

# Determinants of Employee's Proactive Behavior among Staff of Services Handling Contractor Firms in the United Arab Emirates

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## **Abstract**

**Airport service handling firms operating at UAE airports are facing severe challenges such as heavy competition, compliance issues, regulatory pressure, and changing technology. By giving importance to the human resource issues and strategically utilizing staff capabilities, firms in this sector can better address such challenges. In this context, in current study, our objective was to test the high performance work system (HPWS) as predictor of employee's proactive behavior. Primary data for this study is collected using the survey measure adapted from previous sources. Through convenience sampling, data is collected from staff from selected contractors operating in two main airports of UAE (n=177). Findings indicate that HPWS dimensions including training and compensation have positive and significant effects on employee's proactive behavior. Our findings have implications for the management of the airport services handling contracting firms.**

**Keywords:** *High Performance Work System, Proactive Behavior, Contracting Firms, Airports, UAE.*

## I. INTRODUCTION

Employee's proactive behavior is about taking control to make things happen rather than watching things happening [1]. The importance of proactive behavior is well recognized in the HR literature as it leads to reduced managerial efforts and efficiency of service delivered [2]. Such proactive behavior is highly important in the context of airport contractor services as there arises several new problems everyday which cannot be countered by the normal management. However, if proper HR practices are adopted, then it can lead to improved service delivered, increased customer satisfaction, and long term growth. In current study, this issue is addressed by investigating the connection between high

performance work system (HPWS) and employee's proactive behavior.

### A. Objective of the Study

The objectives of the study is to measure the effects of HPWS on employee's proactive behavior

### B. Significance of the Study

The significance of the study is that it contributes to the literature of HPWS and further explains how HPWS leads to the desired employee behavior. It also addresses the gap by focusing on the employee perspective rather than the managerial perspective. The findings of the study can be helpful for the management of the airport contracting services operating in the UAE. The findings can also be utilized by the management of other service oriented organizations as well as academics, consultants, and so on.

## II. LITERATURE REVIEW

### A. High Performance Work System

High performance work system refers to the set of interrelated and distinct HRM practices having its own overarching structure designed with the aim to improve knowledge and skills of staff, reorganize work, and improve workers attitude, all leading to the improved performance of organization [3]. Different authors used different set of HR practices for measuring HPWS. For example, HPWS include selective selection, training, employee involvement, performance appraisal, and performance based pay as component of HPWS [4]. In current study, we used the four practices including staffing and recruitment, training and development, performance appraisal, and compensation and reward as components of HPWS.

Accordingly, recruitment refers to the process of seeking and attracting potential employees, while, selection refers to the process of identifying applicants with the right knowledge, skills, and abilities, which help organization achieving its goals [5]. Training and development is an important aspect of HPWS since it improves employee's knowledge, skills, and behavior [6]. An organization's investment in employee's training and development also send the

signal that organization give value to its employees and employees are likely to return good work, motivation, and performance to the organization [6]. Performance appraisal is about making assessment of individual and team performance [7]. A good performance appraisal system enable organization and its management to highlights staff strengths and weaknesses which can then be used to design good training program [6]. Modern HPWS advocates performance based compensation system [8]. Performance based compensation system is important since it give motivation to perform and leads to improved staff performance [9].

*B. Proactive Behavior*

Proactive behavior of employee is main area of concern and is used as dependent variable in this study. Proactive behavior is described as taking control to make things happen rather than watching things happen [1]. Initiative, change, and future perspective are characteristics of such behavior. It is highly important in organizations having decentralized structures [10]. The benefit of proactive behavior is that if such behavior exists, manager may not need to tell everything while employees themselves initiate and take responsibility as some issue arises. The literature suggests that proactive behavior is product of two types of factors. One factor is individual characteristics such as personality type, internal motivation, or goal orientation [11]. The second factor is external or environmental characteristics such as organizational environment, leadership style, and HRM practices [12, 13]. In current study, we use the HPWS as explaining the employee’s proactive behavior which is part of the external factor.

*C. Relationship between HPWS and Employee’s Proactive Behavior*

The connection between HPWS and employee proactive behavior is based on different theoretical concepts including image defense and enhancement motives [14]; and norm of reciprocity means employees feel obliged to reciprocate by being proactive [15]. The AMO model (ability, motivation, opportunities) model is now frequently used to explain the HPWS and employee proactive behavior [16, 17]. Besides the theoretical support, past studies shows that HPWS is linked to the proactive behavior. A study conducted found relationship between fair reward, competence development, and empowerment on employee’s proactive behavior [2]. Another study conducted found support for the relationship between HPWS as a whole and employee proactive behavior [18]. On the basis of past studies and theoretical support, we propose that HPWS will positively contribute to the employee’s proactive behavior.

III. MATERIAL AND METHODS

*A. Research Design*

The research design of the current study is explanatory and cross-sectional. It is explanatory since it explains the relationship between the variables. Further, it is cross sectional since data is only collected at one point in time.

*B. Population and Sample*

The targeted population of the current study is all of the airport service contracting firms operating on UAE airports which are estimated to be around 30 in total having staff of about 5000. Based on the convenience sampling, we selected two airports and distributed 325 surveys among the staff of 10 selected firms. A total of 177 survey were returned making a response rate of 54.46 %

*C. Measure*

HPWS is measured by four variables namely staffing and recruitment, performance appraisal, compensation and reward, and training and development based on Human Resource Management Practices and Policies Profile (HRMPPP) based on past work [19]. In this measure, there are 5 items for staffing and recruitment, 5 items for performance appraisal, 7 items for compensation and reward, and 6 items for training and development. Employee’s Proactive behavior is measured by 13 items and adapted from previous work [1]

*D. Data Collection and Analysis*

Data is collected through survey physically distributed by the research assistants and collected back later on. Data is analyzed using the statistical techniques including descriptive statistics, correlation, and regression analysis.

*E. Ethics*

Ethical issues were managed in current study including maintaining voluntary participation and no use of force, no deception, and maintenance of confidentiality were ensured in current study.

IV. RESULTS AND DISCUSSION

*A. Demographic Information*

Results including demographic details, descriptive statistics and regression analysis are as under.

Table I. Demographic Information of the Survey Participants

	Frequency	Percentage
Gender		
Male	149	84.2%
Female	28	15.8%
Age		
18 to 30 Years	71	40.1%
30 to 45 Years	83	46.9%
45 to 60 Years	16	9%
Above 60 Years	7	4%

As shown in table 1 above, there were total of 177 survey participants. From total, 149 (84.2%) were male and 28 (15.8%) were female. Age wise, 71 (40.1%) participants belonged to the age category of 18 to 30 years; 83 (46.9%) belonged to the 30 to 45 years; 16 (9%) belonged to the 45 to 60 years of age; and 7 (4%) belonged to the above 60 years of age category.

**B. Descriptive Statistics**

Table II. Descriptive Statistics

	No. of Items	Mean	S.D	$\alpha$	1	2	3	4	5
Recruitment	05	3.631	.806	.775	1				
Training	6	3.663	.734	.798	.752**	1			
Performance Appraisal	05	3.571	.860	.813	.768**	.763**	1		
Compensation	07	3.511	.715	.819	.589**	.651**	.777**	1	
Employee's Proactive Behavior	13	3.442	.728	.907	.608**	.666**	.663**	.653**	1

n=177, \*P < 0.05; \*\*p < 0.01; \*\*\*p < 0.001

The descriptive statistic is given in table 2 above. Results indicate that according to the survey participants, in selected airport contracting service firms, there is above average level of effective recruitment (M=3.63, SD=.80); training (M=3.66, SD=.73); performance appraisal (M=3.57, SD=.86); and compensation (M=3.51, SD=.71). Further, the perceived proactive behavior is also slightly above medium level (M=3.44, SD=.72). Further, all variables had Cronbach alpha of above 0.70 indicating that measure adapted are reliable in this particular context. The correlation analysis suggest that recruitment (r=.608, P<.05); training (r=.666, P<.05); performance appraisal (r=.663, P<.05); and compensation (r=.653, P<.05) are positively and significantly associated with proactive behavior of employees.

**C. Regression Analysis**

Table III. Regression Analysis

	Model I	Model II
(Constant)	3.549	.733
Gender	-.007	-.131
Age	-.252*	-.157*
Recruitment		.118
Training		.280**
Performance Appraisal		.076
Compensation		.329***
Rsquare	.029	.555
Adjusted RSquare	.018	.540
Change in RSquare		
FStat	2.578	35.371***
DW Statistics		2.298

**Control Variables:** Gender (Male), Age (18 to 30 Years)  
**Independent Variable:** Recruitment, Training, Performance Appraisal, Compensation  
**Dependent Variable:** Employee's Proactive Behavior  
 n=177, \*P < 0.05; \*\*p < 0.01; \*\*\*p < 0.001

Regression analysis results are given in the table 3 above. Result indicate that when controlling for employee's gender and age, recruitment ( $\beta$ =.118, P>.05); training ( $\beta$ =.280, P<.05); performance appraisal ( $\beta$ =.076, P>.05); and compensation ( $\beta$ =.329, P<.05) have positive influence on employee's proactive behavior. The four dimensions of HPWS explain 55.5% change in the dependent variable of employee proactive behavior. Furthermore, the model is fit and significant (Fstat=35.371, P<.05). Results indicate that HPWs partially influence the employee's proactive behavior.

**V. CONCLUSION**

The objective of the study was to measure the effects of HPWS on employee's proactive behavior. Data is collected from the selected airport service handling contracting firms operating on UAE airports through convenience non-random sampling using the pre-developed survey measure. Findings indicate that in the selected sample, the perceived HPWS was high. Similarly, the perceived psychological empowerment was slightly above average level. Further, our findings indicate that HPWS components including training and compensation had positive and significant effects on employee's proactive behavior. This finding is similar to the findings of previous studies [2, 18]. Overall, our findings are consistent with the findings of previous studies and is supported by the AMO model of HPWS [16, 17]. On the basis of the findings of the study, it can be concluded that HPWS is important and should not be ignored by the management of the airport service contracting firms. The findings highlight that there should be emphasis on HPWS especially training and compensation for favorable outcome of employee's proactive behavior.

**A. Recommendations**

Our first recommendation is that airport services contractor firms in the UAE region should take the human resource issues very seriously. Accordingly, organizations in this sector should focuses on proper recruitment and selection of staff, proper emphasis on employees training and development, fair administration of performance appraisal, and offers competitive compensation. Efforts should be made to improve employee's proactive behavior since it leads to other favorable outcomes in this particular context.

**B. Limitations of the Study**

The limitations of the study include its research design which is cross sectional and small sample size drawn on convenience basis from selected firms from single region. Further, the sole focus on quantitative methodology and use of survey as single method of data collection is also its limitation. A future

researcher should focus on bigger and diverse

sample size and multiple methods of data collections.

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