupation *"Practices that place individuals in a subordinate or disadvantaged position in the workplace or labour market because of characteristics (race, religion, sex, political opinion, national extraction, social origin, or other attribute) that bear no relation to the person's competencies or the inherent requirements of the job"*	ILO (2015)
Perceived gender discrimination *Defined as when an individual whether male or female notices that he or she is treated unfairly at the workplace based on their gender*	Cameron (2001) and Gutek et al. (1996)
Perceived gender discrimination *Means involvement of subjective decisions that are based on individual's own personal involvement and experience, and cause gender inequalities at the workplace*	Van Vianen et al. (2018)

Ragins and Cornwell (2001) stated that it is important to work on research that are based on perceived discrimination as it could turn out to be a reality of workers at the workplace. Perceived discrimination could make a major influence on work outcomes and serious work attitudes. Dalton et al. (2014) emphasised that even though they are not accurate, the gender discrimination perceptions of workers have a great impact on work outcomes and work attitudes. Moreover, there is a theoretical difference between perceived gender discrimination and actual gender discrimination in the workplace (Ganley et al., 2018). For instance, some female workers may be unaware that, there are some discriminatory actions applied against them at the workplace. In contrast, other female workers unintentionally interpret some normal and soft behaviours as discrimination against them. Some studies state that there is a link between perception of discrimination and actual discrimination. For instance, provable data of actual discrimination in wrongful termination lawsuit cases of terminated workers are found very strongly associated with workers' perceptions of the employer's discrimination, mistreatment, and termination (Lind et al., 2000; Dashper, 2020).

Workers in the private sector in some developing countries such as Bahrain may lack the institutional support to report gender discrimination as well as the culture of submitting a case against employers, which is not practised among workers, but they may still perceive it in their work environments. This causes an absence of actual gender discrimination cases that are officially reported to the Human Resources departments of the workers' organisations as well as an absence of registered gender discrimination cases at the ministry of labour and the courts, which all may ultimately cause some difficulties to verify the actual gender discrimination in the kingdom of Bahrain. Hence, although the perceptions of female workers may not be exactly accurate, their existence is significant to clearly recognise gender discrimination in the private sector of the kingdom of Bahrain. As a result, assessing perceptions of gender discrimination is crucial. However, Ragins and Cornwell (2001) stated that perceptions of workplace discrimination are not similar and do not reflect actual types of workplace discrimination, for example, the workers' perceptions of workplace discrimination may occur with or without intention. Yet, the perceived discrimination is important for some individuals who protest against some forms of discrimination so they can establish some kind of collective actions as it has been seen so far with some minority groups (Foster, 2000). In addition, perceived discrimination is important for the effective assessment of individuals who would be able to understand their lack of skills and abilities in the workplace through discrimination rather than a lack of competencies (Dhanani et al., 2018).

Gender Discrimination Factors

Gordon (2019) ascertains that due to many reasons, gender discrimination is higher among women than men. Perceived gender discrimination in the workplace leads to women having less power or holding lower prestigious jobs or spending more paid working hours with more conflict at work and having less desire to work on their career choices. On the other hand, many researchers pointed out that organisations that offer gender diversification and equality can achieve remarkable results such as efficient teamwork which encourage creativity and innovation culture (Memon & Jena, 2017). Hence, it is significant to have a better understanding of the factors that affect perceptions of gender discrimination among workers.

Dalton et al. (2014) stated that previous research about the antecedents of gender discriminations perceived by employees are confined and very narrowly focused. These potential factors can either foster or lower the incidence of perceived gender discrimination. For example, organisational climate factors are antecedents that may reduce perceived gender discrimination. Such climate factors include ethical climates (Foster, 2000), both alternative work arrangements (AWA) climates and leader-supportive climates (Dashper, 2020). Since organisational leaders and supervisors always act on behalf of their organisations, employees perceive the leadership and supervisory support as representative of organisational support (Memon & Jena, 2017). Unfortunately, supervisors who do not support their workers may not encourage workers to use their rights such as family-supportive benefits (Perlow, 1995; Thompson et al., 1999). Dhanani et al. (2018) stated that family-supported supervisors presented at the firms could also negatively associate with family responsibilities discrimination.

In addition, scholars have also examined some factors related to the different forms of discrimination. For example, Fiske (2017) examined two variables—organisational climates and corporate remedies (policies) that lower sexual harassment. Another example is Ragins and Cornwell (2001) who researched antecedents to perceived sexual orientation discrimination. They stressed on factors such as family-friendly gay workplace cultures, supportive supervisors, and domestic partnership benefits. In their study, Foley et al. (2006) developed and examined a conceptual model about perceived gender discrimination including three antecedent factors, namely gender, gender identity, and perceived gender bias against women. Factor such as gender leads to unfair consequences in opportunities, rewards, and resources (Schmitt et al., 2014), whereas gender identity had significant effects on perceived gender discrimination which had an even stronger relationship with gender discrimination (Foley et al., 2006). Against this backdrop, it is essential to understand the impact of the female workforce composition on gender discrimination.

Female Workforce Composition

Ragins and Cornwell (2001) stated that discrimination happens at two different levels—organisational and individual levels. For instance, workgroup composition (the percentage of females working at various levels in the organisation such as colleague level and supervisor level) is based on individual discrimination. The impact of women workgroup composition—one of the known antecedent factors—is reducing the perceptions of gender discrimination (Ragins & Cornwell, 2001; Dalton et al., 2014). Many authors believe that women at a higher rank may not act freely to support gender equality within their organisations (Hardies et al., 2013; Gordon, 2019). Some women are unconsciously discriminating against other female workers (Gustafsson, 2018). However, some researchers found that women at higher levels offer excellent support to equality for their similar gender workers, that is, hiring and promoting women based on similar gender (Dubbelt et al., 2016; Kossel & Buzzanell, 2018). Female workers from minority groups perceive more discrimination than those who come from the demographic characteristics of their superiors (Ragins & Cornwell, 2001). In a gender-based research, Cohen and Huffman (2007) found that in the workgroup composition, women in high management levels have a greater impact in reducing inequality than women at lower management levels; hence, the high-level managers reduce the gender salary gap of women working under their supervision.

Therefore, they suggest that the higher the position attained by women, the better treatment, and less occurrence of female gender inequality. Hardies et al. (2013) supported that in his study wherein female law partners recruited more female lawyers.

Similarly, women in high levels of management have been found to function as mentors to help their protégés. They also serve as their role models to help them to overwhelm any organisational blockages that may face at the workplace (Dubbelt et al., 2016). Those are some positive examples wherein women in higher management levels support other women working within the same organisation. Hence, this minimises the perception of gender discrimination among the female workers in such organisations (Dalton et al., 2014). However, as stated earlier, there are other cases where women prevent other women from working under their supervision from any promotion or career progression (Cohen & Huffman, 2007; Hardies et al., 2013: Dhanani et al., 2018). Sometimes, some women prefer to be the only female leader at the organisation where they become unfair in their treatment of other colleagues within the group (Duguid, 2011). Consequently, it is important to understand how market segmentation triggers gender discrimination in the workplace.

Gender Discrimination and Market Segmentation

The segmented labour market theory is used by the researchers in Europe to describe how women, minorities and the working class are disregarded from the economic point of view in society (Newman, 2014; Amaout et al., 2019). It is crucial to recognise the labour market segmentation since segmented markets increase the inefficiency of the economy and serve as a source of discrimination and inequality. For instance, in the case that the workforce is not fully utilised because of specific labour markets ignorance to a definite group of people, a fall in the flexibility of the labour market to manage economic change will occur (Parcheta et al., 2013). Hunter et al. (1993) stated that employers segregate between men's works and women's work to hold jobs. Employers believe that men prefer to carry out responsibilities of full-time jobs whereas due to domestic commitments, they think that women are more suitable for part-time jobs or any non-standard jobs. Women are forced into such jobs due to their weakness in the labour market position. Hunter et al. (1993) added that some employers cannot afford recruiting market rates for full-time women workers, so they are better off hiring part-time women workers. However, in their study, they could not find differences in wages between standard (core) and non-standard (peripheral) workers when both are doing the same job unless if the non-standard have less experience with lower production, then they are paid less. Newman (2014) described the flexibility concept and the importance of segmentation within only one firm. However, Hunter et al. (1993) suggested that segmentation between diverse types of firms is more important than having segmentation only within one firm. This means that workers, especially women could turn out working in firms that offer less attractive employment terms to all their employees instead of occupying peripheral jobs at firms that have attractive terms but for their core workers only.

In addition, Kalleberg (2003) stated that with diversified employment relations, discrimination has appeared in the labour market outcome to many peripheral workers such as wage differences, retirement benefits, and health insurance coverage by the employers. However, the peripheral workers are not in all cases suffering from inequality. For instance, temporary-help agency nurses earn higher than regular full-time nurses working in hospitals (Kossel & Buzzanell, 2018; Sinha, 2020). Labour market segmentations were seen with similar characteristics in both developing and developed countries where minorities, women, and migrants have very partial access to good jobs and are excessively seen in lower segments (Memon & Jena, 2017; Gustafsson, 2018). Moreover, there are two main sides to the structured labour market, that is, the external and internal. On the one hand, the external market is subject to demand and supply where the wages are offered based on the competition outside, not subject to in-firm pressures (Memon & Jena, 2017). However, Sloane et al. (2013) argued that any wages and remunerations at the internal structured market are well controlled by the firm policies, rules, and regulations with both unionisation and managerial rights. On the other hand, the wages of the internal labour market are higher than those that might be received outside the firms, as they do not refer to any external factors.

Most of the labour market literature of Western industrialised countries are focused on gender, racial, and migrant discrimination. Such literature is written by researchers who have obtained empirical evidence to prove the availability of inequality of wages among various social groups who have similar human capital traits. The researchers pointed out that disadvantaged groups such as women are largely seen in the secondary labour market or at the bottom level of the labour market, earning low wages, not having access to mobility within sectors, and other forms of discrimination (Parcheta et al., 2013; Newman, 2014). Sinha (2020) stated that female workers face discriminatory experiences in the labour market in comparison with male workers. This discrimination can be seen in unequal opportunities to training, segregation in occupations, employment benefits, and job security. Kossel and Buzzanell (2018) stated that job mismatching is another factor that encourages the development of labour market segmentation. They added that disadvantaged groups including women have difficult access to move to the primary sector to hold secured jobs. Hence, they are pushed into bad jobs in the secondary sector. However, Hardies et al. (2013) stated that dualists have policies that remove any blocks through anti-discrimination laws, which achieve the desired results. Barnes (2017) pointed out that some laws are emerged based on the above discriminatory actions, for example, equal pay and work-life balance, that are applied to lessen the impact of segmentation. As a result, there is a need to understand the barriers to women's career advancement.

Barriers Affecting Women's Career Advancement

Brannon (2001) stated that there are many factors considered to be the reasons behind the occurrence of the 'glass ceiling'—a metaphor, representing the degree of difficulty women face in striving to conquer the challenges of becoming a leader (Barnes, 2017). For instance, workers occupy positions that are usually trapped at the bottom levels of their organisations. It is unlikely that can get promotions and move to higher-level positions (Brannon, 2001). In some cases, female workers, particularly those that are married or mothers, find it challenging to get promoted or advance in their careers due to the need for a long leave such as maternity or sometimes they ask for shorter workdays to look after their children. Moreover, another major factor that could hinder women's career advancement to top management positions is the lack of qualified female workers (Robinson, 2021). Robinson (2021) added that another barrier that hinders women's advancement in their careers is the gender inequality in carrying out the home and family responsibilities. For instance, family responsibilities create a barrier that hinders women's advancement to hold higher management positions, especially for working mothers who are highly responsible for looking after their children (Gustafsson, 2018; Amaout et al., 2019). Women themselves believe that family responsibilities stand as a challenge that hinders advancement in their careers, resulting in a pay gap (Barnes, 2017). In addition, the advancement of women workers to high positions is directly related to enhancing and increasing their knowledge, skills, and abilities as well the opportunities that are made available by their employers throughout their career (Amaout et al., 2019). However, Metz (2003) stated that only a few employers offer organised efforts for their female workers by proposing relevant training and development opportunities and giving them access to these programmes.

Most of these barriers are formed by individual with negative beliefs, which is called organisational prejudice (Barnes, 2017). Ugarte (2017) aver that this form of discrimination exists because of the prejudice about the ability of women in management. Furthermore, women who work in male-dominated firms often receive limited networking and mentoring chances as well as limited access to family-friendly programmes which include, for instance, the availability of nursery services, onsite day-care centres, family support services, and flexitime. Offering such initiatives lead to having working women with multiple roles capable of managing their various time and tasks effectively (Memon & Jena, 2017). According to a study developed by Ugarte (2017), the stereotyping attitudes that have been applied to women include: not wanting to work; not being as committed as men to their careers; not being tough enough; being unwilling or unable to work long or unusual hours; being unwilling or unable to relocate; unwilling or unable to make decisions; too emotional; not sufficiently aggressive; too aggressive; too passive; and lacking quantitative skills. Other studies that address specifically men's stereotypes about women found that the stereotypes include: women are not as committed to their career as men; women refused relocation; women will not work longer hours; women are warmer and caring than their male counterparts; women are short of numerical skills (Kossel & Buzzanell, 2018; Memon & Jena, 2017). Thus, understanding the consequences of gender discrimination is crucial to the issues women face in the workplace and how they affect individuals, groups, and the organisation at large.

Gender Discrimination Consequences

Gender discrimination within the workplace can lead to litigations. Such actions, which can be initiated by employees, can cause threats to the organisation's reputation and financial performance (Ugarte, 2017; Thun, 2020). Gutek (2001) aver that the consequences of discrimination cannot only be seen at an individual level but also at the organisational level. Thus, gender discrimination may result in wage gaps, job status, and job types among discriminated groups and other groups that are not discriminated against. Moreover, studies have suggested that perceived discrimination has negative effects on individuals, particularly on their physical and psychological health (Schmitt et al., 2014; Noordegraaf, 2016; Memon & Jena, 2017; Langner, 2018). Negative consequences of workplace discrimination can lead to a reduction in performance and motivation, absenteeism and job dissatisfaction, and financial losses. Firms may lose money from the legal cases related to discrimination, which can cost them a fortune for reimbursements such as employment, promotion, back payment, and reinstatement (Kossel & Buzzanell, 2018). As stated earlier, besides the individual level, gender discrimination consequences also occur at the group level that takes place at the workplace such as negative affect on their income and job opportunities (England, 1992; Kilbourne et al., 1994). Dashper (2020) stated that workgroup classifications create the feeling of uncertainty and lack of trust. Sekaquaptewa and Thompson (2003) added that such classifications also produce a feeling of tokenism which leads to lower levels of performance at the organisational level.

Goldman et al. (2008) developed a multiple needs model of perception of discrimination which is a theoretical extension of the multiple needs of justice that lead individuals to care about justice. In their model, they focused on the consequences of perceived discrimination wherein they found that perceived discrimination is negatively related to some antecedents' factors such as economic-based need fulfilment (i.e., desired individuals' goals), interpersonal-based need fulfilment, and deontic-base needs fulfilment (i.e., ethical or duty and obligation). Goldman et al. (2008) added that the non-fulfilment of these needs leads to job dissatisfaction, and low organisational commitments, which ultimately lead to turnover intentions. However, the accomplishment of these needs can lower the negative consequences of perceived discrimination for the organisation. Barnes (2017) supported the above as they found that employees did not mind losing their financial self-interest to act against unfair treatment in the workplace with no objection to losing any financial benefit out of this act. In another experimental study, Bazerman et al. (1995) stated that individuals raise more concern about fairness than any financial income where they prefer fairness with less income instead of unfairness with more income.

It is clearly noticed from the above that most of the different empirical studies show that the perception of gender discrimination leads to negative outcomes, that is, perceived gender discrimination has a negative impact on the above-described consequences. It is also observed that most of the studies are focused on gender discrimination effects such as psychological and physical health, intention to leave, and turnover. However, not many scholars emphasise wage differences and promotion rates as consequences of perceived gender discrimination. More so, understanding the importance of mentorship and its impact on female participation in the workforce could provoke more discussion into the implementation of organisational policies and practices that could increase female workplace participation.

Mentoring Relationship and Female Workforce Participation

Kram (1983) defines mentoring as a senior person who owns advanced experience and knowledge to offer his full support and guide develop a junior person in a firm. The mentor holds a higher power position, builds a relationship with the mentee, and offers them both career and psychological support (Garvey et al., 2021). Career support means helping career progression, which includes coaching, protection, offering challenging works to protégés, sponsorship and experience, whereas psychological support includes the provision of assistance to the protégés for development in different senses, such as identity and competencies (Van Vianen et al., 2018). Moreover, the senior person acts as a role model to develop the work-role effectiveness, acts as counsellor, establishes a friendship with protégés, agrees and confirms on actions and decisions (Kram, 1983). Mentoring relationships can be seen as formal (that is a mandate by the organisation) or informal and consist of four phases, including initiation, cultivation, separation, and redefinition phases (Duguid, 2011; Gustafsson, 2018). Moreover, women are mainly mentored through their connections but not through formal sponsored mentoring programmes (Goldman et al., 2008). Prior studies claim that mentoring relationships are more available for men than for women (Lind et al., 2000; Dashper, 2020). There are several hindrances to women's availability for mentoring, especially given the notion that women take on diverse roles (Adisa et al., 2021) including caregiving (childcare and older care), house chores, and paid employment. Hence, their [women] careers may be disturbed or postponed attending to needs with the most priority (e.g., family).

Many reasons have been perceived as obstacles preventing having cross-sex mentoring relationships. For instance, people in the workplace avoid gossips and reputation uncertainties that might arise among other colleagues about the mentoring relationship (Gordon, 2019). Another reason is the gender role, which traditionally encourages men to carry out the aggressive role and women perform the inactive role when building the relationship. Hence, women try not to engage themselves in initiating mentoring relationships (Stamarski & Son Hing, 2015). Moreover, women hold junior positions with minimal responsibilities. Hence, they minimally get involved in projects, which lead to being perceived as unable to perform certain tasks that may be regarded as a masculine role (Kossel & Buzzanell, 2018). Recently the trend showed that women are holding more executive and managerial positions. As a result, there has been an increase in women at high ranks mentoring other women (Amaout et al., 2019). Women can be mentors for male protégés. However, there exists a fear that such mentoring relationships could lead to perceived or actual sexual relationships that could cause blockage of entering such relationships or even gender stereotypes that men and women hold on each other which could also prevent forming such mentoring relationships (Kelan, 2020).

Mentoring relationships are essential for women, as mentors can assist women, especially with gender discrimination and help them to accelerate their career advancement (Gustafsson, 2018). Hersby et al. (2011) stated that women are in need of mentors as they seek their support. Moreover, women have a greater need for mentors who enthusiastically promote them at higher ranks in the organisations (Zheng et al., 2017). Women could benefit from mentoring, including career advancement, higher salaries, job satisfaction, growth in promotions rates and retention (Gordon, 2019; Kelan, 2020). On the contrary, Koyuncu et al. (2014) in their empirical study found that there were no significant differences between women who had a mentor and women who never had a mentor on various work outcomes such as job satisfaction, career satisfaction, career progress, intent to leave work and overtiredness. However, not all cases are similar, as the outcomes may be different across different contexts (e.g., Bahrain). Nevertheless, mentoring relationships have been found valuable in providing support to disadvantaged groups such as racial minorities, women, and based on sexual orientations (e.g., LGBTQ) (Hebl et al., 2012; Kalev et al., 2012). In addition, Lindsey et al. (2013) stated that some mentoring programmes might cause problems especially if such programs are not offered to all employees, which will lead to perceptions of discrimination. Ruggs et al. (2013) pointed out that mentoring could lead to discrimination because mentors share different information to different protégés because of match and mismatch.

Gender Discrimination in Bahrain Banking Sector

Al Gharaibeh (2011) stated that women in Bahrain face a conflict between two different thoughts, one of which is the 'religious-tribal perspective'. This tends to keep women at home while men mainly run the businesses and occupy positions in the private sector. The second thought called "modernising perspective" tends to develop a partnership between men and women in life sharing responsibilities and opportunities wherein women are empowered in conjunction with the country's constitution that involved measures of gender equality as part of the social, economic, and political changes of modern Bahrain. The empowerment of Bahraini women can be understood from the birth of the political liberalisation reforms that took place after the ascension of His Majesty King Hamad Bin Isa Al-Khalifa to the throne in 1999 in which the government of Bahrain has given high priority to Bahraini women empowerment in its agenda. The Supreme Council for Women (SCW) was established in 2001 saddled with supporting women by promoting their liberty in all aspects of life (Karolak, 2012). The SCW was founded to motivate and encourage Bahraini women to assume top positions that require key decision-making. Part of this council's duties and responsibilities is to develop the skills of women, create jobs, work on researches and studies related to women, and of course prepare awareness campaigns about women empowerment (SCW, 2015).

With different key activities that took place in the kingdom of Bahrain over the last decade such as political, economic, and social, women's situation has drastically improved. Nowadays, women are seen occupying decision-making positions in different disciplines such as ministers, judges, CEOs, and business entrepreneurs, but at the same time, they maintain their social role as wives and mothers (SCW, 2013). Over the last decade, Bahraini female students outperformed male students in higher education; for instance, there have been high percentages of female graduates from the universities. More so, the availability of labour rights, laws, and regulations have led to the rise of females' presence in the labour market. For instance, the female workforce rose from 5% in 1971 to

33.5% in 2010 (SCW, 2013). Despite the reforms that took place in the Kingdom of Bahrain, women are still suffering from gender discrimination at their workplaces, including the existence of barriers that hinder women's career advancement. The general perception is that the Islamic values are behind such gender discrimination at the workplace, which is a base that the country develops and form its culture. However, Islamic values are seen to totally support gender equality (Dhanani et al., 2018). The Arabic culture has misinterpreted the Holy Quran and Prophet Mohammed's sayings (Al-Lamky, 2007; Sinha, 2020). Karolak (2012) also stated that the Arab culture plays an important role in forming gender discrimination in the society, such as seeing the society as male-dominated while women are viewed to be followers. Despite the CBB's efforts to increase the proportion of male-to-female workforce composition, women do not exceed 30% of the banking workforce. People may always perceive that this sector encourages its female workers to reach higher levels without noticing any gender discrimination or barriers that hinder women's advancement. Yet, there are several implications of gender discrimination for HRM, particularly in Bahrain.

Implications for Human Resource Management

Gender discrimination remains a topical debate or human resource management. While gender discrimination, especially against women, began to decline in some areas, particularly in industrialised countries, as a result of the advancement of women's rights treaties, yet it continues to be practiced widely and varies from one region to the other (Biswas et al., 2021). While discrimination is still practiced in affluent countries, it is more prevalent in developing countries like Bahrain (Kelan, 2020). The recruitment and selection stage is one of the HR practices that raises gender imbalance and might be used broadly (Dashper, 2020; Biswas et al., 2021). Organisations, especially in Bahrain, still prefer to hire males in certain positions over women. The belief that women are incapable of performing certain tasks persists to this day. Most business owners prefer to allocate men to roles that demand a lot of travelling or quick decision-making in this regard (Biswas et al., 2021). During the recruitment and selection process, business owners assume that women's work advancement is limited, but men's employment advancement is unlimited and can lead to top management positions (Memon & Jena, 2017). HR managers have a duty in ensuring that not only is gender equality made a priority in organisations, but also promote programmes that provide the female gender advancement in their career path.

Another form of discrimination is the type of occupations that are available to women. Women are always chosen for low-wage and conventional jobs, sometimes leading to gender occupational segregation (Adisa et al., 2021). According to Dashper (2020), there are pay disparities between men and women in the United States. Therefore, there are needs for human resource policies and practices that are gender-focused and that reflect an organisation's attitude towards gender diversity which enables female talents to flourish. The signal causes employees to believe that the company encourages gender diversity, resulting in a gender-diverse workforce. As a result, a gender-diverse workforce gives a company a competitive edge, which should lead to improved performance. Gender-diverse businesses have an advantage in attracting and retaining top talent, as more women have easy access to tools that help them choose the cultures that best suit them (Kelan, 2020).

Conclusion

Gender equality is critical for communities, nations, and organisations to thrive. Organisations that envision a workplace where everyone has an equal chance, their safety and security are assured, and they are treated fairly, enjoy employee retention and higher performance. HR professionals play an important role in building procedures and culture which ensure gender balance, but they cannot do it on their own without management support. As a result, management should make a concerted effort not to let the concept of gender discrimination intrude into policies such as recruiting, promotion, and appointment to higher offices or positions. Positive, equitable opportunity and fairness in engaging the workforce should be pursued, as this tends to boost employee performance, which in turn increases organisational performance.

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7

Human Resource Management in Jordan: Challenges and Future Prospects

Tamara Mohammad and Tamer K. Darwish

Introduction

Jordan is a country in Western Asia that is officially known as the Hashemite Kingdom of Jordan. It is located on the East Bank of the Jordan River, at the crossroads of Asia, Africa, and Europe, in the Levant region. Saudi Arabia, Iraq, Syria, and the West Bank of Palestine form Jordan's borders. The Dead Sea runs along its western boundaries, and in the extreme south-west, the country has a 26-kilometre (16-mile) shoreline on the Red Sea. Amman is the capital and largest city of Jordan, as well as the country's economic, governmental, and cultural hub. In 2018, Jordan had a population of ten million people, including Syrian Civil

The original version of this chapter was revised. The correction to this chapter can be found at https://doi.org/10.1007/978-3-030-98309-3_16

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_7

War refugees (Department of Statistics, 2021). Amman (1.5 million) is the country's capital and largest city; the Greater Amman Municipality is home to about half of the country's population. Arabic is the primary language spoken (official). Jordan is a largely Muslim country, with roughly 92 percent of Jordanians adhering to Sunni Islam, the country's primary religion (Jordan Tourism Board, 2021).

This chapter focuses on human resource management (HRM) in Jordan, a relatively secular Middle Eastern country with high political stability. Given that Jordan suffers limited natural resources, the onus is falling on the development of its human resources which represent the country's largest asset. However, the potential of HRM is not yet recognised in Jordan. Although HRM literature in the Middle East in general and Jordan in particular is rather scarce, we present the main aspects of the country's socio-economic status and discuss the role of HRM in the current economic reforms. We also discuss the key factors that determine HRM policies and practices in the context of Jordan and explore the potential impact of the country's unique institutional and cultural setting on HRM practice and the implications of the latter for theory and practice. The chapter also presents the key challenges and future developments in HRM in Jordan and concludes with a number of important areas for future research.

Socio-Economic Background

Jordan is an average-sized Arab nation situated within the Middle East. Contrary to popular belief concerning the Middle East, Jordan neither possesses any oil reserves nor an abundance of natural resources (Mohammad, 2019). Notwithstanding its meagre natural resources, the country does enjoy certain competitive advantages in the form of its hard-working and educated human resources—factors now being acknowledged (Jordan Tourism Board, 2021). Despite this, there has been a widespread recognition that the nation's workforce does need to improve its skills in order to improve organizational performance and comply with standards of quality improvement (Aladwan et al., 2014). With a view to undertaking the efficacious management of the workforce, Jordan's Civil Service Bureau (CSB, 2021) opined that the HRM practices must make the transition from a theoretical perspective to a more practical one.

The diversity in the Jordanian economy is positive despite the relatively small size of the country and the number of obstacles it faces in achieving this diversity (CIA, 2018). Given Jordan's small and open economy with strong ties to the rest of the world, the COVID-19 epidemic has had substantial economic consequences. Jordan's real GDP fell by 1.6 percent in 2020, according to World Bank estimates, compared to 2.0 percent increase in 2019. The epidemic has had a particularly negative impact on Jordan's service industry, travel receipts, and tourism (see Fig. 7.1), all of which are important growth sectors for the country. Jordan's unemployment figure surged dramatically because of the pandemic's economic impact, rising from 18.3 percent to 19.0 percent between 2017 and 2019, to 24.7 percent in Q4-2020 (see Fig. 7.2). Women unemployment rate fell from 31.2 percent to 27 percent between 2017 and 2019, but then spiked to 32.8 percent in Q4-2020. Furthermore, unemployment rates of youth (15–24 years) increased dramatically from 40.6 percent in 2019 to 50.0 percent by the end of 2020, an all-time high.

Jordan's economy was not operating as expected in the CPF even before the COVID-19 crisis, according to the World Bank (2021), and had been grappling with chronically poor growth trends and structural difficulties that had compromised financial stability. Between 2016 and 2019, Jordan's real GDP growth remained at around 2.0 percent, inadequate to provide enough job opportunities for the country's young

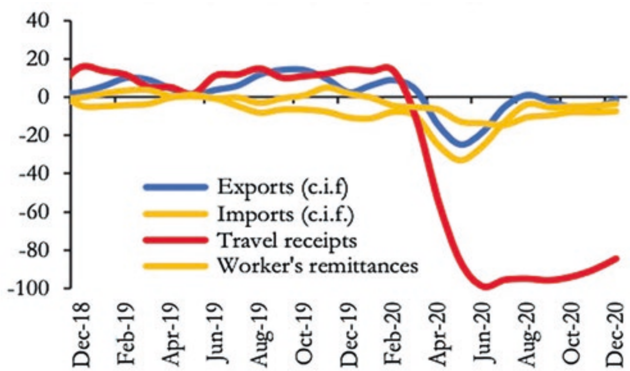

Fig. 7.1 COVID-19 impact on exports, imports, travel, and worker's remittances. (Source: World Bank, 2021)

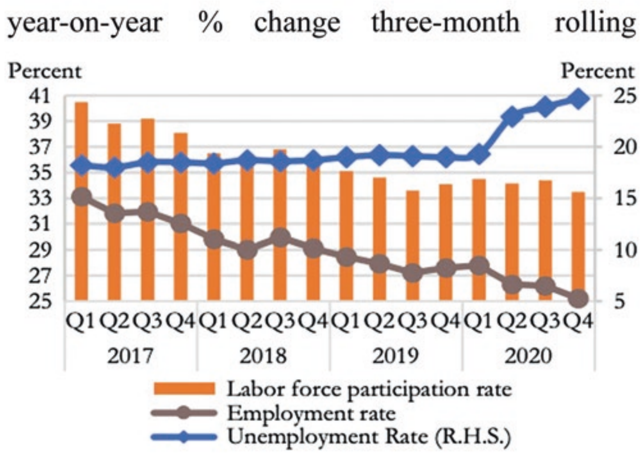

Fig. 7.2 COVID-19 impact—indicators of labour market (year-on-year % change three-month rolling averages). (Source: World Bank, 2021)

workforce. Since 2018, the Jordanian government has implemented fundamental policy and institutional changes such as purchasing power parity (PPP) regulations, public procurement liberalisation, and domestic income recruitment. Initiatives, on the other hand, have taken ability to execute, and they have yet to make a difference in Jordan's development trajectory or its budgetary deficits, which are mutually reinforcing. Jordan's economy was already under strain before the COVID-19 epidemic hit, as domestic earnings plummeted due to the country's economic downturn. As a result, the regional government's fiscal deficit, including subsidies, increased significantly from 4.6 percent in 2019 to 7.4 percent in 2020, and the national public debt increased from 97.4 percent in 2019 to 106.5 percent in 2020.

In terms of Jordanian exports, the Minister of Industry and Trade in Jordan (2021) states that clothing, chemicals or chemical products, potash, and phosphates are the four primary exports. The products predominantly imported into Jordan include machinery, crude petroleum, and food products. Jordan currently has strong positive trading relationships with Saudi Arabia, US, Canada, Singapore, Malaysia, the European Union, Tunisia, Algeria, Libya, Turkey, and the European Union (CIA, 2018). Jordan and the US signed a free trade agreement in 2000, which has been greatly influential. Whilst the level of exports from Jordan is increasing, they have not amounted to a level to date that equates with that of their imports. In order to fill this financial gap, Jordan receives foreign grants and loans. A further factor that helps to offset the trade deficit is the level of tourism in Jordan. Moreover, Jordanians moving abroad continue to send payments back to Jordan and the Jordan Central Bank regularly makes foreign investments which good earnings, and both Arab and non-Arab governments provide subsidies (Oxford Business Group, 2015).

Political Background

Executive responsibility has been increased as the result of a number of legislative instruments which were implemented both before and after Jordan became an independent country; however, the 1952 constitution is the most recent of these instruments according to the official site of the Jordanian e-government (Government of Jordan, 2018). According to the constitution, Jordan is a constitutional hereditary monarchy; moreover, it has a parliamentary government. Jordan recognises its official religion to be Islam and considers itself to be an Arab nation. All executive decisions are made by the King of Jordan who is also entitled to elect whomever he chooses to preside over the central government as prime minister. The cabinet is also selected by the king; however, the parliament is required to approve these selections. General policies are established by the cabinet, and they are also responsible for managing other government departments (Embassy of the Hashemite Kingdom of Jordan – Washington, 2019). There are currently 12 administrative governorates. Each governorate consists of districts and sub-districts, each of which has an official in charge. This official is selected by the Minister of the Interior. A city or town also has a mayor, as well as partially elected councils (Government of Jordan, 2018).

Political Process The Embassy of the Hashemite Kingdom of Jordan in Washington (2019) states that politics are in place in order to provide change and resolution in accordance with the desires of the public. In

Jordan, any individual over the age of 18 is entitled to vote. Jordan previously had only one political organisation between 1971 and 1974, which was the Arab (Jordanian) National Union.

Security The majority of the Jordanian army is formed by Bedouin individuals, who are traditionally martial desert people. Bedouin army members have key positions in the military; however, they are now less politically influential. A man can enrol to serve in the army once he is 17 years old. There is no compulsory requirement to serve in the Jordanian army. The military consists of both an army and an air force. The air force has been developed from the Arab Legion and has a range of jet aircraft that are of substantive quality. Jordan also has a small navy; however, it is recognised as holding more of a coastguard role. The commander in chief of all of the armed forces in Jordan is the King (Jordan Armed Forces, 2021).

Transformations, Government Plan, and Vision

The five-year reform matrix (5YRM) was produced in 2018 by the Jordanian government in partnership with the World Bank Group and other policy makers, and it integrated the growth and economic growth changes from Jordan's different programmes, including the Jordan Vision 2025 and the Jordan Economic Growth Plan. The 5YRM focuses on changes that encourage investment and trade, lower operational costs, and combat labour market segmentation. At the international conference "Growth and Opportunity: the London Initiative 2019," the 5YRM improvement plan was refreshed and publicly presented. Over the course of five years, it is arranged into a collection of cross-cutting (horizontal) and departmental (vertical) regulatory frameworks. It has been modified and integrated as the Transformation Model into the GIEP 2021–2024, and it will be expanded to two years to comply with the deployment timeframe of the Government Indicative Executive Program (GIEP). The Transformation Model comprises 11 pillars (rather than 9) and includes additional attention on digitalisation, gender, and green investments as cross-cutting issues, as well as measures to enhance the tourism industry and increase system efficiency (see Fig. 7.3). In January 2020, the Ministry

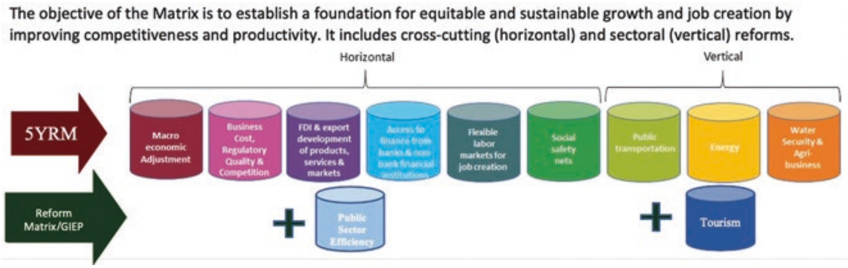

Fig. 7.3 Pillars of the five-year reform matrix and reform matrix. (Source: World Bank, 2021)

of Planning and International Cooperation (MOPIC) formed the Revolution Secretariat (RS) to control and maintain the structural transformation (World Bank, 2021).

At the same time, Jordan's government has been advocating policies and plans to improve human resources, strengthen social support, and start on climate-responsive economic restructuring. Jordan developed the Health Sector Reform Five-Year Plan, the National Human Resource Development Strategy, and the Social Protection Strategy during the deployment of the Country Partnership Framework (CPF). Jordan formulated the Paris Agreement Nationally Determined Contributions to detect disaster risk reduction steps to be taken in 2016–2030, in connection with the Jordan Vision 2025 and constructing on sector-specific strategies; this was merged with the National Green Growth Strategy in 2016, which promotes water, waste, energy, agriculture, tourism, and transportation as green growth industries (World Bank, 2021; Ministry of Planning and International Cooperation, 2021).

Human Resource Management in Jordan

As outlined above, Jordan is a relatively small country of Arabian origin located in the Middle East. It is not in possession of any oil reserves and the natural minerals and resources that it does have are minimal. Given that Jordan suffers limited natural resources, the onus is falling on the development of its human resources which represent the country's largest asset. Jordan currently faces a number of socio-economic issues; firstly, it imports a larger quantity of products than it exports, thereby it has external debt. Jordan seeks to reduce the poverty and unemployment levels within the country and often faces water shortages. Jordan has now begun to focus specifically on competitive industrial growth and the enhancement in its public services so as to render them of greater substantive quality and efficacy (Mohammad, 2019). The potential of HRM is not yet recognised in Jordan. Whilst the majority of organisations have HRM teams/departments, reports from the Ministry of Industry and Trade suggest that the teams do not perform effectively, with many lacking the initiative to improve the working environment. This has caused a number of issues for organisations in terms of their human capital, as their human resources are often under-skilled for the role or under-motivated. This results in a high staff turnover, which tends to lesser efficiency.

There has been very little research conducted in relation to HRM in the Arab world in general and the country of Jordan in particular. Research has, however, outlined that it would be advantageous for Jordan to engage more proactively with their management of human resources, as well as other organisational resources, in order to encourage and sustain future growth (Aladwan et al., 2014; Mohammad et al., 2020). It is hence essential to understand the current state of HR policies and practices and employment relations in Jordan before planning for future growth. Whilst this area has been extensively researched in many other countries, there is exceptionally little research into HRM in Arab countries such as Egypt, Lebanon, Syria, Palestine, Tunis, Algeria and Jordan. The majority of HRM research in the Arab world was rather concentrated on the Gulf states (see, e.g., Afiouni et al., 2014; Haak-Saheem & Festing, 2020; Wood et al., 2019; Al-Bastaki et al., 2020).

The national cultural values in Jordan have a significant influence over the policies and practices utilised for HRM. These cultural values are the product of government policies and bureaucratic procedures. Neither the private nor public sector in Jordan show a clear use of HRM in terms of making strategic decisions or in designing HR practices for a company to adhere to (Darwish & Singh, 2013; Budhwar & Mellahi, 2016; Ghaith et al., 2018). The first stage in progression for HRM in Jordan is to identify and understand how HRM is currently used and how this can be modified in order to provide a better quality HRM service. HR departments are not uncommon in Jordan, with many organisations having these departments at both their headquarters and local branches (Al-Lawama et al., 2021). The HR department, however, is typically solely in charge of administration; they process employees transitioning from the recruitment process to employee status (Budhwar & Mellahi, 2016). HRM practices mainly include recruiting and selecting potential employees, ensuring continued training and development to prosper the company and its employees, conducting performance appraisals and finally implementing rewards and incentives for employees to enhance productivity. These policies are all likely to be influenced by social and environmental factors such as the political environment or cultural values (see Wright et al., 2018; Wood et al., 2019; Alanezi et al., 2020). The economy in Jordan is influential over both unemployment and business, with culture and political factors influencing the majority of Jordanian regulations (Aladwan et al., 2014; Ghaith et al., 2018).

According to Ministry of Labour (2021), individual labour disputes are resolved by the Conciliation Court, with the exception of compensation issues, which are resolved by the Remuneration Authority in line with this code. Such issues are handled quickly, and each case is resolved within three months of the date of submission to court. An appeal may be filed against a court decision issued in accordance with the preceding paragraph within ten days after the date of issuance, if made in the presence of the parties involved, and from the date of notice. The appeal must be decided within 30 days of receipt. Jordan's retirement age is presently 60 years for males and 55 years for women. It was chosen this way when Jordan's average life expectancy was 45 years, and it remains thus even if the current life expectancy has risen to 78 years, due to increased living standards and the availability of medical treatment. Raising the retirement age is a global trend; it presently spans between 65 and 70 years. Raising the retirement age is seen as an essential component of economic and fiscal reform programmes imposed on debtor nations with substantial budget deficits and debts as a proportion of their GDP. The notion of raising the retirement age is not new in Jordan; it has been debated multiple times in relation to government employee pensions, which surpass

JD1 billion each year and continue to climb year after year (Social Security Corporation, 2021).

If this waste of human resources and public financial resources is not enough, we have an early retirement system that allows employees to leave their jobs at the pinnacle of their mental and practical talents. In that instance, the retirement is fictitious. It is just a mean of obtaining unearned money at the cost of society. Retirees typically hunt for new employment, both in Jordan and abroad, which contradicts the concept of retirement and transforms it into a ruse to get public funds as quickly as possible in a manner bordering on corruption (Jordan Times, 2015). We next present a brief discussion in relation to HR policies and practices in the country of Jordan:

1. *Recruitment and selection:* Recruitment and selection are critical strategies for an organisation's success, since having the right people on board can help enhance and sustain the organisation's effectiveness. A well-executed recruitment process can cut down on the time it takes to find, interview, hire, and train new employees. It has the potential to streamline these procedures and make the search for prospective applicants far more efficient. In Jordan, there are additional challenges with the recruitment procedure. Recruitment, for instance, is not always the methodical objective selection of the best individual for the job posting. In Jordan, *wasta* is widely used to secure a job, which means that many qualified people are unable to apply for the position, and it may instead be filled by family or friends whose qualifications are less impressive (Aladwan et al., 2014; Ali & Weir, 2020; Haak-Saheem & Darwish, 2021). In other words, while it is generally accepted that good recruitment can help an organisation become more successful, informal networks effects in Jordan may be able to sabotage the process.

Wasta is operationally, normatively, and politically embedded within institutions in Jordan to the point where everything, no matter how small it is, needs *wasta* in Jordan (see El-Said & McDonald, 2001; Jackson et al., 2019; Alsarhan et al., 2021). It is also noted that the use of *wasta* is not only restricted to find a job, where some of the elite groups in Jordan and the wider Middle East region can also use it to obtain business licences, evade taxation, and overlook regulations to increase profits through inefficient means (see El-Said & McDonald, 2001). As a result, this context provides a compact, ideal case scenario for taking a complete look into this particular issue. *Wasta* continues to be the major method for Jordanians to get a job (Branine & Analoui, 2006) as recent statistics show that the most Jordanian households (65 percent) consider *wasta* to be vital for finding work, and 33 percent of those polled stated they used it to find work for a household member (The Jordan Times, 2017).

2. *Education and training:* According to Ministry of Education (2019) and Ministry of Higher Education (2019), there is a good standard of education in Jordan, with over half of the population completing at least secondary-level education, and the majority of Jordanians being able to read and write. There are both private and government schools in Jordan, with a third type of school, UNRWA schools, recently being established to cater for Palestinian refugees' children. The education system in Jordan consists of six years of elementary school, followed by preparatory school for three years and then three final years of secondary education. All the schools in Jordan are carefully monitored by the government. They follow a government-approved curriculum and examination programme and teaching qualifications are vetted by the government (United Nations International Children's Emergency Fund (UNICEF) Jordan, 2015). All children in Jordan must attend school until at least the age of 14. The government currently also provides free books to their own schools. There were three public universities in Jordan which are the University of Jordan (1962), Yarmuk University (1976) and Mu'tah University (1981). Then, the number of universities increased significantly during the 1990s to reach 10 public and 17 private universities. There are several alternative higher educational establishments besides universities, including the Khadduri agricultural training institute, agricultural secondary schools, vocational and labour or social affairs institutes, colleges for nursing, teaching or military training, and also a Shari'ah legal seminary (Ministry of Higher Education, 2019).

The twenty-first century should bring some modifications and adaptations from HR scholars, practitioners, and specialists in order to ensure that Arab countries continue to develop and manage their valuable human resources effectively (Singh et al., 2018; Budhwar et al., 2021). Employees must be capable of completing a variety of duties efficiently and effectively in today's dynamic work environment and complicated business needs. Employees gain continual skills and experience through a well-designed training programme. Increased job performance, increased employee satisfaction and motivation, reduced costs, and improved quality of work are all benefits of training programmes. Regardless of recent investments and developments across several Arab nations particularly across the Arab Gulf region, the education system in the Middle East remains underdeveloped and some believe that it is incapable of meeting the future needs of human resources (see Forstenlechner & Rutledge, 2011; Kapiszewski, 2001; Haak-Saheem & Darwish, 2021). It is also held that education systems in advanced nations have been rather concentrated on equipping young people with the required skills and competencies, while the adopted system in the Arab world has focused on developing national identity and overlooked the fundamentals of higher education and research (see Forstenlechner & Rutledge, 2011; Harry, 2007). Most firms will be able to use basic training; however, specialised training is offered to improve a specific employer's skills, knowledges and abilities (SKAs). Haak-Saheem and Festing (2020) conducted a study in an emerging market setting that highlighted the necessity of training and highlighted the role of government in financing citizens in methods that educate them in the direction of enhancing their skills. Nevertheless, some organisations in Jordan consider the time spent on training to be futile and wasteful of valuable time. When organisations perceive training in this manner, their capacity to provide advantageous results is reduced and therefore little is gained from the training programmes (Aladwan et al., 2014).

The literature produced from Arab countries reflects the view that training and development are viewed as insignificant and fail to have a significant impact on the organisation in terms of productivity and success. Training programmes are viewed as time out from work, almost for leisure purposes, and are therefore given to close friends or relatives of the manager and are thus not employed to their full capacity. There is little evaluation of training programmes depicted in literature, demonstrating that it may not be common practice to make use of evaluations to improve service provision (Altarawneh, 2009). Despite the clear disinterest towards training and development, there are some areas that do see the benefits and attempt to incorporate it into their organisation. Abu-Doleh and Weir (1997) reviewed 28 organisations in Jordan that specialised in either finance or manufacturing operations. They revealed that 66 percent of the financial organisations have provided formal management training and offered development programmes. In relation to the manufacturing organisations, the study revealed that less than 33 percent have offered formal training. This low figure could be reflective of the extent that favouritism is prevalent in these organisations. Their performance increased because of the on-the-job training, which may have ended in a longer duration of employment. In another study, Darwish et al. (2016) has explored the potential impact of a specific set of HR practices on organisational performance within the Jordanian financial sector. Results showed that training was the only HR practice to have a positive impact on financial performance measured by return on asset (ROA) and return on equity (ROE). In the latter study, HR managers were asked about the most applicable training methods used within their institutions; results revealed that the most applicable methods were training programmes provided by third-party organisation but tailored to company needs, induction into a group by socialisation and imitation, and formal instructions within the company. Hence, there is no doubt that HR managers in Jordan, or at least in some sectors, believe that training is the most important activity for improving employee performance, and that staff who obtain the requisite training are better suited to carry out their duties (e.g., Mohammad et al., 2020). However, more serious investment in education, training, and development is required at the micro and macro levels, particularly in relation to enhancing the overall employees' awareness in terms of the importance and benefits of the training programmes for their organisational and career development. Organisations should also make sure that training and development opportunities are equally distributed and best aligned with their overall strategic objectives.

3. *Performance appraisal:* Performance appraisal is linked with organisational performance as client-based performance appraisal ensures enhancement in quality and yield coupled with increased subordinate commitment (Mwema & Gachunga, 2014). Due to some cultural and institutional barriers, many employees in Jordan do not view performance appraisals in a positive manner (see Darwish et al., 2016). Despite the lack of enthusiasm for these practices in Jordan, they must be recognized as fundamental to the success of an organisation and be especially important for HRM. Critical appraisals provide a tool to monitor an employee's evolution in their work role. They are completed periodically to allow sufficient time for growth in between. However, performance appraisals in Jordan are typically conducted on an annual basis, and once more, may be subverted by embedded local social dynamics (Abu-Doleh & Weir, 2007; Al-Lawama et al., 2021). Employee performance is typically improved as a result of performance appraisals due to the clarity in the prospect of compensation as a result of greater performance (Al-Zawahreh & Khasawneh, 2013). Strategic HR management and assessments that are based on reaching established goals have a positive relationship. Organisations use performance assessments to enhance the productivity of their employees and enhance the overall organisational effectiveness. Nevertheless, Mohammad (2019) notes that many employees in Jordan believe that performance appraisal is not a fair process in their organisations, and HR managers reported that performance appraisals in their institutions do not help staff grow and progress faster, and that no performance-related coaching or review is given to them. This procedure, according to managers, was intended to determine objective and systematic outcomes so that personnel are clear about the goals of the institutions' appraisal systems. There is an allocated appraisal manager who is in charge of executing all of the appraisals. Interestingly, in private sector businesses, appraisals are used as a tool to negotiate promotions, retentions, and terminations and to identify areas requiring training. The public sector shows less use of appraisals. There has been insufficient research conducted into the use of performance appraisals in Jordan; however, it is clear that the current appraisal system requires greater consideration.

4. *Compensation and benefits:* Compensation and reward planning are an integral part of HRM systems. An effective organisational rewards and incentives strategy plays a significant role in achieving and emphasising employees' required behaviours, and considered to be one of the key HR practices to maintain high performance levels from employees (Singh et al., 2013). Sufficient and effective compensation packages could potentially improve employees' behaviour and significantly affect organisational outcomes (Daniel, 2019; Darwish et al., 2016). In the context of Jordan, it has been argued that the overall performance within companies can mainly be boosted by good pay and benefits (Mohammad et al., 2020). The Jordanian government determines the minimum wage for all employment sectors (Al-Husan & James, 2003; Ministry of Labour, 2021). The salary and rewards obtained by employees is usually based on their previous experience, age, and the position. Yet, it has been argued that rewards and benefits are still heavily influenced by the culture in Jordan, which may in turn, result in uneven allocations according to status and caste (Budhwar & Mellahi, 2016; Mohammad et al., 2020); again, formal systems may be subverted by realities on the ground. For instance, As Mohammad (2019) argue, Jordanian workers within the healthcare sector were disappointed with the level of security they felt in their professions, and they also believed that management was unresponsive to employee suggestions. In some organisations, a lack of adequate incentives and a negative working environment for personnel are indicators of poor performance (see Yavas et al., 2014). According to their findings, rewarding employees who perform well with bonuses and incentives, as well as pushing others to perform better by selecting those who perform well to be considered for selection, can help motivate others to do better.

Jordan has the same culture, language, religion, and social values as many other Arab countries, and these factors all directly contribute to the way in which management operates within an organisation. The culture in these countries is a product of religion, politics, and history (Taamneh et al., 2017). Hence, it could be argued that local values and norms can be taken into consideration when designing rewards and incentives packages for employees making them more effective. For instance, benefits that include some family and social considerations and others which may even cover religious duties such as pilgrimage to Mecca (Hajj and Umrah). Therefore, aligning local culture and values with HR practices make them valuable to employees and more effective in terms of what they are intended to deliver (e.g., Haak-Saheem et al., 2017a).

5. *Internal career opportunities:* Employees no longer expect their career to be managed by an organisation, but instead choose to manage it themselves. They are also happy to move across multiple employers, therefore making the career devoid of boundaries (Rana & Malik, 2017). Internal career opportunities could potentially have an impact on employees' career choice, their decisions to relocate, further shape their career requirements, and determine their perspective of the future (Jiang, 2000; Chompookum & Derr, 2004). Hence, it is argued that internal career opportunities may also be a predictor of organisational citizenship behaviour within organisations (Chompookum & Derr, 2004). The positive impact of this practice is also seen in non-Western contexts. Likewise, studies from the Middle East including Jordan show that effective internal career development has a positive impact on the overall performance of organisations (Darwish et al., 2016). Similarly, other work conducted in Jordan shows a strong and negative relationship between internal career opportunities and employees' turnover rate, with any gains by the former being undermined (Darwish et al., 2013). Internal career opportunities help organisations picking the best candidates from within the organisation. It is argued that HR managers in Jordan are aware of career routes, and that management is satisfied with how institutional and individuals' growth needs are related; additionally, a survey of HR managers working in the Jordanian healthcare sector revealed that the majority of employees are informed of prospective development opportunities and how to achieve them, and what goes into these positions for progression (see Mohammad et al., 2020).

Regardless of the overall advantages and the potential positive impacts of internal career opportunities in Jordan as discussed above, yet this practice may also be subverted by embedded local social dynamics. For instance, the inclination to use *wasta* as a predictor of objective career success was explored by Baranik et al. (2021) in five Arab countries: Yemen, Jordan, Lebanon, Algeria, and Palestine. They also looked into the role of education in these connections as a moderator. They found that *wasta* usage predicted employment status, income level, and household income; further, it was also found that the use of *wasta* in the previous five years significantly associated to both family and individual income, as well as a higher likelihood of employment. Their findings add to a growing body of evidence indicating that *wasta* is a contributor to job performance in the Arab Middle East context. Building on the findings of Berger et al. (2015) and Baranik et al. (2018) that *wasta* indicates individual-level success, such recent findings add to the body of evidence that *wasta* predicts objective career success as measured by job status, personal income, and household income.

The same applies to succession planning, the process of identifying, developing, and grooming the future generation of organisational leaders. Hence, organisations need to have a structure and process to catalogue and capture competencies and use them to prepare successors to ensure long-term success, especially for certain jobs and sectors such as architecture, engineering, consulting engineering, and environmental consulting firms, where knowledge and skill tend to reside in the most senior staff. The key in succession management is to create a match between the company's future needs and the aspirations of individual employees. In a country like Jordan, just like other nations, the key to succession planning is to connect the company's future demands with the objectives of individual workers (USAID, 2021). Without a succession plan in place, a company may suffer substantial consequences such as loss of skills and business knowledge, loss of business continuity, damaged customer relationships, and time and effort to find and train new staff. A well-developed succession planning strategy enhances exceptional employee retention because they perceive that time, attention, and skill development are being spent in them, which adds to career advancement. Employees are less likely to seek possibilities elsewhere when they are pushed and rewarded with more difficult responsibilities. Investing in leadership development is a long-term investment.

Institutional and Cultural Setting

Institutional theory has become increasingly popular in recent years. It has been very useful in developing a better understanding of the determinants of HR practices, specifically within the context of emerging markets. Organisational activities are restricted by the institutional environment, and some of the people management practices are also derived and influenced by the environment. For instance, Jordanian culture is unique, incorporating parts of Arab origin, regional customs, tribalism, and a reliance on informal networks and centralisation, among other issues. The latter would form a unique institutional context which could potentially impact on organisational and HR policies and practices. Unlike other Arab countries with rigid autocracies, Jordan has liberalised its political and economic institutions, balancing popular pressures that are separated by communities and client-patron relationships (Lucas, 2012). The ruling order has taken advantage of and exploited internal divisions while exhibiting policy flexibility where required (ibid.; Hussein, 2018). Jordan's political stability, as well as the readiness to quickly abandon policies when they show ineffective, have been highly valued by businesses, but rule ambiguity and instability have harmed the country's overall institutional performance (Lucas, 2012).

In Jordan, just like other Middle Eastern countries, one of the most powerful social phenomena which has an impact on organisational and HR practices is known as *wasta* or informal networks. As outlined earlier, *wasta* is a personal exchange system often influenced by the dominance of tribal societal structures where people use it to get hired, promoted, rewarded, or retained (see Haak-Saheem & Darwish, 2021). Hence, interpersonal relationships are essential in the Middle East region. While legal protection is rather weak and large regulated markets are somewhat absent, organisations operating in the Middle East region must to a high extent rely on such informal networks to ensure access to critical resources (see Peng & Luo, 2000; Hutchings & Weir, 2006). For several years the issue of *wasta* has only contained a handful of studies (e.g., Cunningham & Sarayrah, 1993; Abdalla et al., 1998), which have explored the practice of *wasta* in some Arab countries in more detail; in some cases, studies have tried to generalise this to the rest of the region (Ta'Amnha et al., 2016). However, these studies lacked either methodological accuracy or experimental data, and occasionally both. The interest in the matter has increased in recent times, and this has encouraged more in-depth examinations of this social phenomenon (e.g., Barnett et al., 2013; Brandstaetter et al., 2016).

Although more recently official governing institutions are more advanced in Jordan, these are often incompetent. As such, *wasta* works as a parallel method or unofficial institution to control these resources (Loewe et al., 2007; Ta'Amnha et al., 2016). However, most researchers who explored *wasta* are criticised for concentrating on its negative influences on social and corporate practice while ignoring any possible positive consequences. This is clear in the descriptions and expression used by scholars to define *wasta*. For example, Sidani and Thornberry (2013) defined it as nepotism, while Loewe et al. (2007) described it as favouritism, and Barnett et al. (2013) linked it to cronyism. Hence, we argue that there should be a more comprehensive and detailed analysis to explore the concept of *wasta* in the region and its potential positive and negative impact on organisational and HRM practice.

There are a number of other differences between emerging and advanced markets. A market that is emerging and therefore developing quickly is more appealing for exports and manufacturing, they however may be restricted by a lack of technological advancement or infrastructure. It is, therefore, the role of HR to address these limitations (Hitt et al., 2000). Emerging markets will also have significantly different political, legal, socio-cultural, and technological factors when compared to developed nations (Douma et al., 2006; Alanezi et al., 2020). For organisations to be successful in the long term they must be able to assess and understand the socio-cultural environment in the context in which they operate. Neglecting to do so will render them non-competitive. Socio-cultural bridging strategies are useful for organisations when reviewing the socio-cultural and demographic issues that they may be facing in their current market; they may then use these to subsequently develop their competitive environment (Peng et al., 2008). Demographic and socio-cultural concerns are far greater and more important to assess in emerging markets setting such as Jordan. The demographic issues in emerging markets include a low supply of skilled workers, a predominantly younger workforce and also the issue of urbanisation. The HRM practices that are used by an organisation will therefore be contingent on these limitations, with greater focus being on training and development, thereby reducing the likely impact of the restrictions. As firms become known for having a successful workforce, they will attract more highly skilled workers during their recruitment processes, which will result in a more qualified human resource pool overall (Ready et al., 2008).

Values and standards are subject to the underlying circumstances due to the region's heterogeneity and quick changes. Despite its many commonalities, HRM in the Middle East is not governed by a single set of regulations. While the formation of labour unions has an influence on employment relationships in some Arab nations, such as Jordan, other governments in the region prohibits the formation of any labour unions. However, there is a widespread recognition of the need to broaden and improve economic mechanisms in order to accomplish and sustain economic and social progress in the area. Considering all of the Middle Eastern nations' challenges and risks into account, their setting and perspective can be considered as different from that of most other regions (Sidani & Al Ariss, 2014; Haak-Saheem et al., 2017b; Haak-Saheem & Darwish, 2021). While understanding the influence of institutions and culture on HRM is vital, global trends impacting HRM in the region must not be overlooked. First, the rising presence of international firms in the region as a result of foreign direct investment has had an impact on current organisational patterns. Second, there are aspirations to move away from the traditional HRM strategies in order to be better prepared for global competition, and there is widespread support for doing so. Third, many Middle Eastern governments are under tremendous pressure to address issues such as unemployment and regional mobility (see Haak-Saheem & Darwish, 2021).

Few studies on HRM in Jordan have been conducted. However, studies of limited extent emphasise how important local beliefs and traditions are (centring on strong ideas concerning family, clan and society) in confirming HR practices (see Aladwan et al., 2014; Darwish et al., 2016). Furthermore, these developments have numerous implications in the socio-economic and HR fields, for example, having to deal with rising unemployment, retaining talent, and the general management of human capital (Altarawmneh & Al-Kilani, 2010; Singh & Sharma, 2015). Al-Husan and James (2003) contend that the Jordanian cultural and institutional scene seems to have a relatively weak effect on organisations' practices, this perhaps being indicative of a relatively high amount of staff turnover; this may also be reflective of how far strong informal networks might not altogether give a cogent alternative for more formal institutions of society in providing a company foundation for specific organisational practices as a foundation for growth (also see Hancke et al., 2007; Webster & Wood, 2005; Darwish et al., 2016). The latter could be the reason as to why making the emergence of comprehensible, synergetic, and complementary sets of HR practices associated with advanced nations are less likely in the context of Jordan and the wider Middle East region (Hancke et al., 2007; Darwish et al., 2016).

Key Challenges and Future Directions

Despite the growing significance of HRM and strategic HRM, there is a paucity of extant literature and a lack of comprehensive analysis and understanding in relation to the context of Jordan and the wider Middle Eastern region (Elbanna et al., 2020; Budhwar et al., 2021; Haak-Saheem & Darwish, 2021). Thus far, research has largely concentrated on "conventional" HRM as opposed to the intersection between strategy and HRM. The term "conventional" here indicates that attention has largely been placed on operational and administrative issues instead of strategic matters. Recently, Jordan has witnessed drastic changes with regard to altering the mind-set of organisations as well as HRM practices in the country (Mohammad et al., 2020). With that being said, more work is needed to further explore and understand the state of HRM in the country and the potential impact of the recent developments on the different HRM policies and practices. In this part, we present some of the key challenges and future directions that may be beneficial to HRM researchers and practitioners interested in the region:

First of all, some of the generally secular Middle East nations have also been influenced by the political upheaval occurred in the region. One result has been the wave of refugees, which has placed a significant economic pressure on far-from-rich regions like Jordan, especially in the workforce, education, and healthcare services. Jordan is presently suffering as a result of the refugee issue. Due to the extreme political upheaval in Syria, Palestine, Iraq, and Libya, a huge number of refugees have sought refuge in Jordan. The country has now the world's second highest number of refugees in relation to its size, with 89 refugees per thousand people (United Nations High Commissioner for Refugees, 2018). The flood of Syrian refugees and its influence on Jordanian society necessitates further examination. For example, it would be noteworthy to see how the disruption generated by the complex conditions of the refugee crisis affects HRM practices in the vital health sector. Given the difficult budget limits in such scenarios (Ministry of Health, 2017), healthcare facilities must improve their performance, and effective HRM could play a key role (see Mohammad et al., 2020).

In addition, like most countries, organisations in Jordan are under an increasing amount of pressure to augment their competitive advantage (Darwish et al., 2016; Wood et al., 2019). HR Strategies for companies must be aligned with the competitive and fast-changing environment (Cooke et al., 2021). Additionally, institutions are confronting challenging budget constraints owing to the on-going economic and health crisis and societal/governmental demands for transparency. As a result, organisations today are in need of adopting practices which would allow them to augment their efficiency/effectiveness levels thus enabling them to attain to a greater degree of competitiveness, something that HRM can play a significant role in by bringing about improvements in employee and institutional performance (Singh et al., 2012; Mohammad, 2019). Hence, future work should have a closer look at the state of strategic HRM in Jordan and to what extent it is being implemented. Are HR policies and practices vertically and horizontally aligned (with each other's as a synergetic bundle and with business strategy and the external environment)? Or they are still being overlooked and employed in isolation of organisational strategies and the wider business context? An overall assessment to these issues would indeed be essential.

Furthermore, in developing economies context, such as Jordan, the Western style of HRM is insufficient to deliver the same outcomes as in developed markets; thus, a new HRM approach may emerge in the Middle East setting, where regimes are flexible and less structured (see Darwish et al., 2016; Webster & Wood, 2005). Future research could also look at which aspects of the most successful evolving HRM model in the Middle East institutional framework are most likely to produce superior quality results for businesses in a variety of industries. This research stream would be also helpful for multinational companies (MNCs) as they may struggle to adjust to the local context when they transfer their HR practices implemented in their headquarters. Hence, this would help MNCs and expatriates to better understand the economic, social, and political context and make the necessary adjustments to develop effective HRM policies and practices that are modified according to local institutional arrangements.

Moreover, as outlined earlier, education system and training programmes in the Middle East and in Jordan remains underdeveloped and some believe that it is incapable of meeting the future needs of human resources (see Forstenlechner & Rutledge, 2011; Kapiszewski, 2001; Haak-Saheem & Darwish, 2021). It is also held that education systems in advanced nations have been rather concentrated on equipping young people with the required skills and competencies, while the adopted system in the Arab world has focused on developing national identity and overlooked the fundamentals of higher education and research (see Harry, 2007; Forstenlechner & Rutledge, 2011). However, public and private institutions in Jordan should consider more serious investment in education, training, and development at the micro and macro levels. In addition, given the lack of employees' interest in training and the way they think about it, organisations should also make serious efforts to enhance the overall employees' awareness in terms of the importance and benefits of the training programmes for their organisational and career development. Organisations should also make sure that training and development opportunities are equally distributed and best aligned with their overall strategic objectives. Further investment in education, training, and development will also help the country to deal with the current high employment rate among its citizens.

In addition, as Jordanian trade union was established in 1954, the Jordanian Labour Movement is organised around the General Federation of Labour Trade Unions in Jordan, which serves as a unified framework at the national level. All 17 Labour trade unions are currently represented. Employees in both the public and private sectors in Jordan have the freedom to create and join trade unions, but as the case in many less developed nations, a lack of working-class consciousness and militant labour organisations has led to the erosion of trade union authority and management control over workers. Trade unions' roles are frequently limited to social-welfare issues and fundamental employee necessities. Their actions are governed by law and are continually monitored by the state. Employee-employer relationships are typically governed by both written and unwritten rules. Some of these rules are imposed by the state while others are determined by the local norms and values (Budhwar & Mellahi, 2016; International Labour Organization, 2021). Collective bargaining agreements can be signed for a set length of time or for an infinite amount of time. In the second case, either party has the right to terminate the agreement after at least two years of implementation. The expiration of a collective agreement has no bearing on the rights of workers covered by it. The scope of applicability of a collective agreement that has been in effect for at least two months can be enlarged to include all employers and employees in a certain industry. The articles of the collective agreement apply to all employees in any firm covered by this agreement, whether or not they are members of a trade union (International Labour Organization, 2021). Future work should explore the reconsideration of Jordanian labour legislations governing trade unions in order for them to be compatible with Jordanian society's requirements and the transformations of the active powers therein, as well as in accordance with the provisions of international treaties and conventions ratified by Jordan in order to facilitate litigation proceedings in the Jordanian legal system. Also, until Jordanian labour laws are amended, the Jordanian government should recognise trade unions and allow them to fully exercise their right to establish headquarters, hold meetings, and engage in collective bargaining in order to create a state of balance in labour relations and alleviate current tensions.

Finally, future work should further explore the concept of *wasta* in the context of Jordan and the wider Middle East region. Again, *wasta* is a personal exchange system often influenced by the dominance of tribal societal structures (see Alsarhan et al., 2021; Haak-Saheem & Darwish, 2021). Hence, organisations operating in the Middle East region must to a high extent rely on such informal networks to ensure access to critical resources (see Peng & Luo, 2000; Hutchings & Weir, 2006). However, the question remains whether such informal networks may give a coherent alternative for more formal institutions for specific organisational practices as a foundation for growth? We therefore argue that there should be a more comprehensive empirical analysis to explore the concept of *wasta* in the region and its potential positive and negative impact on organisational and HRM practice. Further, it is also held that *wasta* could also be affected and shaped by demographic and socio-economic factors, such as age, social class, and origin (Alsarhan et al., 2021). The latter is also an interesting and important area of research that needs to be further explored in Jordan and the wider Middle East region to provide a holistic understanding of the realties and complexities of this social phenomena (see Ali & Weir, 2020; Alsarhan et al., 2021).

Conclusion

This chapter attempts to enhance our understanding of the institutional and cultural arrangements that influence HRM in Jordan. This chapter emphasises the importance of paying closer attention in order to gain a deeper grasp of the elements that shape HRM in the region. In general, HRM in Jordan is affected by Western people management approaches, but it is also impacted by the unique national institutional arrangements. While economic changes have been deemed effective in terms of economic indicators, their impact on Jordanians has yet to materialise, as many people remain jobless and an increasing proportion of citizens live in poverty. Bureaucratic system, tribalism, favouritism, and ineptitude in the civil service, all of which have hampered economic reform efforts, have yet to be rectified. The government is gradually transitioning from employer and primary service provider to sponsor and supporter of a free-market economy dominated by privately owned businesses, but the correct atmosphere must be created for financial development to succeed. Sustainability and peace in the region are significant elements for international investments in Jordan since, notwithstanding the peace agreements made, the region is still vulnerable to issues in relation to the overall political and economic instability. Overall, despite the growing significance and recent developments in the field of HRM, there is very limited research and a lack of comprehensive analysis and understanding in relation to the context of Jordan and the wider Middle Eastern region. More work is required to further explore and understand the state of HRM in the country and the potential impact of its unique institutional arrangements and recent developments on the different HRM policies and practices.

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Part IV

The Asian and South American World

8

The Scope and Nature of Employee Engagement in China

Xi Wen Chan, Chao Ma, Sudong Shang, and Xuchu Liu

Introduction

The emergence of employee participation can be traced back to the early nineteenth century, specifically the beginning of the industrial revolution (Zhu et al., 2015). The advent of the industrial revolution brought

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_8

workers together in a range of workplace settings, from small workshops to large factories, with extremely poor working conditions such as long working hours, low wages, and abusive supervisory practices. The poor working conditions subsequently led to high employee turnover, violent strikes, and the threat of social instability, giving rise to "industrial democracy", which refers to an arrangement that involves workers making decisions, sharing responsibility and authority in the workplace (Poole, 1982). The birth of industrial democracy also led to the rise of employee participation, which broadly refers to any type of mechanism, structure, or practice that provides employees with opportunities to express opinions or participate in decision-making within their organisations (Lavelle et al., 2010). To date, claims that high-quality employee participation leads to increased organisational effectiveness through facilitating employee commitment and engagement with the organisation have received some support from empirical studies (Benn et al., 2015).

Another body of work relevant to employee participation is employee engagement. By the early 1980s, the focus of employee participation had shifted to more managerially driven human resource management (HRM) approaches where the aim of direct employee participation is to improve organisational efficiency and productivity (Gollan & Xu, 2015). Employee engagement includes both organisational engagement and work engagement and is broadly defined as "a distinct and unique construct consisting of cognitive, emotional, and behavioural components that are associated with individual role performance" (Saks, 2006, p. 602). *Work engagement* focuses on work role performance, while *organisational engagement* focuses on role performance as a member of the organisation (Schaufeli, 2013). When employees are fully engaged in their work roles, they experience a sense of meaning, psychological safety, and availability (i.e., having the physical and psychological resources necessary for the job) (Kahn, 1990). Both forms of engagement are typically operationalised by using items that assess an employee's "psychological presence in their job (i.e., work engagement) and organisation (i.e., organisational engagement)" (Saks, 2006, p. 608). In this chapter, employee engagement will be explored in the Chinese context, given that employee engagement levels within the world's second largest economy—China—remain relatively low (Huang et al., 2018).

Contextualising Employee Engagement to the Chinese Context

Although employee engagement has been studied for decades and continue to attract both scholars' and practitioners' attention, most of the studies conducted to date are embedded in Western contexts and in developed countries (Warner & Zhu, 2018). This is to be expected, since organisations in such countries are normally well-equipped with "sound" managerial awareness, which helps to improve management approaches and employee performance. Indeed, according to the extant literature, prior employee engagement studies were conducted in countries such as the United States, United Kingdom, Spain, Portugal, and the Netherlands (Deci et al., 2001; Shimazu et al., 2010b). Rothmann (2013) also found that data from these employee engagement studies are often collected from privately owned businesses with individualistic organisational cultures.

Nevertheless, with its rapid economic development, China has become one of the major economic entities in the world. In particular, in its recent white paper entitled "Poverty Alleviation: China's Experience and Contribution", China announced that it has achieved the goal of the eradication of extreme poverty in 2020 (The State Council of the People's Republic of China, 2021). This is a significant achievement that has been regarded as a powerful accelerant shifting the centre of gravity of the world's economy from the West to the East. Importantly, the economic advancement has also facilitated the improvement of business and management practices in China. Alongside the economic growth and improvement in management practices across China, there is also an increasing number of organisational researchers and practitioners who have investigated employee engagement in the Chinese context (e.g., Chen & Aryee, 2007; Huang et al., 2018; Xie et al., 2016; Zhou et al., 2019). The burgeoning research on employee engagement in China inherently comes down to three reasons. *First*, the Chinese culture, a representation of Eastern culture, is different from the Western culture in which traditional employee engagement theories are rooted in. Therefore, China can be an important yet highly complex market to apply Western management theories to (Huang et al., 2018). For example, the Chinese culture is characterised by a high level of collectivism, where individuals value group goals, harmony in groups, maintaining of relationships and order, and duties and obligations (Hofstede, 1980; Hui, 1988). Such collectivistic culture "endorses employee self-sacrifice and a spirit of devotion" (Xu et al., 2017, p. 974), which likely predicts employee engagement. Thus, in line with previous studies, we suggest that the Chinese collectivistic culture—which is uniquely different from that of Western countries—is key to understanding employee engagement in China.

Second, despite a convergent trend due to rapid globalisation, HRM in China has its own idiosyncratic features (Liu et al., 2021). Extant research on employee engagement has largely relied on Western theories, and only a few indigenous theories have emerged. In China, individual employees, working teams, organisations, industries, and national-level policies and practices are closely intertwined (Xu et al., 2014), and they influence employee engagement to a large extent. We will elaborate on these points in the following sections. *Third*, from a practical perspective, the increasingly powerful economic status which China possesses suggests that it is both vital and timely to understand employee engagement in the Chinese context, in order to achieve positive employee and organisational outcomes. China, as the second largest economy after the United States, has attracted a large number of multi-national corporations (MNCs) to operate and invest within its borders. Despite the economic downturn caused by the COVID-19 pandemic, nearly a third of all the European MNCs participating in the 2021 European Business in China Business Confidence Survey maintained their confidence in onshoring their supply chains to China, five times the number that are offshoring (European Union Chamber of Commerce, 2021). Evidently, China plays a key influential role in global supply chains, and its own supply chains have proven to be resilient to global shocks and pressure. Nevertheless, a number of studies have indicated that the Chinese approach to business management is predominantly focused on efficiency at the expense of employee wellbeing. For example, Huang et al. (2018) indicated that many Chinese managers including human resource practitioners "are still following the principles of scientific management theories, and thus are largely ignoring employees' attitudes or wellbeing in motivating Chinese employees" (p. 356). In 2013, a Gallup survey also revealed that China had 68% of employees disengaged and 26% actively disengaged (Yu & Srinivasan, 2013). Therefore, it is practically meaningful to pay more attention to employee engagement in China so that employees can become more committed and involved (Table 8.1).

Table 8.1 Overview of predictors and outcomes of employee engagement in China based on the extant literature

Level of research	Predictors of employee engagement in China	Outcomes of employee engagement in China
Individual level	Favourable working environment Individual psychological conditions and emotions Individual status *Guanxi* relationship Perceived overqualification	Job performance (including task performance and organisational citizenship behaviour) Creative behaviour Job satisfaction Employee commitment Turnover intention and actual turnover Employee loyalty Perceived organisational justice Job burnout Subjective wellbeing
Team level Organisational level	Commitment-focused team human resource attributions Leader self-sacrifice Team affective commitment to leaders Leader negative emotional expression Leader work engagement	Team performance Leader-member exchange quality Subjective career success
National level	Chinese culture Technological advancement Government direct intervention Labour institutions	Economic growth and competitive advantage Innovation *Made in China 2025* (a national strategic plan and industrial policy)

Individual-Level Predictors and Outcomes of Employee Engagement in China

Role of Employees

When considering employee engagement in workplace, employees are the focal players. Thus, it is crucial to look at individual-level predictors and outcomes of employee engagement, which is also a major area of modern organisational behaviour and human resource management (OBHRM) research. By reviewing previous literature and integrating unique features of Chinese management, in this section, we discuss not only general predictors and outcomes of employee engagement (which also apply to the Chinese context), but also propose possible factors which are specific to the Chinese context. In line with previous studies, employee engagement has been shown to lead to various beneficial outcomes which are also applicable in the Chinese context. Specifically, the extant literature has shown that employee engagement can generate high levels of job performance (including task performance and various forms of organisational citizenship behaviour, e.g., Ma et al., 2020; Schneider et al., 2018; Sonnentag, 2003), creative behaviour (e.g., Carmeli et al., 2015; Zhang & Bartol, 2010), job satisfaction (e.g., Whitman et al., 2010), organisational commitment (e.g., Bal et al., 2013; Boon & Kalshoven, 2014), and lower levels of turnover intention and actual turnover (e.g., Allen et al., 2003; Lu et al., 2016; Schaufeli & Bakker, 2004). Such favourable outcomes of employee engagement have also been observed in China (see Ai, 2013 for a review). In addition, by reviewing studies conducted in China, it was also found that employee engagement plays an important role in influencing employee loyalty (Xie et al., 2010), perceived organisational justice and job burnout (Huang, 2006), and employees' subjective wellbeing (Cheng, 2014).

Given the benefits of employee engagement, it is also important to examine its range of predictors. In particular, individual-level predictors are "constructs, strategies, and conditions that were applied directly to or by individual employees and that were believed to be foundational to the development of employee engagement" (Wollard & Shuck, 2011, p. 434). The extant literature has primarily adopted social exchange theory (Blau, 1964), the job demands-resources model (Bakker & Demerouti, 2008), and conservation of resources theory (Hobfoll, 1988, 1989) to explicate the antecedents triggering employee engagement (Saks, 2006). By conducting individual-level analyses, empirical studies have revealed that a favourable working environment, such as organisational and supervisory support (Saks, 2006), meaningfulness of work, and links between personal and organisational goals (Wollard & Shuck, 2011), promotes an employee's engagement at work. Further, individual psychological conditions and emotions (e.g., curiosity, emotional fit, motivation, feeling of control, self-esteem and self-efficacy, vigour and optimism, value congruence, core self-evaluation) and individual status (e.g., availability to engage, work/family status, and work-life balance) are also relevant factors that influence employee engagement (*see* Wollard & Shuck, 2011 for a review).

Of course, when discussing employee engagement in China, it is worth noting that some Chinese-specific factors may also reduce or impede employee engagement. For example, in their research, Yang and colleagues (2019) discovered that the levels of *guanxi* (i.e., personal connections bound by implicit psychological contracts and aiming for long-term relationship) play an important role in influencing individual sense of reciprocity and thus the engagement of employees. Further, with the economic and educational advancement in the last few decades, China has had a large portion of its workforce who feel overqualified (Zhang et al., 2016). Given this prevalent phenomenon, Ma and colleagues (2020) highlighted that perceived overqualification is also a salient antecedent predicting employee engagement in task performance and proactive behaviour at work. On this note, we also encourage scholars to investigate more predictors unique to the Chinese context to deepen our understanding of employee engagement in China.

Team- and Organisational-Level Predictors and Outcomes of Employee Engagement in China

Comparatively fewer studies have examined the team- (or work unit-) level and organisational-level antecedents of employee engagement, and even fewer have examined their associated team- (or work unit-) level and organisational-level outcomes. Further, only a handful of studies have been conducted in the Chinese context. Among studies that have examined both team-level or organisational-level antecedents and outcomes of employee engagement in China, Fan and colleagues (2021) found that commitment-focused team human resource attributions (i.e., causal explanations that employees make regarding their management's motivations for using particular human resource practices) led to team engagement, and, subsequently, team performance across 77 work teams in seven manufacturing and service organisations in Jiangsu province. The positive relationship was also strengthened by the team leaders' self-awareness of transformational leadership. In another study by Chen and colleagues (2020), leaders' self-sacrifice was shown to increase team affective commitment to leaders, which, in turn, enhanced teamwork engagement; leaders' competence further strengthened the above-mentioned positive relationship, which resulted in even higher levels of teamwork engagement.

In another study of 75 leaders and 289 followers from a large private construction company in Southeast China, Ye and colleagues (2021) found that congruent work engagement between leaders and their followers (i.e., followers' work engagement was aligned with that of their leaders) led followers to perceive high levels of leader-member exchange quality. Furthermore, they found that followers' conscientiousness buffered the negative relationship linking incongruent work engagement between leaders and their followers to leader-member exchange quality. Li and colleagues' (2020) dyadic study on 370 leader–follower pairs from different companies across South China also found that leaders' negative emotional expression diminished their followers' work engagement, subsequently decreasing their job performance. In another study by Chen and colleagues (2021) based on data collected from 52 work teams across 14 public enterprises in Guangdong province, leaders' work engagement was shown to positively influence their followers' work engagement, which in turn, enhanced the followers' subjective career success. Taken together, the multi-level analyses and findings associated with employee engagement suggest that individual- (or employee-) level and team- (or leader-) level work engagement are distinct and do not always converge, but they often influence one another and capture unique conditions explained by different psychological processes (Xanthopoulou & Bakker, 2021).

National-Level Predictors and Outcomes of Employee Engagement in China

Collectively, employee engagement can also impact an entire nation. High levels of employee engagement can boost economic growth and innovation and can also be leveraged upon to sustain a nation's competitive advantage (Zhou et al., 2019), eventually leading to social prosperity. Given the low employee engagement rate in China as mentioned earlier, employee engagement is high on the government's agenda to drive the recent economic development and achieve the *Made in China 2025* goals (Au, 2017; Zhou et al., 2019). The primary goal of *Made in China 2025* initiatives is to shift China from being a low-end manufacturer (i.e., producing lower-priced products) to a high-end producer (i.e., producing better quality and more expensive products). Given China's concerted efforts and focus on achieving its *Made in China 2025* goals, it is thus important to investigate the national-level predictors as well, which would help to shed light on contextual factors (e.g., Chinese culture, technological advancement, government regulation, and labour institutions) unique to China, which organisations can capitalise on to increase employee engagement.

Chinese Culture

Although Western management concepts have been examined in China for decades, Chinese organisational policies and practices still maintain some salient Chinese characteristics (Liu et al., 2021). As stated by Huang et al. (2018), "China has proven to be a very tough place to apply Western management theories due to its complex collectivistic cultural traditions and strong interpersonal guanxi-oriented practices" (p. 356). Therefore, it is necessary to look into the particular role of the Chinese culture in employee engagement. Research shows both positive and negative impacts of Chinese cultural values on employee engagement. Confucian values are the foundation of the Chinese society (Warner, 2010). Confucianism, which refers to political teachings developed and taught by Confucius (551–479 BCE), is often characterised as a system of social and ethical philosophy rather than a religion. Confucianism has played an important role in forming Chinese character, behaviour, and way of living since its inception (Eliot, 2001).

One particular Confucian value is *reciprocity*, which emphasises the limited but adequate trust to ensure social exchange, especially exchanging favours, among individuals with close relationships (Redding, 2002). With this value, the strong *guanxi*-orientation is a salient characteristic of the Chinese society (e.g., Hofstede, 2001; Tsui & Farh, 1997). With the mindset of *guanxi*, each person in the society reciprocates favours they receive in both of their social lives and the workplace (Tsui & Farh, 1997). As discussed in the preceding section on individual-level predictors and outcomes of employee engagement, employees with high-quality *guanxi* with their leaders generally receive more recognition, interpersonal assistance, and emotional support (Wu et al., 2019), motivating employees to engage in and commit to their work (Huang et al., 2018). Apart from reciprocity, the values of societal order (i.e., preservation of established order) and hierarchy (i.e., individuals with higher positions have the power to make decisions) (Redding, 2002) also influence employee engagement. Influenced by these two values, the structure of Chinese organisations is generally more hierarchical, and senior management may proceed to make decisions without consultation from entry-level employees, which largely reduces the interaction between senior management and entry-level employees, and demotivates employees to voice their opinions openly and honestly (Asia Research, 2012; Au, 2017). Therefore, the hierarchical nature of organisations and focus on societal order do decrease employees' engagement and commitment to their organisations to a certain extent.

Technological Advancement

The Chinese government has also placed great emphasis on digitalisation to promote national competitiveness in the next decade (Raiser & Piatkowski, 2020). In terms of digitalisation, interpersonal communication through social media, such as the mobile application WeChat (微信 wēixìn), has grown exponentially in organisations in recent years. The wide usage of social media has substantially increased employee engagement in China (Men & Hung-Baesecke, 2015). Compared to communication through traditional platforms such as electronic mail or work instant messaging, social media communication is interactive, participatory, collaborative, personal, and simultaneous (Men & Tsai, 2013), which potentially shortens the distance between senior management and entry-level employees, and reduces the number of organisational layers. For example, employees can obtain various benefits from engaging with their organisations on social media, such as building personal connections, relaxation, and emotional relief (Gummerus et al., 2012). In addition, some research shows that social media communication can engage employees in discussing issues of concern within the organisation (Verčič et al., 2012), as they might feel more comfortable expressing themselves on social media than in a face-to-face meeting with senior management. Therefore, social media communication allows organisations to engage their employees in constant interaction, supportive behaviour, and meaningful relationships (Men & Tsai, 2013).

Government Regulation

Although the Chinese government is privatising more sectors and organisations as it transitions from a centrally planned to a "capitalist" economy (Burke et al., 2009), it still plays a regulatory role in the economy to deal with issues relating to employees and their welfare. Government regulation may include strategies, initiatives, or policies aimed at encouraging and providing guidance for organisations to increase employees' work and organisational engagement. The Chinese government has initiated various strategies and policies to create a promising national vision of public participation. Research shows that these strategies can be highly effective in

China (Kesting et al., 2016; Zhou et al., 2019). In recent years, for example, to boost innovation, the Chinese government initiated a "mass entrepreneurship and innovation" strategy to encourage people to participate in the innovation process (Xing et al., 2018). In order to facilitate the strategy, the Chinese government created over 2500 business incubators and accelerators, 11 national-level indigenous innovation demonstration districts, and 146 national high-tech districts (Xing et al., 2018). Research has collectively demonstrated that high levels of public participation significantly contribute to national innovation (Kesting et al., 2016; Zhou et al., 2019), which trickles down to organisations.

In addition to government initiatives, the Chinese government enacts and revises employment-related legislation to ensure employees' legitimate rights and interests are protected while they are participating and engaging in the workplace (Cooke, 2011). Finally, the three primary laws that govern the Chinese labour market are the *Labour Contract Law*, the *Employment Promotion Law*, and the *Labour Disputes Mediation and Arbitration Law*. The *Labour Contract Law* seeks to improve the labour contract system, define the rights and obligations of both employers and employees to a labour contract, and protect the legitimate rights and interests of employees in China. The *Labour Disputes Mediation and Arbitration Law* aims to resolve labour disputes in an impartial and timely manner and protect the lawful rights and interests of both employers and employees in China. Both legislations help to provide employees with more confidence and psychological safety to engage in the workforce. The *Employment Promotion Law* aims to increase and motivate employment and engagement through various methods, such as giving workers the right to be employed on an equal footing and equal access to jobs, and ensuring they are not subject to discrimination due to their ethnic background, race, gender, religious beliefs, and so on.

Institutions in the Labour System

To effectively implement employment-related legislation and protect employees who engage in the workplace, three central institutions play a vital role in the Chinese labour market. The three institutions are the

Ministry of Human Resource and Social Security (MOHRSS, a governmental body), the *All-China Federation of Industry and Commerce* (ACFIC, a non-governmental employer association), and the *All-China Federation of Trade Unions* (ACFTU, the national trade union organisation). MOHRSS oversees workforce management, employment relations readjustment, social insurance management, and the legal construction of labour and social security (Au, 2017). ACFIC represents private employers in China and operates under the leadership of the Chinese Communist Party (Au, 2017). It functions as a channel for the government to liaise with the business community in the private sector to assist the implementation of government policies (Au, 2017).

Finally, the ACFTU has been granted a powerful guarantee by the Labour Law to protect employees' rights and interests in China. Based on ACFTU data, the number of union members nationally was about 302 million in 2017, indicating it is the largest trade union in the world. The ACFTU plays a particularly active role in promoting employee engagement in their organisations. Firstly, ACFTU actively organises employment projects to increase employee engagement. For example, since 2009, ACFTU has launched the "Sunshine Employment Action" (阳光行动 yángguāngxíngdòng) to aid university graduates in finding jobs and financially supporting migrant workers to return home safely. Since 2010, the ACFTU has also initiated the "Spring Breeze Action" (春风行动 chūnfēngxíngdòng) to help and train labourers in rural areas to participate in the workplace. Secondly, the ACFTU plays the role of a mediator in labour disputes and helps workers to fight for higher wages and better working conditions (Cooke, 2013). Third, the ACFTU also undertakes a significant responsibility of training and providing job placement for state-owned organisations and migrant workers who have been made redundant (Cooke, 2013). However, in recent times, the ACFTU has been criticised as ineffective due to its lack of independence, resources, power, and legal knowledge while defending the rights and interests of its members (Au, 2017).

Practical Steps to Enhance and Sustain Employee Engagement in China

From a practical standpoint, this chapter offers recommendations for practitioners who want to enhance and/or sustain employee engagement in the Chinese context. Firstly, given that the use of social media is now closely entwined with work communications, practitioners working in organisations based in China are highly encouraged to leverage on different communication channels to reach out and engage as many employees as possible (Men & Hung-Baesecke, 2015). For example, the use of social media platforms such as WeChat to build informal communities and special interest groups is very popular among employees in China and may encourage employees to be more involved and forthcoming on issues that matter to them within the organisation. In particular, Men and Hung-Baesecke (2015) found that organisations which are truthful, open, and consistent are more likely to engage employees through various formal and informal communication channels, and more likely to allow employees to co-create initiatives and meaning within the organisation, thus maximising the use of social media channels for effective internal communication and increased organisational performance.

Secondly, various measures to increase understanding of the unique cultural characteristics of China that are highly ingrained in the Chinese working population would also assist practitioners to enhance employee engagement. One measure that has shown to be effective in developing employee engagement within MNCs is cultural intelligence (Gabel-Shemueli et al., 2019). As a whole, cultural intelligence involves the development of an overall perspective and repertoire that allows employees to understand and adapt to different cultural contexts, and is thus a valuable resource that helps managers to deal with cross-cultural issues and settings (Bücker et al., 2014). Since cultural intelligence has been shown to enhance employee engagement effectively, organisations should perform regular evaluations to assess their employees' level of cultural intelligence and adopt the necessary interventions, such as implementing cultural intelligence workshops, to promote and sustain its development (Ng et al., 2009). Preliminary findings also reveal that classroom-based cultural intelligence interventions may be more effective for developing cognitive and metacognitive cultural intelligence (i.e., knowledge of multiple cultures), while international immersion programs can further develop motivational and behavioural cultural intelligence (McCrea & Yin, 2012). Generally speaking, the holistic development of cultural intelligence would be most optimal, so organisations and practitioners are encouraged to experiment with different ways of cultivating cultural intelligence to enhance employee engagement.

Thirdly, leaders should also seek to enhance the psychosocial safety climate of their organisations, as it has been repeatedly shown to enhance employee engagement (Hall et al., 2010). Psychosocial safety climate refers to the shared perceptions of organisational policies, practices, and procedures for the protection of worker psychological health and safety, that stem largely from management practices (Law et al., 2011). Idris and colleagues (2015) found that team psychosocial safety climate increased employees' utilisation of and participation in learning opportunities, which subsequently enhanced their work engagement. Further, Dollard and Idris (2017) found that psychosocial safety climate led managers to be more involved in helping and supporting their subordinates, which subsequently increased their subordinates' work engagement. Similarly, a small but growing number of studies conducted on psychosocial safety climate in China have shown that it is negatively related to ill-health presenteeism (i.e., working while sick; Liu et al., 2020) and unsafe behaviour (e.g., climbing and sitting in an unsafe area; Yu & Li, 2020). None of these studies conducted in China have explicitly tested the relationship between psychosocial safety climate and employee engagement. Nevertheless, it is expected that the nature of the relationship would also be positive since many of these aforementioned studies (e.g., Dollard & Idris, 2017; Idris et al., 2015) were conducted in Malaysia, which is also highly collectivistic and relationship based like China.

Future Research Directions for Employee Engagement in China

Employee engagement continues to be widely studied in Western countries, with more cross-cultural research emerging particularly in China and Japan (Shimazu et al., 2010a). Investigation of employee engagement in other non-Western cultures is crucial because previous cross-cultural studies have shown that results obtained in Western samples cannot be simply generalised and applied to non-Western contexts (Liu et al., 2021). For example, Wiley and colleagues (2010) found that the one driver of work engagement that is unique only to China, as compared to 11 other countries (i.e., Brazil, Canada, France, Germany, India, Japan, Russia, Italy, Spain, United Kingdom, and United States) examined alongside China, is perceptions of fair pay, which many Chinese employees viewed as a proxy for recognition of their work performance. Correspondingly, there needs to be more country-specific studies of employee engagement in non-Western countries including China.

Another area for further investigation is multi-level research that incorporates the national-level factors (e.g., government regulation and labour institutions) that uniquely characterise the Chinese context. Even though multiple studies (e.g., Kwon & Kim, 2020; Wollard & Shuck, 2011) on employee engagement have acknowledged these features, very few of them have actually measured or examined the impacts of these national-level factors on employee engagement. Alongside the national-level factors, the team-level and organisational-level factors also deserve more attention. In particular, psychosocial safety climate, which encompasses organisational policies, practices, and procedures that protect workers' psychological health and safety, has the potential to influence employee engagement to a large extent (*see* Hall et al., 2010; Law et al., 2011; Idris et al., 2015).

Finally, and most importantly, is the need to draw upon multi-disciplinary research to further extend the applicability and robustness of research on employee engagement in China and beyond. For example, prior studies (e.g., Chan et al., 2017, 2021; Christian et al., 2011) have consistently shown that self-efficacy is strongly and positively correlated with work engagement, as increasing self-efficacy helps employees to develop a greater sense of confidence in their competence to undertake their job tasks, thereby raising their capacity to be engaged in their work. Carter and colleagues (2010) drew upon theatre technologies to introduce a self-efficacy-based intervention to enhance self-efficacy for employee engagement. Specifically, they utilised a "Forum Theatre" (i.e., a form of theatre that encourages audience interaction and explores different options for dealing with a problem or issue) and showed that it acted as a catalyst that boosted employees' perceptions of their personal agency and control, and subsequently increased their self-efficacy and built resilience for positive behavioural change.

Another potential area of multi-disciplinary research is the use of gamification to enhance employee engagement. In their review paper, Cardador and colleagues (2017) proposed that work gamification (i.e., applying game features such as digital and computer gaming in the work context to improve worker performance) can foster greater task enjoyment via a sense of accomplishment and worker engagement. Although gamification has been widely setting in education with the aim of enhancing student engagement and learning experience, our understanding of how, why, and when gamification works in organisations is still in its infancy. Thus, future research could expand on work gamification and employee engagement.

Conclusion

This chapter reviewed existing studies that have explored the predictors and outcomes of employee engagement in China at the individual, team, organisational levels. It also discussed the unique roles of the Chinese culture, technology, government intervention, and labour institutions (i.e., national level) that influence employee engagement in China. In the past decade, a lot more research on employee engagement in China has emerged, but very few empirical studies consider these unique contextual features. Correspondingly, this chapter concluded with a discussion on future research directions for employee engagement in China by drawing on the extant OBHRM empirical literature. Alongside the review of the existing scholarly literature, this chapter also explored evidence-based practical recommendations that enhance and sustain employees engagement in China effectively. In doing so, it is hoped that employers and managers within and beyond China can gain deeper insights into workplace best practices that increase employee engagement within China.

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9

Human Resource Management in the Twenty-First Century: Present Stand and the Emerging Trends in Indian Organizations

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Introduction

The decades since the advent of the new millennium have been remarkable for the rapid advancement in human innovations and the tectonic shifts happening in lifestyles and business operations across the world. Globalization has helped nations across the world access resources and experiences that were earlier limited to only specific corners of the world. It has also endowed less privileged and less developed parts of the globe with access to resources beyond what they could generate by themselves

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_9

(Jorda & Sarabia, 2014; Perlas, 2019). As a consequence, there has been a steady decline in extreme poverty, illiteracy, child mortality, and deaths due to pollution and AIDS in the period between 2010 and 2019 (see Chandy, 2020). Globalization also opens economies to competition, making businesses strive for continuous improvement to survive in the face of competition (Coşar et al., 2016). The twenty-first century is also intriguing for the rise of Industry 4.0. Digitalization of work processes and the advent of business solutions powered by Artificial Intelligence (AI) has led to a significant transformation of modern workplaces. Digitalization is also transforming workplace requirements in terms of skills, knowledge, and attitude, changing career experiences, and blurring the boundaries between home and work with flexible work practices (Bissola & Imperatori, 2020).

Ranked sixth among the largest economies of the world in October 2021, India happens to be the fastest-growing economy of the world (IMF, 2021; The Times of India, 2021). India also has the second-largest labor market in the world, with 520 million working-age people residing in India (Shira, 2019). Moreover, the nation has a significant demographic advantage, with one-fifth of the world's youth presently residing in the Indian subcontinent (Ministry of External Affairs, 2021). The sheer volume and complexity of the Indian job market make it of significant interest for human resource management experts and researchers, as the Human Resource (HR) trends in India are likely to dominate global outcomes to considerable extents. With the economic liberalization of 1991, India has become one of the centers of IT/ITES services. Further, India is expected to become the biggest global hub of analytics by 2025 (Bhatia, 2019). Foreign Direct Investment (FDI) has also led to significant job generation across sectors (e.g., Basu & Ghosh, 2017)—with 124 registered foreign companies operating in India (Statista, 2021a). While global FDI fell by 42 percent during the COVID-19 pandemic, FDI in India rose by 13 percent in the same period (Mathew, 2021), a significant portion of it invested in the digital sectors. Indian firms also have a dominating presence in other parts of the world, such as Europe, Africa, the Middle East, and other parts of Asia. Globalization of Indian firms again creates jobs for the Indian workers at home and in other regions of the world such as the Middle East, South-East Asia, Africa, and Europe (e.g., Anand, 2015).

All these make personnel management in India of significant interest both for emerging businesses in India and for global players increasingly making India a lucrative offshore destination for their business operations. In this chapter, we explore the evolution of people management in India in the new millennium, from traditional industrial relations to individualized Human Resource Management (HRM), and look at the changes toward digitalization and flexibility driven by the COVID-19 pandemic.

People Management: The Indian Tradition

When it comes to the spread of the workforce across professions, in India, the majority of the population has been engaged in agriculture. Despite this, the sector is yet to emerge profitable to a commensurate degree for the economy. In 2019, the agricultural sector accounted for more than 42 percent of employment in India but yielded only 18 percent of the Gross Domestic Product (Statista, 2021b, c). The most significant contribution to the Indian GDP comes from the service sector that employs 32 percent of India's working population and yields about 50 percent of the GDP (Statista, 2021c).

Organizational culture in general, and people management practices in specific, are a function of the socio-cultural aspects of the geographical territory in which a firm originates. In India, the origin of trading, manufacturing, and business enterprises dates back thousands of years, letting the subcontinent develop its unique practices and philosophies relating to work and people management. At the same time, the colonial past of the nation, an open market economy, and rapid industrialization and digitalization of workplaces have let Indian firms imbibe western management practices in their operations in a significant way. The result has been an interesting blend of traditional and modern management practices in organizations when it comes to managing human resources—driven by the nature of the firm, its dominant values, the firm environment, and the competitive forces.

National Culture Driving the Work Values

India has traditionally been a collectivist society, with strong power distance values for superiors and prioritizing the social good over personal benefits (Verma & Triandis, 2020). The dominant cultural values influenced the perception of work and professional life in interesting ways. Hindu scriptures and texts refer to work as worship, equating it with moral obligation and duty of a person toward the society, one's lineage, and one's potential (Richardson et al., 2014). Thus, one's profession has traditionally been seen as an integral part of one's existence and meaning, going beyond being a simplistic means for survival or a mercenary relationship of exchange of labor for compensation. It is not uncommon to witness appeals to the intrinsic value of work and the romanticization of professional pursuits in the millennial organizations of India, making it a key anchor of people management even in the twenty-first century (Chatterjee, 2016).

Family Enterprises and Flexible Management Practices

The second important feature of traditional people management practices in India is close-knit ties between employees and employers—going beyond a simple relationship of exchange of benefits. The root of this partly stems from the moral-ethical obligation of employees and employers toward each other and partly from India's deep-rooted tradition of family businesses (e.g., Fletcher, 2002). In India, social class segregations have been heavily dependent on vocational specializations—making trades a family speciality, where skills passed from one generation to the next (Munshi, 2019). This has led to the emergence of family businesses as the most popular organizational form in India—characterized by family ownership, close-knit ties, informal relationships at work, and flexibility in operations. (Lee, 2006). The preponderance of family businesses has essential implications for people management practices in India, where the individualized HRM practices of western economies often clash with the relatively non-formal and non-systematized methods of personnel management in small and medium-sized family-owned businesses (e.g., Ganguly, 2020).

The non-formal modes of people management in Indian family businesses have been discussed by several researchers. Sharma (2012) stated that interventions in family businesses in India often tend to be characterized by the absence of transparency, emotion-driven decision-making centralized among the members of the Owner-Family. She further opined that critical operations in family businesses tend to be run by family members rather than professionals, making the management person-driven rather than system-driven. Ganguly (2020), on the other hand, opined that the culture of family businesses in India very often reflect the culture of the Owner-Family, in terms of frugality, openness to change, and even religiosity. The dominance of the Owner-Family in the business operations introduces flexibility and non-systematic dynamics in the HR operations as well. For instance, Ganguly (2020) mentions that talent acquisition in family businesses may often be driven by the 'gut feeling' of the owner about a specific candidate, that further surfaces in career development as support and growth opportunities for a favorite. Again, experiential knowledge tends to be valued over formal learning, and appraisals and long-term association of high-performing loyal employees tend to be driven by emotions rather than practical business metrics. In a study on 24 family-owned Indian businesses, Kandade et al. (2021) found that mentoring and early association with the business are unique predictors of high-quality relationships between owners and employees. Similarly, Budhwar et al. (2006) emphasized the importance of ascribed status and political connections in career growth in family-run organizations. Bhardwaj (2013) too has found evidence of the role of emotions in succession planning in Indian family businesses.

Gender in Workplace

An interesting aspect of people management traditions in India relates to gender in the workplace. Traditional Indian ethos reflects gender segregation across professions, although history and literature bear ample evidence of the active participation of women in the workforce. This has made the modern Indian economy relatively open to women at work, both in urban and rural areas, more commonly in some professions than in others. However, women's participation in the workforce has fallen during recent times, coming down from 25 percent in 2005 to barely 16 percent in 2020—triggered, according to experts by multiple factors such as the pandemic, income effect or household prosperity, or lack of favorable work opportunities (Kumar, 2021).

The Tradition of Collective Bargaining

While India has a long and vibrant history of trade and commerce, spanning across the subcontinent and across major parts of the world, the inception of people management in India, in the modern sense of the term, was only in the early half of the twentieth century, with the advent of the Industrial Revolution in India and setting up of indigenous as well as British-owned factories, offices, and businesses. Many of the labor laws of independent India, such as the Industrial Disputes Act, has borne the legacy of British legislations (e.g., Saini & Budhwar, 2013). In the decades post-independence, there has been a gradual shift from a focus on industrial relations and collective bargaining to individualized HRM and organizational development. Personnel management in pre-independence and much of post-independence India has been chiefly characterized by industrial relations and labor management, with HRM mainly limited to transactional relationships. At the same time, the entrenched culture of family businesses led to the evolution of a more personal, informal, and flexible form of HRM practices in Indian organizations. With the liberalization of the Indian economy in the 1990s, the country has seen increased corporatization of vocations and infusion of westernized people management practices in Indian firms—characterized by an emphasis on formal, structured rules and procedures, encouragement of personal growth, and alignment of people management practices with firm strategies. Labor laws have also been amended, modernized, and enhanced several times during this period, to capture the dynamics of the changing workplaces.

Another interesting feature of the Indian economy is the vast prevalence of the informal sector. The Indian economy has over 63 million enterprises, of which only 0.17 million falls in the formal sector, making 99 percent of the enterprises in India a part of the informal sector. The bulk of the informal sector is formed of micro-enterprises that contribute about 30 percent of the GDP of the nation. In the formal economy, the private sector alone has contributed 37 percent of the GDP in 2019–20 (Mehrotra & Giri, 2019).

Indian Workplaces in the Twenty-First Century

There have been considerable alterations in the functioning of workplaces worldwide in the new millennium, and Indian businesses are no exceptions. Globalization and connectivity have given professionals a significantly larger number of career choices than ever before. Several previously unknown vocations to the Indian job market have become some of the largest job generators. These include the software engineers, social media influencers, online content generators, professionals in digital marketing and sales, digital animators, and graphic designers, and Artificial Intelligence-Machine Learning (AI-ML) experts (Manyika, 2017). At the same time, industries and corporate houses alike are witnessing increased automation and digitalization—mechanizing work that was previously performed by human beings (David, 2015). The Future of Work report 2018 by the World Economic Forum forecast the loss of 85 million jobs worldwide and an addition of 95 million jobs due to the digitalization of workplaces (Centre for the New Economy & Society, 2018). This requires considerable retraining and reskilling of the Indian workforce in the processes and etiquettes of digitalized work operations. Training and development have become an integral part of the modern workplaces in India, as workers must regularly upskill themselves to maintain their relevance in an increasingly mechanized environment. Thus, while the focus on automation and AI-enabled interventions reduces the physical strain of work, it is being replaced by the need for higher-order faculty, such as decision-making in unpredictable circumstances, critical thinking, analytical thinking, and creativity. A reduced need for physical strength is also enabling people to work even in advanced age, leading to increasingly multigenerational workforces. At the same time, globalization, virtualization of workplaces, inclusive labor laws, and connectivity have led to increased diversity in Indian workplaces. While this is a welcome change in itself, the modern worker has to interact with people and adjust to situations that may have previously been unfamiliar to him or her.

Trade Unions and Industrial Relations

India has had a long history of industrial relations and labor rights movements. The Constitution of India regards the right to employment without discrimination as a Fundamental Right, protecting a person against discriminatory practices at the workplace on the bases of social-religious or gender differences. Post-independence, India saw numerous labor unrests in different parts of the country, demanding higher wages and better work conditions (e.g., Singh, 2012). A characteristic feature of unionism in India has been the close association of national and regional political parties with labor unions. Most of the significant employee unions of India, such as the Indian National Trade Union Congress (INTUC), Centre of Indian Trade Unions (CITU), or the Hindu Mazdoor Sabha are labor wings of established political parties. This has given the labor unions considerable bargaining powers in many contexts. However, the flip side of this has been unfriendly conditions for businesses, leading to the outward migration of companies from many Indian states where unionism has been particularly dominant (Srivastava et al., 2018). Another interesting feature of unionism in India is the presence of sectoral collective bargaining in tea plantations, cotton farming, and textile (Hayter, 2010).

The twenty-first century has been an era of dwindling power of labor unions across the world. The advent of technology leads to an increased replacement of non-specialized labor with automation and the increased prominence of knowledge workers in modern organizations (Rao, 2007). This, in turn, has led to the growth of individualized HRM, with a focus on personalized plans for growth and development, individualized appraisal and bargaining, and performance-based incentives. Again, a general improvement in workplace conditions, human rights, and transparency have relegated labor unionism to less importance. The general absence of political labor unions in corporate sectors of India, such as the IT/ITES, banking, and many other service-sector enterprises, has also limited the impact of unionism to the manufacturing sectors (Agarwal, 2015).

When it comes to labor laws and regulations, there have been several amendments to key acts such as the Factories Act 1948 (2020 amendment), Shop and Establishments Act (2021 amendment), and the Child Labour (Prohibition and Regulation) Act 1986 (2017 amendment). A significant development has been the adoption of the Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013, that provides protection to women against sexual harassment in the workplace. However, one of the biggest changes in recent times has been the New Labor Codes 2021, which simplifies India's 44 central labor laws under four heads industrial relations, wages, social security, and occupational health safety and working conditions. Since labor is a concurrent subject in the Indian Constitution, presently, the new labor code awaits the formulation of draft rules by the state governments for its implementation (PTI, 2021a).

Rise of Strategic Human Resource Management and Global Work Practices

Globalization of trade and commerce closely relates to HRM practices in an economy. Globalization expands the capacity of businesses to find new markets for their products. This raises the need for labor and leads to job generation in territories where labor is inexpensive. Global value chains of this nature have been instrumental in job generation in emerging economies such as India. India is fast emerging as one of the key manufacturing hubs of the world. The Cushman & Wakefield's 2021 Global Manufacturing Risk Index rated India as the second-most attractive manufacturing destination in the world (Babar, 2021). At the same time, globalization leads to the cross-pollination of knowledge, work practices, and values across geographical boundaries, leading to improvement in corporate governance, people management practices, and work standards. Presence of global brands leads to the adoption of global codes of conduct and compliance norms, especially in the outsourced manufacturing units of such firms in Asian countries such as India, China, and Pakistan (Lund-Thomsen et al., 2012).

The proliferation of foreign firms in India and the transnational presence of Indian firms have led to a gradual adoption of Western best practices of HRM in Indian workplaces (Budhwar, 2012). The most prominent of these has been the replacement of collective bargaining with individualized HRM to a considerable extent. This is particularly true of the IT/IteS, banking, and FMCG sectors, where foreign and transnational firms are highly common.

Two major perspectives dominate the narrative when it comes to strategic HRM. The Universalistic perspective (Becker & Gerhart, 1996) proposes that certain people management practices, irrespective of environmental constraints or firm strategies, may improve organizational performance. The contingency view, on the other hand, holds that the impact of positive people management practices on firm outcomes depends on the extent to which there is a fit between the practices and the strategy of the firm (Martín-Alcázar et al., 2005). With the increasing drift toward strategic HRM in India, the question arises of which of the two perspectives is fruitful in the Indian context. In practice, a universalistic approach is often recommended, where the best practices of western HRM are adopted to Indian firms. Over the last two decades, Indian workplaces have seen increased presence of Individualized HRM practices such as career management, management by objectives, job enrichment, and participative management. However, the success of the universalistic approach appears to be limited in India unless the strategic alignment is also present. Nigam et al. (2011) found evidence that the universalistic perspective is ineffective in the Indian service sector. Again, Azmi (2011), in a study on an Indian sample, found a positive linkage between four forms of contingency fit (HRM-Strategy Fit, HR Roles-Position Fit, HRM-Intrafunctional Fit, and HRM-Cross-functional Fit) and firm performance. Similar findings have been reported by Singh and Vohra (2005). Although Individualized HRM is the mainstay of corporatized India today, its execution often shows scope for improvement. Tripathi et al. (2021), in a study on employees from IT multinational firms in India, reported that while most firms have moved from the bell curve and forced rating to developmental practices such as goal setting and continuous feedback mechanisms, respondents reported that there was a need for improvement in terms of timeliness and transparency of feedback.

Digital Human Resource Management

Close on the heels of Individualized HRM and adoption of global practices has been the adoption of digital HRM practices. Widespread digitalization of workplaces owing to the availability of and familiarity with digital technology as well as mimetic forces inspiring firms to emulate the efficiency of global players have led to changes in the way HRM is practiced in Indian firms. One of the most prominent global IT outsourcing destinations, India is fast emerging as a global analytics hub, with market size of over 30 billion USD, which is expected to double its size by 2025 (Bhatia, 2019). Organizations, market leaders, and start-ups alike are adopting HR analytics tools such as predictive index, Natural Language Processing (NLP), and semantic analytics to find solutions to HR problems. The use of analytics is particularly prominent in the talent acquisition domain, with professional networking sites such as LinkedIn and Glassdoor and popular job boards such as Naukri.com providing analytics solutions to clients. There has been widespread adoption of Human Resource Information Systems (HRIS)—consisting of digital recordkeeping, monitoring, storytelling, and communication in people management (Kaur, 2018). At the same time, digitalization has also become common in the execution of HR operations such as recruitment, training, performance management, and employee engagement. All these make the Indian context relevant for research attention in the adoption of innovative practices in talent acquisition analytics and their dynamics and their impact on business outcomes.

Closely related to digitalization is the adoption of AI-enabled HR practices. AI has been transforming business operations exponentially in the last decade, and HR too has witnessed interesting transformations driven by AI. Although the adoption of AI in HRM in Indian firms is relatively rare still, it is not uncommon in multinational organizations. Digitalization and AI-enabled solutions have been adopted in a major way in the processes of recruitment and sourcing since the early years of the twenty-first century. Job sites such as Naukri.com, Monster.com, iimjobs.com have been instrumental in the digitalization of recruitment processes across corporate India. These portals enable HR managers to solicit and scan through resumes online, initiate and track the recruitment process, and shortlist candidates for further engagement. Professional networking sites such as LinkedIn, GitHub, and Glassdoor are also playing interesting roles in job markets as professionals are using these platforms to build networks, seek jobs, post job openings, hire and train, seek internships, and showcase their professional achievements (Rao, 2015). The number of Indians presently registered on LinkedIn come close to 76 million, making them the second-largest user base of LinkedIn in the world (Iqbal, 2021). At the same time, Indian firms such as Belong.co[1] facilitate targeted recruitment through scanning of profiles of passive candidates to find potential matches and creating a personalized recruitment journey. The interview process too has

[1] https://belong.co/

witnessed considerable digitalization in recent times, with the adoption of automated AI-enabled interview technology for scanning of facial expressions and language of candidates for potential fit with the job role (Pillai & Sivathanu, 2020). Indian firms such as Aspiring Minds[2] have been pioneers in this field in India. Virtualization of training processes has been common, with technology such as Computerized Assisted Instruction available to customize the learning path and pace. Technology is also widely adopted in employee engagement. Solutions offered by Indian firms such as Leena.ai[3] provide technology backed by machine-learning algorithms to assess, analyze, forecast, and develop action reports for employee engagement in organizations. AI-enabled solutions have also been widely adopted for HR forecasting, planning, and removal of biases from processes of performance appraisal, compensation management, and diversity management.

Digital HRMt in India, while still in its nascent stage, has impacted the HR functions by enhancing the efficiency of work and automatizing the grunt work to a considerable extent. Again, AI-enabled HR solutions have increased the strategic value of the HR role. Predictive algorithms help the HR to identify the effectiveness of interventions and forecast personnel, skill, and technology needs in the future—helping the people managers contribute to the larger strategy of the organization (Buck & Morrow, 2018). However, another impact of digitalization is leaner HR departments as the requirement for personnel come down with increased automatization. Digitalized workplaces also are increasingly being subjected to constant surveillance, where the digital footprints of employees are monitored, measured, and used for performance appraisal or development. While this makes measurement and interventions precise, surveillance also contributes to distrust and stress among employees due to concerns about data privacy and abuse. Algorithm-driven management decisions, again, may often sacrifice moral and ethical requirements for precision and profitability. Further, since machine-learning algorithms

[2] https://amcatglobal.aspiringminds.com/

[3] https://leena.ai/

build on previous data, AI often amplifies the biases of the earlier systems rather than rectifying them. This, along with the unfamiliarity with AI-enabled technology and its processes, has led to skepticism about the adoption of AI and digitalization (e.g., Mirowska & Mesnet, 2021).

Gig Economy

No matter what the size of the corporate sector is, the sheer size of the employable workforce in India makes the informal sector one of the largest segments of the Indian economy. Therefore, gig work, either in the form of full-time contract employment or project-based engagements, has been an essential feature of Indian workplaces for long. However, recent years have seen the expansion of gig work from non-core activities of the organization to core functions. India Inc. is increasingly opening to project-based employment for core activities of the organization. A variety of factors has inspired this development. Firstly, digitalization and virtualization of the work processes have made it possible for professionals to work from remote locations. Corporate workplaces have thus become flexible to accommodate gig workers working from distant places on non-work hours (e.g., Malik et al., 2020). Secondly, with the increased emphasis on analytics and AI/ML-enabled technology in various business operations, there is a heightened demand for personnel trained in the specific work skills of the future. However, since the supply of such essential KSAs is less than the escalating needs, firms often must take recourse to resource-sharing. Gigification of the workplace is also common among start-ups, where firms often lack the resources to hire people for the responsible positions. C-suite sharing is becoming a popular trend among start-ups in India, where non-competing enterprises are often found to share gig professionals for roles of Chief Executive Officers, Chief Marketing Officers, or Chief Human Resource Officers (Das, 2020).

Human Resource Management During the COVID-19 Pandemic in India

The COVID-19 pandemic that started off from Wuhan, China, in December 2019 has been one of the most devastating pandemics that the world has witnessed in recent times—both in terms of loss of human lives and as for its economic impact across the globe. The contagious nature of the disease, rapidly growing fatalities, and its little-understood trajectory during the initial months forced the world economy to a standstill. With the first cases of the COVID-19 syndrome detected in India during the early months of 2020, India went into phases of extended lockdown and restrictions on non-essential economic activities for several months. The advent of the second wave of the COVID-19 pandemic in India proved to be more devastating the first, leading to a second wave of restrictive lockdowns in the early months of 2021 (Soni, 2021). The pandemic and its resulting impact have led to gigantic transformations in work practices in India across sectors. This, in turn, has important implications for people management practices. As the world is opening to the New Normal induced by the pandemic, Indian HR practices are also changing in significant ways to keep up with the demands of the changing times.

Economic Slowdown and Human Resource Separation

India has not been immune to the global slowdown of the economy due to the COVID-19 pandemic. While specific sectors such as healthcare and IT saw a meteoric growth during this period, many others such as travel and hospitality, retail, fashion, housing, and others showed a considerable downturn due to changing consumption patterns and pandemic-induced restrictions (PTI, 2021b). When it came to India, large firms and MNCs were relatively more equipped to absorb the shock of the sudden downturn. But its brunt largely fell on the small and medium sector industries, which were forced to reduce workforce expenditure to survive. Many large MNCs such as Uber Technologies, Zomato, WeWork India, and Ford India laid off thousands of employees to cope with the global shutdown and loss of revenue (Roy, 2020). IT MNCs such as Cognizant Technology Solutions Corp and IBM India saw massive layoffs during 2020, while others responded with leave without pay, salary cuts, and other austerity measures (e.g., Baruah, 2020). The global slowdown also significantly impacted the jobs of the Indian expatriate working population. At 18 million, India has the largest expatriate population globally (UNDESA, 2021), the majority of whom are working in the Gulf Nations, North America, Australia, and Europe. The outbreak of the pandemic and closure of businesses, as well as a bid to replace expatriate workers with national citizens, left many Indian expatriate workers in Saudi Arabia, Oman, Iran, UAE, and Kuwait jobless, forcing them to return to India (The Hindu, 2020; Menon, 2020). The unemployment rate in India peaked to as much as 23 percent during the first wave of the pandemic and as much as 12 percent during the second wave (CMIE, 2021). According to the CMIE August 2020 report, the salaried workforce in India fell from 85 million in 2019–20 to 65 million in 2020–21, with white-collared jobs falling from 18.1 million to 12.2 million during the same period (Goyal, 2020). Much of these job losses affected the youth, with entry-level workers being the first to be laid off during the pandemic. Again, women's jobs were reported to be 1.8 percent more vulnerable than the jobs of men (Goyal, 2020). Layoffs have also forced organizations to work with leaner workforces, leading to increased mechanization of operations. For HR managers, all these have translated into substantial changes in work designs and training for remaining employees to cope with the changing situations.

A major risk of forced attrition is the impact on the surviving employees and the detrimental impact on the firm's organizational culture. Several companies therefore opted for other measures such as pay cuts, bench system, furlough, or postponement of benefits to ease the impact of the pandemic on the business and the employees and chose layoffs as only the last resort. Other businesses that were forced to layoffs looked for innovative alternatives such as outplacement to find employment for their employees in other organizations (Dutta, 2020).

Virtualization of the Workplace

The pandemic-induced lockdown led to immediate closure of non-essential business travel, leading to an effective closure of the office spaces. This led to the migration of work in several industries to the virtual mode, making work from home a mainstay of the corporate offices in 2020. In India, too, the pandemic led to the migration of office work to the online mode for many industries that could operate on remote access, such as IT/ITeS, education, consultancy, and parts of healthcare. According to one report, the net leasing of office leasing space fell by almost 50 percent across seven major cities of India, such as Delhi-NCR. Kolkata, Mumbi, Chennai, Bengaluru, Hyderabad, and Pune in 2020 (PTI, 2020). This happened as both corporate houses as well as co-working spaces put on hold their expansion plans, reduced costs by giving up on redundant office spaces, and carried on operations through virtual networking platforms such as Webex, Slack, Zoom, Google Meet, and WhatsApp.

Migration to the remote work format has been a challenge for the HR processes. It has revolutionized the prevailing practices of monitoring, performance management, training, and employee engagement. In the initial months of the pandemic, there were concerns of lowered work efficiency and team effectiveness due to the remote locations and fall in employee engagement. Consequently, HR operations were largely virtualized, keeping in pace with the rest of the operations. A significant role of the HR departments during the period has been to facilitate redesigning of work processes so that operations could continue online without major restrictions. This has included providing employees training in remote working tools, such as Slack, Zoom, or Google Teams, and providing them assistance to set up home offices. For example, Indian companies such as Hike provided their employees financial assistance to purchase ergonomic furniture and tech accessories to work from home (Anand, 2020).

Employee Welfare and Engagement Practices

The successive waves of the pandemic have emerged as challenging times for citizens worldwide, as they combatted and continue to battle with economic insecurities, alien technology, health hazards, and bereavement of near and dear ones. As a result, a critical role of HR during pandemic times has been to provide the employees the emotional, financial, and social support that they need to feel secure, rejuvenated, and energetic at work. To this end, firms adopted multiple HR interventions that promoted employee well-being and engagement (Collings et al., 2021; Kaushik & Guleria, 2020).

Financial incentives have been popular in specific industries to keep employees upbeat and engaged at work. For instance, the automobile industry in India has seen multiple cases of employee incentivization, even when sales have been low. As per a report from July 2020, automobile players such as Maruti Suzuki, Hyundai India, Toyota Kirloskar, and Honda announced pay hikes and bonuses for factory workers and non-unionized laborers during the pandemic (Thakkar & Mukherjee, 2020). Such incentivization acted to address the employee's financial needs during the pandemic and retain them in the post-pandemic period where the car market soared due to increased preference for personal mobility over public transport. Similar trends were seen across industries in 2021 with the market's revival.

The primary challenge of COVID-19 being the health hazard and risk of fatality, medical support and safe working conditions remained major deliverables for the firms during the pandemics. For essential services, firms invested in workplace safety measures such as PPE kits, masks, workplace sanitization, and medical care for their employees. HRM in the healthcare industry and other essential services industries were particularly prominent in this regard, considering the work hazards in their environments. Firms such as the State Bank of India and Tata Consultancy Services provided extensive medical support to workers who have been infected by the virus, with the protection extended to their families as well. In addition to physical healthcare, firms also invested in mental healthcare, such as psychological support, bereavement therapy, and relaxation sessions for employees and their families to help them deal with the pandemic-related stress (Varma, 2021; McKinsey & Co., 2021a).

Post-pandemic HR Developments in India

The New Normal of People Management

A critical choice before corporate India has been between work from home (WFH) and return to the office in the usual method. Uncertainties regarding the consecutive waves of the pandemic and some obvious advantages of the WFH model for both the employees and the firms have led to the continuation of remote working, even when the pandemic appears to be at a manageable level. At the same time, the companies and employees have opened up to the merits of having access to the workplace in terms of opportunities for networking and career progression, teamwork, and employee engagement. The result of this has been a widespread popularization of hybrid work, where firms are following a blend of work from home and work from an office (Chadha, 2021). In 2020, companies such as the RPG Group in India offered employees a choice of working from home up to 75 percent of the time (Anand, 2020). Similar trends have been followed by companies such as Microsoft, Coca-Cola, and TCS for many of their operations that do not require working from the office (India TV, 2020).

The Great Resignation

The post-pandemic return to the New Normal has seen a dramatic spate of job switching across the world—leading to the coinage of the sobriquet #GreatResignation or #GreatAttrition (McKinsey & Co., 2021b). The Indian economy, too, has not been immune to this trend. In 2021, hiring activity in India reached the pre-pandemic levels, with a 14 percent year-on-year growth, and firms such as Naukri.com registered their best quarter in 15 years. The IT/ITES industry has been particularly vulnerable to this trend, as the booming post-pandemic IT market has led to a substantial need for a trained workforce. The attrition rate in IT went up to 22–23 percent in August 2021 (Analytics India, 2021). Firms such as TCS, Infosys Wipro, HCL Tech, and Accenture have reported considerable attrition in 2021—sometimes as high as 17 percent. Cognizant Technology Solutions has reported an attrition rate as high as 31 percent, forcing it to let go of new business due to an inadequate supply of talent. As a result, companies are compelled to acquire lateral hires at high costs, leading to low margins and disruptions in operations. Cognizant, for example, announced plans to hire 100,000 laterals and 30,000 fresh graduates in 2021 to fill up positions caused by the voluntary switching from the company (Srikanth & Murthy, 2021).

The upswing in the Indian economy, the revival of demands to pre-pandemic levels in many cases, and the trends toward resignation have also encouraged proactive compensation reforms to incentivize organizational stickiness. Big players across FMCG, retail, automobile, electronics, and IT, such as Dabur, Nestle, Parle, Tata Group, Bosch, and Apple, have paid out substantial financial incentives and bonuses to employees after the market has revived in 2021 (e.g., Basu & Verma, 2021).

Formalization of the Informal Sector

Although a significant part of corporate India is fast getting armed with the latest HR technology and practices, the informal sector of the Indian economy, which form 99 percent of the enterprises of India, is almost entirely left out of the benefits of such transformations (Mehrotra & Giri, 2019). The informal sector includes the cottage industries and non-registered businesses, hawkers, and self-employed or gig employees available on a contractual basis for construction, agriculture, and other labor-intensive industries. Enterprises in the informal sector tend to be small, making an investment in HR welfare beyond paying wages almost impossible. Further, the workers in the informal sectors are primarily unskilled or semi-skilled, self-employed or gig workers, with little bargaining power for their employment rights. As a result, this workforce is often at the receiving end of environmental turmoil and uncertainties, economic rises and falls, and business changes. Many such workers also migrate away from their domiciles in search of employment, depriving them of the safety net of family and social circles in case of uncertainties. The COVID-19 pandemic had been a harrowing reminder of the plight of the informal sector. The pandemic-induced lockdown led to a complete stop in the economic activities of these groups, devoid of the protection of a regular salary, health insurance, and other employee benefits. Where there had been multiple efforts from the Government of India to cater to the basic needs of the workers during the lockdown, migrant laborers particularly faced the brunt of the situation, especially in the early days of the pandemic. Formalization of the informal sectors ensures the protection of the workers and their well-being, and in recent times there have been several proactive policy measures that have led to concrete steps in this direction. According to an October 2021 report by SBI, the informal sector in India has shrunk from 52 percent of the GDP in 2017–18 to only 15–20 percent of the GDP in 2020–21. This has happened due to the popularization of digital payments, bank transfers of MNREGA and Kisan Credit Card payments, and increased emphasis on bringing employees in small enterprises under EPFO payrolls. Another major step in this direction is the establishment of the e-Shram portal by the Government of India, which is India's first national database of unorganized workers. Registration on the portal allows extension of social security benefits to such workers. Approximately 53 million workers from the unorganized sector have been registered on the portal, leading to their access to employee benefits (Patnaik & Pandey, 2021). The Government of India also launched a scheme called Udyam in 2020 to facilitate registration of small businesses. More than 5 million Small and Medium Sector enterprises have registered as formal businesses under this scheme (Patnaik & Pandey, 2021).

Labor Reforms

The decline of the power of collective bargaining in India could partly be attributed to the complexity of the labor regulations in India (e.g., Pratap, 2011). Collective bargaining has remained largely decentralized, limited to the unit or firm level, limiting the power of the employees to make an impact. Many labor laws in India have been legacies of British rule, and their relevance in present industrial contexts are observed to be low (Tejaswi, 2019; Mehta, 2020). At the same time, modern workplaces need laws governing worker rights for a more inclusive environment. There have been labor law updates and amendments from time to this end—notable among these being the Sexual Harassment Act 2013 and the National Policy on HIV/AIDS and the World of Work 2017. The Government of India in 2020 has also introduced the New Labor Codes, aiming for significant transformation in labor law administration (Chigater, 2021; Miyamura, 2021).

While the efficacy of the new labor codes could be assessed only after their implementation, emerging sectors and jobs also require the development of labor codes to protect the rights of the workers employed in them. One central emergent area, for example, has been the food delivery business, which uses a substantial gig workforce. Brands such as Swiggy and Zomato have often come under accusations of underpaying their delivery staff and making them work under suboptimal conditions (e.g., Medappa et al., 2020; Mittal & Mishra, 2021). Similarly, increased surveillance and monitoring and recording of digital footprints at workplaces require a clear legal framework to protect the interests of the employees and their rights to privacy (Irum & Yadav, 2019). Protection of men and people of other gender against sexual harassment in the workplace is also an area that urgently needs attention. Another emerging area of contention is the social media and the employee's freedom of speech on it as opposed to their responsibility toward the corporate brand. In India, there have been several cases where tweets by an individual have led to outrages against the company for which he or she has been working, leading to damaging corporate brands and subsequent suspensions and layoffs (e.g., Gurchiek, 2017). The HR managers need to be active in finding such legislative gaps and requirements and bringing them to lawmakers' attention. At the same time, HR policies of the firm must take cognizance of such emerging dynamics in the workplace and make suitable internal policies to prevent, address, and mitigate them (e.g., The Indian Express, 2016).

Future Direction for Human Resource Management in India

The third decade of the twenty-first century have been remarkable for Indian HRM for multiple reasons. In the corporate sector, the pandemic-induced digital drive has accelerated the modernization of workplaces and the adoption of work policies befitting knowledge workers. Further, the resilience of the Indian economy and the learnability and adaptability of the workforce have gained India major milage as a global destination of choice for business. Augmenting the digital drive will require rapid reskilling of the current and future generations of the Indian workforce to combat job losses due to automation. At the other end, labor reforms are critical to protect the bargaining power of the workers and the interests of the management in previously unforeseen business contexts.

Training the Demographic Dividend

India's demographic dividend is one of its major strengths. It is expected that India will be contributing a significant share in the skilled workforce of the future across the globe, becoming one of the largest contributors in economic value across the world. The relatively inexpensive access to professional education in India, proficiency with English as a global language of business, and widespread digital familiarization and proficiency make the Indian workforce particularly attractive to businesses. However, one persistent challenge in this context has been the low employability of the youth population of India. Several reports show that the job-readiness of the Indian youth entering the workforce tends to be low, even among those who are armed with professional degrees (e.g., Budhwar & Varma, 2011). This makes it difficult for millennial workers to be effective in the workplace early on, leading to major cost implications for the business and slow career progression for the concerned employee. Workers aged between 18 and 29 were most likely to be laid off during the COVID-19 pandemic, which attests the threat that lack of job-readiness could prove to be in a volatile environment. The prime reason for the low employability of successive generations of the Indian youth have been a low connect between the industry and academia, due to which syllabuses often prove to be outdated, over-theoretical, or not contextualized to the actual demands of the Indian economy (Khare, 2014). The HR professionals of India have a critical role to play to bridge this gap, as they are the ones who are best equipped to know the precise HR demands for their businesses, the changing work practices for their industry, and the directions in which the future workforce need to be trained. Thus, apart from training and development of the existing workforce, HR managers should pay concentrated attention in attracting, shortlisting, and training the future workforce through internships, live projects, job shadowing, and consultancy projects, while they are still students. At the same time, HR professionals should reach out to targeted professional training institutes to recalibrate their curricula in the directions of existing and future industrial demands. HR professionals may also collaborate with academic experts to generate business cases that would allow the future workforce to have a vicarious experience of organizational processes and gain experience in solving business problems without making costly mistakes. Many Indian businesses have already engaged in similar practices to allow industry-specific training and exposure—to be absorbed into the business when they graduate. The scale of such collaborations needs to increase manifold so that more and more companies may gain from them (e.g., Cooke & Budhwar, 2015).

The efforts for outreach and education by HR should not stay limited to only the future strategic capabilities but should also extend to the potential workforce at other operational levels—such as shop-floor workers, laborers, and non-knowledge workforces. Therefore, there is a vital need for industrial collaboration with the Industrial Training Institutes and other technical and vocational skilling interventions. Their training may be customized as per the prevailing industrial needs, and they may be provided early industrial exposure through multiple internships and apprenticeship opportunities. Businesses should also spend efforts in digital skilling of potential workforces, to bridge the digital divide among different strata of the society and make the Indian workforce ready for the workplaces of the future.

AI-Enabled Workplaces

While HR's role as the Change Agent will be concerned with closing the digital divide and training the workers of the future, the workplaces and the jobs themselves will be changing dramatically, necessitating new competencies, work processes, and engagement techniques. According to the 2021 CMIE report, many of the salaried jobs lost during the pandemic may not return, owing to automatization of the work processes, leaner organizational designs that are less vulnerable to uncertainties and more economical, and gigification of the existing roles (Goyal, 2020). This requires HR managers in India to readjust their processes and outcomes to an altered workplace, where human-machine interactions will be far more frequent and complex than before. Again, the LinkedIn Jobs on the Rise India Report reflects the trend toward digitalization and AI-ML enablement, with all the major rising job profiles reflecting these elements. The report, for instance, lists Machine Learning Specialist/Engineer, Artificial Intelligence Specialist, User Experience/Interface Designer, Analytics Consultant, Security Researcher, Cybersecurity Specialist, Networking Marketing Specialist, Social Media Marketing Manager/Strategist, Ecommerce Coordinator, Podcaster, Creative writer, and YouTuber among the quickest growing profiles across different organizational functions (DQIndia Online, 2021). It is the need of the hour for the HR managers to gear their workforce planning around these new roles, analyze them in terms of competencies and specifications, and plan sourcing, training, and engagement of personnel for them in the organization. As the digital natives further enter the workforce, the technology and the interfaces of the internal environment of the organization must be suited to the needs and choices of the newer generations—who would prefer flexibility, openness in sharing work experience on social media, and digitalization of most repetitive processes. At the same time, it is the HR manager's responsibility to ensure that the changing workplaces do not act exclusionary to the employees from the previous generations, who may need time to get adjusted to the changing processes of work.

Taking a Seat at the Strategic Table

The strategic role of HR has been emphasized since the late 1990s in organizations across the world. The importance of HR work processes in materializing the goals of the firm is presently well-understood, to the extent that firms are increasing treating the HR functions as core organizational value centers. In India, too, particularly among the leading multinational companies, the strategic role of the HR departments is apparent in their HR budget allocation, alignment of people management policies to changing firm strategies and environmental conditions, and widespread use of forecasting and prediction for HR-related decision-making. However, this is not true for the majority of the workplaces in the public sector irrespective of firm size, in private firms of medium and small size, and in most entrepreneurial ventures. The need of the hour is therefore the popularization strategic HRM practices across the Indian workplaces so that firms may look at the HR functions as a tool for business enablement rather than as a cost center. To take a seat at the strategic table, another critical role of the HR is to remodel HR practices in a manner that they are aligned with the firm strategies, scan the environment for workforce trends for which the business needs to prepare, and make HR operations and targets measurable, targeted, and specific. All these necessitate extensive training of the HR professionals in the principles of strategic human resource management, as well as in the latest technological offerings that simplify the work of the HR as well as open up the possibility for strategic contributions.

The trend toward digitalization and modernization of work processes in the Indian subcontinent is leading to considerable changes in the HR manager's job as it is understood today. The use of chatbots and automated HR assistance such as MYCA removes a considerable part of the HR grunt work, leaving more time for the HR to take a seat at the strategic table. The HR work is thus moving away from simple recordkeeping or interpersonal engagement to understanding trends and making strategic decisions that would help the firm achieve its HR goals. To this end, Indian HR managers need to be increasingly familiarized with

AI-enabled solutions that assist in human resource trend analysis in terms of workforce requirements and availability, the long-term impact of policies on compensation, incentives, diversity and inclusion, and training, assessment of competency gaps, and training effectiveness, not only concerning the present jobs but to the emerging vocational trends. HR personnel in India thus require intensive training in AI-ML-enabled technology and its application to their specific context. Secondly, HR managers should be skilled in assessing the effectiveness of a specific HR solution for their own offices and customizing it if needed. This requires a clear understanding of the underlying algorithms that enable HR applications to arrive at data-driven decision-making and a readiness to detect biases in them. Ensuring algorithmic hygiene is therefore going to be one of the major works of the HR workforces of the future. Another major role of the HR manager would be ensuring data privacy and data governance for the employees, so that the data collected is not misused in any illegal or extra-legal manner. This is critical for building the trust of the employees in the AI-enabled work systems of the future and for maintaining a sense of transparency between the employees and the management (e.g., Prikshat et al., 2021).

Conclusion

> I often start with a question [when I talk] with business leaders or HR leaders. What is the most important or best thing HR can give an employee? It's an interesting question 'cuz it triggers a dialogue. The answers are usually a sense of purpose, a sense of belonging, opportunities to learn, compensation, teamwork. And my answer is: you've missed it. The most important thing HR can give an employee is a company that wins in the marketplace. (David Ulrich, 2019)

As India is rapidly expanding from one of the largest economies of the world to one of the superpowers of the future, the strength of the nation will be steadily derived from the strength of its economy and its people. HRM in India thus has transnational implications as the efficacy of Indian workforce will ensure that many of the global firms and workplaces of the future reach their full potential. The need of the hour for HRM in India is, therefore, to modernize and access the best insights that the latest AI-ML-enabled technology provides to them. People managers also need to systematize and automatize the non-value-adding work to move their focus to measurable strategic contributions and enable their businesses to survive and thrive in an increasingly volatile and unpredictable world. At the same time, HRM in India must not lose the best of its core values of flexibility, personal touch, innovation, and familial feelings that contribute to employee engagement and cater to the sustainability of businesses in the subcontinent. The need is therefore also to learn from and systematize the best practices that have evolved in the Indian context and test their efficacy in the changing circumstances. But overall, the focus should be on the long-term as well as the short-term sustainability of the venture and its value to its human stakeholders so that the value generated for the business continues to translate into value for the individual human resources.

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10

High Commitment HR Practices in Malaysian SMEs

Wee Chan Au

Introduction

The scope and complexity of global challenges that organizations face today are remarkable. To survive, let alone prosper in such conditions, organizations must manage their resources strategically and effectively. Technological innovation coupled with global competition has dramatically influenced the business landscape. Traditional bases of competition have had to be revised to include human resources as part of the strategic system for success (Ahmad & Schroeder, 2003; Becker & Gerhart, 1996; Zhou et al., 2013). Managing human resources has become a central feature of organizational success (Zhou et al., 2013). Research studies suggest that specific combination of human resource practices can improve organizational effectiveness and capability (Becker & Gerhart,

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_10

1996; Bowen & Ostroff, 2004; Saridakis et al., 2016; Tracey, 2012), while being closely associated with sustainable competitive advantages (Michie & Sheehan, 2005). HRM practices are constituted by configurational combinations of specific methods, procedures, and processes that companies use to implement policies (Jiang et al., 2012; Lepak et al., 2006a).

Depending on the nature and level of human resource development, two types of HR systems can be identified. The two HR configurations can be grouped into either control or commitment practices (Hauff et al., 2014; Hu et al., 2020). Control practices aim to increase efficiency through the enforcement of strict rules and providing rewards based on outputs. In contrast, high commitment practices create conditions that encourage employees to identify with the organization's goals and commit effort towards achieving them. High commitment human resource configurations forge a psychological link between the organization and the employee, such that employees are trusted to execute their tasks in alignment with organizational goals (Boon & Kalshoven, 2014; Zhang et al., 2019). They also generate trust among employees and include factors such as empowerment and participation in decision-making, richness of communication, training and development of employees, selective hiring, team and idea pooling, low status and authority demarcation between management and staff, and lastly, rewards commensurate with effort and value of staff regardless of role (Gould-Williams & Davies, 2005; Pfeffer, 2010). Through such protocols, high commitment practices result in a higher level of positive experiences and employee engagement (Boon & Kalshoven, 2014; Zhang et al., 2019).

Given their role in enhancing productivity and performance, businesses have increasingly looked for ways to hold onto and motivate human talent to develop a high commitment, high performance workforce (Walton, 1985; Morris et al., 1993). Consequently, many organizations have experimented with ways to develop their workforce as a resource for constructive change (Takeuchi et al., 2012) and competitive advantage (Grant & Ashford, 2008). Over time, research studies have accumulated sufficient evidence to indicate that high commitment HR practices induce positive job attitudes in employees (Boon & Kalshoven, 2014; Kehoe & Wright, 2013). Notwithstanding the need and importance of configuring human resource practices for competitive success in the face of increasingly complex and dynamic environments, there remains a lack of understanding of the process and mechanisms through which HRM practices exert their influence (Delery, 1998). This lack of understanding of pathways and processes towards high performance HR practices has often been referred to as the "black box" (Boselie et al., 2005; Edgar & Geare, 2009; Harney & Jordan, 2008; Jiang et al., 2013; Lepak et al., 2006b). Even though a burgeoning amount of research enquiry suggests that investing in employees leads to positive organizational impact in terms of employee commitment, engagement, and performance (Messersmith et al., 2011), the processes and conditions under which these outcomes are derived remain largely unclear (Boon & Kalshoven, 2014).

Most discussions of HRM in SMEs have focused on HRM issues in small and medium-sized enterprises (de Kok & Uhlaner, 2001; Szamosi et al., 2004). This has highlighted the tendency of owner-mangers of SMEs adopting unsophisticated and casual people management practices instead of formally adopting HRM systems (Kaman et al., 2001; Kotey & Slade, 2005; Ma et al., 2016). With limited formal HR practices in SMEs, whether or not the adoption of HR practices is control-oriented or commitment-oriented is inconclusive (Cai et al., 2011; Su & Wright, 2012). In this chapter, the author looks at the front-end of the black box and explore the nature of the relationships SMEs enact with processes that trigger leaders to adopt particular HR approaches and practices. The study setting is SMEs in the developing country setting of Malaysia. Typically, high commitment work systems are implemented in a large firm context through formal institutional structures and formal human resource practices. Although it is widely acknowledged that formal and professional HRM policies are crucial for the long-term success of small firms (Chandler & McEvoy, 2000; Jiang et al., 2013; Mazzarol, 2003), small firms are much less likely to adopt formal HR practices than large firms (Bartram, 2005; Kotey & Slade, 2005). In the small firm context, one may wonder about the extent of high commitment work systems and what form they take. Indeed, given the resource challenges that SMEs face, one may ask whether SMEs are concerned about employees' welfare and, if they are, what approaches and practices they deploy to engender employee engagement and commitment?

Sitting at the apex of organizations, leaders and senior managers are key agents who influence the social exchange process (Graen & Uhl-Bien, 1995) and shape the form and nature of HR policies and their execution. Consequently, SME owner-managers' attitudes and actions present a fundamental cue that employees read and respond to by taking a specific reciprocal position(s) towards the organization. If SME owner-manager actions are viewed positively, employees respond by providing attitudes and behaviours that the organization values. This is consistent with the view of high commitment (Arthur, 1994; Zhang et al., 2019) or high involvement (Edwards & Wright, 2001; Kim & Wright, 2011) work systems that engender positive behaviours by developing a psychological link between organizational goals and employee needs. This chapter examines HR practices that SMEs use. To tackle this gap, an in-depth interviews with SME owner-managers were conducted in Malaysia and their views and experiences in managing human resources were examined.

Social Exchange and Human Resource Practices

With limited resources, SMEs may be constrained when offering generous compensation, as well as training and development, which is not helpful when attracting and retaining talent (Adla et al., 2019; Ma et al., 2016). Also, relatively weak HR infrastructure and a lack of HR expertise result in a rather informal nature of HR practices in SMEs (Kaman et al., 2001; Kotey & Slade, 2005; Ma et al., 2016). The owner-manager of SMEs plays a key role in managing and retaining their manpower based on exchange mechanism (Adla et al., 2019). This study adopted the Social Exchange Theory, where the central notion highlights the reciprocity in relationships between individuals where valued outcomes are gained as a result of the mutual reciprocation of effort (Cropanzano & Mitchell, 2005).

Developing positive employee behaviour through HR practices is an important part of the jigsaw of organizational success in highly competitive environments. Valuable talent can easily be poached by competitors or feel insufficiently motivated to perform. Under these conditions, employee perceptions of how committed their employer firm is towards them influences their attitudes and discretionary behaviours (Wayne et al., 1997). The employer's positive discretionary activities signal to employees that the organization cares for their well-being, which impels their reciprocal motivation and commitment to the firm. This view aligns with social exchange theory, in which reciprocity arises out of voluntary actions rather than formal contracts that typify economic exchange (Cropanzano & Mitchell, 2005; Gould-Williams & Davies, 2005; Veth et al., 2019). Based on this perspective, whenever an organization exhibits goodwill, employees will reciprocate by going beyond contractual behaviours, resulting in a mutually beneficial gain for both the firm and the employees (Cropanzano & Mitchell, 2005; Gould-Williams & Davies, 2005; Veth et al., 2019).

Social exchange theory is premised on the notion of "exchange" and "reciprocity" between two parties engaged in a relationship over time. Viewed as such, the employment relationship can be seen as one constituted by economic and social exchanges (Aryee et al., 2002). As such, exemplified and embodied leadership behaviours through HRM practices contribute to the exchange relationships between the employer and employee. When an organization invests in its employees, it sets up an expectation that such treatment will be eventually reciprocated (Gouldner, 1960) through the initiation of voluntary actions by the employee (Blau, 1964). The social exchange process takes form when the organization engages in activities that employees perceive to take care of their welfare and well-being, which subsequently leads employees to reciprocate in the form of good deeds (Aryee et al., 2002). For instance, if an organization provides sought-after training to develop employee competencies, employees will respond by engaging in desirable work-related behaviours (Bagger & Li, 2014; Matthews & Toumbeva, 2014; Wayne et al., 1997).

High commitment HR practices are typically conceived as carefully designed configurations of HR practices that improve performance (Boselie et al., 2005), and are implemented on the assumption that they will induce employees to actively engage with the organization. This is known as the soft approach to HRM, as opposed to a hard or control-based approach, in which employees are closely monitored and directed

(Arthur, 1994; Truss et al., 1997). When organizations invest in these high commitment practices, employees are assumed to see this as the organization's expression of care, commitment, and trust towards them and the work they perform. In addition, such investments signal the organization's desire to engage in a long-term relationship with employees (Boon & Kalshoven, 2014; Kehoe & Wright, 2013; Sun et al., 2007). According to Osterman (1995), organizations that seek to implement high commitment work systems tend to adopt work-life programmes in their effort to create a committed workforce. Work-life initiatives that ease employee childcare burdens bring about favourable employee outcomes and productivity (Glass & Finley, 2002; Masterson et al., 2021). Organizations that offer childcare support as part of work-life programmes witness heightened levels of employee loyalty (Glass & Estes, 1997; Mansour & Tremblay, 2018). The presence of work-life benefits has also been associated with organizational citizenship behaviour (Agarwala et al., 2014; Lambert, 2000). Poelmans et al. (2003) claim that family supportive programmes are a way for firms to compete for scarce resources in the labour market. Broadly speaking, employee-directed facilitations from organizations, whether in the form of HR practices or supportive leadership behaviour, improve employee commitment and retention (O'Neill et al., 2009; Straub, 2012).

Institutional Business Context of Malaysia

Malaysia is a developing country that aspires to attain developed country status quickly. Small and medium enterprises (SMEs) make up 97.2 percent of business establishments and constitute 48 percent of total employment in Malaysia (SME Corp. Malaysia, 2020b). As the major employers in the Malaysian economy, it is important to understand the stance of SMEs when managing human resources. As part of their drive to achieve a global presence, a growing number of foreign firms have set up branches or subsidiaries in Malaysia, where many MNCs establish their regional or global operations. In 2021, Malaysia attracted RM80.6 billion (equivalent to $19.4 billion) in foreign direct Investment (MIDA, 2021). This suggests that the Malaysian workforce has been exposed to employment opportunities with foreign firms structured with well-established human resource management practices. Lehmann (2009) observed that Malaysian firms competing for scarce human resources are constantly at a disadvantage relative to American and European firms that offer higher salaries and better opportunities. Hence, local SMEs face challenges to compete with these MNCs and large local firms for human resources. Foreign employers who are more resourceful in both institutional structure and financial resources when offering support make local SMEs less attractive as potential employers (Au, 2021). Given this setting, it is interesting to examine how SMEs manage HR to hold and motivate their employees to perform at a high level.

Research Method

In order to explore how Malaysian SMEs develop HR practices to attract, retain, and motivate employees, a qualitative research approach was adopted. A thematic analysis was carried out to analyse data collected through in-depth, semi-structured interviews.

Sample Identification

Owner-mangers of Malaysian SMEs were invited to participate in the study. Selection criteria were pre-specified to ensure that all participants in the study had initiated the business, owned at least 50 percent, and played an active managerial role in the business. Various definitions of what constitutes an SME were applied in different countries. A number of past studies have considered organizations with up to 250 or 500 employees as SMEs (Cassell et al., 2002; Cunningham, 2010; Zheng et al., 2006). For the purpose of this chapter, SMEs were defined as companies with 200 or fewer workers (for the manufacturing sector) and 75 or fewer workers (for the service and other sectors). This criterion is in accordance with the guidelines set out by SME Corporation Malaysia (SME Corp. Malaysia, 2020a).

A complete list of the total population of entrepreneurs in Malaysia is not available. Therefore, participants were randomly selected from the Malaysian Trade organization's SMEs list available online. Subsequently, snowball sampling was adopted to recruit more participants. A total of 48 entrepreneurs were interviewed. All of them were owner-managers of the firms who possessed more than 50 percent ownership and were active in a high-level managerial role. The sample consisted of business owners from various industries, including manufacturing, wholesale, retail, and services. All businesses involved in the study were small and medium, ranging from 1 to 130 employees. The oldest business was established in 1981, and the most recent in 2015.

Data Collection

Semi-structured interviews, where interviews guides were used flexibly, were conducted around the experiences of SMEs in managing the business, where particular attention was given to human resource practices, as well as owners-managers' motivations and challenges when initiating and sustaining the business, and any prior experiences that shaped their current practices. Most interviews were in English, a widely used language in Malaysia. Several interviews were conducted in Chinese or Bahasa Malaysia. On average, each interview lasted approximately one hour. With the permission of the participants, all interviews were recorded and transcribed verbatim.

Data Analysis

Inductive thematic analysis was adopted for the analysis of the qualitative data collected from the interviews. The inductive approach is a data-driven process (Braun & Clarke, 2006; Patton, 2002), in which the data coding is done "without trying to fit it into a pre-existing coding frame, or the researcher's analytic preconceptions" (Braun & Clarke, 2006, p. 83). The researcher read the transcripts multiple times to become familiar with the interview data before starting the coding process. In this step, the researcher picked up all meaningful units concerning how the owner-managers deal with their employees. The researcher completed the coding procedure for the first transcript and then moved onto the subsequent transcript. After coding the first five transcripts, the researcher searched for themes based on all the codes. The researcher made constant comparisons between cases by grouping all related meaningful units and trying to assign a tentative theme using simple phrases that resembled the language used by the owner-managers. Once the initial themes were established, the researcher continued coding the rest of the transcripts. Throughout the coding procedure, each code was assigned to a respective theme. During the data analysis, the author engaged with the literature on social exchange theory to understand and explain the emerging themes related to how SMEs' owner-managers undertake HR practices. This procedure of developing new themes, reviewing themes, and naming themes continued until the final transcript was completely coded. In this step, the researcher applied constant comparisons for the themes again, to ensure that they captured the nuanced meanings and were clearly differentiated. The researcher established three main themes that identified how owner-managers in SMEs adopt social exchange mechanisms in their HR practices: (1) High commitment HR practices through informal, ad-hoc, and personalized support; (2) Performance-based high commitment HR practices; and (3) Care-based approaches to HR practice development.

Findings

Theme 1: High Commitment HR Practices Through Informal, Ad-Hoc and Personalized Support

An analysis of interview data revealed that employee engagement and commitment are essential in Malaysian SMEs' goal of achieving higher productivity. The SMEs highly value employees' proactive involvement in business operations and novel problem-solving. High involvement and the commitment of employees frees SME owner-managers from routine operational decisions and allows them to focus on important strategic decisions. Employees who proactively contribute ideas and undertake self-initiated actions contribute most strongly to the performance of SMEs. The observations made by SMEs show the importance of human resource practices that provide organizational flexibility and empower, trust, and build a collective sense of ownership and teamwork in employees.

Illustration: Empowerment and Responsibility

> *Along the way, everybody contributes great ideas. Lots of one-on-one [sessions] where we can air our issues. Weekly meetings where we raise a question and everyone can contribute […] in a way, it helps control the stress, so it doesn't get too much on [just] us [the founder]. (SME41, interior design and construction)*

Illustration: Sense of Ownership

> *The thing that I am looking out for is to have a sense of ownership. This means they take ownership of every task [I assigned]. The only way you can get this [sense of] ownership [is to] treat them as adults and give them the flexibility they want. Then, they understand what we want. (SME35, telecommunication)*

> *We have staff that perform. You can see they treat the company as their own company … the major thing you can do is make them feel like they are working in their own. company. That's more valuable. (SME38, Mobile App developer)*

Illustration: Creative Problem-Solving and Teamwork

> *They don't just do give you instructions, they also support you with ideas. They challenge you on what you're doing as well. I think that's a very important element. They don't just do what you tell them to do; they're thinking about the product as well. (SME37, online recruitment platform)*

SMEs manage employees through displays of care and concern. For instance, providing maternity care or allowing a mother to work from home when her child is unwell can profoundly impact the bond between the employer and employees. Supporting employees in terms of flexible work schedules, time off, and unrecorded paid leave were SMEs' most common forms of support. Allowing employees to take time off when there is a family emergency, prolonged public holidays, and shortened business hours are some of the simple gestures SMEs can enact to show care towards employees. Additionally, the small scale of operations allows SMEs to quickly respond to employee requests. In SMEs, it is possible to adjust and even accommodate ad hoc employee requests due to the flexibility of small-scale operations and the minimal cost of adjusting. This allows SMEs to execute HR practices with a type of informality and responsiveness that formal HR processes cannot easily accommodate in large firms. Indeed, SMEs use closeness and personalized responsiveness as a means to differentiate the nature of care and support they provide via a vis larger firms. Individualized attention becomes a bridge builder for deep relationships between the SME and its employees.

Illustration: Flexible Work Hours

In terms of monetary rewards, we can't give what other bigger companies can give, but if you're looking for flexibility, more work-life balance, then at least we can discuss that. (SME23, skincare manufacturing)

At times they come a little bit late, you know, they have to go back early, they have to take their time off, take their kids to the clinic, they have to go to the hospital. All these little things, I try not to be too rigid. Give and take. (SME34, company secretarial service)

Furthermore, SMEs suggest that their focus is not just about retaining employees. They are aware that SMEs are less attractive in terms of career development, and thus, they pay more attention to getting employees engaged and motivated in the tasks they execute during employment with the firm rather than excessively worrying about retention.

Illustration: Conducive Work Environment

> *Over here, we always give them the flexibility. Based on this type of working culture, things do get done. They do appreciate [it]. It's not just about monetary rewards for them anymore; it's more like they have a place to come, instead of just [a] full time (housewife) at home. (SME23, skincare manufacturing)*

The analysis also showed that SMEs organize and develop high commitment practices that are highly informal and personalized. Ad hoc and personalized support in terms of money and time feature strongly in employee support. This very much corresponds to the contextual condition of Malaysia, where the income level of the operations-focused workforce is generally not high. Workers' monthly incomes are only sufficient to cover routine living expenses, and their salaries do not allow them to accumulate sufficient savings to cover unplanned expenses or large outlays (e.g., purchase of big assets like a motor vehicle or house). These employee stressors create conditions in which the SMEs can configure a specific HR practice or arrangement that demonstrates to the employee that the organization cares for them. The stress situation opens an opportunity for the paternal/maternal characteristics of Malaysian SME owner-managers to surface. This allows them to emerge as key sources of support for protecting and enhancing the quality of life of their employees. Such responsibility is not written but is understood, and most respondents seem very happy to accept it.

Illustration: Trust

> *We are a small company. We are not like Intel or big companies who [can] give lots of huge incentives, so how do we motivate them? It's by giving them trust and by [being] sincerely caring for their welfare and pay attention to [their] work environment. These have helped us over the past few years, yea. (SME14, apparel manufacturer and retailer)*

In probing the drivers and motivations of SMEs to manage human resources, two main approaches to relationship-building and exchange surfaced: performance-based social exchange and care-based exchange.

Theme 2: Performance-Based High Commitment HR Practices

In terms of performance-based exchange, a few SMEs explicitly admit that their support is offered conditionally to employees meeting certain expectations, whilst others imply this quid pro quo exchange in their conversations. SMEs expect higher productivity and performance in return for the support they provide to employees. They highlight that, as employers, they have "paid" for their employees' time. With this approach, employers compensate employees if additional work needs to be done, especially if it intrudes on employees' nonwork time. Employers are selective when providing support; only employees who demonstrate commitment and loyalty can gain an employer's support and care, especially when it comes to nonwork interests. The instrumental nature of this quid pro quo exchange can be noted by SMEs who stress heavily on employees' work-life balance, yet make it clear that benefits can only be accessed if the firm's needs are met first.

Illustration: Conditional and Loyalty-Based Benefits

> *If they work long [enough] with me, I will consider that (laugh)… in my company, those staff that work with me for more than three years, only they are eligible to claim all my benefits. Yes. You need to have a certain level of loyalty. (SME01, electrical appliances manufacturing)*

Illustration: Performance First, Benefits Later

> *When a company is pushing for a [job] tender, I think staff should not think about work-life balance but about just winning it. And then everybody wins because salary wise, reward wise (will be raised accordingly). Then you can buy your balance, by having days off, your holidays. (SME07, training)*

Expectation of performance is a central core in the enactment of the performance-based employer-employee relationship. Employees are given consideration only when they can meet the performance standard.

Failure to meet performance standards is met with sharp corrective actions and even the withdrawal of "kind" acts. In other words, benefits contained within HR practices are conditional.

Illustration: Flexibility-Performance Trade-off

> *Sometimes they tell me, "I don't feel like coming in today. I got nothing [pending]. I see you after lunch?" I say, "ya, it's fine"[…] When they have [unfinished] work, sometimes they don't want to bring [it] home, so they stay [back]. Since they [may] have taken it easy for days or [even] weeks, they ensure everything is delivered on time when they have tasks. I think it is totally fair. (SME35, telecommunication)*

Illustration: Care Predicated on Customer Orientation and Business Performance

> *I do not involve with every project site, but I help out a little bit everywhere. So I always check them [the employees] out, "would you be able to do this? what you're up to?" […] We have a very good team; they stepped up and took ownership of some of the projects. And they're very well-rounded. […] We always tell our operations team that being proactive in help, and [they should] always take the initiative to settle problems in advance. That would be [the] most important [to retain customer]. Most contractors usually just leave it and wait for the clients to raise the issue, and they will solve it. But for us, we bring it up first and solve it for you. (SME41, interior design and construction)*

The prevailing norm of performance-based practices is that employees must prove themselves before they can gain full access to benefits. Commitment over time, consistent performance, and loyalty are key dimensions that SMEs use to gauge the level of support they will render to employees. Thus, SMEs are willing to put mechanisms in place to support employees, if there is demonstrable proof of sustained high work performance. In exceptional cases, SMEs are even willing to give out equity shares to safeguard the commitment of high performing, highly loyal employees.

Illustration: Benefits Earned over Time

> *We give out shares. So when you enjoy the company shares, you are part of the shareholder, but only for those who are really contributing. Yea. Of course, they must have gone [stay] through a certain amount of time with us. (SME38, mobile App development)*

Overall, as the above indicates, benefits such as work flexibility are not immediately given, but must be earned over time and can just as easily be revoked if performance expectations are not met.

Theme 3: Care-Based Approach to HR Practice Development

Small companies enable SMEs to build very close and "personal" relationships with their employees. They tend to know most of their employees personally, regardless of their rank, and can build family like relationships within their companies. Some respondents identify themselves as "father" or "mother" figures to employees in such settings. This is especially true of the older cohort of owner-managers, while the younger cohort identifies themselves as "brother" or "sister" figureheads. Whichever family role they assume, owner-managers adopt an authority position over employees and act as primary agents defining the nature and boundary of support. By reciprocally acting out this relationship, employees look up to and depend on their employer for help, even in personal family matters. This parent-child relationship plays out in the way the HR practices are deployed. It engenders a familial commitment and sense of loyalty from employees to the organization, particularly the patron figurehead.

Illustration: Nurturant Mother Relationship

> *I'm like a mother to them [the immigrant labours], you see? I see they have comfortable accommodation; I see their food is organized; I take them to the bank to open an account. I organize the money changers to come and send all*

their money [back home], whatever money they want to send to India, Bangladesh, Philippines, all that services. From the beginning, they call me mother, they call me mum. (SME22, apparel manufacturing)

Illustration: Sibling Relationship

I'm managing a small team. I treat them like my brothers. So when they are my family, how should I treat them? (SME39, industry robotics consulting)

Recognizing the unequal power distribution between themselves and employees (in terms of greater resources, information, and power), SMEs widely acknowledge their obligation and responsibility to care. Respondents show concern for employees' needs beyond the workplace, often offering personal development advice or getting personally involved in employee family matters. Whether they are local employees or foreign labourers, SMEs view employees as part of their larger family. They perceive themselves as elder members of the family, with a responsibility to take care of the junior members, their employees.

Illustration: The "Elder" Responsibility

Employees are like children; you need to take care of them, feed them. They have emotions, they will have bad moods, be emotional, and you have to care about them, it's just like taking care of our children. If you can treat your employees like half of your own children, then you are successful. (SME16, furniture manufacturing)

Moral principles that underlie ethics of care can help explain SMEs' caring actions. The emotional tie between SMEs and employees is the foundation upon which acts of care are justified. Some respondents note that their obligation and responsibility originate from their sense of religious duty. Others tap into a more vicarious sense of responsibility, suggesting a sense of humanity as the driving force behind their caregiving actions. Many participants emphasize that everyone is a human being and needs to be treated fairly and kindly. This is often the foundation that drives their caregiving approach. Employers who adopt this perspective portray sincere care towards their employees and hold firm convictions that the SME's business aim should not solely be about profit. Instead, they see taking good care of their people as a core part of their responsibility and obligation as employers.

Illustration: Obligation as an Employer

> *Make sure everybody is paid; that's a huge responsibility. You may ask, why do I go through all this and create so much stress [for myself]? But it's joy for me. I create so many jobs and make such an impact on their family; I think it's awesome. (SME46, Mobile Healthcare Service)*

> *We try to provide whatever that they need. When they need help in their family matters, and it is within our reach, we would help them. If they tell me their problems honestly, I will try to help them. Especially financially, if I am able to help, I would help. (SME25, law firm)*

> *Here at 6 pm, everybody goes back; nobody does overtime. I value efficiency. […] The system is very important, the company must have a very good system, if you design a good system, when everybody gets their job they know how to do it. We cut down a lot of unnecessary things, and they work very efficiently. Hence, they can have a good work-life balance. (SME48, Pharmaceutical products trading)*

Illustration: Equality and Equity for All

> *I always feel that they [the immigrant labours] are also human. They want to be treated equally. And when they are away from home, they're very lonely. So they need to be at least given attention. (SME13, plastics manufacturing)*

SMEs with a care-based approach tend to view their employees as equal to themselves, with the same basic needs in life. Some respondents express that they wish to treat their employees the way they themselves want to be treated. They genuinely put themselves in their employees' shoes when considering whether and how they should go about looking after them. This type of consideration governs their caregiving actions and the type of HR practices they adopt. In many cases, their past experiences (as employed individuals, childhood experiences, or even general life experiences) sensitize them to employees' needs and motivates them to provide support and care. Strong human centricity, a sense of mutuality, and wide social responsibilities are key characteristics observed.

Illustration: Human Centrality and Sense of Mutuality

> *We as a human wish to live in this kind of environment, so we thought the employees would think the same way too. (SME36, eco-farm and eco-tourism)*

> *When I get a good chair, I feel it is fair to give them (employees) a good chair [too]. They probably spend more time than me (in the office). I feel they should have the same thing [as me]. (SME42, contact lens manufacturing)*

Another critical feature of care-driven HR practices observed with SMEs is the importance of ensuring the business's survival and healthy progression. SMEs realize that the quality of life of their employees is reliant on the employer and the business. Respondents shared that they are not only responsible for their own families, but for the financial stability and sustainability of their employees and their families.

Illustration: Wide Circle of Responsibility

> *Being a small company, we cannot afford to pay extra for maternity leave or all the hospital expenses. So out of our own effort, we make sure to visit them and give what we can, [and] to support them. We try our best to make them happy. (SME19, accessories retail)*

> *During Raya (festival), we buy them clothes. Let's say their parents want to go to Mecca [Islam's holiest city]; we give them money. We do more; we go beyond the office; we go to the family. (SME25, law firm)*

Under the care-based approach, many SMEs consider their employees' ability to progress in life as part of the employer's responsibility. They feel that employees' quality of life should not be disregarded when business owners are flourishing and enjoying the fruits of their labour. These SMEs expect their employees' lives to progress positively in tandem with the business. They draw a wide and encompassing circle of care, and their HR practices are reflective of this.

Illustration: Inclusive Progress and Growth

> *Our internal CSR would be like; we will help our staff to buy a car. If they need a deposit for the loan, we will provide for it because we want to improve their standard of living. We will [even] tell them where to buy a house, how to apply for low-cost housing. (SME14, apparel manufacturing & retail)*

Discussion

An investigation of the in-depth interviews revealed several underlying processes involved in developing and deploying HR practices in SMEs. In addition, they shed insights into the "black box" of HRM by unveiling some of the mechanisms and nuances at play in the conundrum surrounding the deployment of high performance, high commitment work systems. This study finds that Malaysian SMEs recognize the importance of human resources as a critical feature when building a competitive premise for sustainable success. Unsurprisingly, they take actions to develop and implement HR practices that help improve productivity and performance and motivate and retain their best human talent. At a high level of aggregation, the activities and mechanisms that Malaysian SMEs utilize fit the practices universally identified to constitute high commitment work systems. Even though the implementation of HR practices in these SMEs is nuanced to be informal at the micro level, at a higher level, they aggregate into well-identified categories observed in prior research. These include worker empowerment, involvement in decision-making, richness in communication and feedback, reward packages that are commensurate with worker effort, and the value of all workers regardless of their hierarchical position and role (Marchington & Grugulis, 2000; Pfeffer, 2010). As such, this study finds support in the universal existence of high commitment HR systems in our developing country setting. In all, the study demonstrates that Malaysian SMEs need to invest in employees to develop alignment between employee values and organizational goals.

Additionally, just like their more developed country counterparts, Malaysian SMEs face specific challenges due to their smaller size and resource base. Unlike large firms with formal structures and policies, Malaysian SMEs rely heavily on ad hoc and personalized support to look after their employees. Most SMEs demonstrate consideration and understanding when responding to the needs of their employees. This informal source of affective involvement aligns with the findings of Bruni et al.'s (2004) study. This study shows that informality predominates over formal approaches for Malaysian SMEs. In many instances, Malaysian SMEs build close-knit relationships with their employees, facilitating informal support when taking care of them. SMEs sensitivity can range from minor considerations, such as providing food and clothing, to significant involvement in large projects, such as an employee's property purchase. Many of the support gestures depend on specific employer-employee relationships and are emotionally situational.

Besides the prevalence of informal mechanisms, this study's findings reveal that Malaysian SMEs adopt two distinct approaches. One approach develops relationships that heavily stress the performance component in the exchange, while the other approach's exchange relationships are more altruistic and care-focused. For SMEs to adopt performance-based exchange relationships in their HR practices, they expect higher performance and productivity in return for the resources and support provided. In other words, employees are expected to have positive attitudes and demonstrate significant performance in exchange for their employer's investment and care. On the other hand, SMEs adopt a care-based approach and believe that a key responsibility is to take care of employees and treat employees as important stakeholders in the company. This relationship with stakeholders is reflected in the interview data, and the care actions practised by SMEs epitomize the relationship. SMEs in this study draw upon their personal nature to take care of their employees, and display relational traits that stress cohesion, trust, and empathy. This closely aligns with a stakeholder perspective, in which it is the responsibility of an organization to select activities and direct resources to legitimate stakeholders (Donaldson & Preston, 1995). Importantly, the study also observes a moral relationship between the SMEs and their employees (Mariappanadar, 2012). Originating from feminist philosophy, care ethics is about meeting the needs of others for whom we take responsibility (Elley-Brown & Pringle, 2021; Gilligan, 1982). This sharply contrasts with the masculine outlook that emphasizes the military metaphor of a competitive battleground, in which individual self-interest takes primacy over other concerns, particularly co-operative relations with others (Held, 2006).

Overall, SMEs are aware of the need to invest in their employees for high performance and success. However, they are also instrumental in shaping relationships and exchanges between the organization and its employees. One often overlooked part of this observation is that while social exchange exists and takes place, it is not between equal parties. SME is instrumental in defining the nature and boundary of the type of exchanges that take place in the firm. As noted earlier, social exchange, based on the norm of reciprocity (Gouldner, 1960; Matthews & Toumbeva, 2014), is a concept that has been employed in past studies to understand the relationship between work-life provisions and employees' job attitudes (Haar & Spell, 2004; Lambert, 2000). Chen et al. (2005) note that the central notion of the concept is the reciprocation of valued resources between interacting parties. Referring to work-life provisions within an organization, past studies have found that employees perceive the receipt of work-life provisions as favourable treatment from their employers. Employees, therefore, feel morally obliged to respond in kind and recompense their employers through positive job attitudes, such as increased organizational commitment and citizenship behaviour (Bagger & Li, 2014; Matthews & Toumbeva, 2014). Nevertheless, regardless of their initial motive and principles lying behind SMEs moves to support employees (either caregiving or performance-reward exchange), all the employee support initiatives appear to contribute to the long-term sustainability of the business. The findings from the current study show that social exchange theory is applicable in understanding the effect of work-life provisions on recipients' job attitudes; it also helps shed light on the different approaches used and things that trigger their deployment.

Therefore, the findings from this study suggest that SMEs in Malaysia should place greater emphasis on improving existing HR practices by refining systematic HR infrastructure and investing in HR expertise. However, this does not suggest that Malaysian SMEs should lose their charm in being flexible when offering ad hoc and personalized support to their employees. Rather, the social exchange mechanism featured in the empirical insights suggests that SMEs' owner-managers are accustomed to the reciprocal relationship with their employees. Consequently, they exercise their discretion when providing valuable resources (e.g., empowerment, flexibility, trust) to employees who demonstrate positive work behaviours. Lastly, under the backdrop of collectivist culture in Malaysia, the small scale and informal nature of relationships within SMEs facilitate care-based HR practices. In sum, the findings do not intend to evaluate the control or commitment-orientation of HR practices in SMEs in Malaysia. Instead, the study contributes by highlighting the importance of the local context in order to appreciate and understand the HR practices in a specific context.

Conclusion

By analysing data from 48 in-depth interviews with SMEs, this paper explores high commitment HR practices deployed by Malaysian SMEs. Notably, specific forms of configuring HR practices surface as a crucial part of the SMEs' effort to develop of high commitment HR systems. The configuration of HR practices involves specific employer-employee social exchange relationships that foster a psychological link and reify it into specific outcomes. The study finds that at a high level of aggregation, the core constituents' HR practices deployed by Malaysian SMEs are the same as those identified in prior research, such as empowerment, involvement, training and development, creative team problem solving, etc. This suggests that the notion of a high performance, high commitment work system is universal in its existence and not just germane to developed country settings. Therefore, it is not surprising to observe Malaysian SMEs' concern in developing HR practices that demonstrate care as part of their effort to draw employees' commitment. Second, Malaysian SMEs place much heavier emphasis on informal, personalized support mechanisms to constitute their HR practices to form high commitment work systems, unlike large firm counterparts who have the luxury of adopting formal HR practices.

Furthermore, the study found that the processes SMEs deploy in implementing HR practices are varied. The interview data identified that SMEs adopt two seemingly contrasting principles and social exchange approaches to HR practice implementation: performance-based approach and care-based approach. SMEs utilizing the performance-based exchange provide support to their employees on the basis that every cent spent should be justified by an expected return and/or benefit. In contrast, SMEs utilizing a care-based approach extend nurture and support based on personal consideration of moral responsibility derived from their religious beliefs or a sense of being "elder member of the family."

Limitations and Future Studies

The study only gathered data from SME owner-managers and explored the phenomena through a qualitative lens. Future studies should consider a longitudinal design and ways of drawing in employees' perspectives to evaluate the veracity of SME owner-managers' assertions of care and support. This would provide a more rounded view of how HR practices are received and impact employees within the SME context.

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11

Cultural Perspectives on Intrinsic Motivation and HRM Practices in Pakistan

Sana Usmani, Hakeem Ajonbadi, and Chima Mordi

Introduction

Scholars have long alluded to the idea that motivation is socially constructed, yet little empirical research examines this concept through a sociocultural lens (Kanfer et al., 2017; Wenzel et al., 2019). This chapter adopts the view that intrinsic motivation does not exist on its own, but is shaped by dynamic, relational factors from the sociocultural environment. Therefore, viewing intrinsic motivation in isolation provides an incomplete understanding of its place within a wider social system and

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_11

questions the generalisability of current scholarship on self-determined behaviour, in the absence of relevant sociocultural factors (Fallatah & Syed, 2017). In a case where social structures and values vary across geographies, variances in factors that exert a downward influence on intrinsically motivated behaviour amongst individuals are likely, since congruence of organisation, society and culture is a crucial element of productivity and worker satisfaction (Kanfer et al., 2017). Moreover, contemporary HRM discourse value the importance of the sociocultural environment and its influences on HRM practices (Filatotchev et al., 2020). Furthermore, structures and individuals are dynamic in nature and serve as ongoing processes as opposed to statically linked elements.

The chapter explores intrinsic motivations dynamically from three levels. At the macro level, it explores the conjecture that deep social structures, such as culture and institutions, play a crucial role in shaping nepotism and intrinsic motivation amongst employees from a relational and context-specific perspective. At the meso level, it examines the adoption and consequences of organisational nepotism in the textile sector, and at the micro level, it uncovers intrinsically motivated individual behaviours as they intersect with elements from the wider environment. Societies, organisations and individuals are not globally homogenous. They are also interlinked entities, which exist as fluid, nested systems that constantly create causal relationships and mutual interdependencies. Therefore, contextual sensitivity plays a crucial role as organisations adopt social values from their society to inform their practices (Deckers, 2018). Employees, in turn, are affected by their social value-driven practices, which ultimately affects their motivational state. This chapter argues that if society shapes collective value systems and individual behaviour (Fischer et al., 2019; Arieli et al., 2020), the resultant causal relationships may produce, in certain cultures, organisational nepotism. This, in turn, can significantly impact intrinsic motivation amongst employees, with significant implications for HRM, especially in its role of empowering and motivating employees (Ho & Kuvaas, 2020). To address this issue, this chapter relies a sociocultural lens to explore organisational behaviour and its impact on employees' intrinsic motivation in the Pakistani textile industry.

Using a multi-level framework, this study bridges the gap and accounts for contextual sensitivity and relational dynamics on three levels of analysis. There are several reasons for relying on this approach. Scholars have argued that a relational approach is essential for fully capturing individual factors, organisational processes and structural conditions as they collectively account for power disparity and disadvantage within social and employment contexts (Fischer et al., 2019; Sugiartha et al., 2021). From a macro-viewpoint, this approach provides a holistic and rich assessment of contextual factors that drive people at work and optimise productivity in the developing world. Furthermore, the argument is that employee intrinsic motivation is not a constant state—it oscillates depending on external factors and so should be viewed as a dynamic component of a broader sociocultural system, requiring that disciplinary boundaries be extended far beyond that of existing scholarship.

In light of the above, this chapter aims to explore cultural perspectives on intrinsic motivation and HRM practices in Pakistan. Thus, it seeks to provide a logical answer to the broad question "what are the influences of sociocultural factors on employee intrinsic motivation?"

Conceptualising Motivation

Motivation is inherently an internal, psychological process that prompts one to "direct, energise and sustains action" (Deckers, 2018) or make an effort through channelling inner desire (Rockmann & Ballinger, 2017). The etymology of the term itself is rooted in the Latin word *movere*, which means, "to move" either physically or mentally, or set in motion, stir and influence (Karpa, 2021). Motivation remains a fundamental topic in both psychological and organisational studies to date, that explain reasons that drive actions and behaviour (Fischer et al., 2019). Motivation is particularly important to organisations, as it is often linked with increased engagement, performance and productivity amongst its employees (Sung & Choi, 2018; Ogbonnaya & Messersmith, 2019).

The shift in management from a material and stringent approach towards a softer one evolved in the early twentieth century. At first, scholars and practitioners alike believed that external controls, incentives, punishments, and rewards were necessary to motivate persistence, performance, and productivity (Karpa, 2021). These ideas were famously promoted by the scientific school of thought or Taylorism, as well as the Administrative school of thought, also referred to as Fayolism. However, the advent of the human relations movement, particularly the Hawthorne studies, recognised and shifted the perceptions towards understanding the triggers that propagate motivated behaviour. Since then, theory and research on motivation have recognised that the desire to achieve a goal or purpose can be derived from different sources (Porter & Lawler, 1968). Therefore, it is crucial to understand the concept of intrinsic motivation and how it influences employees' work behaviour.

Understanding Intrinsic Motivation

Intrinsic motivation refers to applying effort based on interest in and enjoyment of the work itself (Rockmann & Ballinger, 2017). This is pure activity focused and applied to tasks which individuals perceive as inherently interesting, engaging, or in some way satisfying (Ogbonnaya & Messersmith, 2019). According to Deci et al. (1999), intrinsic motivation is a state that evokes, energises and sustains activities through the spontaneous satisfaction derived from them. Furthermore, individuals volitionally partake and engage in activities because they find them interesting and enjoyable. Contemporary views state that intrinsic motivation predominantly comprises two dominant paradigms (cognitive and affective). For instance, Deci and Ryan's (1985) cognitive evaluation theory suggests that self-determination and competence are the stamps of intrinsic motivation. Other theorists have also proposed the affective components of interest and excitement (Koc et al., 2021); involvement in tasks that results in elation and the "flow" (Csikszentmihalyi, 1978), and happiness, surprise and fun. In recent years, Sung and Choi (2018) have also associated intrinsic motivation with higher job performance, without affecting the quality and quantity of performance. As a result, HRM plays a crucial role to ensure that employees are motivated to do their jobs and gain a sense of job meaningfulness (Han et al., 2021).

There are prominent differences in task performance between individuals who are motivated both intrinsically and extrinsically. For example, laboratory experiments have demonstrated that extrinsically motivated individuals are more likely to show increased levels of impatience, rigid behaviour in task engagement (Garbarino, 1975), poorer concept attainment (McCullers & Martin, 1971), impaired complex problem solving, inadequate incidental learning (Deci et al., 1989), increased functional fixedness on a set-breaking task and lower levels of creativity in a variety of tasks (Miller, 2018). Individuals who see themselves as very intrinsically motivated may strive to select work assignments that allow them to develop new skills, exercise creativity and become deeply involved in their work. They may also tend to see their work environment in terms that support their intrinsic needs and may seek occupations where intrinsic motivators are salient (Rockmann & Ballinger, 2017). On the other hand, strongly extrinsically motivated individuals may view their work environment in terms of its extrinsic controls and may seek occupations where extrinsic motivators are salient (Fischer et al., 2019).

Research has repeatedly demonstrated the effectiveness of intrinsic motivation, promoted through supporting individuals' basic needs, to positive work outcomes (Rockmann & Ballinger, 2017). Deci et al. (1989) found that autonomy was supplementary with satisfaction, trust and positive work attitudes, just as structures within environments that promoted the need for competence were found to have the same effect. When people are not given opportunities to master their environment, the need for autonomy and competence remains unfulfilled, resulting in demotivation. This has been validated by works that affirm intrinsic motivation is often absent in lower-level jobs and developing countries (Wenzel et al., 2019). Consequently, it underscores the rationale for understanding the conceptualisation of the sociocultural environment, given that people react differently as influenced by their sociocultural environment (Kazakova & Shastina, 2019).

Conceptualising Sociocultural Environment

This section elaborates the concept of sociocultural environments considering that organisations are embedded in societal and institutional contexts, which regulate the decisions and practices that organisational actors adopt. Moreover, organisations respond to the uncertainty created by their institutional environment through adopting structures influenced by their respective laws and cultural norms. For this reason, to understand organisations, exploring the role of institutions and national culture in shaping social context is crucial. Societal and structural conditions such as laws, institutions, culture and political economy that potentially influence processes must be accounted for (Scott, 2013), since individuals not only interact with, but also influence the environments (Weick, 1995) and engage in dynamising the duality of structural conditions (Koc et al., 2021). This makes macro-national phenomena a creation and reinforcement of individual behaviours that ultimately impact individual-level outcomes. Moreover, scholars have also advocated taking a sociological approach to organisational theorising (Arieli et al., 2020). Seen from this angle, economic actors act as interpreters of their macro-societal context, responding to the political mandate and the cultural and normative customs of the environment in which they are entrenched. While there are several sociocultural forces that affect intrinsic motivation, we discuss only three.

First, institutions are a core element in the sociocultural environment. Institutions are forms of social structure (Scott, 2013), regular patterns of social action or the mechanisms that produce social patterns (Zeb et al., 2021), which "give stability and meaning to social life" (Scott, 2013). Scholars argue that all actors within a structure, including the government, are vulnerable to coercive influence, making it common for challenges and loopholes to arise within the governmental framework (Bitektine & Haack, 2015).

Government is the most highly ranked and influential institution in a country, following its role as a provider of robust social infrastructure (Zeb et al., 2021) and protecting the nation from diversion (Koc et al., 2021). Practically, on the other hand, its very power to set regulations and enforce rules gives the very same governments the ammunition required to be a highly effective agent of diversion (Schleiter & Voznaya, 2018), usually making it the chief vehicle of diversion in economies throughout the world. Feenstra and Jensen (2012) have also demonstrated that institutional quality positively corresponds to the volume of trade, mainly trade, which relies on contract enforcement, which demonstrates its importance in the economic arena. Second, another sociocultural force is collectivism. National culture predominantly defines what is legitimate, right and desirable in a given social environment (Wenzel et al., 2019). It determines and influences individuals' preferences and justifications (Kotlaja, 2018), involves shared mental programmes that subsist amongst the people of a sovereign nation (Koc et al., 2021) and serves as a basis for procedural and declarative knowledge (Lumpkin et al., 2018).

Individualistic cultures highlight independence, individual rights, and self-sufficiency, whereas collectivist cultures emphasise interdependence, obligations towards other people, and relying on in-groups (Arieli et al., 2020). Individualism, in literature, is defined as a social pattern of individuals who view themselves as independent of each other, whereas "collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive ingroups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty" (Hofstede, 1991). Collectivism arguably remains one of the most researched cross-cultural factors in organisational behaviour (Shaw et al., 2017), and this research, particularly, articulates on the collectivist cultural dimension. The third is social infrastructure, broadly considered a subset infrastructure, which typically encompasses assets that accommodate social services, such as schools, hospitals, and prisons, that is, structures that formulate the backbone for communities and societies (Aldcroft, 2015). This research, however, defines "social infrastructure" as synonymous with institutional provisions, as "the institutions and government policies that determine the economic environment within which individuals accumulate skills, and firms accumulate capital and produce output" (Hall & Jones, 1999).

Theoretical Perspective

The theoretical perspective seeks to conceptualise each phenomenon as part of a network—a dynamic, complex, cause and effect system of interrelated constructs that ultimately create a recursive relationship (Paruchuri et al., 2018)—which are extrapolated from discussions of the literature review. It is developed using Causal Loop Diagrams (CLD).

Structuration Theory

Structuration theory (ST) postulates that social action is determined by repeated interaction between human agency and social structure, the latter providing a framework that both constrains and enables action (Giddens, 1984). That is, the reciprocal and reinforcing relationship between individual action and structure creates repeated patterns of social interaction over prolonged timeframes and space, resulting in formal and informal rules of social organisation such as culture and institutions (Whitbred et al., 2011). Social structure, in this context, is broadly seen as comprising of either recursive patterns of interaction or the mechanisms that cause them (Sugiartha et al., 2021). It also states that structure, both, constrains and enables action where each "of the various forms of constraint is also, in varying ways, forms of enablement. They serve to open up certain possibilities of action at the same time as they restrict or deny others" (Giddens, 1984).

The emergent property of structuration gives rise to the social and organisational context and shapes individuals' mental conditioning, impacting how they perceive tangible and intangible constructs, as illustrated in Fig. 11.1. In other words, structure constrains and restricts the set of possibilities for action, as well as enables by opening up possibilities for action (Cardinale, 2018). Furthermore, it shapes wider society and organisations and individual socio-psychological construction, perception, and actions that may interfere with how one engages with the motivation-related fulfilment of their three basic needs. Most importantly, it addresses the sociocultural viewpoint that motivation is socially constructed, and therefore, it emerges and develops from social interactions that stem from an amalgamated form of collaborative and individual actions (Wenzel et al., 2019).

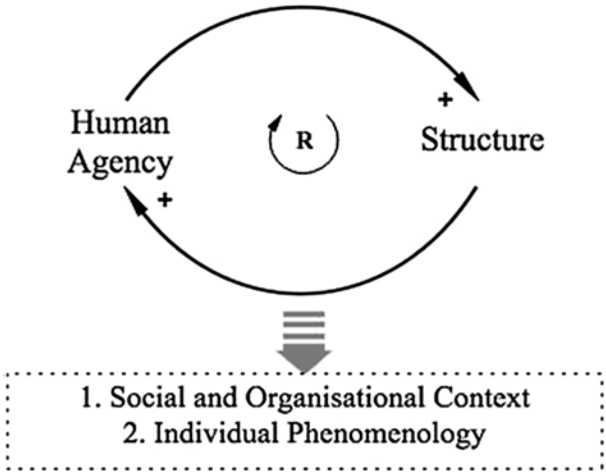

Fig. 11.1 Emergent properties of structuration

Systems Thinking

Systems theory (SYS) is an interdisciplinary theory with its roots in biology. It is a complex system that postulates the social world, such as the natural world, which is based on interdependence and interaction (Capra, 1991). Systems thinking is derivative and a means to study systems as an interconnected set of organised elements that serve a function. It is used conventionally to understand the non-linear nature of systems, how they work over a period and in the context of other systems. It is particularly useful when one seeks to observe data to understand patterns of behaviour over time and underlying and unsurfaced structures that drive those events and patterns (Ali et al., 2018).

In the context of this chapter, SYS armours this study to bifurcate and study motivation through a multi-paradigm lens and provides a framework to deconstruct and reconstruct the interconnections that take place within and across different levels of analysis (Schad et al., 2016). It also empowers researchers to connect sub-systems with other systems to facilitate "big picture" thinking, so a problem is understandable in its entirety (Cloughley, 2016), that is, motivation in the context of organisation and society. Lastly, SYS also gives one the ability to uncover patterns emerging from different elements and study interconnections which imply that a change in one system element can result in knock-on changes throughout the system (Karpa, 2021), particularly in instances where individual parts (and their underlying mechanics) may not always be clear, but their emergent systems are observable (Bhaskar, 1975).

Study Context: Pakistan

Pakistan is situated in South Asia and neighboured by Iran and Afghanistan on the west, India on the east, China on the north and the Arabian Sea on the south, making it highly important to its allies. It comprises four provinces—Sindh, Punjab, Khyber Pakhtunkhwa and Baluchistan—and one capital territory, Azad Kashmir (CIA, 2019). Currently, it is the 6th most populous country and 33rd largest by area (Bongaarts & O'Neill, 2018). Pakistan's national culture is heavily rooted in collectivism (Hofstede Insights, 2019) and presently experiences a sharp divide along with political and social classes. Harry (2012) finds that although Pakistan is predominantly divided into four cultures—Sindhi, Punjabi, Pakhtoon and Balouch—there is immense diversity in its ethnic values, languages, ways of life, and moral values, which differ within each of its subcultures. There is a minimum of six major languages spoken in the country, including Urdu, Punjabi, Saraiki, Pashtu, Sindhi and Balochi and other smaller languages and dialects, with an ethnic diversity that varies across regions (Wenzel et al., 2019). And although some ethnic groups constitute a majority in their specific area of origin and are indigenous to it, they form a minority within other Pakistani regions, especially when compared to the population as a whole (Ali & Rehman, 2001).

Pakistan's Muslim population also comprises of various sects, of which 77 per cent are Sunnis and 20 per cent are Shiites, where differences in beliefs and practices within each school have resulted in sectarian differences and violence over the last three decades and a society consistently damaged by linguistic conflict, ethnic divisions and sectarian violence (Harry, 2012). This is consistent with previous research, which suggests that social and institutional contexts can play a large role in shaping the status of disadvantaged groups. Political and economic deterioration has led to severe social fragmentation and deprivation within Pakistani society, exacerbated by its ethnic and linguistic differences, which according to Khan (2017) is fuelled by power politics and social discrimination vis- à-vis employment opportunities. Social bonds in Pakistan have also weakened over time as the economic division between different strata of societies has widened. This failure to recognise these differences by the elite ruling class, and address social cohesiveness along ethnic, social, economic, gender and religious lines pose a grave challenge that threatens conflict, social exclusion and exploitation amongst its citizens, particularly when instigated by religion or politics. Nonetheless, structural imbalances and exploitation of the poor have radically increased social polarisation in the sociocultural environment (Khan, 2017).

Methodology

This study adopted a qualitative research design to explore in-depth perspectives of the study participants' experiences related to the researched phenomenon (Bryman, 2012). The qualitative research methods adopted not only equip the researcher with tools to understand a social phenomenon by first-hand observation and interaction with study participants but also grant flexibility to ask questions, seek elaboration on circumstances in order to seek novel insights when assessing an occurrence in a new light (Saunders et al., 2019). For instance, we consider the dynamic behaviours and experiences of Pakistani workers in the textile industry to explore the sociocultural, organisational and individual paradigms, with initial conditions originating in collectivism and institutional strength. The purpose was to explore the top-down effect of macro-forces on employees' intrinsic motivation.

The underpinning research philosophy for this chapter is interpretivism. It is people-focused, accounts for their social and cultural context and acknowledges that people's perception of reality is socially constructed (Saunders et al., 2019). It aligns with this study because it gives the researcher a structure for seeking meanings (and motives) that sustain people's behaviour and interrelationships with others within sociocultural settings (Saunders et al., 2019). Similarly, it also allows for cultures to be deeply understood by examining people's ideas, thinking and their assigned meanings to phenomena (Boas, 2017). This chapter employed the deductive approach, where the theory was used to facilitate a structure for the study, and the final work was based on data gathered from the participants.

The narrative inquiry strategy was deemed the most appropriate because it allowed for vivid recollections of lived experiences and methods to explore meanings that participants derived from their experiences and surroundings (Karpa, 2021). In addition, the authors employed the use of semi-structured interviews to collect qualitative data. Through this approach, there was room to ask open-ended questions that helped us interpret and experience the world of the participant instead of confining, explain or predicting aspects of their world (Traher & Tabak, 2013). A non-probability sampling technique was used for a selected sample of 35 individuals: 5 participants who have lived experiences in Pakistan for the oral history component, 8 participants (owners of textile firms) to provide data on structural elements influencing nepotism, and 22 participants (middle managers with more than 5 years working experience) provided information on employee intrinsic motivation. The detailed profile of the participants is presented in the table below (Table 11.1).

The data collected through semi-structured interviews were analysed using Thematic Analysis. Although several other methods were considered for data analysis, this one was the best fit for the overall methodology of the study. As mentioned by Saunders et al. (2019), data analysis is usually the most complex qualitative research phase; therefore, adopting thematic analysis over other exploratory methods was advantageous because it supported a flexible and non-restrictive method of coding. This allowed the agility to develop a rich and detailed yet complex explanation of data by the requirements of the study (Cardinale, 2018). Secondly, its non-prescriptive nature left room for new themes to emerge from the data in a logical and structured manner, making it easier to discover unanticipated insights (Cardinale, 2018). And lastly, it was a more efficient option compared to other qualitative data analysis methods because the coding process did not need to be exhausted to saturation, as the researcher had the autonomy to delve only into those areas which were most relevant to research questions of the study (Saunders et al., 2019).

Table 11.1 Demographic profile of participants

Participants names (pseudonym)	Age	Gender	Marital status	Category of participant
Abdul	72	Male	Married	Oral History
Abdullah	64	Male	Married	Oral History
Habibah	68	Female	Married	Oral History
Abdul-Hakeem	71	Male	Single	Oral History
Alli	65	Male	Married	Oral History
Aalim	56	Male	Married	Business Owner
Farouq	61	Male	Married	Business Owner
Abdul-Samad	49	Male	Married	Business Owner
Ahmed	56	Male	Single	Business Owner
Aariz	63	Male	Married	Business Owner
Abdul-Azeez	67	Male	Married	Business Owner
Abbas	62	Male	Married	Business Owner
Abbu	50	Male	Married	Business Owner
Abdul-Rahman	54	Male	Married	Middle Manager
Aisha	43	Female	Married	Middle Manager
Aalliyah	36	Female	Single	Middle Manager
Abdul-Rashid	41	Male	Single	Middle Manager
Amina	38	Female	Married	Middle Manager
Amira	47	Female	Married	Middle Manager
Asma	31	Female	Single	Middle Manager
Abdul-Majeed	34	Male	Married	Middle Manager
Abdul-Fattah	40	Male	Married	Middle Manager
Abidah	45	Female	Married	Middle Manager
Abdul-Ghaffar	39	Male	Married	Middle Manager
Abdul-Halim	38	Male	Single	Middle Manager
Abedin	44	Male	Married	Middle Manager
Adilah	38	Female	Single	Middle Manager
Abubakar	36	Male	Single	Middle Manager
Arafat	36	Female	Married	Middle Manager
Mohammed	53	Male	Married	Middle Manager
Afsal	33	Male	Single	Middle Manager
Aftab	36	Male	Single	Middle Manager
Aini	36	Female	Married	Middle Manager
Ahmad	54	Male	Married	Middle Manager
Akram	37	Male	Single	Middle Manager

Data Analysis

National Culture

Culture and institutions are structuration forces created, guided and reinforced by the cause and effect loop of human agency and social structure. The emergent property of which is a social action, one that formulates the sociocultural landscape within national boundaries (Boas, 2017). Therefore, to understand the composition of the sociocultural fabric of Pakistan, collectivism and institutions are divided into two separate initial conditions. Ultimately, these perceptions are important to assess the impact of public social infrastructure, risk of diversion, social trust and tribal mentality on organisational behaviours and employee motivation.

Perception Towards Collectivism (Initial Condition)

> *Every evening, balconies around my neighbourhood would fill up with family and friends. As the matriarch of the community, my grandmother would often receive more than five visitors an evening. Some were children to whom she gave Quran lessons, and in exchange, they would give her updates about what went on in their homes.* (Saima Ali (2010))

One of the most established cultural dimensions is Individual Collectivism (IC), which has gained enormous popularity amongst researchers in Asia (Hofstede, 2001). Collectivism, specifically, represents a society where people, from birth, are integrated into strong, interconnected in-groups, which throughout one's lifetime continue to protect them in exchange for their unquestioning loyalty. Pakistan scores highly on collectivism, thus representing a nation where individuals are mentally programmed to place high importance on in-group relationships and view one's self as part of a group. Pettigrew (1975) argues that social factions in Pakistan originate from traditional principles of social organisation. The element of collectivism, arguably ties in with the quality of social infrastructure, as discussed subsequently.

Perception Towards Tribal Mentality

Pakistan is comprised of five provinces, each of which represents different ethnicities, subcultures, tribes, value systems and languages under an overarching influence of collectivism. South Asian ethnicities such as Pakhtuns, Barth says, retain tribal institutions as a "stable and successful adaptation to the natural and social environment in which they find themselves. Due to a deeply entrenched collectivist culture in Pakistan, individuals are usually an undisputable part of several interconnected groups that formulate one's identity" (Inkeles, 2017). Inkeles (2017) also states that these groups extend beyond family, to include clustering grounded in one's value-system-based kinship, zat (lineage group), qaum (occupational group) or tribe; often, tribe honour and group membership can be far more important than one's biological kin. Hence, tribe-based solidarity is a leading feature of social life in Pakistan.

> *It's easier to manage people in Lahore than it is to manage people in Karachi. Yes, Lahoris are lazier, but there are far less inter-culture rivalries to deal with because everyone is Punjabi. Karachi, on the other hand, is multi-ethnic and diverse, and that creates a lot of fragmentation and cultural clashes with others when doing business.* (Abdullah)

Empirical data collected for this study further evidences cultural clashes and ethnic rivalries between the multitudes of clans in Pakistan, along with associated stereotypes, which inform their integration into work life. Due to the existence of diversion and eroding social trust, individuals are also often wary of inclusivity. For example, a key responded quoted:

> *There are certain clans which are famous for mischief, so we try to avoid them because of industry-based perceptions. For example, when there are too many Siraikis on a team, they get up to mischief, so we try not to hire them because we do not want to take a risk. This is not provincial or religious; it's more tribal, towards different tribes within Pakistan, like Siraikis.* (Abdul)

Furthermore, the divisions reinforced due to weak social legitimacy, diversion and low social trust are more likely to disseminate lowered civic engagement. Sugiartha et al. (2021) find that when people expect to live in an un-civic community, they anticipate high corruption, discouraging them from investing in social capital. This further justifies their beliefs, as lack of investment leads to further uncivil behaviour and corruption, which further fragments society and reinforces tribal culture, where loyalty is unquestionable.

Perception of Social Trust

Social trust involves the "belief that people generally treat others fairly rather than try to maximise their gain at others' expense" (Khan, 2017). This framework also represents the ability to trust the state to maintain a justice-driven, strongly implemented rule of law. In the context of Pakistan, scholars established that implementation of law started low in its earlier history and has been eroding in recent years (Kelliher, 2011; Khan, 2017), which has disintegrated social trust in the external environment. When questioned about social trust, a key respondent answered:

> *We do not trust the government; we do not trust people; we only trust our system.* (Adilah)

> *A lot of mistrust has seeped into society. We do not want to bring in new people because we don't want to feel insecure.* (Mohammed)

The above statements demonstrate that members of society experience social trust, that is, the ability to trust individuals and the state, most likely because a weak justice system inculcates vulnerability or a sense of insecurity amongst residents. The impact of weak law and order also extends to a point where individuals, ironically, feel the need to misinform others' about their occupations, to safeguard themselves from disruption.

> *To keep everyone scared and protect myself, I tell my domestic staff, I am an army major. I flaunt my gun, just to keep them on edge, and they address me as 'Major Sahib'. This is how the system works; you have to keep everyone scared, so they don't harm you.* (Abdul-Samad)

This aligns with the findings of Kelliher (2011) and Khan (2017) about the deterioration of law and demonstrates emergent behaviours that individuals have adopted due to social mistrust. Zhang and Kim (2018) demonstrated that the level of trust and social capital—the quality of social and economic relationships in the sociocultural environment—could serve as a predictor of government performance. The below comment by an interviewee is a testament to his findings:

> *Our country's leaders have set a culture of in-built bad intentions, greed and theft. Their theft does not come from necessity; they steal out of greed. For example, a middleman's job is to take money from his client and give it to his supplier, but instead of passing on that money and keeping his commission, he steals the entire amount. These are preventable, white-collar crimes. You have to secure yourself and keep a watchful eye, so you are not vulnerable.* (Aini)

In order to function in society, data revealed, individuals in businesses were often forced to adapt to unethical practices by adopting unethical behaviours, which reinforced further erosion of trust. A key responded:

> *Gradually, we learnt we simply had to hand out corruption money to stay functional – there was no honesty anywhere.* (Aariz)

Thus, the above testifies that variations in trust across societies are attributable to differences in the social, economic and legal environments, as postulated by various literature streams (Zhang & Kim, 2018).

Institutional Legitimacy

Perceptions Towards Institutional Legitimacy (Initial Condition)

> *If Pakistan is to preserve all that is good about its country — the generosity and hospitality of its people, the dynamism of its youth — it must face the deterioration of its social and political institutions.* (Ian Talbot (2012))

In the literature review, it was established that an effective Meta intuition (the government) and its sub-institutions are critical in the development of a levelled national playing field. Strong institutions provide a strong rule of law, a highly accountable public sector, and play a key role in how societies re-distribute benefits and assume costs of development strategies and policies. Government attitudes towards regulation, corruption, dishonesty and trustworthiness also play a critical role in how citizens and businesses are impacted by the emergent properties of institutional strengths or weaknesses. For example, when a key informant was questioned about his perception towards Pakistan's weak institutions and the level of confidence they inspire on a grassroot level, he replied:

> *It is impossible to survive here on most days- we have endless social issues and security issues.* (Abdul-Rahman)

On examination, the above responses revealed insightful perceptions of the low credibility individuals assigned to Pakistan's supreme institution, the government. They also demonstrate that individuals viewed the government as disorganised, inefficient and unreliable in tackling issues that incentivised citizens to become productive members of society. Responses which demonstrated individuals' necessity to become self-sufficient, without any reliance on government intervention to carry out their personal and professional activities, also mirrors the analysis presented by Lieven (2012), who proposed that "Pakistan as a state is weak but its society, in its various forms, is strong".

This also supports the theoretical grounding presented by North (1990), who proposed that institutions and economic actors exist in a system of structured exchange, where the former must incentivise economic actors to invest their time, resources and energy in knowledge and skills and thus, create opportunities which expand the actor's material status. The assessment that individuals are closing down factories or choosing to immigrate in search of opportunity over the last 25 years also supports North's (1990) assessment that as institutional structure evolves, it alters the path of economic change towards either growth, stagnation or decline. Thus, Pakistan's declining institutional structure has hampered economic opportunity to an extent where individuals seek economic prospects in other countries to progress, where environments are favourable to growth. Similarly, Ruggles (1998) also state that in countries where policies encourage productive activity, it generates increased output per worker. Although the data does quantitatively measure the extent of output, it can be established that institutions, nonetheless, do have a broad-reaching impact on individuals.

Perception Towards Public Social Infrastructure

Social infrastructure or provisions by the state explicitly intended to support growth and empower citizens to serve as the architecture on which society rests. The authors established in the literature review that social and economic substructures stemming from institutions determine the broader, macro-environment through which individuals and organisations accumulate resources and skills to realise their full potential (Ruggles, 1998). The participants mentioned how they lacked several public social infrastructures, as exemplified by the following quotes:

> *There is no water in the city right now. Even if I want to be dependent on the government for water, I can't be. So had to we set up our own water plant and reservoirs, and now, we try to keep our dependency on the government as limited as possible.* (Aalim)

> *Besides private education, one has no other option. When a kid completes his primary education and is determined to progress, the first priority is going abroad for university and never returning. Study then work abroad, and come back to Pakistan only to meet family during the holidays.* (Abidah)

Our main concerns as humans are education, food and medical care. But we are not provided with any of these things by the government, so let's not even talk about it. (Abdul-Ghaffar)

The above statements are a testament to the disintegrating components of Pakistan's social infrastructural provisions. Several comments from the participants illustrate the extent to which lack of social infrastructure (e.g., education, healthy food and water supply, good health care systems) created barriers to access foreign markets, which ultimately influenced individuals and the industry. In other words, favourable social and economic infrastructure creates an enabling environment for citizens and firms to operate.

Economic Landscape

Perception Towards Risk of Diversion

Amongst other things, social infrastructure is set in place to protect individuals and organisations from thievery, squatting and mafias. This section empirically demonstrates the findings of Rockmann and Ballinger (2017), who propose diversion is an unintended social consequence of imbalanced economic development processes discussed above. However, as Hall and Jones (1999) suggested, although the state is the ultimate provider of social infrastructure, its authoritative role can also allow it to become a primary agent of public diversion through expropriation, confiscatory taxation, and corruption. An example of such can be deduced from the following responses:

Societal norms have changed over time, where individuals from every stratum of society seek opportunities for corruption. They are fixated with corruption. (Farouq)

The Sindh Industrial Trading Estate (SITE) industrial has roughly 3000 private industries. Not a single one of these 3000 industries are owned by a Sindhi, yet this area and its official ministries are regulating by them. They just eat public money. Now you can guess why the conditions in SITE are so bad. If one

> *does not have a stake in the industry, they will not be affected by it and conditions will worsen. If they were stakeholders, they would have worked to make things better.* (Abdul-Majeed)

Thus, although regulations and laws exist to safeguard one from diversion, weak social legitimacy and implementation can serve as the chief vehicle of diversion in an economy. During the interview, some respondents claimed:

> *The government created rules we could not comprehend, so we bent these rules to save money. Government officers knew we were not complying, and they used this as an opportunity to collect bribes from us. It was wrong on our part, but if these officers were honest, they would have made us abide by the law. However, government officials took advantage of our non-compliance instead.* (Ahmed)

The above statement validates the propositions by Hall and Jones (1999), along with those of Rockmann and Ballinger (2017). Hall and Jones (1999), in addition to suggesting that the most effective method to suppress diversion is through collective government effort, also claim the failure to do so hampers productivity. As the responses reveal, in another incidence, there were instances that attributed the positive changes in work conditions to foreign intervention, not the local government, mostly due to corruption and bribery. Nevertheless, from a collectivist standpoint, social structures based on family and kinship have given rise to 'sifarish' culture. Although sifarish is not technically straight bribing, it has become a common method of getting things done by public functionaries. Usually, it takes place when governmental decision-makers feel obligated due to kinship group pressure to oblige, bend and break the rules for their kin. This, in turn, impacts social trust and feelings of equality amongst citizens, as explored in the next section.

Discussion and Conclusions

This section discusses the data collected on the culture and institutions that govern society in Pakistan and explores the root cause effects of facets expelled from both structures. Furthermore, it observes how reinforcing patterns of behaviour over time, originating from both structures, have created the sociocultural landscape in Pakistan.

Sociocultural Context

Building on the conceptual underpinnings of the structuration theory, in the long run, culture directly influences the evolution of institutions (Turner et al., 2019; Ryan & Deci, 2020). Similarly, institutions and political action also impact culture, which often makes culture and institutions challenging to disentangle (Serra & Wantchekon, 2012). Whereas formal institutions are observable and can deliver insight into the culture, informal rules are more challenging to perceive (Pagel & Westerfelhaus, 2019). This is further complicated because social norms and institutions can either coexist in harmony or exert direct conflict upon each other. For instance, our findings revealed that collectivism is a strong feature of Pakistani society, where self-identity is linked to one's parents, siblings, children and even distant relatives, community and tribe. Majority of the participants lived in joint family systems, had high family interference in their day-to-day life and placed high regard on financially supporting their parents and unmarried sisters. This validates that maintaining relatedness and adjusting one's behaviour to others is a central cultural value for collectivists and that Individual Collectivism is a key differentiator in the way societies process and deal with information (Hofstede, 2001, 2011).

From an institutional standpoint, the narratives of Pakistan's institutions revealed a broken system of governance, which spilt over into low confidence in state systems by citizens and entrepreneurs alike. Several respondents explicitly used the term 'orphan' to describe treatment from the government. All the respondents held negative views towards the government, its lax attitude towards governance, corruption, red-tape and other provisions. The government's expectation to function as an effective, accountable meta-institution was low, and respondents insisted they preferred self-governance, relied on their social networks for support and depended on the private sector to avail essential services. Thus, empirical evidence strongly demonstrated that the Pakistani government's social legitimacy and credibility were weak. Empirical data also revealed the poor state of social infrastructure in Pakistan, including a decline in provision and access to social amenities and the lack of commitment towards improving education in Pakistan.

Organisational Nepotism

Most respondents were unconcerned about nepotism in the workplace because they were culturally conditioned to view it as acceptable, and therefore, perceptions of nepotism were not negative. It reinforces the underlying principles of the structuration theory that individual actions should be considered as being constrained by the broader structural influences with which they interact (Tiki et al., 2021). Furthermore, nepotism appeared to benefit some employees because it allowed them to get family members hired by their organisations, therefore, creating an avenue to secure employment for their kin. Due to the high power distance in Pakistan, there is significant differentiation between social classes. This acclimatised employees to accept the actions of senior management without question. Therefore, the social hierarchy between senior staff and junior employees created a power distance that disadvantaged staff did not want to disrupt due to their lowered standing in the status quo. Employees exhibited an awareness that ultimate experience and capability lead to firm success. Therefore respondents revealed they did not take nepotism personally. They insisted that eventually, market forces would decide effective leadership and the fate of the firm. This would weed out incompetent staff, and if the firm failed, they could get a job elsewhere. Therefore, they preferred not to stress about a construct they could not influence.

As reported by the participants, several corrupt practices in the Pakistani textile industry point to the influence of the nepotism culture. Moreover, our findings increase understanding and insights concerning the issues of values, social inclusion/exclusion (due to nepotism) and the government and political norms that encouraged nepotism due to the bribery and corruption practices in Pakistan. Moreover, some participants demonstrated favourable views about 'new nepotism'. These are nepotees who had rigorous, formal training in their fields before joining the company. They believed that even though these nepotees had been hired based on family connections, their quality of work justified their position. Data revealed that employees who were a product of new nepotism, because of their knowledge, leadership and interpersonal skills, were respected by other workers because they cultivated a learning environment; employees were also consulted for decision making and acknowledged their contribution towards the company. This involvement, in turn, made employees feel valued, which led to higher interactional justice and perceived organisational support amongst staff members who displayed an appreciation towards the nepotee, despite the non-meritocratic recruitment process.

In addition, the findings underscore the basic tenet of the structuration theory and systems thinking. On the one hand, the structuration theory emphasises the importance of building strong organisational cultures influenced by the "duality of structure" where individual behaviour is based on the dynamic relationship between the different elements of society (Tiki et al., 2021). In essence, the societal structures (e.g., religious, political and educational institutions) constrain how individuals interacting within Pakistani society behave, including how cultural values and norms may negatively influence organisations. Therefore, if organisational structures are weaker than external (traditional culture) structures, individuals may be constrained to act according to traditional culture (e.g., nepotism). On the other hand, systems thinking can be used to explore the causes and consequences of nepotism, bribery and corruption practices in Pakistan. From a broad perspective, systems thinking emphasises that the aforementioned practices can positively and negatively affect socio-economic systems, depending on the linkages and interactions between all the elements that comprise the entirety of the system (Ullah et al., 2021). This is evident in our findings as to why the participants, despite recognising the negative connotation of nepotism, bribery and corruption practices, yet become insouciant due to the positive outcomes it generates, such as bending the rules to save money or to secure other benefits through unethical means.

Intrinsically Motivated Behaviours

Intrinsic motivation is derived from relatedness, competence and autonomy. Based on our findings, a sense of belonging had a significant impact on social capital, organisational citizenship behaviour (OCB) and knowledge sharing. The distinguishing factor between intrinsically motivated employees, versus those that merely viewed work as a means for income was their sense of belonging in their organisation and relationships with their superiors. A few respondents revealed that they valued gestures such as being acknowledged on special occasions (e.g., New Year), being asked about personal matters, demonstrations of concern towards their well-being and quality mentoring were highly valued and motivated them. However, most respondents admit they had often felt an absence of belonging in the workplace. This was attributed to several factors, including large communication gaps between senior management and junior employees, widespread verbal abuse, lack of compliments and verbal appreciation of work, extreme jealousy amongst staff members contingent on proximity with the boss (or nepotism), rumour-mongering and unhealthy competition. The aforementioned reasons made employees feel isolated from the organisation and exacerbated organisational politics, which led to individuals' more reserved and insulated behaviour. As a result, the formulation of social capital between colleagues was inhibited, and employees preferred to focus solely on their tasks instead of integrating into the organisation as a whole. These findings especially align with the findings by Khatri (2016), who illustrates how the need for relatedness supersedes the need for autonomy in collectivist cultures.

Second, in the area of competence, the analysis demonstrated that OCB did not lead to personal mastery but a fulfilled sense of belonging. Effective and positive interpersonal interaction with senior subordinates impacted employee's mastery when they felt valued, were given compliments and felt acknowledged positively by their boss. When these factors were present, interviewees admitted to exhibiting the following behaviours, including higher efficiency, steeper learning curve and increased knowledge about their work, increased confidence when executing their tasks, feeling more competent at their jobs, professional growth and a higher sense of accomplishment.

Third, data demonstrated that to be given autonomy in the textile industry, where tasks are streamlined and mechanical, it was essential for employees to demonstrate competency as a prerequisite to autonomy. Therefore, from an employer's perspective, it was essential that employees exhibit a strong sense of personal mastery before they could be entrusted with autonomy. Furthermore, because work in the manufacturing industry has little scope for autonomous creativity for junior employees, it became a subset of competency instead of an independent construct, which aligns with this study's theoretical model.

Interestingly, our study identifies new themes related to intrinsic motivation from the data which had been unaccounted for in the previous theoretical framework. The analysis revealed that several external regulation factors served as impediments to internalised intrinsic motivation in the Pakistani textile industry. These include job insecurity, low pay, lack of promotion opportunities and financial obligations towards family members. Thus, the decline of the textile industry and the rampant closure of firms in recent years created a dearth of jobs for individuals. This was fuelled by the surplus supply of skilled individuals and inelastic demand for labour, resulting in lowered wages. There was also a lack of promotion opportunities because machines (technology) were rapidly used to replace manual labour and therefore, creating less need for managers in textile companies. Furthermore, the inadequacy of jobs created by the government had considerable increased overall unemployment in the country, so prospects external to the textile industry were limited for employees.

Contributions to Research

From a theoretical standpoint, this chapter contributes to our understanding of both Structuration Theory and Systems Thinking approach. In essence, it allows us to narrow down the applications of these theories and make its macro implications relevant to explain micro phenomena. For instance, an emerging trend in motivation literature over recent years shows a tilt towards relational nuances of intrinsic motivation. Thus, scholars are increasingly leaning towards studying how informal relationships affect perspectives of human capital and define itself in the context of their collective relationships (Methot et al., 2018). Since employees routinely move into, within and out of organisational boundaries, their external relationships also have implications on those within the firm itself. Furthermore, scholars also emphasise the importance of cultural implications for individual workplace experiences and perspectives and find that substantial cognitive differences in individuals are shaped by their sociocultural contexts (Syed & Özbilgin, 2009). Therefore, we view intrinsic motivation as a construct that reflects one's social conditioning by external institutions and unwritten systems of accepted values (Inkeles, 2017). By understanding institutions, collectivism, organisational and individual values, it answers pressing questions on how these factors shape one's behaviour in the workplace.

Implications for HRM

Empirical data revealed that HR departments in local Pakistani companies are often neglected or are too immersed in dealing with a public diversion to focus on their human resource functions. Coupled with the bureaucratic framework of companies and the challenges posed by the hierarchal and non-transparent mind-set, ineffective top-down communication streams had a significant negative impact on employee morale. Furthermore, because HR departments are not well-financed, their functions are not streamlined, which creates significant obstacles for employees because of the lack of an effective system of reviews, appraisals or feedback on performance. This makes it essential for local organisations to invest immensely in their HR departments with the appropriate infrastructure, staff and systems to cater to HRM functions. HR must also facilitate direct or indirect dialogue with top management, with these systems lending a sense of belonging amongst staff and legitimacy for leaders, which can create a climate where employees feel valued (Ostroff & Bowen, 2016). Moreover, HR must set up a formal system of feedback, appraisals and reviews, and share the company's vision with transparency for employees. It is in HR's interest to offer leaders and junior staff training on how to effectively engage with each other, share company vision, and implement team-building activities to foster workplace relationships. Thus, HR should use team-building activities to counteract the effects of social fragmentation in Pakistan's culture. HR must also leverage technology and increase technology absorption to create communication streams between hierarchies so junior staff members can feel more embedded within organisations.

Limitations and Directions for Future Study

Similar to other qualitative studies focused on identifying phenomena, our study did not apply any statistical tools to determine the strength of relationships between variables, applicable to quantitative research methods. Therefore, although empirical data was demonstrated, there was some cause and effect relationship between constructs (Sowa, 2000), but we did not numerically determine the strength of its correlations. Thus, future research may consider using quantitative methods to numerically test the relationships between the variables. Another limitation is concerned with the fact that the majority of the interviews were conducted in the textile industry, and therefore highlighted issues specific to the manufacturing industry. Therefore, it cannot be generalisable to primary/tertiary sectors, which may be a consideration for future research to identify the similarities and differences in results. Lastly, our study is limited to Pakistan, and the findings might not be generalisable to other geographical contexts. Future research may find it valuable to examine other non-western contexts with similar characteristics to determine the extent to which similar sociocultural contexts have the same or different results.

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12

Human Resource Management in Argentina: Challenges and Prospective

Maria Camila Botero, Mariana Elisa Politti, and Gisela Isabel Delfino

Introduction

Human resource management is essential for organizations. It is the instrument of administrative action through which the organization formalizes, enables, and implements the actions of provision, application, maintenance, development, and control of human resources (Delgado de Smith, 2007). Management of human capital faces new challenges given the increasing diversity of the workforce and world economy globalization. New conditions such as home office and distance working have forced many Latin American countries to fundamentally review their labor legislation, and human capital management departments

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_12

should consider the significant challenge of changing legal environments (García, 2021). Human resource activities contribute to an organization's success in various ways and must be compatible with fundamental company strategies. The importance of the human resources area within the organization is evident. People contribute to the organization and allow the creation and implementation of different strategies and innovations (Sánchez Pérez, 2001).

Commitment to human capital is vital in developing countries. The human resources area is responsible for contributing to the improvement of productivity by identifying optimal ways to achieve the organization's objectives, and indirectly by improving the quality of employees' worklife. Therefore, a fundamental objective of the area is to achieve and maintain a delicate balance between employee satisfaction and the financial results of the organization. High-quality working life does not guarantee financial success. Rather, it is necessary to achieve progress in work quality and in financial achievement in ethical and socially responsible ways that are compatible with the company's strategies (Chiavenato, 2011).

Thus, the challenge of human resource management is to achieve the reconciliation of interests of the various groups involved without the need to resort to external agents to resolve the conflicts that have arisen. It will seek stability in the firm's labor relations system so that the energies are not directed to foment or intensify internal struggles, but to achieve the designed objectives. In this sense, human resource management can be analyzed from three differentiated aspects: (a) the legal, which will seek normative compliance, (b) the psycho-sociological, which will value the satisfaction of individuals within the formal and informal organization, and (c) the economic one, which aims at the effectiveness and efficiency of the processes to be developed (Sánchez Pérez, 2001).

Human Resource Management Aspects

The administration of human resources' basic objective is to contribute to the success of the company or corporation, by influencing the corporate strategy, promoting the optimal use of talent, and contributing to the financial results, organizational values, and company culture. The department aims to contribute to the success of supervisors and managers (Machová et al., 2018). Some small companies may not have a human capital management department, while some medium-sized companies may not have a budget appropriate to their needs. In these cases, professionals focus on the most essential activities of greatest value to the organization (Gerstenfeld & Roberts, 2017). Typically, the personnel departments of larger organizations provide a full range of services. Considering the organization's future needs, the human resources area may begin with the *recruitment* of job applicants, which allows having a group of candidates who undergo a *personnel selection* process. It is necessary to proceed to their basic *induction* and then continue with their *orientation and training* so that they can perform effectively (Hamza et al., 2021; Klepić, 2019).

Recruitment and Staff Selection Process

To maintain their efficiency, human resources departments carry out an evaluation of their activities, which allows them to obtain *feedback* on the actions they take. A traditional way to control activities is company budget analysis. Another way is to evaluate the success and effectiveness of each activity made. With changing needs, *location* activities are carried out, including possibilities for transfer, promotion, and even termination or separation (Teijeiro & Ferrer, 2013). As human resource activities continue, new staffing needs emerge, which are addressed through the recruitment of new employees, as well as through the *development* of current ones. This way, the members of the organization acquire knowledge and skills, guaranteeing that they will continue to be useful to the organization and that at the same time they will achieve their own goals of individual progress. Each employee's performance requires *evaluation*. This activity permits estimating how each person is fulfilling their responsibilities and indicates whether the human resources activities have been carried out properly (Werther & David, 2008).

Assessment and Its Possible Paths

Poor performance may indicate that selection, training, or development activities need to be reviewed, or that there may be problems in staff relations with the organization. Employees must receive *compensation* in the form of wages and salaries, incentives, and benefits, such as vacation and insurance policies covering risks of various kinds. Some of these benefits are mandatory, provided by the country's legislation. For example, in Argentina, social security payments, compensation for night work, overtime pay, and elimination of the risks of industrial accidents are guaranteed. Extrinsic rewards and recognitions motivate workers to commit to the company and are a way to increase retention rates (Quiñónez Ku, 2013).

Human Resources Areas

However, the area has a great diversity of functions, which may vary according to the evolutionary moment of the company. Human resources administration encompasses the practices and policies necessary to handle matters related to the personal relationships of the managerial function (Dessler & Varela, 2011). Human resources administration usually includes a *personnel administration* area and some other areas related to it (Fig. 12.1).

Job Analysis

It is the procedure to determine the responsibilities of the job, as well as the characteristics of the people doing it. This analysis provides

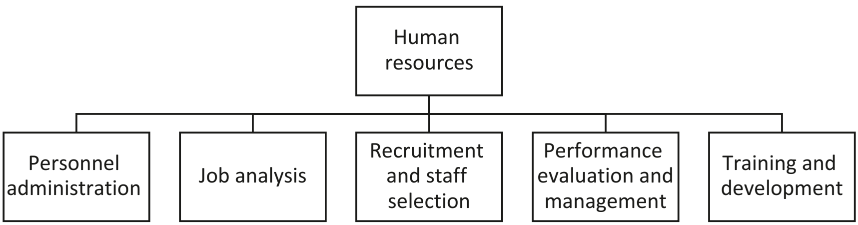

Fig. 12.1 Human resources areas

information on the activities and requirements of the position that is then used to develop job descriptions and job profiles (Ashraf, 2017).

Recruitment and Staff Selection

When there is a staff requirement because of an available vacancy, the recruitment process begins. It is a set of procedures aimed at attracting potentially qualified and suitable candidates to occupy positions within the company. The competency approach is a widely used method to evaluate if the candidate has the ideal skills for the job (Griffin et al., 2017). An internal search can be made: when a certain vacancy is available, the company tries to fill it by relocating employees, who can be promoted (vertical movement) or transferred (horizontal movement) (Restrepo et al., 2008). To select the person with the greatest probability of adapting and adjusting to the position and organization, a set of techniques is usually applied. The objective is to choose talented people who possess knowledge, skills, and motivation. This process enables the assessment of candidates' competencies, aptitudes, and attitudes, as well as their specific knowledge, and is often divided into three phases. (1) Pre-selection focuses on the application of three techniques: curriculum-vitae analysis, interviews to identify organizational competencies, and reference verification. (2) Selection determines which candidate has the specific competencies required for each position: management competencies, technical and professional competencies, and human competencies. (3) Psychometric and psycho-technical tests are applied to verify the candidate selected is the best one (Sánchez, 2012) (Fig. 12.2).

Performance Evaluation and Management

The organization applies different management indicators to improve the processes established in personnel administration (Vieira, 2014). Performance evaluation is a human resources management tool that measures the performance of each employee considering the fulfillment of individual objectives, the area's goals, and the system in general (Navarro Pizzurno & Delfino, 2016). Usually, objective fulfillment is evaluated by

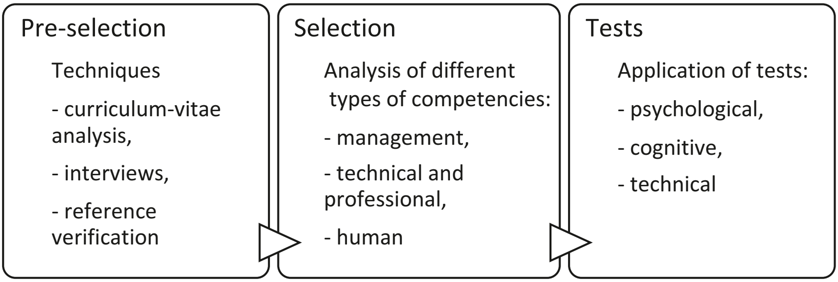

Fig. 12.2 Personnel selection phases

conducting different interviews where superiors and collaborators talk about their job performance. They analyze their already developed skills and the areas that need improvement. This way, employees can improve year after year, achieving better results at the individual level that positively modify the results of the organization (Martorell Ortiz & SlameSebik, 2014). Both goals and standards are used to measure performance. Evaluation standards are parameters that each organization establishes, with which they will measure the performance of its collaborators. They are progressive performance criteria that must be met, time to time and over time, and are specific to each system, so they vary from one organization to another. On the other hand, goals vary according to the characteristics of each position and the performance of each person. They are the stated objectives or purposes that the employee is expected to achieve. Setting goals and standards is fundamental and essential to subsequently carry out the performance evaluation (Cordero et al., 2019). They must be: (a) measurable, (b) challenging, but at the same time possible and achievable, (c) clear, detailed, and easily understood by both evaluated and evaluators, (d) explicit, without leaving any variable left to chance, and (e) consensual and accepted (Alcover de la Hera et al., 2004).

There are different aspects, factors, or areas to be evaluated. Most widespread are competencies (e.g., management skills, leadership, teamwork, etc.), professional capacity (e.g., technical skills for the execution of the task), ability to carry out a specific task, and work behavior and attitude (general predisposition) in the workplace. In companies whose definition of competencies is broad (and includes generic and general competencies), assessment techniques include learning and its application in the workplace (performance), while in others in which the notion of competencies are more closely matched to the requirements of the position, the assessment is content-focused. The model relationship of competencies and type of evaluation has another connotation associated with the different occupational levels present in companies. While at high levels the notion of competencies in its most encompassing nature (knowledge and effective performance, strong autonomy) is the one that dominates, in operational positions reference is exclusively made to qualifications, understanding by such, certain educational requirements, seniority, and experience in the position. Training institutions and programs operate in the same way. Evaluation promotes a fluid communication channel and makes workers feel accompanied by their superiors. It allows timely feedback that can be capitalized on in the global evaluation process. Usually, evaluations have a common design within the organization, with certain particularities according to the job position to be evaluated. For example, performance evaluation in the nursing area would have different variables from performance evaluation in the area of administration (Alcover de la Hera et al., 2012).

Training and Development

Training ensures people and teams' competence (Meignant, 1997). The improvement of competencies requires the stimulation of activities related to the processes of learning by doing, learning by interacting, and learning by producing; and formal training, development efforts, and research efforts (Senén González, 2006). The company training process is complex and cannot be convinced as specific or general policies for the transmission of knowledge or training activities with different levels of formality or duration. The development of learning and knowledge processes entails the need to motivate individuals to improve their skills and mobilize them for the benefit of the organization. This process requires appropriate management and expertise in personnel selection and recruitment methods, work organization transformation systems, training policies, follow-up and career plans, promotion criteria, etc. These dimensions allow the configuration of coherent global actions linked with learning. For example, it would be difficult to promote teamwork in the workplace and, at the same time, to maintain criteria for the individual assignment or evaluation of job positions (Senén González, 2006).

Personnel training and development is an area in which human resources management can, very clearly, add value to the organization and strengthen the role of internal customer service and advice to senior management. It assumes that most employees are naturally motivated to work and learn. Having a stimulating activity, progressing in their profession or field of action, and receiving rewards for their performance are factors that mobilize and attract their attention and energy (Ulrich, 1997). For leading companies, training is a business necessity. The purpose is to direct the best resources to obtain the best final product, or the highest level of service effectively provided. This means having adequately trained employees to respond to the company's needs and the market's demands. In training, as in any activity that involves investment, companies should not leave almost anything to chance. Staff training must be projected according to the plans that the company has for its business and its employees, and personal initiatives must accommodate those interests and priorities.

Training is understood as the generalized effort to improve the available knowledge and skills in the organization. Training actions must be based on a rapprochement between the human resources area and the line. It must also respond to the dissemination of the company's practices to belong to it and represent it. The term is often used casually to refer to the generality of the efforts initiated by an organization to promote the learning of its members. It starts from the comparison between the needs to cover each job position and the previous training that the individual who occupies it has. It is from there that the gap is tried to be closed. Many employees arrive with a significant proportion of the skills, knowledge, and abilities necessary to begin working. Others may require extensive training before they can contribute to the organization. However, most need some type of ongoing training to perform effectively or to adjust to new ways of working (Bohlander et al., 2008).

When designing their training policies, companies may think of anonymous job positions, in other cases, they think specifically of those who occupy them. In other words, in the organizational context, there is training aimed at all employees and career development plans for some. This conceptual and practical distinction opens the need to deepen career development plans and training actions in companies, each one separately (Böhrt Pelaez, 2000). In Argentina, technical or mid-manager positions include as training topics the general development of customer relations, sales techniques, management, and peculiar aspects of the activity. For hierarchical positions, although not extensively, participation in master and postgraduate programs is often noted (Braidot, 2006). Leading companies are indisputable references when proposing training policies about internal and external environmental management. They generally make important efforts in terms of training and qualification (Novick, 1999). Organizations face the challenge of expanding the knowledge created by individuals and crystallizing it as part of the organization's knowledge network (Dini & Stumpo, 2019).

In well-established companies, there is more comprehensive and systemic training. Training objectives are presented in a unified way for all occupational categories and are focused on capacity development, rather than on specific topics. For hierarchical positions, they seek to maximize management efficiency and improve processes following the company's mission. Some highlighted training topics are placing a greater emphasis on human resources management and general courses on management (coaching, work breakfasts, and marketing). For the occupational categories related to technical or middle management positions, the objective is to keep up to date in the use of work tools and computer updates, improve production and increase occupational health and hygiene, environment, and specialization. For operational positions, topics related to daily work activities in the framework of continuous improvement or keeping up to date in the use of work tools. Finally, in administrative positions, the need to acquire foreign trade tools, the need to improve the quality of work, and the use of computer tools and courses related to behavior are underlined (Arnold & Randall, 2012).

In Argentina, the institutions that provide training at the medium and high levels of development are practically the same for the different jobs. Some of them are national bodies such as the National Institute of Industrial Technology (INTI), private universities like the Argentine

University of Enterprise (UADE), or public universities like the University of Buenos Aires (UBA). Hierarchical positions are also trained through private consultants or training programs with international financing and even training abroad. A study based on data from six manufacturing and service companies from three different sectors—automotive, steel, and privatized public services—found the existence of an increasingly systematized coaching structure destined to solve their training and educational needs. Said training needs arise from surveys and subsequent diagnoses carried out by each company (Ministerio de Ciencia, Tecnología e Innovación, 2019). Generally, this process is carried out constantly or through annual surveys that are extended to all levels of the organization that are included in *cross-company training programs.* The mere fact of continuously surveying training needs implies recognition not only of the importance of the issue but also of the need to plan actions based on the deficits identified at each of the levels (Senén González, 2006). The offer of internal and external courses is flexible, as it constantly evolves as a function of the readjustment of the programs, the introduction of new product and process technologies, and the need to compete in increasingly more demanding and fluctuating markets (Senén González, 2006).

The establishment of computer technology in management made most firms dedicate their training programs to the incorporation of the commercial management system, a system that requires the approval of procedures of the entire company (including economic accounting aspects, human and administrative resources). However, some nuances can be established depending on the sector. The case of the telecommunications sector stands out as singular, in which training becomes a strategic aspect in the development of companies. This can be understood by the incidence of the radical nature of technological change and its consequent impact on the field of new knowledge required of employees. The mechanics of in-company training appears as one of the main training strategies of companies: personnel is incorporated to train them from the beginning and follow a path of growth and training in the company. Instructor's training stands out in middle management, technical personnel, and supervisors, with positive results.

Supervisor positions are considered key figures in this activity since in the case of singular production processes, as well as the competencies required for it, the training of workers, cannot be carried out by someone outside the organization or the work sector itself. These hierarchical levels also endorse the implementation of training, authorize the participation of a team, promote employee development, and strengthen the emergence and consolidation of common codes. In general, internal training is emphasized with particular importance for operational levels. In the case of clerks, this internal training is combined in a design that also incorporates external courses. In general, internal training is emphasized, with particular importance for operational levels, while external courses through training institutions predominate for hierarchical positions. From a training point of view, the competencies are not limited only to the process in the strict sense of the word, but rather articulate the management of human resources to global results, even though each one of them conserves its dynamics and characteristics. In this sense, companies represent a human resources model with a high degree of formalization and systematization in which they maintain differential criteria according to the level of job positions (Arnold & Randall, 2012).

Satisfaction and Work Environment

In an economy characterized by uncertainty and rapid change, the survival of an organization depends on its ability to generate added value to its products, services, and practices. Innovative technologies and sophisticated production and management processes have become a common heritage in organizations in recent years, making it clear that the source of differentiation and competitiveness depends on other aspects (Mancini, 2016). In this sense, human resources have become a strategic asset of the first order, since the knowledge and creativity necessary to promote innovations and increase productivity depends on them (Ndinguri et al., 2012). The new organizational reality imposes two fundamental demands: on the one hand, incorporating qualified personnel to carry out the assigned tasks effectively and efficiently; on the other, having highly motivated and satisfied members (Salessi, 2014).

There are different factors to be analyzed when talking about satisfaction and work environment. Contextual factors, such as aspects inherent to the design of the job position or the responsibility assigned in the execution of tasks and the variety of activities, have been identified early as determining influences of job satisfaction (Salessi, 2014). Recent empirical evidence (Sanchez & Paris, 2011) indicates that the most satisfied employees are those who work in positions that offer them freedom, independence, and discretion to schedule work, autonomy for decision-making, and opportunities to employ and develop personal skills and competencies. Also, the importance of the organizational climate in which the employee operates has been highlighted (Bhutto et al., 2012). It has been reported that trusting leaders have a positive impact on the job satisfaction of members of a working team (Robertson et al., 2013), and when employees perceive their supervisor as a leader who is transformative and charismatic, who values their contributions, encourages their behavior, and attends to their needs, their levels of job satisfaction are increased (Omar, 2011). It has also been pointed out that aspects such as salary, employment benefits, awards, and commissions are strongly associated with satisfaction (Jawahar & Stone, 2011). Other factors including the evaluation of equity in the economic aspects, the perception of job security, and the social recognition of the profession or trade carried out have also been indicated as predictors of satisfaction. In this sense, various studies carried out with samples of healthcare professionals (Rezaei-Adaryani et al., 2012; Toren et al., 2011) have indicated that public recognition of work significantly influences the levels of job satisfaction of doctors and nurses. Another body of studies has shown that the perception of competitive wages and equitable financial incentives, as well as the perceptions of job stability and security (Pfeifer & Schneck, 2012), have a significant impact on the attitudes and behaviors of workers, translating into increases in work satisfaction.

It has been indicated (Butts et al., 2013) that the availability and application of policies that promote the balance between people and work-life are associated with positive work attitudes, mainly satisfaction and intentions to remain in employment, the company. Emotional support from both the organization and the family itself are also important resources when managing work and family responsibilities. A study carried out on public health workers in the province of San Luis, Argentina (Hauser & García, 2017), observed adequate levels of job satisfaction. Even when employees recognize certain aspects that they would like to modify and/or improve, they value the benefits of their workplace and identify their tasks as means to achieve symbolic and psychosocial benefits. They have a positive assessment of their jobs, seeing it as a way for personal and social growth, as well as means to obtain essential financial resources. Thus, work turns out to be a highly valued area along with other instances of his life such as family, friendship, education, and rest. However, employees also recognize some working conditions that are not as satisfactory, such as long working hours where a high number of demands from service users are met. Also, a relevant aspect was the disagreement about salary and social benefits. About age, an investigation (Pujol Cols, 2016) observed that the job satisfaction of Argentine teachers seems to gradually decrease until it reaches its minimum point around 46 years of age, and, after this point, it returns to an upward trend.

From one point of view, the change in satisfaction levels over time may be associated with a change of the subject's expectations. As suggested by Clark et al. (1996), individuals seem to have higher expectations regarding their work in the earliest stages of employment. As the employment relationship develops, it is likely that various expectations will be perceived as unfulfilled and that certain negative attributes of the job become more salient, an issue that would translate into a decrease in job satisfaction until reaching a minimum point. It has also been shown that employee expectations tend to adjust as the employment relationship develops over time. Workers' unions are an issue faced by human resources in Argentina, one of the Latin American countries where unions retain a solid union strength (Senén González, 2006). Workers' unions are associations that aim to defend the interests of a group of workers against companies. In most cases, its members are workers and technicians from various specialities. When a segment or the entire workforce of a company is organized in unions, the bargaining power of these entities may be used to obtain compensation higher than what the relative value of each position would determine in a free market of work. Numerous highly successful companies, both nationally and internationally, coexist with one or more workers' unions and must continue putting into practice the human resource management techniques described above. However, both managers and human resources specialists must adjust to the dynamics that a union imposes on the company. Some changes originate in mandates of a legal nature, others arise from agreements that are carried out between the company and the union organization. In some cases, some organizations try to avoid the formation of workers' union entities. In these circumstances, many workers may be unfairly deprived of the protection and benefits they would get by organizing, leading to a difficult atmosphere within the organization (Werther & Davis, 2008).

Innovation, Gap Generation, and New Technologies

Innovation is central to staying competitive. The organization has to be willing to invest whatever is necessary to achieve optimal fulfillment of its objectives (Delgado de Smith, 2007). Strategic management plays a fundamental role in the innovation of the organization. It must be oriented to analyze the internal environment of the organization, to activate the necessary modifications that allow it to be prepared to face the external environment (Whittington, 2002). Strategies are the way managers try to simplify and order a complex and chaotic world. They are plans that serve to reduce the risks that may arise. In this way, human resource management seeks to facilitate the achievement of organizational objectives. Innovation systems facilitate the flow of knowledge and information between people, companies, and institutions, determining the rate and direction of technological learning. Thus, these systems create, store, and transfer knowledge, skills, and instruments that define new technologies (Benavides & Quintana, 2003). Never three and even four generations worked together in organizations. This coexistence has a great impact on the way of working and on how Human Resources management strategies are planned. The homogeneous workforce ceased to be the norm, giving way to heterogeneity and diversity. Difficulties in managing people are not only observed by age differences, but by established organizational structures. Diversity management represents one of the least explored areas of administration in the search for tools to add value to the company. Leaders face the challenge of developing concrete solutions to achieve good generational integration. Companies must prepare for the integration, as part of the company, of Generation Y (born between 1980 and 2000) that grows and shares knowledge and concerns through social networks (Sánchez & Viltard, 2020). Human resources professionals can develop plans that contemplate the identification, recruitment, and development of talent that ensure the effective integration between current and future leaders (Vázquez & Sunyer Torrents, 2017).

In Argentina, most human capital departments are not prepared to understand generational differences. This generational aspect takes on relief when digitization and digital transformation are introduced. The digital transformation process represents a reality in many organizations and businesses, to the point that business management models are transformed. In this context, the organization's own culture and untrained human resources become the biggest obstacles in this process. In recent decades, digital technology has had a significant impact on human resource management, both in internal and external processes. Digital transformation represents an urgent process for all organizations that intend to survive. In this sense, the factors that caused the emergence of digitization in companies are varied, such as the drop in sales, the appearance of substitute products or services, and the need to streamline processes and structures (Sánchez & Viltard, 2020). Bologna and Walsh (1996) define information technologies as those tools and methods used to collect, retain, manipulate, or distribute information. They are generally associated with computers and related technologies applied to decision-making. Information systems are a set of components that interact with each other, have a specific objective, and their function is to satisfy the information needs. These components can be people, data, activities, or material resources in general, which process the information and distribute it appropriately. The main objective of an information system is to support decision-making and control everything that happens in it. There are two types of information systems. The first refers to solid structures such as computers. The second refers to informal methods of information (e.g., the use of paper and pencil or word of mouth) (Laudon & Laudon, 1996).

The information systems that make up the whole of information technologies must ensure that the information is composed of meaningful and useful data communicated to a receiver that uses it to make decisions. Information systems ensure efficiency, productivity, and quality. They contribute to making the work environment more cooperative and pleasant and thus can avoid the possible inappropriate use of information or its saturation. They also enable creativity and innovation, changes at the organizational level, crisis management, management of long-term organizational memory, and knowledge management of the own staff (Morales, 2013). An aspect to consider about information technologies is the fact that people in the organization are often unclear about knowledge or business processes and that is why 90% of software implementations fail. Any technology decision must be aimed at improving productivity (Ayala & Gonzales Sánchez, 2015). New technologies have profoundly changed communication and interaction in all areas (Fundación Telefónica, 2013). The process of economic globalization generates a growing interdependence between different partners, and information and communication technologies have allowed the dynamization of economic, social, and even cultural processes. Public administration bodies may use the Internet to improve the services and information offered and to increase the efficiency and effectiveness of public management, providing government actions with a framework of transparency and creating mechanisms that facilitate decision-making (Ayala & Gonzales Sánchez, 2015).

According to the World Bank (2003), the concept of *electronic government* refers to the use of information technologies by government agencies that can transform relationships between citizens, businesses, and other branches of government. It constitutes an opportunity to achieve more efficient public management and establish collaboration guidelines between public administrations (Ayala & Gonzales Sánchez, 2015). From the organizational point of view, there are different types of information systems, such as management information systems (aimed at resolving conflicts in companies), transaction processing systems (in charge of managing information in the context of commercial exchanges),

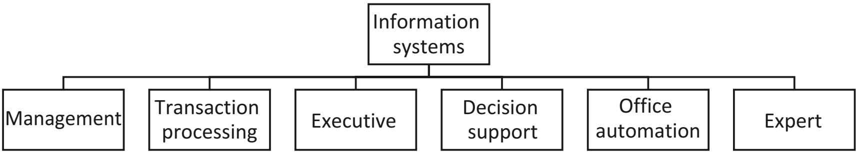

Fig. 12.3 Information systems

executive information systems (for managers), decision support systems (analyze the different factors that make the business to decide which direction to take), office automation systems (applications that help in administrative work), and expert systems (that emulate the behavior of a specialist in a specific domain) (Laudon & Laudon, 1996) (Fig. 12.3).

In the digital age, being able to have immediate access to information is a key aspect for organizations to remain competitive (Rosell Tejada & Villalón Huerta, 2017). Zero-latency enterprise refers to information in real-time and the monitoring of activities and business processes. Information arrives and is available in as little time as possible to the people who need it (Rosell Tejada & Villalón Huerta, 2017). This implies that the company or organization can minimize the response time to operations so that any event or novelty that affects or does not affect the organization can trigger the relevant actions by the indicated people (De los Reyes, 2013). Furthermore, to understand the current information systems, it's important to consider the analysis methodology of the set of transactions that feed the databases. This process must be accompanied and driven by the concept of the *matrix* in current information systems since this is an attempt to systematize the comprehensive control of the set of transactions of a given organization. A documentation and data matrix is defined as a scheme of documents and/or transactions that is carried out sequentially and systematically to evaluate the consistency and correspondence of each one of them within the information system (Blázquez & Peretti, 2007).

Latin American countries face a challenge ahead because they must fully incorporate the use of technologies; otherwise, they will be relegated from the international arena (Rodríguez, 2004). According to Dughera et al. (2012), Latin America can be framed in a process of global integration, whose initiative comes from the central countries. Rodríguez (2004) highlights that this integration is not achieved only by equipping the different sectors of the administrative sphere with automation systems; rather, it is necessary to define guidelines and policies that guide the massification of access and quality of public services, while operators or public officials are trained. Following Millennium Development Goals, the Latin American states must extend their comprehensive public policies, encouraging social, economic, and productive perspectives, resembling the ones adopted in Europe. In 2009, Argentina establishes a "digital agenda" (National Decree N° 512) that seeks to promote the use and appropriation of information and communication technology to improve people's quality of life, as well as socio-economic development (Dughera et al., 2012). However, only 85.5% of the population can access the Internet either from a Wi-Fi network or from a mobile phone, only 64% of households has a computer, and solely 40% of the inhabitants has access to a computer (INDEC, 2021).

COVID-19 Pandemic

In recent decades, the Argentine social structure has been mainly characterized by high levels of social inequality and structural poverty. These do not only include insufficiency or inequalities in income but also imply multiple dimensions of the living conditions of households and the population (ODSA, 2020). On March 19, 2020, mobility restrictions in the country began due to the arrival of the COVID-19 pandemic. This situation caused around 3 million Argentine workers to leave their offices, their desks, and begin to work remotely from their homes (Adecco, 2021). But not all workers could do it. Deprivations and inequalities assumed a dimension even greater. Before it, living conditions were in a process of sharp deterioration, made visible by the increase in monetary poverty that accompanied the economic crisis between 2018 and 2019. The health situation installed an unprecedented scenario in the first half of 2020 and deepened previous trends, reaching the third consecutive year of rising income poverty. In 2018 poverty was 33.6%, in 2019 a 39.8%, and in 2020 it reached 44.7%. The increase in the prices of the consumption basic basket continues, and the mobility of strong restrictions to contain the rise in infections form a vicious economic circle (Bonfiglio & Robles, 2021).

The pandemic accelerated transformation processes in companies and has placed a greater emphasis on the future of work. In this context, areas such as human resources play a fundamental role in generating connections between technology, employees, and the organization while seeking to guarantee the well-being of human capital. According to the UNESCO Director of Sciences for Latin America and the Caribbean, it is necessary to invest in science, technology, and innovation, and this has become evident during the pandemic (Ciencia y tecnología, el 'talón de Aquiles' de América Latina, 2021). Therefore, it is important to conceptualize the role new technologies play today in the world of organizations, institutions that demand comprehensive information systems that allow them to control their activities within the corresponding areas (Sánchez López et al., 2011).

With the pandemic, dynamics inside companies changed, and human resources areas had to redouble their efforts to be close to their customers (La pandemia reposiciona la función de RRHH, 2021). Leaders must be close to workers to help them. Listening began to grow strongly, understanding people better. The labor market changed, and digitization made searches change because the most required profiles are precisely those who work with new technologies. It is necessary to adapt to new personnel selection models, many times completely remote. Companies are changing the way they engage with candidates. It is necessary to recognize that there are positive elements of remote work, but face-to-face work also has great virtues that must be rescued, for example, the transmission of culture. Probably, the future model is hybrid and requires enormous flexibility, both from companies and from workers. The home office is not ideal, and many companies are not prepared to face it. Human resource managers have acquired a more relevant role in decision-making, and companies that are advanced in digitization have an advantage and can respond more easily and successfully to the situation (Así cambiaron los recursos humanosdurante la pandemia: todo lo que hay que saber, 2021). This way, an extra and far-reaching task has now been added to the human resource function: it must guarantee physical and mental safety of employees.

Conclusions

Organization structure must adapt to achieve organizational harmony, where the trend is toward the conception of strategic management as an alternative tool for human resource management (Vieira, 2014). Leaders must narrow the generation gap in talent management, which raises different levels of work commitment and skills in handling new technologies (Sánchez & Viltard, 2020). The way in which the manager handles this type of situation will be essential to develop a positive or negative context. Competencies management is usually implemented in Argentina and constitutes an indispensable tool to gain flexibility and optimize processes. Its implementation implies profound changes in the way of conceiving performance, evaluation, compensation, and career development. It points out behaviors that are necessary to achieve optimal results and is a guide for those who join a job as it reduces the uncertainty generated by not knowing what they are expected to do.

In recent years, Argentine leading companies have made profound changes in human resources and labor relations policies. In some sectors, these transformations have included the relationship with unions and new technical job qualifications. Digitization imposes higher levels of commitment and flexibility, in a context of horizontal communication and interaction that must be enhanced with teamwork, critical thinking, and continuous learning. Within the mentioned areas in which human resources are carried out in Argentina, some solutions or methodologies have been proposed. In the area of recruitment, many companies tend to generate an internal search, that is, within the company. One of the benefits of this practice is to carry out a more economical and faster selection process; in addition, the personnel that is selected has a greater commitment to the position, is motivated by promotion, and has a greater aspiration to develop within the organization. After some time of being active, some Argentine family companies need to change their structure if they want to survive, by investing in people outside the family who demand a more horizontal structure with modern human capital by seeking new talents and trying to retain it with benefits such as a wide variety of home office options, economic incentives, training programs, and ergonomic displacement of materials inside the office. Also, in the area of training, many positions must be constantly filled, needing to train a large number of people in the shortest time possible, thus minimizing the induction time of employees. However, it also turns out to be a difficult task since they must take the company's budget into account, choose the type of training that fits their needs, and decide who should be in charge of giving it (Werther & David, 2008; España-Aldao-Zapiola, 2014).

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Part V

Digital Human Resource Management, Trade Union and Artificial Intelligence

13

The Acceptance and Practicality of Digital HRM in Nigeria

Toyin Ajibade Adisa, Olatunji David Adekoya, Issa Abdulraheem, and Chima Mordi

Introduction

The concept of digital human resource management and other related concepts such as the digitisation of human resource management (Meijerink et al., 2018; Kuusisto, 2017), the digitalisation of human resource management (Dixit, 2017; Parry & Strohmeier, 2014), the digital transformation of human resource management (Bissola & Imperatori,

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_13

2018; Vardarlier, 2020), and the digital disruption of human resource management (Larkin, 2017; Platanou & Mäkelä, 2016) are gaining prominence in both academia and practitioners' discussions. Many organisations have wrestled with digital transformation and technological disruptions to their operations since the 1980s (Bondarouk et al., 2017) and have now firmly rooted in all aspects of HR functions and to the stream of HR literature. In other words, information technology and digital possibilities have completely infused HRM processes and HRM departments in today's global networking systems (Bondarouk & Ruël, 2009). Therefore, organisations around the world are now investing in digital HRM so that they are not left behind.

Digital HRM currently lacks clarity in terms of definition and concept (Suddaby, 2010). While some authors assumed that readers would naturally know the meaning of digital HRM and failed to give a clear definition of the concept (e.g. Bajer, 2017; Larkin, 2017), others have given a multiple and, sometimes, contradictory meanings of the concept (Platanou & Mäkelä, 2016) or used it in a proliferating manner (Martini & Cavenago, 2018; Thite, 2019)—thus leaving readers confused. Since the early works on the links between web-based technologies and HRM (see DeSanctis, 1986), several definitions have been proposed regarding the concept. Digital HRM has been interchangeably coined with e-HRM, HR Information System (HRIS), virtual HR(M), web-based HRM, and intranet-based HRM. For the purpose of this study, however, we define digital HRM as the practice of infusing, integrating, and utilising technology in HRM practices and activities in accordance with the general digitalisation of an organisation in order to improve services, achieve efficiency, and gain competitive advantage. Digital HRM has taken off in the Western-developed world as many organisations have since switched from the traditional ways of delivering HRM services to modern IT-based ways otherwise known as digital HRM. Furthermore, many studies have been undertaken on digital HRM and other IT or internet-related methods of delivering HRM services (e.g. Dixit, 2017; Parry & Strohmeier, 2014; Strohmeier, 2020). However, research on digital HRM is somewhat scarce in Africa, specifically Nigeria. This chapter, therefore, examines digital HRM in Nigeria. Our aim is to explore the acceptability and practicability of digital HRM in Nigeria—whether organisations still maintain the traditional methods of delivering HRM or they have embraced the new technological methods of delivering HRM services. In order to achieve this, we used a qualitative research approach by interviewing 31 HR (in some organisations personnel) managers in Lagos, Ibadan, Ilorin, and Abuja. Given the lack of studies on digital HRM in Nigeria because this area of study has been largely ignored and based on our findings, we surmise that lack of digital HRM may slow down organisational progress and efficiency and argue that organisations in Nigeria might struggle to operate at the same pace of development and success, and may also fail to achieve competitive advantage as their Western-developed world counterparts unless they fully embraced digital HRM. We speculate that doing so would strategically help develop the organisations and their human resources and help them to achieve competitive advantage.

Our study, therefore, makes two contributions. First, in exploring digital HRM in Africa, using Nigeria as a research context, we expand the research agenda on digital HRM in the Global South beyond its usual Western-centric context. Second, employing an explorative qualitative research approach, this chapter enhances our understanding of the phenomenon by interviewing HR managers to share their stories and experiences and opens up possibilities of rethinking methods of delivering HRM service in Africa—that is, moving from the traditional methods to new digital methods. The rest of the chapter is organised as follows. In the next section, we review the literature on digital HRM. This is then followed by the examination of the past, present, and future HRM in Nigeria. We then discuss our methodology after which we set out the findings from the study. In the final section, we set the agenda for future research.

Digital HRM

Digital human resource management (digital HRM) is a concept gaining increasing attention in the HR profession and scholarly discourse. The concept has been used interchangeably with the digitalisation of HRM, digital transformation of HRM, and digital disruption of HRM (Bajer, 2017; Dixit, 2017; Larkin, 2017). Whichever way they are used, these concepts connote the significant changes and development of HRM, including integrating and utilising technology in HRM practices and activities (Strohmeier, 2020). Digital HRM constitutes the technical processes and conversion of analogue information into digital information necessary for faster and quicker results and outcomes for HR purposes (Bissola & Imperatori, 2018). For example, converting paper-based information about employees and storing them on the computer with a particular assigned code gives quicker access to information users rather than looking through a cabinet or pile of paper files. The role of digital HRM is to support organisations, employees, and HR professionals to exploit digital technologies in their operations and strategic goals (Marler & Fisher, 2013). Contrastingly, Strohmeier (2020) argues that the operational aspect of digital HRM may have been substantially exploited but lacks realisation in strategic purposes. The digital transformation agenda for HRM is to ensure that technology augments the capabilities of HRM, both to its core and peripheral functions. Therefore, the automation of HR processes enables organisations to collect and analyse data for making data-driven decisions, as well as pursuing cost savings and time efficiency (Amladi, 2017).

The goal of digital HRM is to create value for organisations by using digital technologies in the formulation and execution of HR strategies; thus, achieving its strategic purpose is critical for the digital transformation of HRM (Bissola & Imperatori, 2018). Digital HRM has been deemed to be revolutionary, not evolutionary, given its radical change in the way managers and employees experience digital disruption in the all-digital world (Stephan et al., 2016). Thus, HR is challenged with helping employers and employees shift to a digital mindset that embraces using digital technologies to manage, organise, and lead change. It also transforms the whole employee experience by redefining HR processes, systems, procedures, and practices and promoting easier, more productive, and more rewarding work (Stephan et al., 2016).

To fully understand the importance of digital HRM, Strohmeier (2020) calls for clarity of concepts and provides four typologies of digital HRM. First, organisations in which HR practices and strategy are not augmented by digital technologies and are fully analogue are miles away from digital HRM. Second, the operational application of digital technologies is a state of using digital technologies to support operational HR practices geared towards cost reduction, quicker operations and processing, and improved quality (DiRomualdo et al., 2018; Strohmeier, 2020). For example, digital technologies are employed for HR core functions, including staffing, compensation, and training and development. The third is the strategic alignment of digital technologies to pre-formulated HR strategies. This typology of digital HRM is concerned with digital technologies supporting the execution phase of HR strategies, but not the formulation of the strategies (Marler & Fisher, 2013). Digital technologies then align HR strategies in their execution after the formulation of HR strategies. For example, after developing a strategy to appraise employees' performance, digital technologies are employed to execute the strategy. Fourth is the strategic integration of digital technologies at the stage of strategy formulation. At this stage, digital technologies are used in formulating HR strategies that provide value and competitive advantage to organisations and their HRM processes (Strohmeier, 2020). Currently, digitalisation potentials are yet to be substantially exploited at this phase, as most organisations are yet to integrate digital technologies into providing HR strategies that align with the overall business strategy (Amladi, 2017). Nevertheless, there is progress in ensuring the digitalisation of HRM. For instance, HR analytics—an analytical process within HR functions aimed at setting goals, measuring success, and optimising HR processes for improved employee performance, cost savings, and business growth (Lengnick-Hall et al., 2018)—is gradually gaining prominence at the strategic integration phase of digital HRM (Strohmeier, 2020). Essentially, these typologies allow us to locate the phase where the Nigerian digital HRM currently lies and uncover the degree of acceptance and practicability of digital HRM in Nigeria.

Digital HRM also offers numerous benefits to organisations. Organisations can use employee data collected and analysed through digital technologies to determine and recognise significant information about employees' performance, such as identifying those with high and low performances (Manuti & de Palma, 2018). The outcomes of such analysis can help organisations in their strategy formulation and decision-making processes. For example, building and sustaining an effective talent pool. Digitalisation of HRM is critical to understanding employees' work attitudes and emotional and behavioural tendencies to effectively stimulate employee's motivation and enthusiasm (Zhou et al., 2021). Amladi (2017) suggests that digital HRM helps to identify prospective hires, automate manual HR processes, create a more effective learning environment for employees, promote a diverse workforce, optimise resources, ensure worker safety, facilitate a culture of information sharing, and increase business profitability. Digital HRM has a strategic purpose of ensuring that organisations take into cognisance the VRIO components (valuable, rare, inimitable, and organised) for sustained competitive advantage (DiRomualdo et al., 2018; Pantelidis, 2019).

Despite its numerous benefits, digital HRM poses significant concerns for organisations and employees. Frey and Osborne (2013) note that digitalisation disrupts organisational structure and processes and has heightened concerns about the displacement of HRM and substantial loss of employees due to digitalisation-based automation and external digitalisation activities. Furthermore, digital technologies incite organisations to replace a large part of their workforce with self-employed individuals and increase labour market segmentation, which provokes big challenges for HRM, especially regarding managing complex workforce (Dixit, 2017). However, Zhou et al. (2021) argue that the maturity of an organisation's HRM system determines the effectiveness of HRM digitalisation. For example, the more mature an organisation's HRM system is, the more likely its HR practitioners can understand and utilise relevant information for its operations and strategic integration. More so, a less matured HR system is vulnerable to confusion and persistent resistance to change in its digital transformation of HRM (Bondarouk et al., 2017). In addition, Rasmussen and Ulrich (2015) argued that digital HRM in an immature organisation may be used as a tool for gaining power and accumulating personal benefits against the organisation's values and at the detriment of stakeholders. Therefore, the digital HRM's endeavour to reduce bureaucracy requires organisational policies and processes that are practicable and sustainable (Bondarouk et al., 2017). Fundamentally, structural embeddedness is crucial to the digitalisation of HRM. A high-level strategic involvement of the HR unit indicates HR's central role in the organisation and gives more credence to HR functions

(Zhou et al., 2021). This will give HR managers a comprehensive understanding of business strategy to generate more strategic HR value for business growth (Jia et al., 2020). Also, relational embeddedness is required for an effective digitalisation of HRM. Being at the central role of an organisation requires that HR establishes high-quality relationships with other units. It allows HR to derive more knowledge and understanding of the operations in other units, particularly those that are HR related (e.g., employee performance and employee relations) and contribute to both individual unit performance and the overall business performance (Cabello-Medina et al., 2011; Zhou et al., 2021).

HRM in Nigeria: Past, Present, and Future

Nigeria is a sub-Saharan African nation with the largest population in Africa—estimated at over 200 million people, and a labour market of about 60 million people (National Bureau of Statistics, 2019). Its large population is the primary strength of its human resource and catalyst for being one of the attractions for foreign investment in Africa (Okpara & Wynn, 2008). The increase in local and foreign business operations in Nigeria has significant implications for work, employment, and HRM practices in Nigeria (Fajana et al., 2011). The historical development of HRM in Nigeria is associated with several institutional factors, social and cultural factors, especially culture, diverse ethnicity, education and religion (Azolukwam & Perkins, 2009). As a collectivist society, Nigeria is made of communities with distinct cultural and social values and traditions, particularly those associated with work relationships even before the advent of HRM in Nigeria (Ovadje & Ankomah, 2001). For instance, during the era of traditional employment or personnel management, local chiefs or traditional rulers and elders were at the helm of affairs of settling work and employment disputes between employers and employees (Azolukwam & Perkins, 2009). Employment issues were resolved around what seemed best for warring parties and favoured the community, deemphasising self-centredness and individualism (Okpara & Wynn, 2008). However, these collectivist ideologies have been critiqued for only promoting relationality, collectivity, reciprocity, and connectivity; while limiting individual goals and achievements (Van Hooft & De Jong, 2009).

However, the Nigerian colonial and post-colonial experiences have contributed to the patterns of work relationships. The Western management style introduced in Nigeria and Africa at large supports individualistic ideologies such as autonomy, freedom, self-interest, entitlement, and competition (Hofstede, 1980). It also gives credence to standardisation of work functions and the ability to compete globally (Kamoche et al., 2004). The acculturation of Westernised ideologies and values spread to people management in Nigeria, particularly through the multinational companies that inculcated the industrialised organisational approach and practices to managing the Nigerian labour force (Fajana et al., 2011). Moreover, the receptiveness to Western normative people management given the growth in literacy, the federal political system, and the push for structural adjustment by international allies (e.g., the International Monetary Fund and World Bank) have contributed to the popularisation of HRM in Nigeria (Azolukwam & Perkins, 2009). This is not to say that counter-trends to HRM in Nigeria are non-existent. In fact, the Nigerian socio-cultural ideologies, especially ethnicity, language, gender, religion, and social morality, have pushed the boundaries of HRM practices in Nigeria (Adisa et al., 2021). For instance, socially constructed issues like patriarchy and hypermasculinity, where men dominate the political, economic, and social systems in the society, facilitate the divergence of HRM in Nigeria (Adisa et al., 2019). As a result, HRM in Nigeria is associated with cross-vergence pragmatism that embraces the interconnectivity of externally driven convergence and divergent internally institutional and social factors, leading to a hybridised blend of HR practices (Azolukwam & Perkins, 2009; Gomes et al., 2012).

Furthermore, lack of funding for HRM research and development across organisations in Nigeria has resulted in over-reliance on the Western approaches (Fajana et al., 2011). Despite Nigerian organisation's efforts to apply new management techniques and skills to enhance HRM, these efforts are undermined by the peculiarity of the social-cultural factors influencing work and employment (Ituma et al., 2011; Okereke et al., 2018). Similarly, organisational culture is beginning to pave way for better employment relationship in Nigeria despite the challenges posed by the internal and external business environment (Akanji et al., 2020). Many Nigerian organisations have recently begun to facilitate increased and continued learning, training, and educating their employees to help develop their skills and capabilities and to enhance global competitiveness. Nonetheless, Fanimehin and Popoola (2013) argued that globalisation, through the adoption of Western HRM approaches/model, has helped in facilitating the development of HRM in Nigeria (Fanimehin & Popoola, 2013). For example, Nigeria is characterised by the growth of labour market segmentation through the proliferation of permanent, fixed, and temporary employment contracts (Oruh et al., 2020b). Although these developments have their consequences for HRM, it is not peculiar to Nigeria and Africa as many organisations in the industrialised economies also suffer a loss of the psychological attachment, commitment, loyalty of their employees, and legitimisation due to labour market segmentation (Fajana et al., 2011; Oruh et al., 2020a).

Although still requiring some amendments, Nigeria's labour and employment legislation have laid down regulations for work and employment in Nigeria. Issues related to remuneration and compensations, fairness, and equity are primarily dealt with by collective bargaining between the unions and employers (including the government) (Ovadje & Ankomah, 2001; Okpara & Wynn, 2008). The shift from compulsory to voluntary union membership in 2005 has impacted the degree to which Nigerian employees know and stand for their labour rights (Azolukwam & Perkins, 2009). Although occupational health and safety remain a primary issue for organisations in Nigeria, the unavailability of reliable statistics on the number of fatalities in Nigerian organisations make it difficult to ascertain the depth of the problem (Fajana et al., 2011).

Against this backdrop, the future of HRM in Nigeria may seem promising with priority given to technology and global competitiveness, as well as the increasing demands for HR professionals in Nigeria to cope with changing trends and conditions. The challenge of skills shortages to cater for resource demands further intensifies concerns regarding technological innovation and its operationalisation across organisations in Nigeria (Azolukwam & Perkins, 2009). More so, despite been ranked among the most creative countries in Africa in the 1960s, recently, Nigeria's underperformance in creativity capabilities costs the economy the ability to drive sustainable businesses (Ogbeibu et al., 2018). Therefore, embracing digital HRM in Nigeria is key to boosting and sustaining competitive advantage in many Nigerian organisations and for the future of HRM in Nigeria (Ogbeibu et al., 2021).

Research Methods

The methodological design of this study draws from an interpretive—social constructivist paradigm of which its strength lies in providing rich narrative data from peoples' lived experiences (Guba & Lincoln, 1994). The rationale for adopting this approach is to explore in-depth understanding of hitherto an under-researched phenomenon or under-researched area of study (Saunders et al., 2016). Moreover, the paucity of existing research on digital HRM in Nigeria may suggest generalising digitalisation of organisations and their HRM delivery services, which is inappropriate. Thus, the adoption of a qualitative design enabled us to explore this neglected and important area of study in a non-Western context by exploring the participants' lived experiences (Bryman & Bell, 2011). Furthermore, taking an interpretivist approach enabled us to understand human actions, motives, feelings, and experiences from the perspective of organisational members rather than that of the researchers (Bryman & Bell, 2011).

Data Collection

A combination of purposive and chain-referral sampling was employed in recruiting the participants for this study (Heckathorn, 2011; Ritchie et al., 2003). This sampling method was selected based on assumptions that qualitative researchers should have reasonable knowledge of the sample size to be used and as a result targets those samples sought (Patton, 2002). Data for the study were collected through semi-structured qualitative interviews, conducted over a two-month period. This type of interview allowed us to collect data flexibly, capture original points made by the participants, and probe for more information and clarification (Wengraf, 2001). This design was appropriate for two reasons: first, because we were seeking to understand the acceptability and practicability of digital HRM from HR managers' point of view and, second, because there has been no published research investigating digital HRM in Nigeria. A total of 31 interviews were conducted with HR managers working in both public and private organisations in Nigeria. Interviews lasted between 60 and 90 minutes and were conducted at the participants' preferred locations and times. All interviews were recorded and transcribed, and participants were provided with a brief overview of the study and assurance of confidentiality and anonymity. While all participants showed high interest in the study, they were also informed of their rights to voluntarily withdraw from the study at any stage of the interview process.

The nature of the interview style, based on open-ended questions, gave us room for flexibility in discussions and allowed individual experience to be explored. It also facilitated easy identification of participants' verbal dispositions. Researchers met from time to time to compare interview notes and ensure all interview protocols were completely covered so that dependability on primary data is not compromised. Questions were framed around the main study enquiry. Participants were asked the same questions at different times and locations in order to check for authentic explanations in reducing chances of biases (Creswell, 2013). The interview questions include: what are the current methods of delivering HRM services in your organisation and how would you describe your organisation in terms of digitalisation? Given the semi-structured nature of interviewing, questions were modified based on participants' responses. After conducting 40 interviews, it was felt that 'saturation point' had been reached in that no information was added that could further enhance the findings of the study (Bowen, 2009). In order to improve the reliability of the interviews and to ascertain that no important themes were missed, seven further confirmatory interviews were conducted. However, the additional interviews merely corroborated the existing themes emerging from previous ones.

Our sampling techniques have advantages and limitations. Purposive sampling allows researchers to use their personal judgement to choose participants who are suited to achieve the research objectives of a small, exploratory study and is both cost-effective and time-effective. The chain-referral process allows researchers access to samples that may be difficult to reach using other sampling techniques and is also a cost-efficient way of locating and recruiting participants. However, purposive sampling is vulnerable to errors in researchers' judgement, and both purposive and chain-referral sampling have the potential for sampling bias; because the researchers selected the participants, and participants then tend to nominate people they know well, it is possible that the sample will share characteristics to a greater degree than would be found in a random sample of the target population. As such, a sample generated from purposive and chain-referral methods cannot claim to be representative, or generalisable.

Data Analysis

Our data analysis was informed by thematic analysis (Braun & Clarke, 2006), where all authors followed the iterative process of initial coding (which was done independently of one another) and then collectively searching, reviewing, and defining themes before presenting the final findings in the section below. Table 13.1 presents the key themes and illustrative extract.

Table 13.1 Key themes and illustrative data extracts

Key themes (codes)	Illustrative data extracts
Clinging to analogue HRM approach	*I am aware of the digitalisation of HR functions and operations but perhaps not for me. It's like asking an adult to start learning how to use his left hand. I am use to how we do things here and my company is also pleased with it. Though old-fashioned but working for us*
Lack of required skills to go digital	*I have read a number of books and articles about digital HRM and its associated benefits for employees and organisations. However, we are still using analogue because we don't have the right skills to operate digitally. Personally, as the HR manager, I have no digital skills whatsoever*
Lack of digital mindset	*…the attitude towards embracing and incorporating technology into HR process and functions is not right. For example, I prefer the old analogue ways – I don't think we are going to switch to digital methods of performing HR functions any time soon*

The qualitative data analysis consisted of preparing data and organising it for analysis, reducing data into themes, and representing the data (Creswell, 2013). Miles et al. (2014) refer to qualitative data analysis as the process of data reduction, data display, and report writing. Consistent with an inductive approach, interview data were first read, taking each sentence at a time and examining it, then categorising into codes. Thus, the second interview was coded with the first interview in mind, and subsequent interviews were coded accordingly. These codes were then grouped into themes and once a theme has enough properties, in that no new properties emerge from the data, the theme becomes an integrative category with defined sets of dimensions. Constant comparatives were used throughout the analysis, on the coding level, the concepts level, and the themes level which eventually produced the main categories of the study (Cassell & Symon, 2006).

Research Findings

The analysis of the narratives uncovered three major themes regarding the acceptability and practicability of digital HRM in Nigeria. These themes provide clear insights into the reality of digital HRM in Nigeria. The themes are *(1) Clinging to analogue HRM approach, (2) lack of required skills to go digital, and (3) lack of digital mindset.* Despite the call for HRM and every HR professional to be digitally literate, analytically capable, and to embrace digitalisation in their operations (Styr & Bailie, 2020), our findings revealed that Nigeria is still locked in analogue HRM. The fine details of the findings are presented below.

Clinging to Analogue HRM Approach

Results show that HR managers and organisations in Nigeria are still very attached to the old methods of delivering HR functions. Even though digital disruptions to HR functions and operations have been on for more than a decade, participants commented on their organisations being comfortable with the analogue methods of delivering HR functions. For example, one of the participants liking switching to digital to learning to be left-handed in adulthood.

> I am aware of the digitalisation of HR functions and operations but perhaps not for me. It's like asking an adult to start learning how to use his left hand. I am used to how we do things here and my company is also pleased with it. Though old-fashioned but working for us. (Participant #9)

Another participant commented on the lack of desire on the part of the organisation to digitalise HR functions and operations.

> I think the company is comfortable with our analogue modes of delivery HR functions and operations. I highlighted the need for us to go digital in our HR delivery at the last management meeting but it was not well received. (Participant #2)

One participant gave a holistic perspective of organisations' views of digital HRM.

> Based on my experience, I think many organisations are clinging to the analogue approach for two reasons: (1) many organisations perhaps see no need to digitalise their HR functions and operations because the analogue methods are still working for them and (2) I think the cost of going digital is also another factor that that perpetually keeps them analogue. (Participant #15)

Another participant also commented on the issue of cost associated with going digital.

> I think it's good. My organisation has identified the need for us to go digital and we are working on it. About 15% of our HR functions and operations have now been digitalised. The switch has to be gradual because its expensive. (Participant #1)

The findings revealed that the participants and many organisations in Nigeria still cling to the old analogue methods of delivering HR functions and operations even though many organisations across the world, especially in the Western-developed countries, have switched and adapted to digital HRM. This exposes a lack of sufficient fund, lack of desire to go digital, and the culture of 'we are used to it'.

Lack of Required Skills to Go Digital

The digital revolution that has characterised the world of work over the past ten years clearly require skills and knowledge to join and thrive. Lack of required skills to switch from analogue to digital HRM emerged from the study. Many participants express their willingness to go digital but complained about having the required skills.

> I have read a number of books and articles about digital HRM and its associated benefits for employees and organisations. However, we are still using analogue because we don't have the right skills to operate digitally. Personally, as the HR manager, I have no digital skills whatsoever. (Participant #20)

Another participant mentioned some of the skills and the need for organisations to upskill their workforce in order to reap the benefits of digital HRM.

> Technology has continued to change the mode, the system, and the pace of work. So digitalisation of an organisation means digitalisation of its workforce. This means that HR personnel must be equipped with skills such as technology aptitude, analytic skills, lead intelligent digital process skills, and other technology-based skills. At the moment, neither me nor anyone in my team have these skills – making digitalisation of our HR practices and processes difficult. (Participant #25)

Similarly, another participant commented on the lack of the required skills to go digital and the associated organisational levity with digitalisation.

> We simply do not have the skills to operate digitally. We have not been trained about digital HRM and nobody is talking about it. I think digital

> HR is an important organisational strategy to survive and stay competitive in the current global market and organisations should take digitalising their systems, operations, and employees seriously…at the moment, I think they are serious about it. (Participant #23)

The digital era has forced many organisations to rethink their HR functions and operation from top to bottom from job ads all the way to the sustainability of the whole organisation. However, the skills required to digitalise HR system, processes, and operations are key not only to digital HRM but also to facilitate an enduring interaction with digital technologies that has shaped a new generation of people with distinctively different attitudes, qualifications, behaviours, and expectations (Parry & Strohmeier, 2014).

Lack of Digital Mindset

The changing world of work requires HR managers to be technology conscious and to be aware of data and analytic tools, which will enable faster, more accurate, more confident business decision-making and enhance commercial credibility and viability of HR functions. Digital mindset means a digital attitude and approach towards discharging organisational and HR functions. The participants commented on a lack of digital mindset as a barrier for acceptability of digital HRM in Nigeria. The quotation below helps to explain this point:

> I think HR managers (myself included) have no digital mindset that will help to see through the technological change and disruptions in the world of work. For example, I still prefer the old analogue ways of performing HR functions. (Participant #30)

Another participant commented:

> …the attitude towards embracing and incorporating technology into HR process and functions is not right. For example, I prefer the old analogue ways – I don't think we are going to switch to digital methods of performing HR functions any time soon. (Participant #7)

Other participants also commented on the need for a change in mindset:

> It is hybrid in my organisation…like 30% digital and 70% analogue. The mindset is still very attached to the old analogue ways but I think we are making a steady progress towards going full digital but the mindset has to change. (Participant #19)

> …the new world of HR means that Nigerian organisations need to rethink their HR model and embrace mindset shift. This will enhance digital learning, change in behaviour and change in perspective…all of which is crucial to digital HRM. Change of mindset from analogue to digital is very important. (Participant #17)

These findings depict what we termed as 'growth mindset', which is the digital and analytical method of performing HR functions and 'fixed mindset', which is the old analogue approach. The capabilities and mindsets of HR practitioners need to evolve. In the present world of work, HR needs to demonstrate its value with data and analytic thinking and methodology.

Discussion and Conclusion

This chapter sets out to examine the acceptability and practicability of digital HRM in Nigeria; and to investigate whether organisations still maintain the old methods of delivering HR functions and operations or whether they have embraced digital HRM. Following the pace of technological developments and the radical manner by which information technology infuses HRM processes and HRM departments (Bondarouk et al., 2017; Bondarouk & Ruël, 2009), organisations around the world continue to embrace digitalisation. Styr and Bailie (2020) contend that HR has a significant role to play in guiding organisations through the digital transformation. However, our findings highlight the reality of digital HRM in Nigeria where HR functions and operations are still bolted on to old HR approaches. HR managers in Nigeria have yet to be fully digitalised in their operations. Lack of fund and desire to digitalise

HR functions and operations have been found to be majorly responsible for their clinging to old methods. This means that the use of Web 2.0 and Web 3.0 technologies to carry out HRM activities such as training and development and other HR functions are still not fully operational in Nigeria.

The digital era has forced many organisations to rethink their HR functions and operation from top to bottom from job ads all the way to the sustainability of the whole organisation. However, our study found that the majority of HR managers in Nigeria lacks the required skills to digitalise their functions and operations. These skills are required to collate and integrate HR information and to streamline HR policies and procedures within and across organisations and geographical boundaries (Burbach & Royle, 2014). According to Insight for Professionals [IPF] (2018), digital skills and digital literacy ensure that organisations achieve competitive advantage, achieve their target audience and enhance their brand in the best, most effective way possible.

At its core, this study finds that the participants' mindset towards digital HRM is discouraging. This suggests a lack of 'growth mindset', which is the digital and analytical method of performing HR functions. Participants tend towards 'fixed mindset', which is the old analogue approach. Research evidence that is consistent with these reported findings identifies that an effective digitalisation of HR functions and operations requires a change in employees' mindsets (Ruël et al., 2004). The capabilities and mindsets of HR practitioners need evolve and change towards 'growth mindset'. This will facilitate cost savings, improved HR services, and strategic reorientation of the HR department (Bondarouk et al., 2017).

Contributing to the literature on digital HRM in Africa, specifically Nigeria, this study shows that digital HRM has yet to fully take off in Nigeria with the majority of the participants and their organisations leaning towards old analogue method of delivering HR functions and operations. More importantly, it extends understanding of digital disruptions of HRM in the global south, specifically Nigeria, which may serve as an anticipatory invitation to engage in digital HRM.

In summary, this chapter has provided nuanced insights into digital HRM in Nigeria and highlighted the importance of 'growth mindset' in achieving full digitalisation of HR functions and operations in Nigeria. Undoubtedly, digital HRM has the potential to improve HR service provision and strategically reorientate HR departments (Marler, 2009) such that employee and organisational goals will be seamlessly accomplished (Bondarouk et al., 2017). Therefore, the need to embrace and adopt digital HRM for organisations in the global south, specifically Nigeria, cannot be overstated. This study has some limitations. For instance, our sample size is small which may make generalisability of the result difficult. Also, the use of semi-structure interview might distort the participants' self-disclosure during interviews by inducing selective responses in order to present themselves in the best possible light (Patton, 2002). Thus, future research may use a large sample and quantitative approach to investigate digital HRM in a different global south context.

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14

Digital Human Resource Management in Egypt

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Introduction

Nowadays, digitalisation is considered as an essential prerequisite for any country's development and growth. The Egyptian government is working on building the "Digital Egypt" that focuses on digital workplace and digital workforce. In this chapter we focus on HR digitalisation in Egypt in terms of readiness, challenges and future directions, and we do this against the backdrop of the "Egypt Vision 2030" and the digital Transformation Strategy adopted for building the "Digital Egypt". This strategy is based on three main pillars: digital transformation, digital skills and jobs and digital innovation. To build such a digital society,

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_14

developing the human capital and digital systems used for recruitment, training and development, talent management, compensation and performance appraisal and managing the employment relationship are core foundations for achieving this mission. The Egypt Vision 2030 is very much concerned to ensure the achievement of sustainable development in Egypt, and there is growing interest in the link between HRM and organisational strategy and country sustainability. The Society for Human Resource Management (SHRM) report (2011) confirmed the significant role that HRM managers and professionals can perform in their organisations in implementing the country's sustainability strategy by being a strategic partner in the organisation and helping organisations to achieve its role effectively.

To achieve Egypt Vision 2030, in 2020 the Egyptian government via The Ministry of Communications and Information Technology took some initiatives towards "Digital Egypt" by launching the "*Digital Egypt Builders* initiative". This was followed in 2021 by the Ministry of Social Solidarity launching the "*Digital Egypt Gates Initiative*". Both initiatives have the aim of achieving Egypt's digital transformation by focusing on preparing qualified employees and qualified leaders with the new skills and technologies that would support a digital transformation of Egypt. Before addressing Digital HRM in Egypt, however, it is important to point out that there are few studies focused on investigating HRM in Egypt as noted by Burke and El-Kot (2011) and El-Kot (2016). El-Kot (2016) stated that there is no clear picture about the current or best human resource (HR) practices in Egypt but argued that HRM plays a critical role in achieving organisational effectiveness and increasing Egypt's competitive advantage. Omran and Anan (2018) confirmed fewer E-HRM studies in Egypt compared with other countries.

Digital HRM

In the following paragraphs we identify the meaning and definitions of digital HRM, digital HRM functions, the strategic role of digital HRM and the concepts of the Digital workplace and digital workforce. Digital HRM can be described as "an evolutionary development of the idea of technology-based HRM, involving three phases: digitization, digitalization and digital transformation". Strohmeier (2020) discusses and locates the phases of digitalisation with the intensity level that supports operational purposes or strategic purposes in the organisations. The digitalisation process starts from an analogue organisation to operational application of digital technologies with the focus on automated HR practices, to strategic alignment of digital technologies and finally formulating digital HR strategies as part of the overall organisational strategy.

It is worth mentioning that many authors refer to digital HRM as E-HRM. It is also noted by Baykal (2020) that E-HRM is used interchangeably with digital HRM. The E-HRM concept first emerged in the 1990s and is generally defined as the integration of technology with HRM. A broader definition of E-HRM proposed by Bondarouk and Ruël (2009, p. 507) identifies it as an umbrella term that is "*covering all possible integration mechanisms and contents between HRM and Information Technologies (IT), aiming at creating value within and across organizations for targeted employees and management*". Another important classification of E-HRM was proposed by Ruël et al. (2004) who categorised E-HRM into three levels: *operational, relational and transformational*. *Operational E-HRM* involves administrative functions like, for instance, payroll and employee personal records. *Relational E-HRM* is concerned with supportive business processes like training, recruitment, performance management and appraisal, etc. *Transformational E-HRM* is concerned with strategic activities like knowledge management, organisational change processes and strategic management competence. In order to avoid ambiguity and confusion, the authors of this chapter will use the terminology "Digital HRM" onwards to also encompass E-HRM (Table 14.1).

Another integral part of digital HRM is the strategic alignment and integration with organisational strategy. Marler and Parry (2015) investigated the strategic importance of digital HR by running an empirical study on thousands of organisations across different countries; one of the main findings of their survey was that the deployment of digital HR has significant impact on the strategic role of HRM in organisations. Marler and Parry (2015) and Parry and Tyson (2010) argued for transforming HRM into a strategic function by focusing on the use of digital HRM within an organisation that will empower HR managers and employees

Table 14.1 Description of operational and relational levels of digital HR functions

Digital HR function	Description
E-profile	E-profile is the heart of the employee database of any organisation. It provides a central and comprehensive point of access to each employee's information including the employee's contact and personal information, work experience, certification, education, trainings, skills, availability, exception hours, employee utilisation, current job description and responsibilities, sensitive job information, in addition to any internal services requested by the employee (Baykal, 2020).
E-recruitment/E-selection	E-recruitment and selection is carrying out functions through web-based technologies. It streamlines the various administrative processes of attracting, assessing, selecting and even on boarding job candidates. The systems can also define a set of objectives and criteria for selecting or eliminating a job candidate (Baykal, 2020).
E-training/E-learning	E-training is a process of distance training by using web-based technologies and various multimedia and collaboration technologies that provide individuals with the required knowledge on specific selected subjects (Ben Amara & Atia, 2016). E-learning refers to a network-enabled transfer of skills and knowledge, for the sake of learning, mentoring, training or education. This involves a wide set of applications and processes, such as web-based learning, computer-based learning, virtual classrooms and online digital collaboration (Nivlouei, 2014).
E-performance	E-performance systems are web-based technologies and tools that evaluate employees' skills, knowledge and performance according to previously set goals and criteria. E-performance systems provide managers with all needed information, criteria, measurements and evaluation models for the different organisational roles to conduct an effective performance appraisal (Baykal, 2020; Nivlouei, 2014).
E-compensation	E-compensation is the use of web-based technologies and software tools for effectively planning, designing, administering and communicating compensation programmes (Namasaka & Mamuli, 2020).
E-time management	E-time management is related to attendance, time evaluation, personal work scheduler, monthly work schedule, attendance, absence quotas, leave reporting and activity allocation (Dede, 2019).

(*continued*)

Table 14.1 (continued)

Digital HR function	Description
E-career and talent management	E-career and talent management is closely related to e-training systems, as employees can be recommended training to leverage their knowledge in a specific area, which will allow the organisation to manage its employees' career ladder (Baykal, 2020; Dede, 2019).
E-worker health and safety	E-worker health and safety is concerned with keeping record, managing and reporting employees' occupational health and safety procedures, cases of employees' injuries, accidents, chemical exposure, etc. Legal documents and reports about occupational health and safety are generated from this system (Dede, 2019).

with strategic decision-making capabilities and improve efficiency, service delivery, standardisation, and organisational image. The shift towards digitalisation will focus on how to create digital workplace and how to prepare and develop the employees with so-called digital workforce. This part will focus on these concepts with the aim of investigation of the implementation of the digital HRM in the Egyptian context.

Digital Workplace This is the natural evolution and the virtual, modern version of the traditional workplace. It encompasses all technologies and applications needed in a workplace to accomplish all the work, ranging from HR and core business applications to collaboration, on any device, at any time and from anywhere. As the COVID-19 crisis forcefully proved, the new workplace can be independent of the physical workplace. Evans-Greenwood et al. (2021) argue that this abrupt shift has led organisations to acknowledge the digital workplace as a solution to everything from business continuity to workforce engagement and retention. They also suggest that an improved workforce experience leads to increased productivity and improved business results.

Digital Workforce The digital workforce is a terminology that has been recently created to describe a variety of computerised and robotic solutions for driving work productivity and efficiency (White & Grueger, 2017). Some of these technologies are in their early stages of development, while others are becoming more mature and have been adopted by many businesses. The new breed of HR products and solutions coming to market is usually built around mobile technology, Artificial Intelligence (AI), cognitive processing and embedded analytics (Deloitte, 2017 in Volini et al., 2017). **Robotic process automation (**Chatbots) and HR analytics are two examples of the technologies used in digital HRM in Egypt that will be discussed later in the chapter.

Robotic Process Automation (RPA) One of the most popular RPA applications is ***AI-Chatbots***. Chatbots are used to handle routine requests and frequent questions asked by employees related to profile update, benefits, time off, leave of absence, travel and expenses, saving time for HR professionals to focus on more strategic processes (Dilmegani, 2021). Lalwani (2021) and Volini et al. (2017) argued that chatbots are also used efficiently in the recruitment process by carrying out initial screenings of the candidates, scheduling interviews, answering each candidate's questions about company policies and rules and even guiding new hires through the on-boarding process. Another efficient usage of chatbots as found by Rotar (2021) is related to helping HR professionals to retain talents, by communicating with internal employees to update their skills, certifications, experiences and trainings.

HR Analytics HR analytics can be either descriptive or predictive. ***The descriptive analytics analyses*** historical HR data (employees' profiles, demographics, training history, promotion history, on-boarding, payroll, performance reports, attendance, disciplinary actions, awards etc.) as well as non-HR data (financial data, customer satisfaction and retention and production and operation data) to provide meaningful insights *on recruitment, performance and operations* (Diez et al., 2019; Karmańska, 2020). Boakye and Lamptey (2020) and Lalwani (2021) argued that this data can be converted into metrics such as *time to hire, training return on investment, expense per employee, time until promotion, turnover rate, engagement rate, absenteeism, time to fill, revenue per employee and others, all of which can be used to help them in the decision-making process*. ***The predictive analytics*** uses statistical models and machine learning to forecast and proactively find the needs of the organisation. Malisetty et al.

(2017) noted that predictive HR analytics create value in employee profiling and segmentation, employee attrition and loyalty analysis and forecasting HR capacity and recruitment needs. Volini et al. (2017) based on The Global Human Capital Trends (2017) argued that "HR is being pushed to take on a larger role in helping organisations to be digital, not just do digital. The process starts with digital transformation in HR, as HR leaders explore new technologies, platforms, and ways of working".

COVID-19 Epidemic and Implications for Adoption of Digitalisation

The impact of the COVID-19 epidemic on the world of work has been immense, and it seems reasonable to expect that the adoption of digitalisation including digital HRM systems and practices will be positively impacted as organisations seek to effectively support and manage the new working arrangements and relationships encompassed in the digital workplace and by the digital workforce. The PwC (2020) report notes that over 70% of their respondents confirmed that COVID-19 had accelerated digital transformation in organisations in the Middle East, and PwC (2021) reports that 59% of Middle Eastern CEO respondents were aiming to increase their investment in digital transformation by more than 10% over the next three years. Continuing restrictions on social distancing and in-person interactions, the significantly enhanced role of remote and other forms of virtual working and meeting tends to suggest benefits of digital and electronic systems, for example, with regard to recruitment, selection, training and development, performance management and supervision. The PwC (2020) survey found that a third of respondents thought that the new forms of flexible working with employees working remotely or choosing their working hours and access to new digital collaboration tools had promoted productivity. It is arguable that digital-HRM will become more pivotal as HR departments and functions seek to enable organisations to effectively embrace and take advantage of the post-COVID-19 world of work, driving change to mind-sets and cultures and providing opportunities for improved communication, transparency and employee empowerment. Certainly, there is evidence from the PwC (2021) report that CEOs are giving greater priority to upskilling their workforce and also to employee wellbeing.

There is very little data available on the adoption of new ways of working and adoption of E- HRM post COVID-19. However, Leat and El-Kot (forthcoming, 2022) conducted a survey of in excess of 1100 graduate professional and managerial employees in a range of different employing organisations in Alexandria and Cairo with a view to ascertaining the extent of the adoption of flexible working policies and practices inherent in the developing digital workplace. The sample was employed across the range of ownership forms, 52% were employed in private and family business, 37% in MNEs and 10% in the public sector. In terms of organisation size, 63% were employed in organisations employing in excess of 250 staff and 46% were in organisations employing more than 1000.

The respondents confirmed that there had been substantial increases in the willingness of their employer to offer opportunities for more flexible working including part-time or reduced hours, flexitime, home working and teleworking. The policy that had benefitted most markedly was home working; prior to the pandemic 22.0% of respondents affirmed that their employer implemented home-based working policies whereas after COVID-19 this percentage was 77.5%. Before COVID-19, none of these policies were implemented by a majority of the respondents employing organisations, whereas afterwards all except part-time work (49.5%) were implemented by the majority with 70% offering teleworking, 65% flexi time and 62% allowing reduced hours. Statistical analysis confirmed that COVID-19 appeared significant in explaining the differences in provision.

Further study of the responses suggests that the smallest organisations, those employing less than 50 employees, were substantially more likely to implement flexible working policies both before and after COVID-19 than the larger organisations. After COVID-19 implementation of flexible working policies increases for organizations in all size categories, and there is some narrowing of the differential rates of implementation between the size groupings. Organisational size was significant as a predictor of implementation of these flexible working policies both before and after COVID-19. The enhanced implementation of flexible working policies after COVID-19 was consistent across all policies and ownership types and analysis confirmed ownership category as a significant predictor of the implementation of these policies on flexible working.

The Egyptian Context and Digital Transformation Strategy 2030

Egypt is a relatively large Muslim country with a population of 104,740,044 (Oct. 2021) with an unemployment rate of 7.2% of the total labour force during the second quarter of 2021 (World Meter, 2021). The unemployment rate among young people between the ages of 15 and 29 was higher at 15% of the total workforce in the same age group in 2020 but this was lower than the comparable rate of 16.7% in 2019 (CAPMAS, 2020). El-Kot (2016) argued that since the 2011 revolution and the subsequent political, social and economic turmoil in the country and threats to national security, Egypt's economy has been trying to get back on track. Since 2013, Egypt's government has worked hard, launching a new economic stimulus package to boost the sectors necessary for economic development. The Egyptian economy is being transformed with growing contribution towards the GDP of the private sector. The GDP growth for Egypt in 2020 is 3.60% and this is expected to be 5.20% by 2023 (Egypt Economic Statistics and Indicators, 2020). Egypt's economic growth depends mainly on agriculture, media, petroleum exports, natural gas and tourism sectors.

Egypt Vision 2030

The Egyptian vision 2030 is aligned with the UN 2030 agenda for sustainability (ILO, 2018), and El-Kot et al. (2021) noted the consistency of this plan with the aims of the 2030 UN Agenda for Sustainable Development, which is aiming "*to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value*" and "*to* *achieve gender equality and empower all women and girls*". The Egypt Vision 2030 focused on three main pillars: the economic dimension, the environmental dimension and the social dimension (social justice, health, education and training, and culture). This vision identifies a range of programmes and projects in each area that are intended to enable achievement of the objectives of sustainable development target.

Some examples of these programmes and projects include improving the basic infrastructure of public administration, updating the information database of public administration and developing the human resources of public administration to help in efficient government. Also in health, some of the programmes and projects are, for example, developing information and technological infrastructure to support health care systems, developing human resource management in the health sector and improving skills. Other programmes are designed to help in the innovation programmes such as carrying out legal reform related to knowledge and innovation, developing and restructuring the knowledge and innovation system, and adopting a comprehensive programme to promote innovation and knowledge culture. Implementing of these projects would help in creating more jobs to meet the country's requirement by focusing on developing and training employees the needed skills through all these projects (Egypt Vision 2030: 14,21 22,26 & 36). Inevitably, the creation of a digital society implies the creation of digital organisations and digital jobs, and it is crucial that issues relating to the restructuring of the labour market and the acquisition and deployment of new skills are addressed within the plan and the digital transformation strategy discussed below in the next section.

To ensure the consistency between the implementation plans and the SDS vision, there is a need to monitoring the implementation of policies, programmes and projects by preparing an integrated electronic database, focusing on training and capacity building for planning and monitoring units in different ministries and governorates, and ensure the development of the HR skills that will lead to fulfilment of the targeted results. It is crucial, therefore, that a more strategic approach to HRM is adopted within organisations along with the widespread adoption and implementation of E-HRM; HRM needs to become a strategic partner within organisations as noted in the SHRM (2011) report. The Egypt Vision

(2030) organisations will require organisations to transition into digitalisation including greater adoption of E-HRM (Rachinger et al. (2018)). This had led many organisations to move from implementing traditional HRM to E-HRM that would help in delivering significant benefits for organisations and societies.

Egypt Digital Transformation Strategy

According to Egypt digitalisation report (2021), Egypt's president launched the digital transformation initiative for the Egyptian government in 2019. This initiative presents an extraordinary opportunity for the government to improve its performance according to the new technology. Egypt invested in its digital infrastructure with 17% growth in the ICT sector in Q2 of 2020/2021. The digital transformation is considered as necessity for Egypt as all other countries in the world. There is a huge level of investment in digital transformation based upon a digital strategy and qualified leadership/staff for digital transformational process. Egypt Vision 2030 is focusing on the digital transformation strategy to establish the new technological society and focusing also on developing the human capital to fit with such changes. In 2019 Egypt started the digital transformation by choosing Port-Said government as a pilot project. In 2021, there are 155 e-services implemented that includes, for example, traffic, electricity, finance and banking, real estate registration, agriculture issues, family court, mortgage financial funds, personal accounts, notarisation and law enforcement and medical insurance services that successfully transformed Port-Said into Egypt's first digital governorate. After this pilot project, five other governorates implemented the same strategy.

Egypt started to move towards digitalisation by developing Smart cities. Smart cities such as The New Administrative Capital, New Alamin, New Mansoura, Galala City and Resort provide at least 6 million permanent job opportunities. Moving towards Smart cities, Egypt issued eight laws and legislations to help the digital transformation to take place (Egypt digitalisation report, 2021, pp. 6–7). These Smart cities not only need supported infrastructure but also need human capital development to fit with the new created jobs. Egypt started to build innovation and creativity centres, entrepreneurship incubators, with the focus on providing training and development for improving Egyptian skills, especially the youth. For example, Ministry of Communication and Information Technology launched the digital training for Egyptian youth targeting 110,000 young Egyptians to develop their ICT skills.

The National Academy for Training was established for the youth human development in all sectors to prepare them for the digital future and the digital jobs. One of the challenges that face Egypt digitalisation transformation is the lack of HR specialised in ICT as mentioned by Ghoneim (2021) who suggested the need to developing and implementing HR capacity building plans and developing online interactive education and training to facilitate the digital transformational stage. An example of government encouraging digitalisation directly in organisations is provided by Abdelgaber et al. (2017); they referred to three trials done by the Egyptian government to implement Electronic Health Record (EHR) in the *Health sector* in Egypt**.** The trial started to implement EHR in Suze hospital; Abu Al Rish hospital for children; however, these trials were not completed due to some financial and infrastructure reasons. This report is an interesting one also because it suggests a number of barriers to the effective adoption and implementation of digital systems, many of which as noted in later sections of this chapter seem common to those confronted when adopting E-HRM. They identified the importance of appropriate infrastructure, technical ability, training for staff and the cost as the main barrier to implement EHR in the health sector in Egypt. They classified the barriers into four categories: management, technical, organisational factors (work flow, lack of leadership, lack of strategies for planning) and the psychological factors (human attitude, culture, lack of trust, lack of support from other colleagues and misunderstanding of the E-HRM among partners).

The Role of HRM in Facilitating the Transfer to Digital Egypt

Volini et al. (2017) noted that the role of HR leaders in driving digital transformation of organisations has been also reported by Deloitte's survey that was carried out on more than 500 companies across the world. It shows that 56% of the companies redesign their HR programmes to accommodate digital and mobile tools, 51% are creating new digital business models and 33% already use AI technology to deliver HR solutions. This highlights the importance of the HR role in the Egyptian context as the HR function has a dual responsibility in the digital transformation journey. As stated by Volini et al. (2017), according to the Deloitte's 2017, Human Capital Trends report that HR teams will play dual roles and have dual responsibilities and challenges in transforming HR operations in addition to and developing the workforce to perform the work effectively. Lalwani (2020) and Sundblad (2020) argued HR teams are responsible for training the employees and providing them with professional development to develop them towards the digital mind-set and to prepare them for the new cultural shift of the organisation towards digitalisation. The wider adoption and application of E-training, E-learning and E-development technologies can play a crucial role in enabling the effective upskilling and professional development required for the digital society.

The PwC Middle East report (2020) argued that digitalisation and digitalising HR is a crucial concept that all organisations need to implement it in the right way to achieve the organisational goals. This report investigated 608 executives and HR professionals across the region including Egypt, and the key findings supported the idea that COVID-19 has accelerated digital transformation in the Middle East including Egypt. The report indicated that HR mainly promotes digital transformation via adopting the technologies to enhance the HR process only and not to use it to drive innovation or using the organisational capabilities to support the digital strategic objectives. The report also referred to the lack of awareness of the emerging technologies that exist that might help organisations to move towards digital transformation and focusing on the effective role of HR in this movement.

Digital HRM in Egypt in Practice

There are few studies into the progress of the adoption of digital HRM in Egypt. For example, Omran and Anan (2018), who investigated E-HRM, argued that it had been adopted and implemented in some Egyptian organisations by the integration between ICT with HR process such as E-recruitment, E-Selection, E-Training and development, E-performance appraisal and E-Compensation, and this will positively impact on organisational effectiveness. They investigated the Internet service providers in Egypt in order to establish and evaluate its transformation role in the HR practices in Egypt. According to their study E-HRM was considered as the most powerful driving force improving HRM practices and organisational effectiveness. Fayed (2008) argued that Egypt was moving towards E-HRM due to the nexus between the computerised system and the role of HR in achieving the organisational effectiveness. She identified organisations in Banking and Construction that were tapping into digitalisation and installing E-HRM systems to manage their workforces. She identified CIB in Banking and Orascom in construction as organisations were already engaging with E-HRM in functions such as recruitment, selection, monitoring and training, compensation and performance appraisal.

The Use of Digital HRM in Egypt

The ***Egyptian Business Directory*** includes most important active companies in Egypt classified into ten different sectors. The total number of companies found in this directory is 22,907 of which 567 in Finance; 1774 in Health; 3513 in Industry; 1649 in Trade; 7344 in Service; 1204 in Tourism; 1388 in Food; 2848 in Construction; 599 in Energy and 2021 in IT-Telecom. Examination of the Directory reveals a range of degrees and levels of digitalisation. There are organisations still working in a very traditional way and not moving their system towards digitalisation yet, while other organisations are fully digitalising their work practices and activities including the HRM practices. For example, in the banking sector, some banks are moving to E-administration and E-management such as CIB, ARB Bank, NBK, ADIB and Emirates NDB among others. An example of the fully digital organisations in the banking sector in Egypt is CIB, one of the leading banks in the country. In other sectors such as Petroleum, Logistics and Education there are examples of organisations (Enppi, Maridive group, Maersk, private universities and the majority of public universities) that have implemented some or all of a range of digital HRM functions including E-portal, E-learning and E-training, E-compensation, E-career planning and E-performance. There are specialist HR organisations that provide E-recruitment and E-training such as Premier Service and job-master and a number of E-HRM Consultancy organisations that provide support and help organisations to move towards HRM digitalisation, for example, the Smart HCM consultancy and Login System that is specialised in Developing E-HRM Systems in organisations in Egypt. Fayed (2008) also identified the Right Management, a consultancy organisation that uses HR technology towards implementing the E-HRM and E-business system in organisations.

In the HRM practices, ***chatbots*** are being used by organisations such as HireHunt, which is a recruitment automation chatbot platform that automates the screening process for over 4000 job titles. It allows businesses to score, rank and screen candidates. Business can also use HireHunt to generate job descriptions and manage talents. The most recent project of HireHunt was with the Egyptian Nuclear and Radiological Regulatory Authority (ENRRA), in which they automated the screening process of over 15,000 applicants (HireHunt, 2021; Startup Scene, 2015). One of the leading Egyptian companies that provides organisations with HR analytics services is Intercom Enterprises. It has been a leading systems integrator in the Egyptian market since 1992, backed up with strategic partnerships technology and enterprise solutions for companies like SAP, Symantec, Cisco, VMWARE, Entrust, Microsoft, Hewlett Packard Enterprise, Cloudera and many others. Intercom provides the two modules of HR analytics: workforce analytics (descriptive) and workforce planning (predictive). The workforce analytics module provides the HRM team with several metrics, concrete and actionable insights on workforce data to increase effectiveness of the overall organisation. The workforce planning module enables the HR teams to conduct sophisticated workforce modelling by applying statistical analysis and machine learning, define resource gaps and define HR strategies to ensure readiness for the future. Examples of some companies that used HR analytics in their system are ADIB, ABK, AIB, Banque Du Caire, Banque Misr, CIB, EGBANK, QNB from the Banking sector; ASEC, Egyptian Steel from the Manufacturing & Commercial sector; and Orange and Tedata from the Telecommunication sector (Intercom, 2021).

Challenges for the Adoption of Digital HRM in Egypt

This section focuses on the factors affecting the adoption of Digital HRM, the consequences of Digital HRM for people and finally the implications for adoption of Digital HRM in Egypt.

Factors Affecting Adoption of Digital-HRM

As Bondarouk et al. (2017) assert the factors affecting adoption can be divided into three categories: technology, organisation, and people factors. Among the technology factors identified as influencing adoption are the current computer capability in the organisation, data integrity, system usefulness, system integration and in-house versus outsourced development. Bondarouk et al. also note the importance of analysing needs and clarifying required technology characteristics.

Organisational factors are categorised into four segments. The first of these are organisational characteristics including, importantly, organisational size and the use of teleworking, with positive relationships with digital-HRM adoption, so larger companies and those with high dependence on teleworking are more likely to adopt. The survey results presented by El-Kot and Leat (forthcoming, 2022) regarding the significant increase in organisations implementing digital workplaces via teleworking and home working policies and options post COVID-19 would suggest positive influences for the further adoption of digital-HRM in

Egyptian organisations of all sizes and ownership types. The second category refers to planning and project management and that effective adoption requires close alignment of HR, IT and corporate goals. The third group of organisational factors include issues relating to data access, security and privacy and the need for employees to have confidence in the accuracy and security and privacy of personal data. The final category refers to the organisations capabilities and resources, especially important being adequate budgets and sufficient technical personnel within the organisation.

The most important factors affecting adoption are "people factors" and especially the mind-sets within certain organisational cultures (Bondarouk et al., 2017). This latter is also highlighted by PwC (2020) who conclude that the biggest obstacle to digital transformation is changing deeply rooted organisational mind-sets combined with uncertainty about the benefits and unwillingness to change. Introducing digital-HRM into an organisation requires people to work differently and this requires a change of mind-set. These people factors include top management support, transformational leaders advocating digital HRM adoption, user acceptance, communication and collaboration between units, HR skills and expertise, and leadership and culture. To these we can add the effectiveness of the management of change. Other researchers such as Tansley and Watson (2000) have identified the level of trust among project teams' members, group morale, workplace distress; Wilson-Evered and Hartel (2009) have identified security and privacy fears; Reddick (2009) has been influential in determining the success of adopting digital-HRM.

The importance of users of the systems being convinced of their value and being trained appropriately was also noted by (Bondarouk et al., 2017), and Beulen (2009) identified the importance of communication, collecting feedback and involving users before, during and after implementation. Marler and Fisher (2013) and Omran and Anan (2018) identify the importance of employee and stakeholder involvement and engagement in design and implementation. However, it is important to be aware of the findings of Haines and Petit (1997) who detected a negative relationship between the amount of employee experience in their present position and user satisfaction. The more familiar people were with work practices in their current position, the more they resisted using new systems.

Consequences of Digital-HRM for People

Omran and Anan (2018) point out that the literature seems clear: digital-HRM will not leave HR departments "untouched". There will be less focus on administrative tasks and more focus on the strategic goals of the organisation and consequentially implications for staffing levels and types within the HR function. They suggest that HR will focus on providing services to employees, line managers and senior management, often by serving as an internal consultant. Lepak and Snell (1998) divided the consequences of digital-HRM into operational consequences that represent efficiency and effectiveness gains leading to cost savings; relational consequences relating to service improvements for internal and external HR clients; and transformational consequences reflected in strategic re-orientation and change management. In this section we focus on the relational practices and consequences. Parry and Tyson (2010) argued relational digital-HRM practices concern systems specifically designed and implemented to manage and sustain relationships with employees by improving HR services, communication, transparency and directly empowering employees. Bondarouk et al. (2017) identify a range of potential relational consequences which might include enhanced communication and cooperation, enhanced employee satisfaction, empowerment, engagement, trust and satisfaction in and with the HR function and the organisation. There is also some evidence of benefits of improved relationships re recruitment and retention of staff, Bissola and Imperatori (2014) conducted research among a sample of digital natives and found the adoption of digital-HRM and the relational practices associated with it positively associated with improved relationships between employees and the HR function with positive implications for perceptions of procedural justice and trust and building more direct, individualised and regular relationships. They conclude that the greater the adoption of digital-HRM relational practices, the greater the trust in the HR department and that this direct link might help to sustain a healthy psychological contract.

Implications for Adoption of Digital HRM in Egypt

As noted in sections above the most important factors influencing adoption of digital-HRM are people factors, and various authors have noted the importance of transformational leadership (Bondarouket al. 2017), the need to change traditional mind-sets and cultures (PwC 2020), the importance of employee involvement in the development and management of change (Marler & Fisher, 2013; Omran & Anan, 2018), communication and transparency (Beulen, 2009) and the importance of trusting relationships (Tansley & Watson, 2000). The adoption of digital HRM is most easily and effectively achieved in organisations with participative and empowering cultures and active and regular involvement of stakeholders, thereby gaining user acceptance. The importance of the effective management of change cannot be overstated when it comes to introducing digital-HRM into an organisation. Other authors have identified the potential for positive relational and psychological outcomes for employees and thereby for organisations consequent upon the adoption of digital-HRM, for example, greater trust (Bissola & Imperatori, 2014), better communication, and enhanced employee satisfaction, engagement and commitment (Bondarouk et al., 2017). These all offer potential to yield improved individual and organisational performance. It is important, therefore, that we examine the nature of the employment relationship, the mutual expectations of the parties that constitute the psychological contract, and leadership and management styles in Egypt to ascertain the extent to which they may be appropriate or need to be transformed if digitalisation and digital-HRM are to be successfully adopted and the sustainable development that is the objective of the Egypt Vision 2030 achieved.

El-Kot and Leat (2008) argue that employees and managers in Egypt and other Arab and North African countries and their perceptions making up the Psychological contract are influenced by Islamic values and the Islamic Work Ethic. Ali and Al-Owaihan (2008) and El-Kot and Burke (2014) argue that the “Islamic Work Ethic” (IWE) encourages hard work; it stresses honesty and justice, respect for authority and age, equality of treatment and fairness, the acquisition of skills and technology, cooperation and consultation and social relations are important at work to create healthy relationships with both equals and superiors. However, based upon Hofstede's cultural dimensions (1980), Leat and El-Kot (2007) point out after analysing cultural dimensions in Egypt that the appropriate organisational form would be hierarchical and controlling (arguably not consistent with the core Islamic value of consultation and shared decision making), that employment would be best viewed as long term and that rewards should be linked to longevity and age. Elamin and Tlaiss (2015) also assert that Arab societies are paternalistic and patriarchal and consistent with authoritative approaches to management, centralised and bureaucratic organisations. Branine and Pollard (2010) confirm a gap exists between the theory of Islamic management and the practice of management in Arab countries. They argue management in Arab countries is informed and heavily influenced by non-Islamic tribal, traditional and national cultural values, norms of different countries and by Western management thinking resulting in the modification of Islamic principles. They note two dominant management practices which are inconsistent with core Islamic principles: authoritarian management and centralised and bureaucratic organisations, and nepotism in recruitment, treatment and promotions (Wasta & Piston).

Branine and Pollard (2010), Iles et al. (2012), and Budhwar and Mellahi (2018) variously note authoritarian management, a disinclination to delegate, share decision making, or allow employee participation and that an atmosphere of low trust political gamesmanship is pervasive. Iles et al. (2012) conclude that subordinates do not expect to participate and indeed that they view joint decision making as indicating weakness. Wasta is an institutional form of nepotism which may be consistent with certain dominant cultural values but as Budhwar et al. (2019) note its use in recruitment and compensation, in GCC and North African countries, is not consistent with Core Islamic values of equity and fairness**.** Aldossari and Robertson (2016) in their study in KSA argue that Wasta permeates employment relationships in the region, influences the development of the Psychological Contract and also encourages a mind-set of dependency. Branine and Pollard (2010) confirm it does not matter how much you know but who you are and who you know.

There is clearly potential for the adoption of appropriate digital-HRM practices, particularly relational practices, to enable benefits for employees, in terms of satisfaction, communication, career planning, retention, perceptions of fairness and trust, and in helping to sustain a healthy psychological contract. These psychological outcomes are also likely to provide opportunities for their employing organisations to derive benefits in terms of employee and organisational performance. There is also the potential for the wider use of digital-HRM systems in recruitment, selection, training, succession planning, performance appraisal and evaluations to counter the influence of WASTA and ensure that these processes are conducted in a fair way. However, it is also clear that introducing digital-HRM requires people to work differently, and crucially, it requires changing deeply rooted mind-sets and organisational cultures. The traditional organisational form, culture and management and leadership style in Egypt and other Middle Eastern and North African countries are not that outlined above as desirable for effective adoption of E-HRM.

Organisations are typically bureaucratic, hierarchical and not participative and empowering. Leadership has been transactional rather than transformational. Management style has been autocratic and controlling with disinclination to involve employees in decision making and to delegate. Career progression and rewards are associated not with the possession of skills and performance as much as with who you know and age and years of service and experience. The employment relationship has been one characterised by respect and loyalty on the part of employees but also by low trust and nepotism. The dangers therefore are clear.

Therefore, if government and organisations are to derive the benefits offered by digitalisation, the investment in the national digital transformation strategy and the adoption of digital-HRM, we need to look beyond the activities of large and multinational organisations where we have already noted the adoption of digital HRM is likely to be most advanced. Some insight is provided by PwC 2021 survey of family businesses in Egypt. In our survey reported earlier a majority of the respondents worked in privately owned and family businesses, and the PwC survey reports that over half of Egyptian businesses are family-owned and account for the majority of the country's income and employment. These are the organisations that will be crucial in the delivery of digital transformation, and the sustainable development objectives outlined in Vision 2030. The PwC report concludes that these businesses need to work harder to introduce digital technologies across the company and that they should be wary of assuming that structures and cultures that have served them in the past are appropriate and fit for the post COVID-19 future.

Conclusions

Digitalisation has become an essential and key factor for both companies and countries' development and growth. According to the Egypt strategy 2030, Egypt has adopted a digital Transformation Strategy for building the "Digital Egypt", a digital society. The strategy was launched in 2019, and there has been considerable investment in digital infrastructure and the new Smart cities. The government has also instigated radical reform to the education and training systems in order to prepare people for the new society equipping them with the knowledge and skills required. Digital transformation, digital skills and jobs and digital innovation are the main pillars for Egypt transformational strategy. Human capital needs to be developed to enable advantage to be taken of the benefits in terms of sustainable economic and social development and country stability.

Organisations need to implement and take advantage of the new technologies to achieve competitive advantages. The digitalisation of HRM is an important element of enabling digital transformation within organisations, facilitating the workforce and human capital development necessary and enabling organisations to achieve their strategic objectives. It seems likely that the impact of the COVID-19 will encourage organisations to move towards digitalisation and towards the digitalisation of HRM in order to effectively support and manage new working arrangements and relationships. The needs in Egypt are immense but clear. However, adoption and effective implementation of digital transformation and digital HRM require organisations in Egypt to accept change, cultures and mindsets must change, and leadership must be more transformational and fully supportive of the digitalisation. Organisations and management practices must become more transparent; communication, involvement and employee empowerment must be improved. It is particularly crucial that the majority of Egyptian organisations that are private and Family businesses accept the digitalisation imperative, accept the need to change mindsets and cultures and invest in the new digital workplace and workforce if the government vision and strategy are to be realised.

HR functions will have a pivotal and strategic role to play in driving these changes, in ensuring alignment between the HR and the organisational strategic goals and in ensuring effective change management. There is a significant lack of research studies and data available in Egypt on the nature and practice of HRM, the extent and nature of the implementation of digital HRM and the attitudes of business leaders on the need to invest in digitalisation and in particular the adoption of digital HRM. This makes it very difficult for academics, human resource managers, business leaders and national level policy makers to form appropriate conclusions about the current state of play and the initiatives and policies that are needed to ensure that the government vision of a new transformed and digital society can be both realised and sustained. It is important that scholars, government and other funding organisations acknowledge the need for and potential value of undertaking and supporting the research necessary to inform the future initiatives and developments required to achieve the Vision 2030.

The area of Digital HRM in Egypt is still new and we encourage scholars to give attention to this topic as it is totally important for the future of "Digital Egypt".

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Trade Union Revitalisation: The Impact of Artificial Intelligence and Gig Economy

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Introduction

Trade unions have experienced considerable global decline since the late 1970s. Although trade union influence remains significant in some countries, many trade unions have witnessed a fall in membership on which this influence ultimately depends. Past attempts at turning the fortunes of unions around in the face of 'globalisation', national predicaments, artificial intelligence and the gig economy have been a key concern for trade union leaders. In many developed and developing economies, trade unions are using all the available instrumentality available to them to

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_15

contend with what some refer to as the Fourth Industrial Revolution (Philbeck & Davis, 2018; Schwab, 2017). In the current global development (fourth industrial revolution), the gig economy, expedited by artificial intelligence (AI), has become a major source of erosion of trade union membership and influence. The distribution of power within the workplace is continuously dependent on the use of artificial intelligence (Flanagan & Walker, 2021). Both employers and trade unions use artificial intelligence to a greater effect today. Artificial intelligence refers to the use of software, machines or algorithms that are designed to understand and act on command to achieve a particular outcome. It is used in the control of machines and computers to undertake human activities of decision making and problem-solving. Today, employers use artificial intelligence as means for controlling employee activities, through its ability to mechanise mental or intellectual labour and to monitor the movement and activities of the workforce (Davies, 2019). Equally, trade unions now use artificial intelligence to enforce workers' rights and increase their influence in the workplace.

This chapter unveils the impact gig economy and artificial intelligence have on trade union revitalisation activities by exploring the consequences of current global developments (gig economy expedited by artificial intelligence and the role trade unions are expected to play in industrial relations) on union membership and clout. This chapter addressed the questions around the use of artificial intelligence in a gig economy, its impact on trade union clout and membership, and the impact of artificial intelligence-based mechanisation on trade unions' clout and membership.

The chapter addressed these concerns by exploring the way trade unions have responded to the development and use of artificial intelligence in the workplace, especially in a gig economy. The term trade union revitalisation has been used to denote trade union activities that are aimed at slowing down, or where practicable reversing, the declining union membership trend. The International Labour Organisation (ILO, 2021) highlights four such activities that have made a positive impact on trade union membership. These include:

1. The organisation and servicing of new members, such as the workforce in informal or gig economy and young workers

2. Organising collective action, the ability to organise and act collectively irrespective of the sector, nation or region (global action)
3. Fostering internal democracy, through the implementation of rules that assure the election of accountable stewardship/management and trade union activities
4. Establishing and fostering effective and comprehensive social dialogue on issues affecting workers locally, national and internationally irrespective of sector.

Contextual Approach

In this chapter, the study focused on the 'Global South' generally but have utilised examples from specific nations within the Global South. In this context, the 'Global South' has been referred to as capturing the deterritorialised geography of capitalism's externalities (Armillas-Tiseyra, 2013). The idea of the Global South is used to refer to the grouping of countries in relation to their socio-political and economic developments or feature (Levander & Mignolo, 2011). More often than not, the economic features and living standards are the key yardsticks used for this categorisation. This means that countries with low income are mostly classified into the Global South. Hence, these countries are also classified as developing or underdeveloped. Consequently, these countries are not necessarily within the geographical south of the southern hemisphere. The concept of the Global South is germane to understanding trade union revitalisation from countries with a high concentration of informal economic systems. Trade unions' organisation, mobilisation and subsequent revitalisation are often fraught with difficulties in an informal economic system. Hence, the continued use of social movement unionism (SMU) in these countries. Social movement unionism allows trade unions to galvanise and recruit membership outside the traditional formal trade exclusivity. We usurp the opportunity to examine how the gig economy expedited by artificial intelligence has hampered trade union revitalisation in some of these countries. We draw samples from developments in countries within the Global South.

Trade Union Revitalisation: A Theoretical Background

Studies have revealed that the choices open to trade unions, in terms of strategies available for their revitalisation, are dependent on certain local, national and global factors (Gold et al., 2020; Frege & Kelly, 2003). Some of these factors may include union internal democracy (structure), support or opposition to unions' activities by employers and government, national industrial relations and institutional context (Gold et al., 2020). In spite of the many constraints, unions are able to make strategic choices depending on their circumstances, as indicated by the ILO (2021). As noted in some studies, some unions have been able to reinvent themselves through political actions and external coalition civil and social movement organisations (Ibsen & Tapia, 2017; Oyelere, 2014). Consequently, trade union revitalisation is seen as a multi-layered process that includes several actors beyond the traditional actors of industrial relations (trade union, employers and government). Hence, some authors have attempted to catalogue the different strategic approaches employed by trade unions to include partnership or cooperation, organising, mass mobilisation, political action, social movement unionism, labour–management partnership, internal democracy, international cohesion or alliance and building local and international coalitions (Gold et al., 2020; Oyelere, 2014; Turner, 2005).

Our understanding of the revitalisation strategies is further enforced by the existing theories. A starting point is the review of the Radical or Marxist and the Pluralist which, though agreed that conflict is inevitable, differ on the cause or source of conflict and the type of action that can resolve conflict. An overview of the revitalisation literature suggests a distinction between the Radical or Marxist and the Pluralist. The Radical or Marxist perspectives suggest that there is an inherent conflict between employers and employees. They believe that conflict is unavoidable, and is characterised by the uneven distribution of resources. The crux of these perspectives is that power is controlled by the group that has control of the means of production in the society, hence, trade unions need to embark on workers' 'Mobilisation' to secure a grassroots source of power.

In the same vein, the pluralist perspective opines that conflict is natural and inevitable in the human environment. Pluralists argue that there should be a formal partnership for mutual gain between trade unions and employers. It is assumed that the allocation or distribution of power through collective bargaining between the trade union and employer will ameliorate conflict. The pluralist wants a mutual distribution of power among the different actors (Ibsen & Tapia, 2017). The main contestation is that while the Radical scholars see the trade union as an actor that mobilises against deregulation and liberalisation of economic processes, pluralists view trade unions as employers' counterparts. There is, however, another contestation in the revitalisation literature. This has to do with the categorisation of the national economic status. The two main classifications—developed or advanced and developing or underdeveloped economies. Whilst many trade unions in the former categorisation appear to deploy partnership, those in the latter embarked on mobilisation, especially mobilisation of the informal sector workers and civil society unions. It does appear that in many advanced economies, partnerships have helped to forge some relationships between trade unions and management (Hassel & Schroeder, 2019; Gasparri et al., 2019). Such relationships arguably have led to the enhancement of business performance (Johnston & Land-Kazlauskas, 2018). A partnership is considered the most reliable approach for trade unions in an advanced economy because the mobilisation of employees and civil society organisations against employer and government is unsustainable and in conflict with the primary goal of trade unions—to enhance business performance (Johnston & Land-Kazlauskas, 2018; Ackers, 2015). Also, it is likely to weaken the institutionalised role of trade unions in tripartite employment relations (Gold et al., 2020). Although, elsewhere, it has been argued that privatisation and commercialisation or the neoliberalisation of the economy have eroded the clout or what Gold et al. (2020) describe as 'institutional securities' of trade unions, hence, they conclude that partnership may be one of the most reliable ways of revitalising trade unions' clout (Gold et al., 2020; Hyman, 2015).

Although it is now a commonplace agreement that partnership is a successful strategy in advanced economies, there are some variances between coordinated market economies such as Germany and Japan, and liberal market economies like the United Kingdom and the United States of America (Goergen et al., 2012). The proponents of this view argued that partnership is better suited for coordinated market economies and could be problematic in liberal market economies (Gold et al., 2020). Studies show that coordinated market economies depend largely on well-established formal institutions of the state to regulate the market and coordinate the relations with employees. In coordinated market economies, relations between employer and employee are often long-term, high job security, institutionalised workers' participation and cooperative relations with trade unions (Avdagic & Baccaro, 2014). Conversely, in liberal market economies, coordination of the entire economy is left entirely to market mechanisms (Hyman, 2007; Avdagic & Baccaro, 2014). Liberal market economies operate free-market policies, which are usually decentralised industrial relations. Due to the market dominance, liberal market economies focus on short-term and antagonistic relations between employers and trade unions. Employee participation is minimal, and trade unions are kept at bay in an adversarial relationship (Bray et al., 2020). This view was further substantiated by Johnstone (2016), who suggests that privatisation, commercialisation and other neoliberal business policies and practices that tend to focus on the maximisation of profit in the short-term erode management and labour relations. Undeniably, neoliberalism has had a long-lasting impact on 'institutional securities' (Gold et al., 2020; Hyman, 2015) that has hitherto been the prerogative of trade unions. Arguably though, neoliberal policies and practices have been seen to be a major contributory factor to the development of the gig economy. The next section examines the concept of the gig economy and its impact on trade union revitalisation.

Conceptualising the Gig Economy

After a careful review of the term trade union 'revitalisation' and the revitalisation approaches employed by trade unions in both developed and developing economies, we went further to explore the consequences of recent developments, that is, the gig economy and artificial intelligence on union membership and clout. This section will conceptualise the role of the gig economy on trade union revitalisation. It begins by presenting an understanding of the concept of 'gig economy' and the nature of work and employment relations in a gig economy. This section concludes with a review of the challenges the gig economy pose to trade union revitalisation.

The term 'gig economy' became common parlance especially after the global economic crisis (Hook, 2015) when many workers lost their standard/permanent (full-time) employment and opted for non-standard employment. The term found its root in the word 'gigs'. Gigs is used to describe the paid performance of performing artists. The gig economy is defined as the market economy that allows businesses to hire employees on a short-term freelance contractual basis. This approach is a complete contrast to the traditional job—where jobs are usually full-time or part-time with a continuous relationship with an employer. The traditional job has been commonplace in most economies for a very long time; howbeit, there are other forms of employment, and the current global developments have led to a significant increase in those other forms of employment. The gig economy is characterised by 'independent work' (Manyika et al., 2015). Independent work is a way people can earn money outside the traditional job roles. Independent employees are hired as independent contractors to perform tasks or jobs. They are usually self-employed, individual contractors, petty business owners, freelance or temporary workers (Manyika et al., 2015, p. 20).

In the new global economy, the rapid change within the world of work has become a central issue for discourse among academics (Zahn, 2019). There is a growing body of literature that examines the exponential growth of the gig economy and the extent to which its activities are increasingly generating renewed interest and concern, especially among trade unions (Johnston & Land-Kazlauskas, 2018; De Stefano, 2015; Ellem & Shields, 2004). The debate continues about how this form of work is increasingly challenging the social and collective dimensions of work which forms the underpinnings of trade unions activities (Zahn, 2019; Bogg & Ewing, 2016; Vendramin, 2016). More recently, scholarly attention has focused on the rapid emergence and growth of the gig economy, and how this new form of service delivery process has defied existing business models and labour-management principles and practices

(Healy et al., 2017). Much of the current literature pays attention to how advancements in technology have increased the number of individuals engaged in the gig economy, its significant impact on the degree of individualisation, the erosion of collectivism that trade unions provide and the lack of human contact (Zahn, 2019; De Stefano, 2015). Questions have been raised about the nature of employment and the regulations that guide employer-employee relationships in the gig economy. Very little has been empirically presented about the role of trade unions and their activities to organise and represent workers in the gig economy (Hong, 2015).

Nature of Work and Employment Relations in the Gig Economy

One of the greatest challenges of trade unions in a gig economy is the promotion of individualism against collectivism (Ormerod, 2021). Individualism is endorsed by three main characteristics of independent work: (i) A high degree of autonomy; (ii) Payment by task or sales and (iii) Short-term relationship between the worker and the client (Manyika et al., 2015, p. 20). The high degree of autonomy represents the level of control employees have over the workload. Unlike employees in the traditional system, they have the flexibility to determine the amount of workload by setting their parameters for jobs. They are free to accept or reject offers at will. Payment by task or sale suggests that independent workers' income is based on the task performed at every single instance instead of a fixed wage. It is important to point out that some traditional workers also fall into this circumstance where they are paid by the hours of work and rate piece, or by commission and sometimes variable rates and schedules. The short-term relationship between the worker and the client is another key characteristic of the gig economy. For an independent workforce, tasks are performed on a short-term basis, and they work for many employers simultaneously or in quick succession. While independent jobs may be extended over a long period, in such cases, it is important to note that at every time a task is performed, such tasks are discrete jobs and either party can choose to discontinue at any time (Manyika et al., 2015, p. 20).

Many of the recent literature on the gig economy has paid attention to the changing nature and arrangement of work by using terms such as 'precarious', 'insecure' and 'flexible' in their discussions (Zahn, 2019). The changing outline of work, work relations and the global economic factors have led to a reorientation of the socio-economic, political and cultural environment where employment laws and relations are developed, transformed and interpreted (Kountouris, 2012; Fudge & Owens, 2006). Historically, research investigating the changing nature of work considered how legislation announcing individual worker's rights have lessened the burden on businesses and enabled low-cost flexible forms of employment, with the view to lower unemployment and increase competitiveness (Deakin & Wilkinson, 1996), whilst weakening trade unions' 'institutional securities' (Gold et al., 2020). This necessitated the application of different actions by the trade unions, including partnership and mass mobilisation discussed earlier (Harvey, 1989). The legal framework of the non-standard forms of employment has been used to regulate work relationships, and this has considerable effects on the labour market and the institutional security of trade unions. The decline in the manufacturing sector and the emergence of a new economy, based on the advancement of information systems and technology, have contributed to the rapid growth of this new model of employment which is often associated with insecurity, precarity and limitations (Fudge & Owens, 2006). A similar study by De Stefano (2015) which examined work practices in the gig economy argues that the suitability of the platform and the swiftness with which job opportunities are offered and accepted make it probable to consent to a large pool of workers who are offering to perform the task at a specified time (Manyika et al., 2016).

These work practices are seen to have the potential of changing the limitations that confront the current pattern in organisations. Technology has provided tremendous access to the workforce and granted increased flexibility as workers are provided with 'just-in-time' work and compensated on a 'pay-as-you-go' basis (Finkin, 2015; Weil, 2014). De Stefano (2015) maintains that some features of the gig economy convey the concept of extreme forms of commodification of human beings and dehumanisation of their activities. According to De Stefano (2015), the obvious suppression of work and the nature of its activities, as well as their human components, have damaging effects. This is because workers tend to be identified by clients and customers as an extension of the online platform, and their review or feedback could have severe implications on their ability, to work or earn in the future, since their likelihood to continue working is contingent on their rating and review of past activities (De Stefano, 2015; Dzieza, 2015; Sachs, 2015). Given that most workers in the gig economy are classified as independent contractors (Sprague, 2015), employers seem to shift risks and responsibilities to the individual worker who now has obligations towards their customers. These risks are often traded off by workers with the flexibility that is connected to their self-employed status (Rogers, 2015; Harris & Krueger, 2015). While several studies highlight the flexibility of schedule in the gig economy, very little is mentioned about the sustainability of the arrangement such as the increased competition among workers for the pay, and the extent to which it compels workers to work longer hours, engaging in transactions across geographical locations and time zones, hence, giving up their flexibility with the determination to make more earnings (Gupta et al., 2014).

The Challenges of the Gig Economy for Trade Union Revitalisation

Considering the features of independent work, it is indisputable that the gig economy creates new opportunities and access to work for people who otherwise may have been excluded from the labour market. In addition, it affords customers or clients easy access to inexpensive, reasonable and just-in-time services. It also provides new levels of work flexibility, in terms of work-life balance, and promotes originality, inspiration, ingenuity and growth of new cultural products and services. Critics have argued that these benefits come at a cost as the emergence of this new form of work has given rise to concerns among different stakeholders (Valenduc & Vendramin, 2016; Fuchs & Fisher, 2015; Pfeiffer, 2013). Emphasis will now be placed on some of the challenges of the gig economy and its impact on trade union revitalisation. Several studies (e.g. Gandini, 2019; Graham et al., 2017; Hagiu, 2015; Dokko et al., 2015) have discussed the challenges of the gig economy for workers. For instance, Gandini (2019) used the labour process theory to explore the distinctive traits that characterise the gig economy. Graham et al. (2017) examined how the gig economy influences the livelihood of workers in Sub-Saharan Africa and South-East Asia. In another study, Kaine and Josserand (2019) examined the organisation and experience of work in the gig economy in a variety of national settings. Stewart and Stanford's (2017) study explored how work is regulated in the gig economy and considered options that could be used to create minimum standards and better working conditions for workers. Overall, there seem to be some pieces of evidence to indicate that the poor categorisation of workers in the gig economy makes it challenging for the courts to regulate or impose requirements such as minimum wage, overtime rules, right to organise and civil rights protection on employers (Hagiu, 2015; Dokko et al., 2015). The lack of channels for collective representation and collective bargaining in the gig economy makes it more challenging for members to organise and collectively seek improved working conditions or establish working rights (Braithwaite, 2017; Hayns, 2016). The internationalisation of the product market has undermined the possibility for multi-owner collective bargaining (Burawoy, 2011; Wright & Brown, 2013).

Considering the pieces of evidence above, studies have argued that trade unions have either ignored or underestimated the need to extend their activities to the gig economy because of the difficulties involved in the process (Johnston & Land-Kazlauskas, 2018; De Stefano, 2015; Gallin, 2001). To enable an effective process of trade union revitalisation, it is essential for trade unions to consider the following about the gig economy and its workers: (i) Trade unions need to seek for an expansion of the definition of employment and the enforcement of existing laws to cover workers or independent contractors working in the gig economy (Stewart & Stanford, 2017; Harris & Krueger, 2015); (ii) Trade unions need to reconsider a redefinition of the concept of 'employers' and 'employees' (Prassl & Risak, 2015); (iii) Trade unions need to present an all-inclusive condition for union membership in order to attract younger workers, the majority of who are working in the gig economy (Visser, 2019); (iv) Trade unions need to seek an extension of their collective bargaining rights to include workers who engage within the gig economy. A new collective agreement should be guaranteed for workers in the gig economy to have access to sick pay, holiday allowance and pension contribution (Johnston & Land-Kazlauskas, 2018); (v) Trade unions need to rely on cooperation with social and political organisations to redefine the locus of their activities; (vi) Trade unions need to extend their focus to virtual platforms, engage with workers in the gig economy and come up with new and inventive ways of alliance and interest representation. For instance, some platform workers have been involved in protests aimed at seeking to set a framework of minimum standard for their remuneration, working time and insurance (Vandaele, 2018; De Stefano, 2015). Trade unions can support this type of platform collective voice by providing their specialist knowledge, skills, experience and professionalism (Visser, 2019).

Influence of Technology on the Gig Economy

Within the gig economy, the concept of virtual work has been used to describe different forms of work that are carried out either at home, in non-traditional workspaces, or in public spaces with the use of computer and internet-based tools (Valenduc & Vendramin, 2016). Recent studies identified nine new forms of employment after assessing the circumstances inherent in twenty-seven countries (Mandl et al., 2015; Kountouris, 2012). According to these studies, some of the identified forms of employment occurred early in the millennium while others are simply an improvement of the existing forms of employment. These forms of employment are categorised into two main groups, based on the nature of employment (worker or client-worker) relationship and model of work (how work is performed). They are employee/job sharing, interim management, casual work, voucher-based work, information and communications technology (ICT) based mobile work, portfolio work/crowd working and collaborative self-employment (Valenduc & Vendramin, 2016; Orlikowski, 2010). In employee sharing, workers are jointly hired by a group of employers to work within different companies on rotation. Job sharing, on the other hand, is when one employer hires more than one worker to fill a position and accomplish the same task within the company on a rotational basis. There are instances where employers hire highly skilled experts (interim management) temporarily for specific projects. For casual work, the employment contract permits employees their work flexibility and, as such, they are not bound to accept the regular work hours by employers. Collaborative self-employment encourages more flexible forms of partnership which aims to discourage the traditional business partnership. Considering all these explanations, it becomes obvious that while the increased reliance on technology in the gig economy has eroded employer-employee work relationships, it draws attention to how work is performed and work flexibility (Mandl et al., 2015).

For information and communications technology-based mobile working, workers work from locations that are not their employer's premises. They generally rely on the use of information and communication technologies such as the computer, internet and computer-based video conferences to carry out remote activities. Given that these work activities are carried out outside the employer's premises, the agreement that governs the employer-worker relationship is largely informal and frequently adjusted to meet the demands of local legislations, collective agreements and individual contracts (Kessler, 2018; Valenduc & Vendramin, 2016). In crowd working, work is carried out through an online platform that gives both the employer and employee access through the internet, intending to offer a service, proffer solutions to a problem or deliver a product in exchange for a financial reward. Platform-based on-call work, on the other hand, is a form of work with continuous employer-employee relationships without continuous work. This implies that even though the employer signs an employment contract with the worker, there is no commitment from the employer to supply work to the employee continuously. This form of employment is commonly referred to as a zero-hour contract (Kessler, 2018; Howe, 2006). The key point to note from the above is that more emphasis is placed on how the job is performed, while less attention is centred on the nature of the employment relationship which is a vital trade union activity. Some important themes that have emerged from our exploration of these new forms of employment are that they offer flexibility, autonomy and increased personal efficiency. More emphasis is placed on how the job is performed while less attention is placed on the nature of the employment relationship, with implications for workers and the trade union. For example, the relationship between employers and workers is vague, and work is being aided by the digital platform. This analysis shows that the fundamental principles of work and employment have been eroded as wages are low and companies seem to retain profits while the payment is by no means guaranteed for employees. This also implies that workers may experience non-existence or poor social protection, low job security, low rates of job satisfaction, information irregularities and absence of dependable dispute resolution systems. Additionally, workers may experience boredom, stress and social isolation because of the repetitive nature of tasks, which has the likelihood to interfere with their private lives (Huws, 2016; De Stefano, 2015; Valenduc & Vendramin, 2016). Finally, workers will lack the added security and support that the trade unions provide.

Appreciating Artificial Intelligence

The definition of the term Artificial Intelligence (AI) is fraught with difficulties (Kaplan & Haenlein, 2020). Generally, however, it has been described as the development and use of a computer to perform a task normally carried out by a human. Artificial intelligence is 'a system's ability to interpret external data correctly, to learn from such data and to use this learning to achieve specific goals and tasks through flexible adaptation' (Kaplan & Haenlein, 2020, p. 17). Artificial intelligence is seen as a major player in the fourth industrial revolution. It is considered the major facilitator of the gig economy. Many of the roles and activities in the gig economy are facilitated with artificial intelligence assistance. The question, therefore, that readily comes to mind is 'will there be massive job displacements as a result of the use of artificial intelligence?' The extension of this question is 'what will the impact on trade union membership be?' It is believed that there is no likelihood of massive job redundancies, but there may be a shift from a formal to an informal market economy.

Many industries have already witnessed this shift, hence, the talk about the gig economy.

There is no doubt, therefore, that the world of work has changed drastically because of technological advancements and the increased role played by artificial intelligence in the workplace (Flanagan & Walker, 2021). According to Acemoglu and Restrepo (2019), the intelligent response from machines, algorithms or software to the environment is known as artificial intelligence. It is about giving power to machines so that they can respond to the environment and make intelligent decisions based on the data provided to or collected by them. Artificial intelligence sets an important context for the division of power within organisations (Nissim & Simon, 2021). It is linked with the concentration of the power held by employers as it provides measures for strict surveillance of employees, while also replacing labour and automating the cognitive competencies of the workforce (Moore, 2019; Marcus & Davis, 2019). Though, in order to enhance the power of workers, some labour organisations have begun to use artificial intelligence in their organising and mobilising activities. However, revitalising and renewing trade unions completely by utilising such technologies is still a big challenge for unions (Flanagan & Walker, 2021).

The Internet and Trade Union Revitalisation

Previous literature has examined how trade unions use artificial intelligence to reorganise and reconfigure the process of collectivism among workers in a gig economy. Using different platforms, trade unions employ what the internet provides to foster diverse techniques for recruiting and representing workers at all levels. One of the main rallying points for trade unions in the gig economy is what Castells (2013) referred to as 'communication power'. He described communication power as the opportunity provided by the internet to 'mass-self communication networks' (MSCNs) (Castells, 2013). Mass-self communication networks are constitutive of new ways of reaching the majority of workers and the civil society at large. Because of these mass-self communication networks, trade unions can mobilise different categories of workers that would usually not be mobilised under the traditional trade unions (Fitzgerald et al., 2012).

We have seen how the use of machines, artificial intelligence and the gig economy has eroded the traditional institutional security of trade unions. Similarly, we observed how the same tools can be used to mobilise and galvanise workers outside the traditional shores of trade unions. Scholars believe that the internet provides a distinctive opportunity for the trade union to reconfigure itself as a democratic structure with institutional security backed by workers' power (Lévesque & Murray, 2010). It has been suggested that this will happen if trade unions use the internet as a platform for 'distributed discourse' (Hodder & Houghton, 2015; Greene & Kirton, 2003). Studies opine that distributed discourse will ensure the empowerment of union members, foster the transparency of union activities and decisions and eliminate bureaucratic barriers (Flanagan & Walker, 2021). Greene and Kirton (2003) also believe that distributed discourse can lead to the reinvigoration of trade unions by the opportunity it creates for women and other precariously marginalised workers.

Conclusion

Trade unions remain the key players to protect the interests of workers, even in a gig economy. They will continue to metamorphose and adapt to the changing world of work and employ every available tool (internet, machines, artificial intelligence) in the attempt to collectively represent workers irrespective of the nature of the economy. Hence, we conclude that it is important for trade unions to transform themselves into an organisation that can respond to the changing world of work and society in general. As aforementioned, from the emergence of web 1.0 some decades ago to 3.0 today, there is no likelihood that technological advances will abate, rather, we expect further advances in technology. Hence, if the current technological trajectory is anything to go by, the next decade is likely to be fraught with even more challenges for trade unions. Before the first industrial revolution, and now the fourth industrial revolution, trade unions have remained the nexus for employee representation. Just like the introduction of machines reconfigured the way work was carried out during the first industrial revolution, artificial intelligence is being used to reconfigure the way work is construed today. It is believed that employers of labour are using artificial intelligence as a tool for automating work, and in the process, eliminating the rights of workers regarding certain issues (Acemoglu & Restrepo, 2019; Zuboff, 2019). This, therefore, leads us back to the question posed at the beginning of this chapter, 'will there be massive job displacements as a result of the use of artificial intelligence?' The extension of this question is 'what will the impact on trade union membership be?' The first part of the question has been aptly answered earlier; and in these concluding remarks, we will like to address the second part of the question.

There is no doubt that trade unions must continue to change and adopt new techniques in order to regain and sustain membership. The clout of trade unions depends on the level of their membership, hence there can be no revitalisation without workers' participation (Oyelere, 2014). The question then is 'can trade unions use artificial intelligence to their advantage?' 'Can artificial intelligence aid trade union revitalisation?' The answer to these questions is an emphatic yes. Artificial intelligence and other machine-aided tools, for instance, can be used to strengthen trade unions' internal democracy. A more open and democratic trade union is likely to attract estranged workers (Dibben, 2010; Harcourt & Wood, 1980), and galvanise internal solidarity through cohesive collective identities, deliberative vitality and participation in the life of trade unions (Lévesque & Murray, 2010). This will go a long way to secure what Gold et al. (2020) described as 'institutional securities' of trade union organisations. It is also important to stress that what is described as the 'gig economy' is not dissimilar to what is prevalent in many developing economies, that is, the 'informal economy'. The informal economy is characterised by the inability of workers to come together under an organisation and demand their rights. Workers in such settings in developing economies often are not aware of these rights or unable to seek enforcement due to the lack of social protection schemes. In developed economies, however, where workers are aware of these rights and the social protection schemes, the gig economy has meant that workers lose their job security and protection because temporary work, in most cases, does not provide the same protections and benefits as permanent jobs. We conclude with some of the suggestions put forward by some authors that have examined the impact of the current economic trends on trade unions, the role of artificial intelligence in the world of work and the attempts at revitalisation taken by different trade union organisations around the globe.

Trade Union Revitalisation and Relevant Strategies in a Digital Era

There is a growing consensus that the digital era and the use of artificial intelligence is here to stay and will continue to influence every aspect of working life and workers' organisation—trade union. However, while this is true, it is equally true that they can be used to aid trade union revitalisation. In other words, while trade union revitalisation can be negatively affected by these developments, it can in a similar manner provide opportunities for trade union revitalisation. Therefore, in this final section, we present some of the key areas of activities that have been observed to have aided trade union revitalisation in some countries within the southern hemisphere or global south. It is, however, important to note that these suggestions are not exclusively for trade unions located in the global south alone. As we have seen, though there is a variety of approaches employed by trade unions across both developed and developing economies or the global south and global north, there is no significant evidence of diffused differences (Lane & Wood, 2014).

1. Focus on a new vision and mission: Trade unions need to not just limit their scope to protecting the interest of workers; rather, they must focus on three majority rights, namely civil rights (freedom of expression, freedom of speech), political rights (freedom and competency to elect and to be elected to sovereign establishments) and social rights (access to facilities such as health, safety and welfare measures, clean and healthy food, water and sanitation) (Nowak et al., 2018).

The creation of social movement unions that organise precarious workers in a gig economy.
2. Focus on research and development: To know the changes happening in the economy and the steps taken to deal with those changes, unions need to either establish research units or expand the existing research units to help employees better prepare for future roles and responsibilities (Nissim & Simon, 2021).
3. Recruitment of 'Technology Experts': The recruitment of technology experts in the management team is required to get relevant information regarding how technology may support unions and bridge the gap between what is needed and what is present. Technology experts may help unions build sound digital strategies (Pearce, 2018).
4. Skill development (re-skilling and up-skilling): The main aim of re-skilling and up-skilling is to help workers whose job is at risk because of automation. Unions may collaborate with employers, corporations and the government to arrange ongoing training programmes for workers for their skill development so that they regularly get work assignments from past employers or may apply in new organisations (Flanagan & Walker, 2021).
5. Empowerment of workers: Unions must identify certain sectors where there is still a huge scope for human labour; sectors that are not completely dominated by artificial intelligence-based automation. The sectors and jobs must be mapped appropriately to place workers. Workers may be empowered in such sectors for better working conditions (Nowak et al., 2018).
6. Welfare measures for workers in the Artificial Intelligence Era: Rights of workers about health, safety and welfare must be represented by unions, especially in those organisations where automation is taking place. Workers who are working under strict digital supervision may need some support from unions, and cannot simply rely on employers or government rules.
7. Artificial Intelligence Associations: Unions must enhance their knowledge and networking base to keep abreast with the latest technological advancements. They must join committees and communities all over the world to remain relevant in the digital age (Cath, 2018).

8. Retirement benefits for workers: Unions are known for their protective behaviour towards workers in general, and for fighting for better working conditions and fair remuneration for workers. They must ponder over ways through which fair benefits must be bargained with employers and organisations where the replacement of workers is certain. Unions also need to request that organisations prepare workers for different career paths and provide them with proper training.
9. Creating ethical Artificial Intelligence Committees: Globally, it has been observed that industry experts, academics, government officials and other bodies are creating ethical committees for artificial intelligence-based automation and the only party left is trade unions. Now it is high time that unions create committees for their regular discussion and ensure that this automation should not harm the dignity of workers (Eitel-Porter, 2021).

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Correction to: Human Resource Management in Jordan: Challenges and Future Prospects

Tamara Mohammad and Tamer K. Darwish

Correction to:

Chapter 7 in: T. A. Adisa, C. Mordi (eds.), HRM in the Global South, https://doi.org/10.1007/978-3-030-98309-3_7

The original version of this chapter author, Dr. Tamara Mohammad's, affiliation has been revised from "The Business School, University of Gloucestershire, Gloucester, UK" to "American University in the Emirates, Dubai, United Arab Emirates". The correction can be now found at https://doi.org/10.1007/978-3-030-98309-3_7

The updated version of this chapter can be found at
https://doi.org/10.1007/978-3-030-98309-3_7

T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3_16

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T. A. Adisa, C. Mordi (eds.), *HRM in the Global South*,
https://doi.org/10.1007/978-3-030-98309-3