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THE IMPACT

OF HR PRACTICES ON EMPLOYEE PRODUCTIVITY IN UAE PUBLIC ENTITIES: THE ROLE OF FIRM INNOVATIVENESS AS A MODERATOR

EFECTO MODERADOR DE LA INNOVACIÓN DE LAS EMPRESAS EN LA RELACIÓN ENTRE LAS PRÁCTICAS DE RRHH Y LA PRODUCTIVIDAD DE LOS EMPLEADOS: UN ESTUDIO DE ENTIDADES PÚBLICAS DE LOS EAU

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ABSTRACT

For long term growth and success, employees' contribution in terms of productivity in any organization is vital. Productive workplace behavior has become a prime concern for both public and private sector organizations specifically in the region of United Araba Emirates (UAE). In order to advance the performance of the organization, there is a management need to restructure administrative structure for better commitment and loyalty from the employees. The purpose of present study is to analyze the moderating effect of firm innovativeness on the relationship between HR practices and employee productivity for the government entities as working in UAE. A sample of 396 respondents from different government entities was finally collected through questionnaire and assessed through measurement model and structural model respectively. the moderating effect of firm innovativeness reflects that there is a significant and positive moderating effect of firm innovativeness on the relationship between salary and employee productivity, training and development and employee productivity, performance appraisal and employee productivity, and remuneration growth and employee productivity. However, no moderating effect of firm innovativeness on the relationship between employee attitude and employee productivity was found. As an extension to this research, future studies can examine other HR practices for analyzing the trends in employee productivity for both public and private sector in other regional economies along with some other moderators like knowledge sharing behavior.

Keywords: HR practices, firm innovativeness, employee productivity, UAE.

RESUMEN

Para el crecimiento y el éxito a largo plazo, la contribución de los empleados en términos de productividad en cualquier organización es vital. El comportamiento productivo en el lugar de trabajo se ha convertido en una preocupación principal para las organizaciones del sector público y privado, específicamente en la región de los Emiratos Árabes Unidos (EAU).

Para avanzar en el desempeño de la organización, existe la necesidad de reestructurar la estructura administrativa para un mejor compromiso y lealtad de los empleados. El propósito del presente estudio es analizar el efecto moderador de la innovación empresarial en la relación entre las prácticas de recursos humanos y la productividad de los empleados para las entidades gubernamentales que trabajan en los EAU. Finalmente, se recopiló una muestra de 396 encuestados de diferentes entidades gubernamentales a través de un cuestionario y se evaluó a través del modelo de medición y el modelo estructural, respectivamente. el efecto moderador de la innovación empresarial refleja que existe un efecto moderador significativo y positivo de la innovación empresarial en la relación entre el salario y la productividad de los empleados, la capacitación y el desarrollo y la productividad de los empleados, la evaluación del desempeño y la productividad de los empleados, y el crecimiento de la remuneración y la productividad de los empleados. Sin embargo, no se encontró ningún efecto moderador de la innovación empresarial sobre la relación entre la actitud de los empleados y la productividad de los empleados. Como una extensión de esta investigación, los estudios futuros pueden examinar otras prácticas de recursos humanos para analizar las tendencias en la productividad de los empleados tanto para el sector público como el privado en otras economías regionales junto con algunos otros moderadores, como el comportamiento de intercambio de conocimientos.

Palabras clave: Prácticas de RRHH, innovación empresarial, productividad de los empleados, EAU.

INTRODUCTION

To analyze the performance of the employees, productivity is the most cited term in the present literature which has several dimensions as well. Productivity refers to the generation of more output from the least amount of input. It means that for examining the productivity at workplace, both efficiency and effectiveness needs to observe in a significant manner (Roghanian et al., 2012). In addition, productivity of the employees can also be reflected through the team efforts in a specific work setting. The measurement of employee productivity may provide a layout about how much they are efficient towards a task or a job Meanwhile, the productivity of a specific worker or an employee can be examined to an average for an employee or group of employees who are doing the similar task or job. As much of the business success depends on the employee productivity, it is inferred that employee productivity has provided a significant contribution for the organization.

For their employers, employees are expected to produce the values through which business can strengthen its market repute. Mangers at different workplace have a pressing need to understand how to define, measured, enhanced, and regarded the productivity of their subordinates. Such decisions are quite crucial under different activities like planning for the workforce in terms of hiring and recruitment reviewing the performance decision regarding the pay rises and promotion incentives , provision of training and development dealing with the labor unions, redesigning the overall workforce process along with the business plans, and proposing new product or services in the market to its current and proposed customers (Morelli, 2006). However, in examining the overall and individual level productivity of the employees, the role of leadership is very significant.

In the management literature, most of the studies are providing the evidence that employees and firm performance are directly associated to each other. For instance, Stenholm, P. (2011). has argued that with the help of more competitive labor force, firm can achieve competitive advantage in the market comparatively to their competitors. Furthermore, efficient employees in any type of organization can help the firm to differentiate itself from similar other firms in the marketplace. In terms of cost reduction and higher earnings. It is also believed that firm with the superior human capital management along with the more investment in its recruitment and development can achieve higher level of competitiveness.

In the field of human resource management (HRM), the role of human resource along with its relationship with the employee performance has got much attention over the last couple of decades. Meanwhile, the focus of researchers in this overall time duration is to analyze the employee-centered outcomes like wellbeing and different HR practices along with the productivity factor. The traditional concept of examining the association between HRM practices and employee productivity have provided the fact that both are reasonably associated to each other. In the literature of HRM, the HR practices are analyzed under the title of attracting, motivating and retaining the employees in the business in order to ensure the survival of the business organization (Along with other stakeholder, the concept of innovativeness is very important issue for the mangers who are dealing with the decisions with their long-term influence on the market and business status). For this reason, different innovativeness models are becoming very much popular among the researchers and academicians as well. At the same time, innovativeness might determine which firms can make the most use of the resources for different innovative programs. However,

analyzing and assessing the innovativeness of the firm is not an easy task to be examine and justify. Number of literature studies have shown the core indicators of innovativeness where the role of research and development is very crucial to understand specifically in the high-tech firms. However, some other companies like SMEs have no research and development costs yet they are dealing with the idea of innovativeness in different perspective as well.

Arfah & Putra (2019) aims to investigate the factors that can affect the productivity of the women workforce in the food and beverage industry. For this purpose, researchers have collected sample from the total respondents of 114 which was based on the proportional stratified sampling technique. The results of their study reveal the fact that wages along with other factors have their significant impact on the productivity of women workforce. However, one of the core limitations of their study was based on the sample size which is very limited in nature and consideration of only one industry from overall economy of Indonesia. As factor of employee productivity is also associated with the term employee performance, some authors have also analyzed the impact of salary on the employee performance as well. for instance, Nagaraju & Pooja (2017) have examined the impact of salary on the performance of the employees in public and private sector banks of Karnataka. Idrees et al. (2015) have investigated the impact of salary on the job performance of the employees where the sample was collected from two major cities of Pakistan: Islamabad and Rawalpindi. Overall data was collected from 310 employees and study findings have shown the fact that salary has a stronger relationship with the job performance of the employees. However, their study is not analyzed through applying the measurement and structural model implications.

Malaolu & Ogbuabor (2013) have analyzing the training and manpower development for the productivity of the employees and higher organizational performance from the context of Nigeria through an empirical investigation. Their study has applied structural questionnaire approach to collect the data and overall, 75 sample was selected through simple random sampling technique. the study has provided the evidence that training and development of the manpower are positively associated with the productivity and in increasing the organizational performance as well. Meanwhile, it is ensuring that training programs should be conducted on continuous basis to motivate the staff who can perform in an exceptional way.

Tahir, et al. (2014) have stated the fact that training and development of the employees are something which needs to be analyzed for their productivity. This context is observed with the help of quantitative data survey and two variables under the title of training and development and employee performance are observed as independent while employee productivity is examined as main dependent construct. Overall equity questionnaires were distributed and data was analyzed through descriptive scores. The results have provided the evidence that there is a significant relationship between the study variables as observed through Pearson correlation method. As per the recommendations, there study has contributed to the literature of training and development for the banking sector specifically from the context of developing economies. Meanwhile, it is suggested that banking sector needs to conduct some significant training programs for the higher level of productivity from their employees too.

Onyije (2015) have investigated the effect of factors like performance appraisal on the employee productivity in the Nigerian university. It is believed that factors like higher performance appraisal may lead towards higher productivity of the employees. The study population was 3478 sample staff which consist of both academic and non-academic members. However, overall, 104 questionnaires were distributed covering a sample rate of 3 percent. The findings of the study show that there is a significant and positive impact of performance appraisal on the employee productivity in the Nigerian university. Meanwhile, performance criteria can also affect the association between the employee productivity and performance appraisal as well.

Mwema & Gachunga (2014) have reviewed the relationship between the performance appraisal and employee productivity in the East Africa. Authors claim that in the global economy companies are spending billions of amounts to analyze the employee performance at higher level. Their study seems to establish the effect of performance appraisal on the employee productivity while observing the case study of World Health Organization. Descriptive design of data analysis was employed, and it is concluded that organization should establish the performance appraisal system to avoid poor performance from their employees. Furthermore, their study recommends that organization should appraise their staff to increase their productivity level as well.

Martono et al. (2018) provided their findings about the remuneration reward management system as a core driving force for the performance of the employees. The data was collected from the employees who were working in the Nigerian universities and supposed as permanent employees. In addition, the mediating role of motivation and job satisfaction are also analyzed. It is believed that remuneration and job satisfaction have their positive influence on the performance of the employees. Meanwhile it is further

found that motivation has its positive and direct impact on the employee performance too.

Employee performance and their productivity is also analyzed in the literature through their work related attitude. Hettiararchchi and Jayarathna (2014) have analyzed the relationship between employee work related attitude and their performance at workplace for the vocational training sector in the region of Sri Lanka. It is expressed that employee attitudes are related to different factors where the job performance is also very important to analyze and examine. The objective of their study was to review the performance through work attitude which is further measured through organizational commitment, job involvement, and job satisfaction as well. the data was collected through questionnaire. The findings of the study reveal that overall 26.7 percent variation is observed in the job performance of the selected employees through their work-related attitude. Finally, it is concluded that employee related attitude is directly associated with the employee performance as well.

For observing the role of firm innovativeness, there is a reasonable support to justify its presence as a moderator between the exogenous and endogenous variables. For example, Stenholm (2011) have suggested the fact that although various studies have analyzed the innovative behavior along with the growth intention with their positive impact on the growth of the firm. However, very little is observed for the moderator effect of firm innovation behavior. Their study has targeted this literature gap while analyzing the role of firm innovation behavior through a longitudinal data with 232 observations. The findings of their study have provided the evidence that there is a negative moderating effect of innovative behavior on the relationship between growth intention on the firm growth. However, as an ending conclusion, the identified moderating effect of innovative behavior gives a new insight into existing knowledge on the effect of growth intentions on firm growth. Yang (2012) has examined the moderating effect of innovation capability on the association between the firm performance and logistic services. For better understanding, four categories for the logistic services under the title of logistic value added, flexibility capability, logistic service reliability capability, and logistic information service capability were under consideration. With the help of multiple moderated regression analysis, it is observed that there is a significant moderating effect of innovation capability on the relationship between logistic service reliability capability on the financial performance as well.

RESEARCH METHODS

It is described that research philosophy is something like a significant part in the overall framework of research methodology. It indicates the paradigm of the research which includes various types of theoretical assumptions and practices as well. various theories, models and procedures are also covered in the research philosophy title due to the reason that it helps to analyze the research in a significant manner. Different researchers have provided their opinion about the research philosophy in the present body of literature; however, three major research philosophy are entitled as Ontology, axiology, and epistemology.

In addition, observing its significance, researchers have covered their view about the research design as a procedure or a way out while assessing the relevant information. For this reason, research design is very much necessary for the researcher to analyze the study data which is further utilized for the data analyses along with answering the research objectives (Zikmun et al. 2013).

The literature discussion under current research has provided a foundation for developing and presenting a research framework. Figure 1 provides an overview for the research framework of the study where it is observed that three HRM practices are added in terms of salary, training and development and performance appraisal. Whereas two additional explanatory variables under the title of remuneration growth and employee attitude are also added in the model. The main dependent variable of the study is entitled as employee productivity whereas firm innovativeness is also added in the model to investigate its moderating impact on the relationship between independent and dependent variables of the study.

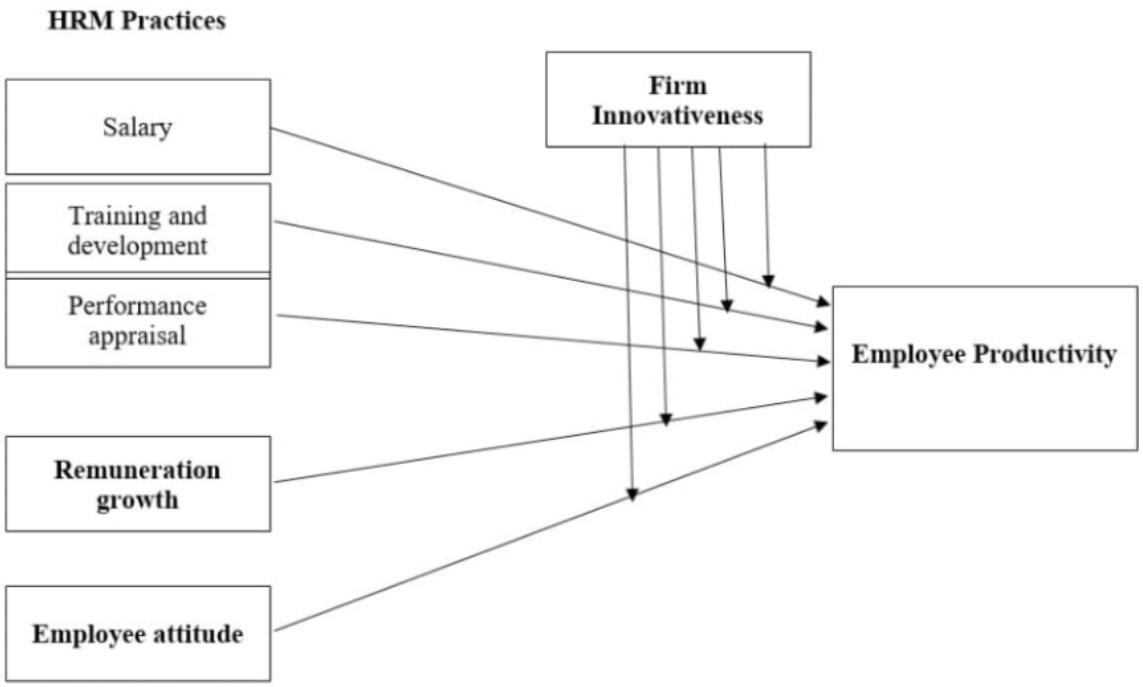

Figure 1: Framework of the Study.

Source: Self-Developed by the Researcher

Based on the above framework, following hypotheses are developed and empirically tested through structural equation modelling technique of the study

H_o: There is no moderating effect of firm innovativeness on the relationship between salary and employee productivity of government employees of UAE

H1: There is a significant moderating effect of firm innovativeness on the relationship between salary and employee productivity of government employees of UAE.

H_o: There is no moderating effect of firm innovativeness on the relationship between training and development and employee productivity of government employees of UAE

H2: There is a significant moderating effect of firm innovativeness on the relationship between training and development and employee productivity of government employees of UAE.

H_o: There is no moderating effect of firm innovativeness on the relationship between performance appraisal and employee productivity of government employees of UAE

H3: There is a significant moderating effect of firm innovativeness on the relationship between performance appraisal and employee productivity of government employees of UAE.

H_o: There is no moderating effect of firm innovativeness on the relationship between remuneration growth and employee productivity of government employees of UAE

H4: There is a significant moderating effect of firm innovativeness on the relationship between remuneration growth and employee productivity of government employees of UAE.

H_o: There is no moderating effect of firm innovativeness on the relationship between employee attitude and employee productivity of government employees of UAE

H5: There is a significant moderating effect of firm innovativeness on the relationship between employee attitude and employee productivity of government employees of UAE.

The population of present study consists of all the individuals who are working in the public sector organizations in the region of UAE. As per the findings, it is observed that currently there are more than 100,00 employees at governmental entities of UAE which belongs to different regions, countries, states, along with their specific age, gender, and ethnicity as well. For this reason, all the government employees are observed as study population, however, it is further observed that more than 60 percent of these employees are the UAE citizens employees. Due to its wider applicability, this study has applied the probability sampling technique to collect the data from the targeted respondents. Additionally, simple random sampling technique is the most reliable approach as observed in the existing body of literature (Gupta & Shabbir, 2008)

It is observed that when the study population is greater than 100,000, than the study sample should be at least 382. Meanwhile, the figure below has provided some other population ranges and their relative sample size. Figure 3.2 provides an overview of the Krejcle and Morgan's table for the better understanding.

Table 3.1

Table for Determining Sample Size of a Known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

Figure 2: Sample size Krejcie and Morgan.

Source: Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. Educational and Psychological Measurement, 30(3), 607–610. https://doi.org/10.1177/001316447003000308

The study covers 396 employees working in Government entities in United Arab Emirates (UAE), that are registered in the UAEs' Government portal. Questionnaires were distributed to the employees of Government entities registered with UAEs' Government portal. The study mainly focused on middle and top-level employees because they know more about HRM practices, remuneration growth, and organizational innovativeness, and employee performance compared to lower level employees. It is found that out of 600 questionnaires, 408 questionnaires were returned back, 12 questionnaires were excluded due to some missing incomplete values. Only 396 questionnaires were retained and used for analysis purpose. Missing or incomplete questionnaires are not representative of the sample of the study.

ANALYSIS AND DISCUSSION

Firstly it is found that collinearity refers to a situation where two factors are extremely interrelated and Multicollinearity arises when more than two or more indicators are extremely interrelated with each other (Hair et al. (2014) state that high level of collinearity affects the findings in two ways. First, collinearity minimizes the ability to show that the estimated weight varies significantly from zero by enhancing the standard error. Secondly, extreme collinearity in constructs could result in incorrect estimation of weights as well as possible reversal in their signs. Hence, Hair et al. (2014) recommends that to minimize the effect of collinearity, researchers should adopt or adapt instrument previously used in the related studies and also from well-established theory. This study used variance inflation factors (VIF) method to check for Multicollinearity problem in line with the recommendation of (Peng & Lai, 2012). First, exogenous latent construct correlation matrix was determined to see whether the correlation co-efficient was at least 0.90 which indicate Multicollinearity problem as suggested by (Hair et al., 2014). Second, the evaluation of the correlation matrix for VIF which is the extent to which the standard error is enhanced as the outcome of collinearity issue. Moreover, tolerance value was also tested to determine whether there was a Multicollinearity problem. Hair et al. (2014), recommends that tolerance value equal or less than 0.20 and VIF value more than 5 demonstrates that there is a Multicollinearity problem. Table 1 demonstrates that tolerance value more than 0.20 and VIF less than 5. Hence, there is no issue of Multicollinearity.

Table 1: Tolerance and Variance Inflation Factors (VIF)

Latent Construct	Tolerance	VIF
Performance Appraisal	0.377	2.656
Training and Development	0.726	1.377
Remuneration Growth	0.889	1.125
Employee Attitude	0.827	1.209
Organizational Innovativeness	0.574	1.743
Salary	0.398	2.510

Source: owner elaboration

The measurement model involves the assessment of latent constructs to compute their reliability and validity. The literature suggests that assessment of measurement model should be performed by determiningreliability and validity (Hair et al., 2014). The intention behind reliability test is to examine whether items that are used in analysis measures again and again the items they are supposed to measure. Whereas, validity test attempt to find out the degree or extent that certain instrument measures a specific concept it is designed to measure

Internal consistency reliability refers to the “extent to which all items on a particular sub scale are measuring the same concept” (McCrae et al., 2011). According to composite reliability acceptable value is 0.7 which should not lower than the threshold value of 0.7, and the average variance extracted (AVE) acceptable value should be at least 0.5, that criteria given by the (Fornell & Larcker, 1981). In this study the composite reliability and AVE value of all variables fulfill the criteria suggested by the Hair et al. (2014); Hair et al. (2010). Table 2 shows that all the variables are highly reliable, and the AVE value of each variable is above than the cutoff point of 0.70 which shows that the measurement model is reliable for the further analysis. The Cronbach alpha also calculated in this study to validate the internal consistency of the constructs, as per the rule of thumb given by the George & Mallery (2003) that $\alpha < 0.9$ = Excellent, $\alpha < 0.8$ = Good, $\alpha < 0.7$ = Acceptable. The detail is shown below in the table 2 that possess the AVE, Cronbach alpha, and composite reliability scores of all latent variables.

Table 2: Measurement Model Results

Construct Name	Items	Loading	C-Alpha	CR	AVE	Item removed
Salary	Salary1	0.849	0.884	0.91	0.671	0
	Salary2	0.836				
	Salary3	0.834				
	Salary4	0.719				

	Salary5	0.850				
Training and Development	TD1	0.773	0.778	0.856	0.599	0
	TD2	0.846				
	TD3	0.743				
	TD4	0.727				
Performance Appraisal	PA1	0.875	0.822	0.892	0.733	0
	PA2	0.863				
	PA3	0.83				
Remuneration Growth	REM1	0.785	0.883	0.912	0.676	0
	REM2	0.843				
	REM3	0.886				
	REM4	0.847				
	REM5	0.743				
Employee Attitude	EA1	0.832	0.928	0.941	0.667	2
	EA2	0.871				
	EA3	0.837				
	EA4	0.798				
	EA5	0.775				
	EA7	0.717				
	EA8	0.863				
	EA9	0.831				
Organizational Innovativeness	INNO1	0.812	0.881	0.918	0.737	0
	INNO2	0.878				
	INNO3	0.877				
	INNO4	0.863				
Employee Productivity	EP1	0.705	0.91	0.927	0.616	1
	EP2	0.725				
	EP3	0.778				
	EP4	0.798				
	EP5	0.841				
	EP6	0.802				
	EP7	0.791				
	EP8	0.828				

Source. Owner elaboration

Note: Salary=Salary, **TD**=Training and Development, **PA**=Performance Appraisal, **REM**= Remuneration Growth, **EA**=Employee Attitude, **INNO**= Organizational Innovativeness, **EP**=Employee Productivity.

In order to measure discriminant validity, Cross-Loadings, criterion and Heterotrait-Monotrait ratio of correlations (HTMT) were used. Initially, the assessment was based on cross-loadings of the items. As a rule of thumb (Chin, 2003), the ideal standardized loading estimates is 0.7 or higher. Table 3 presents the values of the outer loadings of the items that are well above the stringent cutoff point of 0.7. However, three items were not included to the measures as they are notating the lowest criteria of the outer loading. The rest of the outer loadings exceeded 0.7 to reach the highest value of 0.886. These values were greater than the cross-loadings of other constructs as well as complying to the rule of thumb (Hair et al., 2016). All the loaded indicators, on their respective constructs, suggest that no cross-loadings exist among the indicators. The detail of cross-loadings is presented in Table 3.

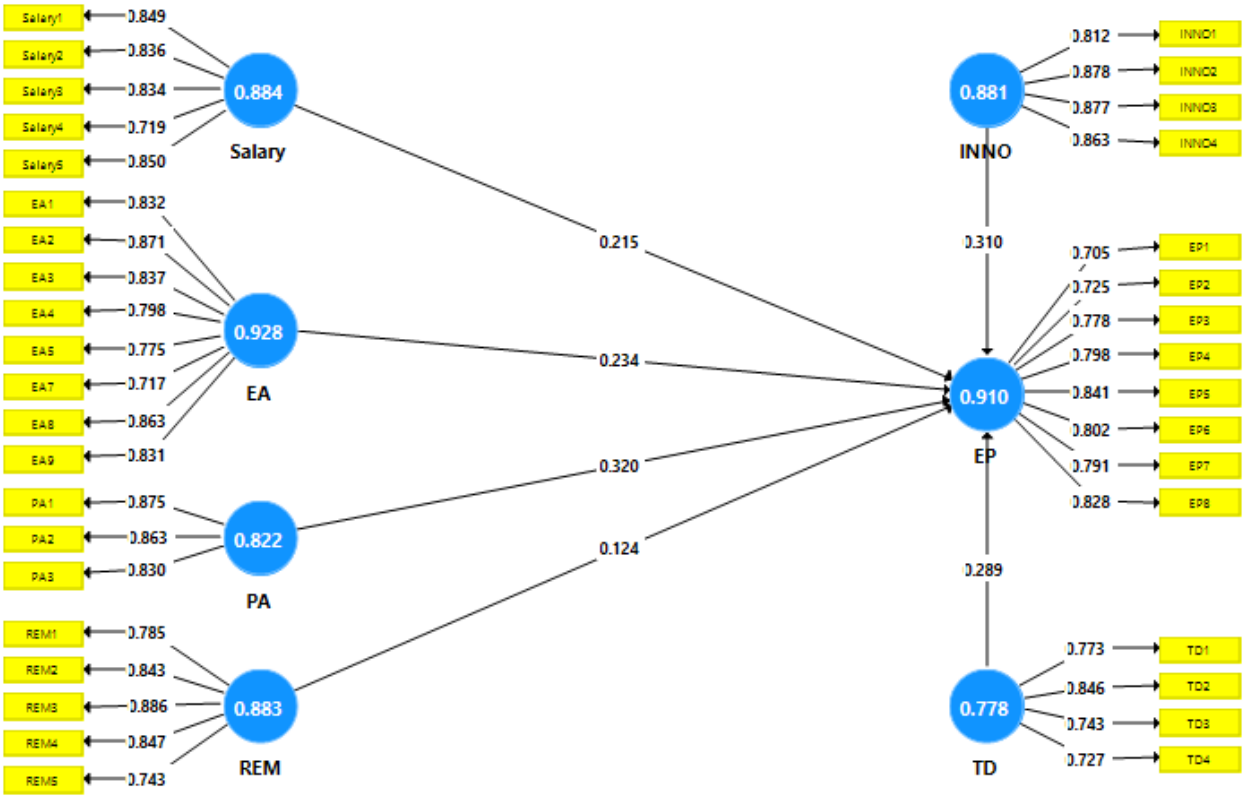

Figure 3: Measurement Model Results

Source: owner elaboration

Table 3: Cross Loadings of the Latent Constructs

	EA	EP	INNO	PA	REM	Salary	TD
EA1	**0.832**	0.416	0.352	0.135	0.158	0.129	0.198
EA2	**0.871**	0.389	0.301	0.110	0.240	0.102	0.163
EA3	**0.837**	0.328	0.259	0.119	0.172	0.156	0.134
EA4	**0.798**	0.393	0.305	0.149	0.134	0.153	0.232
EA5	**0.775**	0.461	0.395	0.206	0.149	0.157	0.358
EA7	**0.717**	0.343	0.338	0.110	0.049	0.098	0.274
EA8	**0.863**	0.377	0.310	0.071	0.198	0.097	0.166
EA9	**0.831**	0.327	0.253	0.107	0.149	0.147	0.142
EP1	0.351	**0.705**	0.589	0.227	0.199	0.145	0.384
EP2	0.406	**0.725**	0.412	0.233	0.344	0.140	0.317
EP3	0.364	**0.778**	0.501	0.231	0.35	0.113	0.369
EP4	0.351	**0.798**	0.472	0.253	0.248	0.109	0.383
EP5	0.396	**0.841**	0.481	0.264	0.210	0.138	0.421
EP6	0.353	**0.802**	0.477	0.309	0.108	0.141	0.457
EP7	0.336	**0.791**	0.479	0.231	0.221	0.098	0.496

EP8	0.402	**0.828**	0.604	0.308	0.304	0.170	0.485
INNO1	0.288	0.457	**0.812**	0.231	0.330	0.138	0.381
INNO2	0.326	0.542	**0.878**	0.210	0.345	0.115	0.508
INNO3	0.337	0.545	**0.877**	0.250	0.222	0.134	0.409
INNO4	0.376	0.639	**0.863**	0.315	0.232	0.198	0.410
PA1	0.173	0.335	0.240	**0.875**	0.029	0.618	0.115
PA2	0.109	0.279	0.279	**0.863**	0.017	0.667	0.139
PA3	0.112	0.204	0.247	**0.830**	0.029	0.671	0.081
REM1	0.158	0.175	0.250	0.022	**0.785**	0.083	0.150
REM2	0.125	0.230	0.281	0.007	**0.843**	0.029	0.151
REM3	0.215	0.336	0.350	0.036	**0.886**	0.021	0.176
REM4	0.162	0.311	0.258	0.047	**0.847**	0.026	0.121
REM5	0.102	0.166	0.136	0.002	**0.743**	0.007	0.013
Salary1	0.183	0.194	0.126	0.611	0.060	**0.849**	0.161
Salary2	0.091	0.154	0.164	0.647	0.006	**0.836**	0.152
Salary3	0.113	0.106	0.151	0.668	0.035	**0.834**	0.111
Salary4	0.058	0.061	0.101	0.554	0.071	**0.719**	0.093
Salary5	0.166	0.096	0.167	0.619	0.080	**0.850**	0.109
TD1	0.278	0.491	0.372	0.085	0.221	0.134	**0.773**
TD2	0.224	0.406	0.37	0.137	0.084	0.139	**0.846**
TD3	0.139	0.370	0.410	0.136	0.010	0.131	**0.743**
TD4	0.142	0.350	0.397	0.055	0.150	0.097	**0.727**

Source: Owner elaboration

Note: Salary=Salary, **TD**=Training and Development, **PA**=Performance Appraisal, **REM**= Remuneration Growth, **EA**=Employee Attitude, **INNO**= Organizational Innovativeness, **EP**=Employee Productivity

Subsequently, the Fornell & Larcker (1981) criterion was used. It suggests that a latent construct shares more variance with its own indicators rather than any other latent construct in a structural model (Fornell & Larcker, 1981). Applying this criterion, the values of the square root of the AVE measured, must be greater than the correlation of each of the construct (Hult et al., 2016). Table 4 exhibits the discriminant validity for all constructs (i.e., values in the off- diagonal). All the squared roots of the AVE values are greater than the correlation values of the other latent variables, whereas Table 5 shows the values of HTMT ratio.

Table 4: Discriminant validity Fornell and Larcker (1981a)

	EA	EP	INNO	PA	REM	Salary	TD
EA	0.817						
EP	0.471	0.785					
INNO	0.390	0.644	**0.858**				
PA	0.158	0.329	0.297	**0.856**			
REM	0.193	0.316	0.324	0.029	**0.822**		
Salary	0.160	0.169	0.173	0.753	0.035	0.**819**	
TD	0.263	0.531	0.498	0.133	0.153	0.163	**0.774**

Source: Owner elaboaration

Note: Salary=Salary, **TD**=Training and Development, **PA**=Performance Appraisal, **REM**= Remuneration Growth, **EA**=Employee Attitude, **INNO**= Organizational Innovativeness, **EP**=Employee Productivity

Table 5: Discriminant validity (HTMT)

	EA	EP	INNO	PA	REM	Salary	TD
EA							
EP	0.506						
INNO	0.421	0.706					
PA	0.171	0.365	0.345				
REM	0.204	0.333	0.357	0.043			
Salary	0.163	0.164	0.191	0.845	0.075		
TD	0.289	0.617	0.604	0.163	0.205	0.181	

Source: Owner elaboration

Note: Salary=Salary, **TD**=Training and Development, **PA**=Performance Appraisal, **REM**= Remuneration Growth, **EA**=Employee Attitude, **INNO**= Organizational Innovativeness, **EP**=Employee Productivity

Table 6: Moderating Effects Results

Hypotheses	Relationship	Beta	STDEV	T values	P Values	Decision
H7	Salary*INNO -> EP	0.190	0.049	3.881	0.000	**Accepted**
H8	TD*INNO -> EP	0.143	0.034	4.192	0.000	**Accepted**
H9	PA*INNO -> EP	0.310	0.051	6.145	0.000	**Accepted**
H10	REM*INNO -> EP	0.145	0.03	4.780	0.000	**Accepted**
H11	EA*INNO -> EP	-0.036	0.035	1.034	0.301	**Rejected**

Source: Owner elaboration

Note: Salary=Salary, **TD**=Training and Development, **PA**=Performance Appraisal, **REM**= Remuneration Growth, **EA**=Employee Attitude, **INNO**= Organizational Innovativeness, **EP**=Employee Productivity

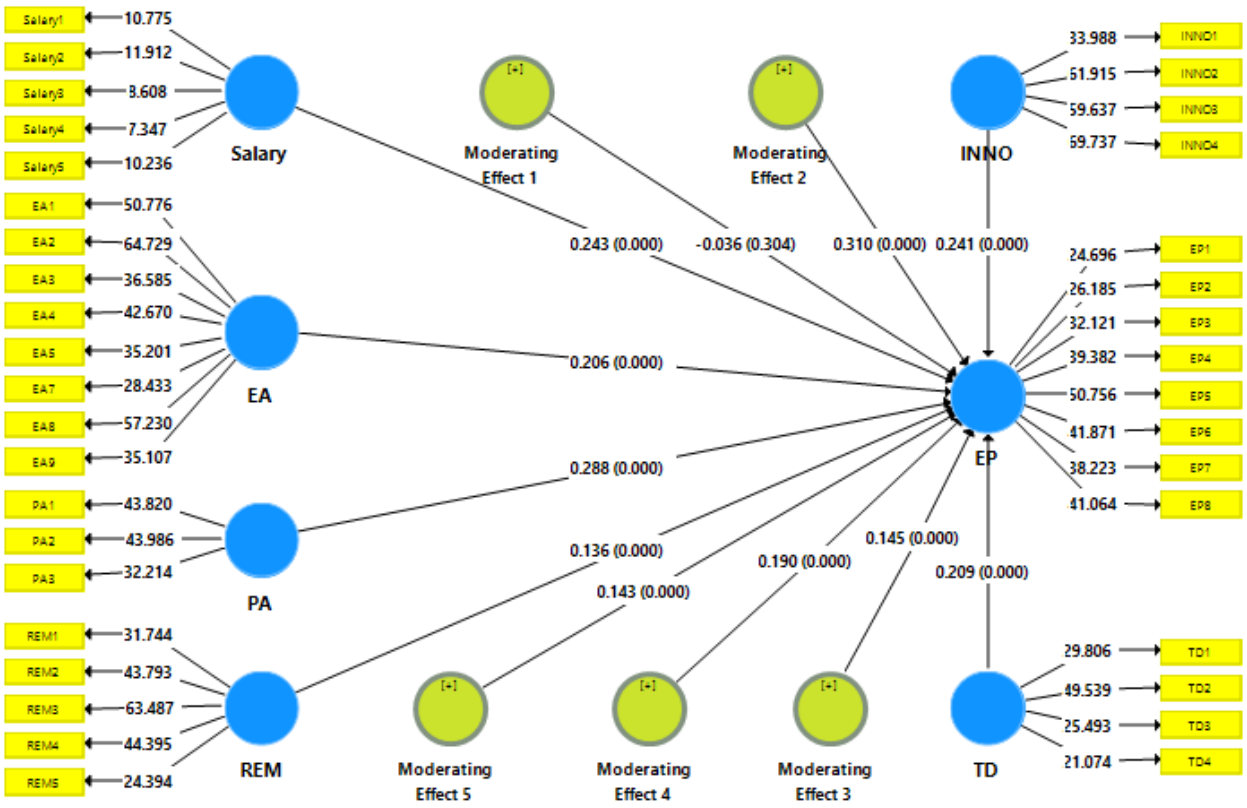

Figure 4: Structural Model Results Source: owner elaboration

Structural Model Results

A measurement test was employed, as noted by Ramayah et al. (2011), to determine the moderator variable effects on the direction or intensity of the relation between the dependent and independent variable. The variable moderator in line with the study Ramayah et al. (2011) is generally implemented if the relation between the independent and dependent variable is inconsistent or weak. Besides, there are a variety of methods for measuring the effects of measurement, such as the hierarchical regression technique, based on three steps; the downside of this approach is the manual calculation of interaction terms using the rule, transformation, calculation and taking each pair's products.

One approach consists of using the cross products of the independent variable predictor and the moderator as an additional construct (Chin, et al., 2003). As for as this study concerned the researcher use Smart-PLS 3.2.9 Ringle, et al. (2005) by introducing the interaction term into the model. This model is called the main effect model and before entering the interaction term, the R square is noted. For this analysis, the measuring impact method is evaluated with the introduction of the moderating variable with the cross-product predictor variable and moderator This evaluation method is called an approach to the product predictor. Subsequently, an interaction model was tested by creating interaction term, between exogenous variables such as (salary, training and development, performance appraisal, remuneration growth, employee attitude) and endogenous variable (employee productivity) This model included the moderating effect of organizational innovativeness on the relationship between exogenous variables such as (salary, training and development, performance appraisal, remuneration growth, employee attitude) and endogenous variable (employee productivity).

This product indicator approach is done by first of determining the path coefficients and t-values. As discussed earlier, this study employed the product indicator approach to examine the moderation weight of organizational innovativeness on the relationship between interactive constructs such as (salary, training and development, performance appraisal, remuneration growth, employee attitude) and endogenous variable (employee productivity). The findings for the moderating effect are presented under Table 6. For instance, the H1 findings of structural model shows that organizational

innovativeness significantly moderates the interaction amongst salary and employee productivity. As the results reported (Beta =0.190, t-statistics=3.881, and p-value 0.000). H2 results shows that organizational innovativeness significantly moderated the association amongst training and development and employee productivity. As the structural model results reported (Beta =0.143, t-statistics=4.192, and p-value 0.000). Similarly, H3 results shows that organizational innovativeness significantly moderates the association amongst performance appraisal and employee productivity. As the structural model results reported (Beta =0.310, t-statistics=6.145, and p-value 0.000). in the same vein the H4 results also shows that organizational innovativeness significantly moderates the relationship between remuneration growth and employee productivity. As the structural model results reported (Beta =0.145, t-statistics=4.780, and p-value 0.000). However, the results of H5 are not supported as the structural model reported that (Beta =0.036, t-statistics=1.034, and p-value 0.301). Thus, the result showed credible evidence of the moderating effect of organizational innovativeness on the association amongst exogenous variables such as (salary, training and development, performance appraisal, remuneration growth, employee attitude) and endogenous variable (employee productivity). Therefore, it can be concluded that the organizational innovativeness among employees of the government entities of UAE significant moderator to predict the relationship between the exogenous variables such as (salary, training and development, performance appraisal, remuneration growth, employee attitude) and endogenous variable (employee productivity).

CONCLUSION

this study has analyzed the moderating effect of firm innovativeness on the relationship between HRM practices, employee attitude, performance appraisal and employee productivity too. To address these relationship, research objectives like; to examine the moderating effect of firm innovativeness on the relationship between salary and employee productivity, to examine the moderating effect of innovativeness on the relationship between training and development and employee productivity, to examine the moderating effect of innovativeness on the relationship between performance appraisal and employee productivity, to examine the moderating effect of innovativeness on the relationship between remuneration and employee productivity, to examine the moderating effect of innovativeness on the relationship between employee attitude and employee productivity were addressed. As per the findings it is found that there is a significant and positive moderating effect of firm innovativeness on the relationship between selected HR practices and employee productivity.

In addition, in depth investigation of the existing literature have highlighted the fact that government employees as working in different government entities are not widely observed in both current and the past literature. For this reason, this study has entirely focused on the government employees as key unit of analysis under present research, hence contributed in the present body of literature. Furthermore, in current research framework, firm innovativeness is analyzed as a main moderator on the relationship between both the endogenous and exogenous constructs of the study. therefore, it is accepted as among the key theoretical contribution as provided by the current study.

The findings under present study are also equally significant for the regulatory authorities who are responsible for the smooth functioning of the governmental organization in the region of UAE. This would specify that higher HRM should be of great concerns to these authorities while deciding and implementing some good strategic decisions in the government entities of UAE. Finally, the core findings of present study has also specified some useful results in terms of moderating impact of innovativeness on the relationship between HRM practices. It means that regulatory authorities may also consider both the direct and indirect relationship between the study variables for higher employee productivity which may provide good organizational outcomes.

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