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The influence of sustainable Human Management Resources Practices (SHRM) on Organizational performance. Mediating effect of employee satisfaction. Evidence from UAE.

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ISCTE-IUL

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Resumo

Esta dissertação investiga a influência das práticas de Gestão Sustentável de Recursos Humanos (SHRM) no desempenho organizacional, com ênfase no papel mediador da satisfação dos colaboradores em instituições de ensino superior nos Emirados Árabes Unidos (EAU). Com base na Teoria da Troca Social (SET), o estudo analisa de que formas práticas de recursos humanos justas, inclusivas e orientadas para a sustentabilidade nomeadamente diversidade e inclusão, gestão verde de recursos humanos (Green HRM) e remuneração justa afetam os resultados institucionais através das respostas preceptivas dos colaboradores.

Adotou-se um desenho de investigação quantitativo, com recurso a um questionário estruturado aplicado a funcionários académicos e administrativos de instituições de ensino superior nos EAU. Os dados foram analisados através do método de Modelação de Equações Estruturais por Mínimos Quadrados Parciais (PLS-SEM), de forma a testar as relações diretas e indiretas entre as variáveis do modelo. Os resultados revelaram que as práticas de SHRM influenciam positivamente o desempenho organizacional, sobretudo através do impacto que exercem na satisfação dos colaboradores. Enquanto as práticas de diversidade e inclusão, e de remuneração justa, demonstraram efeitos diretos e indiretos significativos, a gestão verde apresentou apenas um efeito indireto mediado pela satisfação. Estes resultados confirmam o papel mediador da satisfação e evidenciam a dinâmica de troca social que liga as práticas sustentáveis de RH ao sucesso institucional.

O estudo contribui para a literatura ao expandir a aplicação da Teoria da Troca Social ao contexto da sustentabilidade no ensino superior dos EAU e ao integrar múltiplas dimensões da SHRM num único modelo empírico. Em termos práticos, os resultados destacam a importância da adoção de políticas de RH éticas, inclusivas e ambientalmente responsáveis, que promovam a satisfação dos colaboradores e permitam alcançar a sustentabilidade social e organizacional em consonância com a Visão 2030 dos EAU.

Palavras-chave: Gestão Sustentável de Recursos Humanos (SHRM); Desempenho Organizacional; Satisfação dos Colaboradores; Teoria da Troca Social; Diversidade e Inclusão; Gestão Verde de RH; Remuneração Justa; Ensino Superior; EAU; Sustentabilidade.

Classificação JEL: M12; M14; I23; Q01.

Abstract

This dissertation investigates the influence of Sustainable Human Resource Management (SHRM) practices on organizational performance, emphasizing the mediating role of employee satisfaction within higher education institutions in the United Arab Emirates (UAE). Drawing on Social Exchange Theory (SET), the research explores how fair, inclusive, and sustainability-oriented HR practices—namely diversity and inclusion, green HRM, and fair compensation—affect institutional outcomes through employees' perceptual responses.

A quantitative research design was adopted, employing a structured questionnaire distributed to academic and administrative staff across UAE higher education institutions. Data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM) to test both direct and indirect relationships among the constructs.

Findings reveal that SHRM practices significantly enhance organizational performance, primarily through their positive impact on employee satisfaction. While diversity and inclusion, and fair compensation exhibited strong direct and indirect effects, green HRM influenced performance only indirectly through satisfaction. These results confirm the mediating role of satisfaction and highlight the social exchange dynamics linking sustainable HR practices to institutional success.

The study contributes to the literature by extending Social Exchange Theory to the sustainability context of higher education in the UAE and by integrating multiple SHRM dimensions within one empirical model. Practically, the findings emphasize the importance of adopting ethical, inclusive, and environmentally responsible HR policies to foster satisfaction and achieve both social and organizational sustainability in line with UAE Vision 2030.

Keywords: Sustainable Human Resource Management (SHRM); Organizational Performance; Employee Satisfaction; Social Exchange Theory; Diversity and Inclusion; Green HRM; Fair Compensation; Higher Education; UAE; Sustainability.

JEL Classification: M12; M14; I23; Q01.

Index

CHAPTER ONE – PROBLEM STATEMENT 1
1.1 Introduction 1
1.2. Problem Statement 3
CHAPTER TWO - LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT 7
2.1. Introduction 7
2.2. Social Exchange Theory 7
2.3. Organizational Performance 10
2.4 Sustainable HRM 12
2.4.1. Definitions and Conceptual Foundations 13
2.4.2 Dimensions of Sustainable Human Resource Management in the Current Study 14
2.4.3 Sustainable Human Resource Management in the Higher Education Context 15
2.5 Employee Satisfaction 15
2.6. Hypotheses development 17
2.6.1 SHRM and organizational performance 17
2.6.2 Employee satisfaction and organizational Performance 17
2.6.3 The mediating role of employee satisfaction in the relationship between diversity and inclusion and organizational performance 18
2.6.4 Employee Satisfaction Mediating Green HRM and Performance 19
2.6.5 Employee Satisfaction Mediating Fair Compensation and organizational Performance 19
2.7. Proposed research model 20
2.8. Summary 21
CHAPTER THREE - RESEARCH METHODOLOGY 23
3.1 Introduction 23
3.2 Philosophical Position of the Study 23
3.3 Research Design 24
3.4 Population and Sampling 25
3.5 Data Collection Procedure 26
3.6 Measurement of Variables 26
3.6.1. Sustainable Human Resource Management Practices 27
3.6.2. Employee Satisfaction 27
3.6.3. Organizational Performance 28
3.6.4. Demographic Variables 28

3.7 Questionnaire Development 28
3.8 Data Analysis Techniques 30
3.9 Summary 31
CHAPTER 4 - RESULTS AND ANALYSIS 33
4.1 Introduction 33
4.2 Measurement Model Assessment 33
4.2.1 Reliability and Convergent Validity 33
4.2.2 Discriminant Validity 34
4.3 Structural Model Assessment 35
4.3.1 Model Explanatory Power 35
4.4 Hypotheses Testing 36
4.4.1 Direct Relationships 36
4.4.2 Mediation Analysis 37
4.5 Comprehensive Discussion 39
CHAPTER 5 - SUMMARY 43
5.1 Introduction 43
5.2 Summary of Key Findings 43
5.3 Theoretical Contributions 44
5.4 Practical Implications 45
5.5 Limitations of the Study 45
5.6 Recommendations for Future Research 46
5.7 Conclusion 46
References 48

Table Index

Table 1 - Reliability and Convergent Validity 34
Table 2 - Direct Hypotheses Testing Results 36
Table 3 - Mediation Testing Results 38

Figure Index

Figure 1 - Proposed research model 21

CHAPTER ONE – PROBLEM STATEMENT

1.1 Introduction

In the past few years, sustainability has become an important part of organizational strategy because of the global environmental issues, social responsibility expectations, and the need for ethical governance (Ehnert et al., 2016 ; Renwick et al., 2013). This ideal goes beyond environmental policies and has also influenced internal organizational practices, leading to what is now known as Sustainable Human Resource Management (SHRM) (De Prins et al., 2014). Sustainable Human Resources Management combines environmental, social, and economic goals into HR functions, and it sees employees as key contributors to sustainability and organizational development, research by Renwick et al., 2013 and Ehnert et al., 2016.

Sustainable Human Resources Management includes practices like fair pay, ethical leadership, continuous training, diversity, and green initiatives. Research has shown that these practices can improve organizational outcomes (Renwick et al., 2013). Recent studies also found that Sustainable Human Resources Management practices help increase employee satisfaction, motivation, and retention, which makes organizations more competitive in the long term, research by Dumont et al., 2017. In addition, Sustainable Human Resources Management helps organizations achieve their sustainability goals while also gaining better reputations and performance results (De Prins et al., 2014).

The educational sector can benefit greatly from Sustainable Human Resources Management because it depends heavily on human resources and plays a key role in shaping future society (Chinedu et al., 2018). Educational institutions today are under pressure to improve their performance, keep qualified employees, and align with global sustainability goals like the United Nations Sustainable Development Goals (Ehnert et al., 2016). In the middle East, countries such as Saudi Arabia and the United Arab Emirates are experiencing fast economic changes with national visions like Saudi Vision 2030, which focus on sustainability, economic diversification, and workforce development (Pinto et al., 2022).

However, even though governments in the region promote sustainability, the use of Sustainable Human Resources Management practices in educational institutions is still not consistent (Sidani & Al Ariss , 2014). Cultural traditions, economic limitations, and

complex regulations often make it difficult to implement practices such as gender equality, fair pay systems, and employee well-being programmes, which all affect organizational performance and employee satisfaction (Kabasakal & Bodur, 2004). For example, gender equality remains a challenge in Human Resources policies in some conservative Middle Eastern countries, limiting inclusion and organizational progress (Sidani & Al Ariss, 2014).

Most existing studies on Sustainable Human resources Management have focused on companies or universities in Western countries. There is a very little research that looks at how Sustainable Human Resources Management works in Middle Eastern educational institutions, which have different cultural and economic conditions (Ehnert et al., 2016 ; Renwick et al., 2013). This is a major gap because it limits understanding of how sustainable Human Resources practices can help improve performance in these institutions while also supporting national sustainability goals (Sidani & Al Ariss, 2014).

Employee satisfaction plays a crucial role in linking Human resources Practices to Organizational results, including productivity, employee retention, and reputation (Dumont et al., 2017). Studies show that when Human Resources practices focus on sustainability and employee well-being, employees become more satisfied, which increases their commitment to the organization and reduces staff turnover (Renwick et al., 2013 ; Dumont et al., 2017).

For these reasons it is very important to examine how employee satisfaction acts as a mediating factor between Sustainable Human Resource Management practices and organizational performance, particularly in UAE educational institutions. This thesis aims to address this research gap by investigating how sustainable Human Resources practices affect organizational performance in educational institutions in the UAE, focusing on the role of employee satisfaction as a mediator.

By looking at Sustainable Human Resources Management practices, such as diversity and inclusion initiatives, green Human Resources policies, and fair compensation, this study seeks to contribute to both academic discussions and to practical strategies that can help educational leaders enhance performance through sustainability oriented HR strategies.

1.2. Problem Statement

There is a growing focus on sustainability across the world, encouraging organizations to integrate environmental, social, and economic aspects in their strategies and daily operations (Ehnert et al., 2016 ; Renwick et al., 2013). As a result, SHRM has become an important approach that links Human Resources practices with sustainability goals, aiming to create long-term benefits to both employees and organizations (De Prins et al., 2014). Practices within Sustainable Human Resources Management, such as employee development, ethical leadership, fair pay, diversity, and green Human Resources activities, have been found to enhance job satisfaction, engagement, and overall organizational performance (Renwick et al., 2013 ; Dumont et al., 2017).

While many studies have confirmed a positive relationship between Sustainable Human Resources Management practices and organizational performance in companies and multinational organizations (Ehnert et al., 2016 ; Renwick et al., 2013), there's still not enough research about how these practices work in educational institutions in the UAE (Sidani & Al Ariss, 2014). Educational institutions play a unique role in creating knowledge and preparing future professionals, yet they depend heavily on HR to fulfill their missions (Chinedu et al., 2018). Despite this, issues such as high employee turnover, limited opportunities for professional growth, and lack of diversity are still common in many educational institutions in this region (Wong et al., 2024; Li et al., 2025).

Although national initiatives like Saudi Arabia's Vision 2030 emphasize the importance of sustainability and human capital development (Pinto et al., 2022), educational institutions still find it difficult to apply SHRM practices consistently because of cultural, legal, and economic challenges (Sidani & Al Ariss, 2014) making it difficult for educational institutions to improve their long-term efficiency, retain their employees, and stay competitive in the region.

Employee satisfaction is widely recognized as a crucial factor linking Human Resources practices to organizational results like productivity, commitment, and the reputation of the institution (Dumont et al., 2017; Renwick et al., 2013). Studies indicate that when Human Resources practices focus on sustainability, employee well-being, and development, they increase satisfaction, which then helps the organization to succeed (Dumont et al., 2017).

Even with this evidence, there is still not much research about how employee satisfaction acts as a mediator between SHRM practices and organizational performance in educational institutions in the UAE. To address this gap, the present study explores how Sustainable Human Resources Practices affect organizational performance in UAE educational institutions, focusing especially on the role of employee satisfaction as a mediator. Through this investigation, my research hopes to provide useful insights that can help Human Resources professionals, educational leaders, and policy makers to apply effective SHRM strategies that improve institutional results and support both regional and global sustainability goals.

Research questions

Considering the gaps discussed earlier, this study seeks to answer the following questions:

1. What is the impact of Sustainable Human Resource practices on the performance of educational institutions in the UAE?
2. Is there a relationship between Sustainable Human Resource practices and organizational performance in the UAE educational sector?
3. Does employee satisfaction mediate the relationship between sustainable Human Resource practices and organizational performance?

Research objectives

The most important focus of this study is to examine how SHRM practices influence the performance of educational institutions in the UAE. This research will also explore whether employee satisfaction plays a mediating role in this relationship. To be consistent with the research questions above, the present study aims to achieve the specific objective as follows:

1. To identify the current use of sustainable Human Resources practices in educational institutions across the UAE.
2. To evaluate the impact of Sustainable Human Resources practices on organizational performance in the UAE education sector.

3. To examine the mediating role of employee satisfaction in the relationship between Sustainable Human Resources Management practices and organizational performance.
4. To identify the main challenges that educational institutions face when trying to implement sustainable Human Resources practices.

Significance of study

The findings of this study are expected to be useful and contribute to both theory and practice. The UAE is currently undergoing major economic and social transformations, with countries like the Saudi Arabia, and Qatar striving to build knowledge-based economies, and the educational sector plays an important role in achieving this goal. A strong education system is necessary to prepare a skilled workforce for the future. Despite the national ambitions, many educational institutions across the region continue to face persistent challenges, where some of the most common problems include high employee turnover, limited chances for professional development, and a lack of diversity (Sidani & Al Ariss, 2014). These factors can directly affect how institutions perform, how students are satisfied and even public perceptions of educational quality.

Sustainable Human Resources Management can offer potential solutions to these challenges, by promoting employee well-being, fostering a culture of continuous learning, and aligning Human Resources policies with broader national goals. For instance, Saudi Arabia's Vision 2030 highlights the importance of sustainability across all sectors, including education (Pinto et al., 2022). In this context, it's even more relevant for the educational institutions to be the appliance of Sustainable Human Resource practices, where employee satisfaction and performance directly impact institutional quality and students' outcomes.

This study focuses on examining the influence of Sustainable Human Resources Management practices on organizational performance in educational institutions in the UAE. It focusses on key Human Resources strategies like diversity and inclusion, Green Human Resources initiatives, and fair compensation. This research aims to provide a clear understanding of how sustainability Human Resources policies affect key institutional outcomes. Through this analysis, the research aims to provide a deeper understanding of the mediating role of employee satisfaction, which is an important factor influencing

work performance, not just internally but also in how well students perform and how the school is perceived. Satisfied employees are more engaged, motivated and loyal to their institutions, increasing significantly the overall quality of education in the region.

From a theoretical perspective, this research fills an important gap in existing literature by focusing on Sustainable Human Resources Management in the educational sector within the UAE. Most previous studies on sustainable human resource management have focused on corporate or multinational context, just a few research has been done on how practices function in educational environments in this part of the world. By addressing this gap, the study contributes new knowledge to the current research and helps us better understand how sustainable human resources management can be applied in schools and universities.

Practically speaking, the findings of my research are expected to help educational leaders, human resource professionals, and policymakers design and implement more effective human resource strategies that not only enhance employee satisfaction but also improve institutional performance. These insights can support regional goals related to sustainable development and long-term educational reform. When applied effectively, the recommendations derived from this research can lead to more stable and high performing educational institutions that are better equipped to contribute to national development goals.

Dissertation Structure

This study is structured into five chapters. **Chapter One** introduces the background, problem statement, research objectives, questions, and significance of examining the influence of SHRM practices on organizational performance with employee satisfaction as a mediator. **Chapter Two** reviews relevant literature on SHRM, employee satisfaction, and organizational performance, discusses the underpinning theories such as Social Exchange Theory and Resource-Based View, and develops the study's hypotheses and conceptual framework. **Chapter Three** describes the research methodology, including design, population, sampling, instruments, and data analysis techniques. **Chapter Four** presents and interprets the research findings, while **Chapter Five** discusses the results in relation to existing literature, highlights implications, offers recommendations, and concludes with the study's limitations and suggestions for future research.

CHAPTER TWO - LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Introduction

The previous chapter introduced the growing relevance of SHRM in response to global sustainability challenges and the evolving responsibilities of educational institutions in the UAE. It also pointed out a major gap in existing research regarding the practical implementation and impact of SHRM practices within this specific regional and institutional context. It emphasized the limited understanding of how sustainable Human Resource strategies influence organizational performance in educational settings, and how employee satisfaction may serve as a mediating factor in this relationship.

This chapter develops the theoretical foundation of the study by reviewing relevant concepts and empirical findings that are relevant to the proposed model. The focus is to explore how SHRM practices, such as diversity and inclusion initiatives, green Human Resource Management activities, ethical leadership, and fair compensation may influence organizational outcomes in the education sector, and to explore whether employee satisfaction functions as a mediating variable in these relationships.

The literature review is structured around the Social Exchange Theory, which provides a useful framework for understanding the connections between organizational practices and employee behavior. SET suggests that when employees perceive that the organization treats them fairly, invests in their well-being, and supports their values, they are more likely to respond with positive attitudes and behaviors that contribute to overall performance. This perspective is especially relevant in the context of sustainable Human Resource practices, which aim to balance organizational goals with employee development and social responsibility.

By reviewing and connecting the existing studies, this chapter establishes a solid conceptual base for the empirical part of the research and clarify how sustainable HR strategies may contribute to the performance and development of educational institutions in the UAE.

2.2. Social Exchange Theory

Social Exchange Theory provides a foundational framework for understanding the nature of relationships between employees and organizations (Matrafi, 2024; Han et al., 2024).

The theory has been widely adopted in organizational research and human resource management to explain why employees choose to engage in certain behaviors, including job performance, organizational commitment, and satisfaction (Bos-Nehles & Meijerink, 2018; Nazir et al., 2018). Originally developed by Homans in the 1950s and later formalized by Blau (1964), Social Exchange Theory proposes that social behavior is guided by the principle of reciprocal exchange, whereby individuals seek to maintain relationships that offer beneficial returns relative to the investments they make (Matrafi, 2024; Bos-Nehles & Meijerink, 2018).

Social Exchange Theory holds that when individuals perceive favorable treatment or benefits from others, including organizations, they develop a moral obligation to reciprocate with positive behaviors (Gouldner, 1960; Matrafi, 2024). This process is regulated by the norm of reciprocity, a core component of Social Exchange Theory (Han et al., 2024; Nazir et al., 2018). In organizational contexts, this principle implies that when employees perceive support, fairness, or investment from their employer through training, ethical leadership, fair treatment, or inclusion. They are more likely to respond with commitment, satisfaction, or increased performance (Matrafi, 2024; Al-refaei et al., 2023).

One of the key contributions of Social Exchange Theory to the field of Human Resources Management lies in explaining how Human Resources practices influence employee outcomes through the quality of social exchange relationships. (Bos-Nehles & Meijerink, 2018; Han et al., 2024). Bos-Nehles and Meijerink (2018) demonstrated that Human Resource Management implementation is shaped by the mutual exchanges between Human Resources actors, particularly between line managers, Human Resources professionals, and employees. Their study revealed that employees are more likely to perceive Human Resources practices positively and respond with affective commitment when they have high-quality relationships with their supervisors (Bos-Nehles & Meijerink, 2018). Furthermore, line managers, when supported by the Human Resources department, tend to feel an obligation to reciprocate by engaging more seriously in Human Resource Management implementation efforts. (Bos-Nehles & Meijerink, 2018).

In line with these findings, the quality of the leader–member exchange relationship has also been shown to influence employees' perceptions of Human Resource Management (Nazir et al., 2018; Han et al., 2024). High quality leader member exchange

relationships based on trust, respect, and mutual support encourage employees to engage more actively with Human Resources practices and organizational goals (Bos-Nehles & Meijerink, 2018; Nazir et al., 2018). Xie et al. (2025) also point out that non-material rewards such as recognition, enjoyment, and appreciation can motivate people to take part in positive exchanges, especially when these come from trusted relationships (Xie et al., 2025). This supports the argument that Social Exchange Theory is not only relevant for understanding formal employment contracts, but also the informal and social dynamics that underpin employee attitudes. (Matrafi, 2024; Han et al., 2024).

Ethical leadership is another domain where Social Exchange Theory provides valuable theoretical insight (Benevene et al., 2018; Nazir et al., 2018). Leaders who act with fairness, honesty, and integrity are perceived by employees as trustworthy and respectful, which leads to enhanced organizational citizenship behaviors, loyalty, and satisfaction (Benevene et al., 2018; Matrafi, 2024). Ethical leadership, viewed through the lens of Social Exchange Theory, is considered a social resource that encourages reciprocal behavior from employees (Benevene et al., 2018; Han et al., 2024). Employees who experience ethical leadership often internalize this treatment as a sign of the organization's care and respond with dedication and extra-role behaviors. (Matrafi, 2024; Nazir et al., 2018).

Moreover, SET has been widely used to explore the role of employee satisfaction as a mediating variable between Human Resource Management practices and organizational outcomes (Matrafi, 2024; Al-refaei et al., 2023). Matrafi (2024) highlights how employees assess the perceived fairness and value of organizational practices, and when those assessments are positive, satisfaction increases. That satisfaction, in turn, contributes to higher performance and stronger organizational commitment (Han et al., 2024; Al-refaei et al., 2023). For instance, prior studies applying SET have found that job satisfaction acts as a mediator between perceived organizational support and behavioral outcomes (Huang et al., 2016, as cited in Matrafi, 2024).

Importantly, Social Exchange Theory remains applicable across a variety of cultural and institutional settings, though with some limitations (Matrafi, 2024; Han et al., 2024). As noted by Matrafi (2024), cultural norms can influence how reciprocity is understood and practiced. This is particularly relevant for the present study, which focuses on the UAE educational sector, an environment shaped by hierarchical values, strong social expectations, and relational forms of leadership (Han et al., 2024). In such contexts,

informal exchanges and perceived respect from leadership can carry more influence than formal rules or incentives (Nazir et al., 2018; Bos-Nehles & Meijerink, 2018).

In summary, Social Exchange Theory provides a robust theoretical foundation for this study (Matrafi, 2024; Han et al., 2024). It explains how sustainable Human Resource Management practices, when perceived as supportive and fair, can foster employee satisfaction, which in turn influences organizational performance (Al-refaei et al., 2023; Bos-Nehles & Meijerink, 2018). The theory supports the view that the quality of the social exchange between employees and their institutions plays a central role in shaping workplace behavior (Nazir et al., 2018). Thus, Social Exchange Theory serves as a key framework in understanding how and why employees in educational institutions in the Middle East may respond positively to sustainability-oriented Human Resource practices (Matrafi, 2024; Han et al., 2024).

2.3. Organizational Performance

Organizational performance is a key construct in management and human resource research, serving as a multidimensional indicator of how effectively an institution achieves its strategic goals (Graha et al., 2019; Wang et al., 2024). In the context of this study, it is treated as a dependent variable influenced by sustainable human resource management practices and mediated by employee satisfaction (Davidescu et al., 2020; Malik et al., 2020). Performance in this sense encompasses not only financial or productivity outcomes but also factors such as service quality, employee engagement, innovation, and long-term resilience (Malik et al., 2020; Wang et al., 2024). In UAE universities, clear and fair faculty evaluation systems help improve accountability and support continuous development, which strengthens institutional performance (Alsharefeen & Al-Deaibes, 2025). These dimensions are particularly relevant in non-profit and educational institutions, where success is often measured by developmental impact and internal efficiency rather than profit margins (Graha et al., 2019; Wang et al., 2024).

Davidescu et al. (2020) emphasize that organizational performance is closely tied to job satisfaction and flexible work practices. Their study found that employees who perceive supportive and flexible organizational policies are more likely to contribute positively to institutional goals (Davidescu et al., 2020). This perspective aligns with

human capital theory, which assumes that empowered and satisfied employees are more productive and invested in achieving shared outcomes (Graha et al., 2019). According to Alsharefeen and Al-Deaibes (2025), when teachers are involved in goal setting and receive regular feedback, they feel more motivated and engaged, which helps improve overall organizational results. Within sustainable human resource management frameworks, performance is no longer viewed solely through cost-efficiency lenses, but rather as a reflection of how sustainable values are operationalized throughout the organization. (Malik et al., 2020; Wang et al., 2024).

Similarly, Li et al. (2025) highlights the role of perceived organizational support, personality traits, and psychological resources in shaping performance outcomes, especially in academic contexts. In their model, organizational performance is linked to the ability of institutions to nurture self-efficacy and satisfaction among employees (Li et al., 2025). This implies that performance is an outcome of the social and psychological quality of the work environment that sustainable human resource management practices seek to enhance. (Davidescu et al., 2020; Graha et al., 2019). In educational institutions, especially in the UAE, the non-material aspects of performance such as employee well-being, leadership support, and ethical treatment are often critical drivers of institutional excellence. (Alsharefeen & Al-Deaibes, 2025; Li et al., 2025).

From a sustainability standpoint, Malik et al. (2020) argues that organizational performance is increasingly dependent on intangible assets like green intellectual capital and employee environmental awareness. Their research demonstrates that when organizations integrate sustainability into their Human Resources systems through green hiring, training, and recognition, overall performance is improved (Malik et al., 2020). This suggests a broader conceptualization of performance that includes ecological and social dimensions, reinforcing the idea that sustainability and performance are not mutually exclusive but mutually reinforcing (Graha et al., 2019; Wang et al., 2024).

Further supporting this expanded view, Duran and Aktaş (2022) note that the effectiveness of Human Resources policies in achieving organizational objectives must be evaluated not just through output metrics, but also through the alignment of those policies with institutional culture and values (Duran & Aktaş, 2022). Their work shows that organizational performance can also be influenced by the fit between employee expectations and Human Resources structures, especially in dynamic or culturally complex environments such as higher education (Graha et al., 2019; Wang et al., 2024).

Moreover, Asbari et al. (2020) frame organizational performance as an integrated output of leadership effectiveness, employee commitment, and internal motivation. Their findings support the premise that sustainable HRM strategies contribute to performance by creating a workplace environment where employees feel valued and empowered. (Asbari et al., 2020; Malik et al., 2020). These psychosocial factors become particularly important in non-commercial sectors where the value of output is not always measurable in financial terms. (Wang et al., 2024; Li et al., 2025).

In summary, organizational performance in this study is understood as a multidimensional outcome influenced by both structural Human Resource Management strategies and employee experience (Davidescu et al., 2020; Malik et al., 2020). It reflects not only efficiency and goal achievement but also the institution's ability to foster inclusion, ethical behavior, and environmental responsibility (Graha et al., 2019; Alsharefeen & Al-Deaibes, 2025). As a dependent variable, performance offers insight into the effectiveness of sustainable Human Resource Management practices and the mediating role of employee satisfaction in the context of UAE higher education institutions. (Wang et al., 2024; Li et al., 2025).

2.4 Sustainable HRM

Sustainable Human Resource Management has emerged as a vital approach for aligning human resource functions with broader sustainability objectives at both strategic and operational levels (Lu et al., 2022; Ehnert et al., 2016). It integrates traditional Human Resource Management responsibilities such as recruitment, performance management, and employee relations with environmental, social, and long-term economic goals (Duvnjak & Kohont, 2021; Aro-Gordon & Mohamed Al-Raeesi, 2022).Unlike conventional Human Resource Management, which tends to focus on short-term efficiency and productivity, Sustainable Human Resource Management emphasizes the well-being of employees, environmental responsibility, and the long-term viability of both the organization and its workforce (Aro-Gordon & Mohamed Al-Raeesi, 2022; Mostafa et al., 2024).

Theoretical and empirical contributions to the Sustainable Human Resource Management literature highlight several key practices that help institutions build a workforce aligned with sustainability values (Ehnert et al., 2016; Lu et al., 2022). Among

these, this study focuses specifically on three major dimensions: diversity and inclusion initiatives, green human resource policies, and fair compensation (Alhazmi, 2023; Abdelhamied et al., 2023). Together, these practices support the development of an environment where employees are treated equitably, motivated to engage in sustainable behaviors, and incentivized to contribute to long-term institutional goals. (Duvnjak & Kohont, 2021; Mostafa et al., 2024).

2.4.1. Definitions and Conceptual Foundations

According to Duvnjak and Kohont (2021), Sustainable Human Resource Management can be understood as the implementation of Human Resource tools to build a workforce characterized by values, skills, and motivation that contribute to achieving the "triple bottom line" which are people, planet, and profit (Ehnert et al., 2016; Lu et al., 2022). This approach ensures that Human Resources policies reflect long-term organizational goals, equity, employee development, and environmental responsibility (Abdelhamied et al., 2023; Alhazmi, 2023). The academic concept of Sustainable Human Resource Management finds its roots in broader sustainability discourses and has evolved in parallel with debates surrounding corporate social responsibility and environmental governance (Mostafa et al., 2024; Lu et al., 2022; Aro-Gordon & Mohamed Al-Raeesi, 2022).

Sustainable Human Resource Management also includes the principles of internal and external stakeholder engagement (Ehnert et al., 2016; Lu et al., 2022). As organizations become increasingly aware of their social obligations, Sustainable Human Resource Management plays a central role in ensuring that Human Resources policies and practices are inclusive, forward-thinking, and sustainable across different ways (Duvnjak & Kohont, 2021; Lu et al., 2022; Alhazmi, 2023). This is particularly crucial in higher education institutions, where the mission extends beyond profitability to societal development, making sustainability not only desirable but essential (Alhazmi, 2023; Mostafa et al., 2024; Han et al., 2024).

2.4.2 Dimensions of Sustainable Human Resource Management in the Current Study

This research focuses on three key dimensions of Sustainable Human Resource Management that are especially relevant to the higher education context in the UAE (Lu et al., 2022; Mostafa et al., 2024):

- Diversity and Inclusion Initiatives: These practices ensure equal opportunity in recruitment, retention, and promotion, and support the development of a respectful and inclusive organizational culture (Ehnert et al., 2016; Lu et al., 2022). Diversity and inclusion are essential to sustainability because they address social equity, enable broader participation, and foster innovation (Aro-Gordon & Mohamed Al-Raeesi, 2022). Aro-Gordon and Mohamed Al-Raeesi (2022) highlight that diversity not only strengthens the institution's ability to attract talent but also builds internal cohesion and fairness, both of which are vital to sustainable performance (Mostafa et al., 2024).
- Green Human Resource Policies: Green HRM refers to HR policies and practices designed to support environmental sustainability, such as reducing resource consumption, promoting green behavior, and embedding environmental values in organizational culture (Ren et al., 2018; Abdelhamied et al., 2023). Alhazmi (2023) documents how universities in Saudi Arabia have implemented digital workflows, recycling programs, and sustainability committees to integrate green values into daily operations. These initiatives raise environmental awareness and contribute to broader goals such as Saudi Vision 2030 (Abdelhamied et al., 2023).
- Fair Compensation: Providing fair and transparent compensation is another cornerstone of Sustainable Human Resource Management. It reflects organizational commitment to social responsibility and equity and plays a key role in employee satisfaction and retention (Duvnjak & Kohont, 2021; Lu et al., 2022). Lu et al. (2022) note that when compensation systems are perceived as fair and consistent with institutional values, employees show greater trust and commitment. Compensation that rewards environmentally or socially responsible behaviors can further reinforce sustainability-oriented work cultures (Alhazmi, 2023; Mostafa et al., 2024).

2.4.3 Sustainable Human Resource Management in the Higher Education Context

In higher education institutions, especially within Saudi Arabia and the UAE, Sustainable Human Resource Management practices are gaining attention due to national development agendas like Vision 2030 (Benlaria & Almawishir, 2025; Asfahani et al., 2023). These institutions are increasingly expected to act as role models for sustainability and are therefore integrating Sustainable Human Resource Management practices into recruitment, operations, and community engagement (Alhazmi, 2023; Duvnjak & Kohont, 2021). For example, the implementation of inclusive hiring practices, digital workflows, and sustainability-focused training reflects a growing shift toward embedding sustainable HR principles into institutional strategies (Mostafa et al., 2024; Abdelhamied et al., 2023).

Lu et al. (2022) further suggest that Sustainable Human Resource Management contributes to employee resilience and engagement, which are critical in environments such as academia where psychological demands are high. Their findings highlight that employees who perceive Human Resource practices as fair, inclusive, and environmentally responsible are more likely to be engaged and productive, even in challenging organizational climates. (Lu et al., 2022; Aro-Gordon & Mohamed Al-Raeesi, 2022).

2.5 Employee Satisfaction

Employee satisfaction is a fundamental concept in human resource management and is often associated with positive organizational outcomes such as reduced turnover, improved commitment, and enhanced performance (Li et al., 2025; Wang, 2024). It generally refers to the extent to which employees feel content with their jobs and work environments. This includes how employees perceive their role, the support they receive, the fairness of their treatment, and the alignment of their values with those of the organization (Phuangsuwan et al., 2025).

Wang (2024) explains that satisfaction occurs when employees' experiences at work meet or exceed their expectations. These expectations may relate to factors such as compensation, working conditions, recognition, interpersonal relationships, and development opportunities (Li et al., 2025). When these elements are perceived as fair

and adequate, employees are more likely to feel valued, respected, and motivated to contribute positively to the organization (Phuangsuwan et al., 2025).

In the context of sustainable human resource management, employee satisfaction becomes even more critical. As Phuangsuwan et al. (2025) argue, satisfaction reflects how employees interpret organizational policies related to governance, transparency, and ethical treatment. When organizations invest in fair and supportive practices such as inclusive decision-making, responsible financial management, and social responsibility, employees are more likely to develop a positive attitude toward their work and their employer (Li et al., 2025).

Phuangsuwan et al. (2025) also highlights that satisfaction is shaped not only by what organizations provide, but by how those provisions are delivered and communicated. For example, policies aimed at improving well-being, supporting work–life balance, or encouraging professional development are more effective when they are seen as genuine and consistent with organizational values (Limna et al., 2022). In this way, employee satisfaction is closely linked to trust in leadership and belief in the organization's ethical foundation (Phuangsuwan et al., 2025).

Limna et al. (2022) further support this perspective by linking satisfaction to ethical leadership and change management in educational institutions. Their findings show that employees who perceive their leaders as honest, transparent, and supportive are more likely to feel satisfied with their roles. Satisfaction in these cases emerges not only from material rewards but also from emotional and relational factors such as fairness, respect, and inclusion (Wang, 2024; Li et al., 2025).

In sum, employee satisfaction in this study is understood as a dynamic response to how individuals experience their organizational environment (Li et al., 2025; Phuangsuwan et al., 2025). It is influenced by both tangible factors (such as fair compensation) and intangible ones (such as trust, inclusion, and environmental values). In the context of sustainable HRM, employee satisfaction serves as a key outcome and potential mediator, helping to explain how HR practices ultimately impact institutional effectiveness. When employees are satisfied, they are more engaged, more committed, and more likely to contribute positively to the goals of the organization. (Wang, 2024; Limna et al., 2022).

2.6. Hypotheses development

2.6.1 SHRM and organizational performance

Sustainable Human Resource Management practices are increasingly recognized as important contributors to organizational performance (Malik et al., 2020; Davidescu et al., 2020). These practices aim to support long-term institutional goals by investing in employee well-being, fairness, and values such as inclusion and environmental responsibility (Duvnjak & Kohont, 2021; Mostafa et al., 2023). As discussed earlier, Sustainable Human Resource Management goes beyond traditional efficiency goals to include ethical and social dimensions that affect how employees engage with their work (Duran & Aktaş, 2022; Li et al., 2025). Accurate and transparent data collection is also important for measuring the real impact of these practices on performance, as it helps maintain fairness and trust in institutional assessment processes (Singh, Singh, & Singh, 2025).

Prior literature has shown that when organizations implement sustainability driven Human Resource Management such as inclusive hiring, fair compensation, and green Human Resources policies, where employees are more likely to be committed, productive, and aligned with institutional goals (Malik et al., 2020; Duran & Aktaş, 2022). In turn, this contributes to improved organizational outcomes, not only in terms of performance metrics, but also in reputation, adaptability, and internal cohesion (Davidescu et al., 2020; Li et al., 2025).

In the context of higher education institutions, especially in the UAE, Sustainable Human Resource Management may serve as a critical driver of organizational effectiveness by strengthening internal practices that support both academic quality and staff engagement (Mostafa et al., 2023; Alsharefeen & Al-Deaibes, 2025). Therefore, based on the literature and theoretical framework discussed, the following hypothesis is proposed:

H1: Sustainable Human Resource Management practices are positively associated with organizational performance.

2.6.2 Employee satisfaction and organizational Performance

Employee satisfaction plays a central role in shaping organizational outcomes (Li et al., 2025; Phuangsuwan et al., 2025). When employees feel that their work environment is

fair, inclusive, and aligned with their values, they are more likely to be motivated, committed, and productive (Wang, 2024; Limna et al., 2022). As reviewed in earlier sections, satisfaction is often influenced by how employees perceive the organization's support, leadership, and HR practices (Li et al., 2025; Phuangsuwan et al., 2025).

Research suggests that satisfied employees are more engaged in their roles and contribute positively to team performance, service quality, and organizational stability (Davidescu et al., 2020; Limna et al., 2022). In knowledge-based environments like universities, satisfaction is especially important for retaining skilled staff and maintaining a high level of institutional performance (Li et al., 2025; Phuangsuwan et al., 2025).

In line with these findings, this study assumes that employee satisfaction is not only a reflection of workplace conditions but also a factor that directly enhances organizational performance (Phuangsuwan et al., 2025; Wang, 2024). Therefore, the second hypothesis is proposed as follows:

H2: Employee satisfaction is positively associated with organizational performance.

2.6.3 The mediating role of employee satisfaction in the relationship between diversity and inclusion and organizational performance

Diversity and inclusion initiatives are designed to create fair and supportive work environments, especially for individuals from underrepresented or marginalized groups (Aro-Gordon & Mohamed Al-Raeesi, 2022; Lu et al., 2022). When these efforts are perceived as genuine, they tend to improve employee morale and foster a sense of belonging. (Limna et al., 2022). This can increase favorable behavioral results such as satisfaction and stronger commitment. (Davidescu et al., 2020; Wong et al., 2024).

According to SET, employees tend to respond to the support they receive from their organization with positive attitudes and behaviors. When institutions apply inclusive and fair human resource practices, employees see these actions as social investment that deserves to be returned through their positive attitudes such as satisfaction and performance (Matrafi, 2024; Bos-Nehles & Meijerink, 2018). In this way, satisfaction becomes as a moral and emotional obligation towards the organization that treats people fairly and values their contributions (Phuangsuwan et al., 2025). When diversity and

inclusion initiatives reflect organizational respect, fairness, and equity, employees often feel grateful to reciprocate with loyalty, engagement, and improved performance results.

Previous research supports the idea that Phuangsuwan et al. (2025) found that employee satisfaction acts like a bridge between the relationship between governance quality and organizational performance, showing that satisfaction transforms positive organizational practices into higher performance results. Also, Wong et al. (2024) showed that job satisfaction mediates the relationship between development initiatives and turnover intentions, suggesting that satisfaction functions as a mechanism transforming supportive practices into positive results.

H3: Employee satisfaction mediates the relationship between diversity and inclusion initiatives and organizational performance.

2.6.4 Employee Satisfaction Mediating Green HRM and Performance

Green Human Resource Management includes environmentally responsible policies such as paperless operations, sustainability training, and green performance incentives. (Malik et al., 2020; Alhazmi, 2023). These practices can enhance an organization's image and commitment to broader societal goals. However, their success also depends on how they are perceived internally. (Lu et al., 2022).

When green practices are aligned with employee values and are supported by fair communication and resources, they are more likely to improve satisfaction. (AlNaqbi et al., 2024). A satisfied workforce is then better positioned to contribute to performance outcomes. (Mostafa et al., 2023). Also, satisfaction is proposed as a key link between green HRM and performance.

H4: Employee satisfaction mediates the relationship between green HRM practices and organizational performance.

2.6.5 Employee Satisfaction Mediating Fair Compensation and organizational Performance

Fair compensation represents a crucial component of sustainable HRM, particularly in relation to employee perceptions of justice and value. (Lu et al., 2022; Duran & Aktaş,

2022). When employees feel that their remuneration matches their effort, qualifications, and responsibilities, they are more likely to be satisfied with their jobs and committed to the organization. (Davidescu et al., 2020).

However, the relationship between compensation and performance is not only financial. Compensation systems that are perceived as fair and transparent also enhance trust, motivation, and emotional investment in the organization. (Limna et al., 2022). Employee satisfaction is expected to mediate the relationship between fair compensation and organizational performance results. (Mostafa et al., 2023).

H5: Employee satisfaction mediates the relationship between fair compensation and organizational performance.

2.7. Proposed research model

Based on the literature review and theoretical framework presented in this chapter, the current study proposes a conceptual model that explores the relationship between SHRM practices and organizational performance, with employee satisfaction acting as a mediating variable. (Matrafi, 2024; Lu et al., 2022).

The model integrates three dimensions of SHRM: diversity and inclusion initiatives, green HRM practices, and fair compensation. (Aro-Gordon & Mohamed Al-Raeesi, 2022; Malik et al., 2020; Alhazmi, 2023). These dimensions are expected to influence organizational performance directly and indirectly through their effect on employee satisfaction. (Davidescu et al., 2020; Limna et al., 2022). This reflects the logic of SET, which suggests that employees tend to respond positively through higher satisfaction and performance when they see organizational actions as fair, supportive, and aligned with shared values. (Bos-Nehles & Meijerink, 2018; Matrafi, 2024).

The proposed model seeks to offer a comprehensive view of how sustainability-oriented HR practices can contribute to organizational effectiveness in higher education institutions in the UAE. It also highlights the crucial role of employee satisfaction as the mechanism through which these practices generate meaningful outcomes. (Mostafa et al., 2023).

A visual representation of the proposed research model is presented in **Error! Reference source not found.** below.

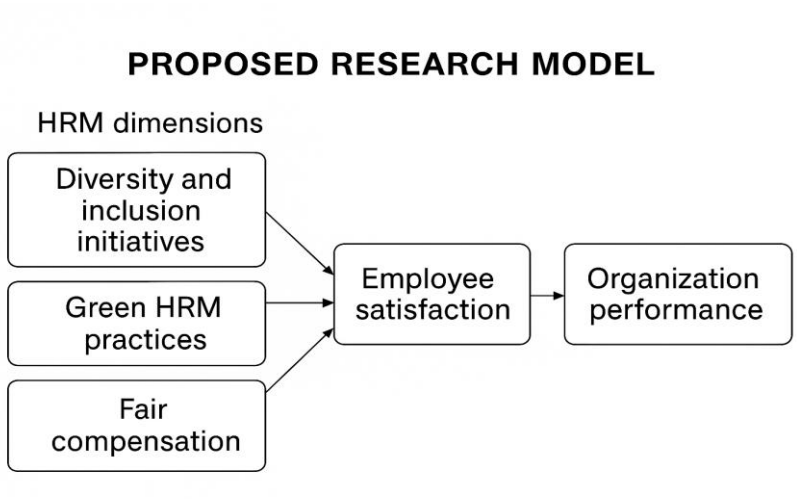


Figure 1 - Proposed research model

2.8. Summary

This chapter examines the theoretical and empirical foundations supporting the present study. It began by introducing SET as the central framework, emphasizing how perceptions of fairness, support, and reciprocity influence employee attitudes and behaviors. Organizational performance was identified as the main dependent variable, influenced by both structural HR practices and employee satisfaction.

The chapter further explored SHRM as a multidimensional approach that integrates environmental responsibility, social equity, and long-term organizational well-being. Within this framework, three SHRM dimensions were emphasized in this study: diversity and inclusion initiatives, green HRM practices, and fair compensation. Each of these elements were examined for their potential impact on employee satisfaction and in turn, on organizational performance.

Employee satisfaction was positioned as both an outcome of SHRM and a mediating variable that helps explain how HR practices translate into organizational results. Based on this conceptual foundation, five hypotheses were formulated to guide the empirical part of the research. The proposed model reflects these relationships and sets the direction for the next chapter, which will detail the methodology used to test these hypotheses.

CHAPTER THREE - RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodological framework adopted for the present study, which examines the influence of SHRM practices on the performance of educational institutions in the UAE, with particular attention to the mediating role of employee satisfaction. The methodology was developed to ensure methodological rigor, reliability, and transparency in line with established research standards.

The discussion begins by outlining the philosophical orientation that guides the research, followed by a detailed explanation of the study design, target population, sampling strategy, data collection procedures, operationalisation and measurement of variables, questionnaire development, and data analysis techniques. By presenting these components clearly, this chapter ensures that the research process can be critically evaluated and replicated in future investigations.

3.2 Philosophical Position of the Study

The study is grounded in the positivist research paradigm, which assumes that reality exists independently of human perception and can be measured through objective, empirical observation (Uher, 2020). Positivism emphasises the generation of verifiable and generalisable knowledge through systematic data collection and analysis, making it an appropriate philosophical foundation for quantitative research designs aimed at testing predefined hypotheses.

Consistent with this paradigm, the present research treats its main constructs SHRM practices, employee satisfaction, and organisational performance as objectively measurable variables. These variables are operationalised using validated multi-item scales and measured using structured survey instruments. The researcher maintains a neutral stance, minimising personal bias and ensuring that conclusions are grounded in empirical evidence rather than personal interpretation.

The study follows a deductive reasoning approach, progressing from theory to empirical testing. The conceptual framework and hypotheses, derived from the literature review in Chapter Two, are examined through statistical analysis of field data. Deductive reasoning aligns with the positivist view by allowing for the confirmation or rejection of theoretical propositions based on observable data (Uher, 2021).

As noted by Rorty and Quine, positivist research values clarity, logical coherence, and empirical validation (Taff & Putnam, 2022). This orientation is particularly relevant to the current study, which seeks to identify and quantify the relationships between SHRM practices, employee satisfaction, and organisational performance within higher education institutions in the UAE.

3.3 Research Design

This study adopts a quantitative, explanatory research design to examine how SHRM practices influence organizational performance in UAE educational institutions, with employee satisfaction as a mediating variable. The main objective is to test hypotheses developed in Chapter Two, using structured data collection and statistical analysis to identify relationships among the key variables.

The research follows a deductive approach, starting from theory and tests it using data from employees in the education sector. As noted by Davidescu et al. (2020), this type of design is appropriate when the goal is to understand how specific HRM characteristics such as work flexibility and employee development relate to job satisfaction and performance outcomes. In line with this, the present research uses predefined constructs, such as diversity, green HRM, and fair compensation, to evaluate their effect on organizational performance.

The research follows in a natural setting, where the researcher does not interfere with the day-to-day operations of educational institutions. This aligns with the design of Davidescu et al. (2020), who also used employee feedback from real working environments to understand how HRM factors influence satisfaction and productivity.

The study adopts a cross-sectional design, meaning that data is collected at a single point in time. This method is widely used in HRM research to capture employees' perceptions and attitudes during a specific period (Davidescu et al., 2020).

The unit of analysis is the individual employee, including academic and administrative staff. This allows the study to measure how each person experiences SHRM practices and how their experiences affect their satisfaction and views on institutional performance. Both academic and non-academic employees at managerial

levels as they are typically more informed of the sustainable human resource management initiatives.

Overall, this research design provides a clear and systematic framework for exploring how sustainability-oriented HR practices influence employee satisfaction and, in turn, organizational outcomes within the UAE higher education sector.

3.4 Population and Sampling

The target population of this study includes academic and administrative employees working in higher education institutions within the UAE. These individuals are directly affected by SHRM practices, making them ideal participants for examining how SHRM influences employee satisfaction and organizational performance (Davidescu et al., 2020; Cachia et al., 2020).

To collect the data, this study will use a stratified random sampling technique, dividing the population into two main groups: academic and administrative employees. Participants will be randomly selected within each group to ensure balanced representation across higher education institutions in the UAE. This method was chosen over purposive sampling to enhance representativeness and allow reliable comparisons between the two categories (Asamani et al., 2025; Davidescu et al., 2020).

Access to these respondents will be facilitated with the support of Professor Ahmad, who is based in Dubai and works at Dubai University. As described by Bakkalbasioglu (2020), gaining access in UAE contexts often presents challenges due to formal hierarchies, gatekeepers, and cultural sensitivities. Conventional outreach methods like emails or official letters may lead to limited engagement. In such situations, having an insider or "fixer", a trusted person within the institutional network can help establish contact and encourage participation (Bakkalbasioglu, 2020).

This approach is particularly effective in UAE cultures where collectivist values and power distance play a significant role in communication and access (Cachia et al., 2020). Relying on a known and respected figure such as Professor Ahmad adds a level of trust and familiarity that enhances the success of purposive sampling in this setting (Cachia et al., 2020; Bakkalbasioglu, 2020).

The study aims to collect data from 150 to 200 participants, which meets the typical requirements for regression and mediation analysis in quantitative research (Davidescu et al., 2020). A diverse sample will be pursued by including participants from various departments, roles, genders, and national backgrounds. As emphasized by Davidescu et al. (2020), variety within the sample helps ensure more robust and generalizable findings, particularly in cross-institutional research.

Overall, purposive sampling supported by academic networks and culturally appropriate access strategies provides an effective and realistic approach for reaching knowledgeable respondents in the UAE higher education sector (Bakkalbasioglu, 2020; Cachia et al., 2020).

3.5 Data Collection Procedure

The data collection followed a quantitative approach using a structured questionnaire created in Google Forms. Participants were informed about the purpose of the study and assured of the anonymity and confidentiality of their responses. Before distribution, the questionnaire was reviewed and discussed with the academic supervisor, Professor Ahmad, to ensure clarity and suitability of the items for the target respondents.

The questionnaire was distributed both online and in person to employees working in higher education institutions across the United Arab Emirates (UAE). The online version was shared through professional and academic networks, while printed copies were distributed directly with the assistance of Professor Ahmad. Participants were asked to respond based on the institution where they primarily worked.

The data collection took place between August and September 2025, resulting in a total of 180 valid responses.

3.6 Measurement of Variables

This study focuses on three main constructs: SHRM practices, employee satisfaction, and organizational performance. These variables will be measured using validated multi-item scales developed in previous research. All responses will be collected using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree, which is a standard

method for capturing individual perceptions and attitudes in HRM and organizational research (Wiener et al., 2020; Asfahani et al., 2023).

3.6.1. Sustainable Human Resource Management Practices

SHRM will be measured through a set of items that captures its main components: green HRM practices, diversity and inclusion, ethical leadership, training and development, and fair compensation. These dimensions reflect the integrated approach of SHRM that connects employee-focused strategies with environmental and social responsibility (Renwick et al., 2013; De Prins et al., 2014). The items used to measure these dimensions will be adapted from previously validated instruments, including those developed by Asfahani et al. (2023) and Davidescu et al. (2020). Both scales have been widely applied to evaluate HR support systems and sustainability-oriented practices in organizational settings.

Example item for green HRM may be: “The organization encourages employees to adopt environmentally friendly behaviors.” For fair compensation: “Employees are paid fairly in comparison to others in the same sector.” These items will be revised and adjusted where necessary, to ensure cultural and institutional relevance in the UAE educational context (Chinedu et al., 2018; Alanzi, 2021).

3.6.2. Employee Satisfaction

Employee satisfaction will be measured using items based on the classic Brayfield and Rothe scale and recent adaptations developed in gig economy studies (Seema et al., 2021; Liu et al., 2022). This variable reflects how employees feel about their work experience, their motivation, and their general contentment with HR practices. Typical items include statement like: “I am satisfied with the way my institution treats its employees,” and “Most days I am enthusiastic about my work.” These items have been widely used in previous research to measure affective responses to work and provide a reliable means of evaluating employee sentiment within institutional contexts.

This construct has proven to be a reliable mediator between HRM practices and performance outcomes and is particularly important in high-turnover environments such as education or service sectors (Cropanzano et al., 2001; Asfahani et al., 2023).

3.6.3. Organizational Performance

Organizational performance will be evaluated from the perspective of employees, focusing on perceived effectiveness, productivity, reputation, and the quality of operations. Because objective performance data is difficult to access in academic institutions, perceived performance measures are often used in social sciences (Davidescu et al., 2020; Chinedu et al., 2018).

Items will be adapted from validated studies such as Davidescu et al. (2020), who assessed employee-perceived performance in relation to HRM and satisfaction variables. Sample statements include: “The institution achieves its goals effectively,” and “This organization is recognized for high performance in the education sector.” These indicators are useful proxies for internal performance when financial or strategic data is not publicly available.

3.6.4. Demographic Variables

In addition to the main variables, the questionnaire will include a section dedicated to collecting basic demographic information, including age, gender, job position, department, years of experience, and type of institution. These variables may be used to analyze differences across groups or to control background factors during statistical analysis (Wiener et al., 2020; Veldsman & van der Merwe, 2021).

3.7 Questionnaire Development

The questionnaire for this study was developed to collect structured responses that reflect the core constructs of the study: SHRM practices, employee satisfaction, and organizational performance. In addition, it includes demographic details and ethical instructions. The items were developed based on previously validated instruments used in HRM and organizational research, adapted for the context of UAE educational

institutions (Asfahani et al., 2023; Davidescu et al., 2020). Consistent with best practices in ethical survey design, special attention was given to protecting participant anonymity in order to minimize response bias, as recommended by Singh, Singh, and Singh (2025).

The questionnaire is divided into five sections, each targeting a specific area of the study.

Section A: SHRM Practices

This section contains items that measure the presence and quality of Sustainable HRM practices within the institution. The questions focus on dimensions such as green HRM, fair compensation, diversity and inclusion, and employee development, which are commonly used in sustainability-oriented HR studies. These areas have been emphasized in recent research within the Saudi Arabian context, where HR practices are increasingly aligned with strategic goals like Vision 2030 and workforce transformation (Asfahani et al., 2023). previous studies have demonstrated that these HRM dimensions are strongly associated to both employee satisfaction and organizational performance (Davidescu et al., 2020). A Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) will be used to measure responses.

Section B: Employee Satisfaction

This section focuses on capturing employees' satisfaction with their work experience. Items are adapted from recent studies that explore emotional and motivational aspects of job satisfaction in the context of organizational HR practices. Statements such as "I feel satisfied with the way my organization manages its staff" and "Most days, I feel enthusiastic about my job" reflect themes found in recent job satisfaction research, particularly in relation to support, fairness, and autonomy at work (Seema et al., 2021; Liu et al., 2022).

Section C: Organizational Performance

This section measures employees' perception of their organization's overall performance, focusing on areas such as operational efficiency, institutional reputation, and the achievement of strategic goals. In higher education contexts, where objective performance data is often unavailable to individual staff, perceptual measures provide a valid alternative. This approach has been widely applied in HRM research to understand how internal practices influence institutional outcomes (Davidescu et al., 2020).

Section D: Demographic Information

This section collects basic background information from participants, including their gender, age, job title, years of experience, and type of institution. This data will assist in describing the sample and exploring the differences between groups during analysis. No identifying information will be collected. This approach follows the ethical standards highlighted by Singh et al. (2025), who emphasize that maintaining anonymity and confidentiality increase participants honesty and improve data accuracy.

Section E: Consent and Participant Instructions

The final part of the questionnaire provides participants with an introduction to the study, clear instructions for completion, and a statement of informed consent. Participants are assured that their responses will remain anonymous, confidential, and used only for academic purposes. The right to withdraw at any time will also be clearly stated, following standard ethical research guidelines and practices outlined in recent human resource studies in the Saudi context (Asfahani et al., 2023; Alanzi, 2021).

3.8 Data Analysis Techniques

The analysis of data in this study will be analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) supported by SPSS for preliminary analyses. PLS-SEM has been chosen due to its suitability for exploratory and explanatory research involving complex models, latent variables, and mediation effects (Hair et al., 2022). It is also appropriate when sample sizes are moderate and when the primary objective is theory testing and prediction rather than model confirmation.

The analytical process will begin with data screening and preparation in SPSS, involving the identification and treatment of missing values, assessment of normality, and detection of potential outliers. Descriptive statistics will be computed to profile the sample according to demographic variables such as gender, age, job title, years of experience, and type of institution.

In the measurement model assessment, several reliability and validity tests will be conducted:

- **Internal consistency reliability** will be examined using Cronbach's alpha and Composite Reliability (CR), with values above 0.70 considered acceptable.

- **Convergent validity** will be evaluated using the Average Variance Extracted (AVE), where values above 0.50 indicate that the construct explains more than half of the variance of its indicators.
- **Indicator reliability** will be evaluated by checking that outer loadings exceed the recommended threshold of 0.70, allowing for slightly lower values if theoretical justified.
- **Discriminant validity** will be tested using the Fornell–Larcker criterion and the Heterotrait–Monotrait ratio (HTMT), with HTMT values below 0.85 indicating satisfactory construct distinction.

After confirming the measurement model's adequacy, the structural model will be analyzed to test the hypothesised relationships between SHRM practices, employee satisfaction, and organisational performance. The assessment will involve examining:

- Path coefficients (β) to determine the strength and direction of relationships;
- Coefficient of determination (R^2) to assess the proportion of variance in the endogenous constructs explained by the model;
- Effect sizes (f^2) to evaluate the relative impact of predictor variables;
- Predictive relevance (Q^2) using the blindfolding procedure to assess the model's out-of-sample predictive accuracy.

The use of PLS-SEM is advantageous for this study because it does not require strict multivariate normality, accommodates complex structural models, and provides robust estimates even with relatively small to medium sample sizes. Moreover, its predictive orientation aligns with the study's objective of not only testing theoretical relationships but also identifying the degree to which SHRM practices influence institutional performance via employee satisfaction in the UAE higher education sector.

3.9 Summary

This chapter describes the research methods used to study how SHRM practices affect organizational performance in higher education institutions in the UAE, with employee satisfaction acting as a mediating factor. The study follows a positivist and quantitative approach, using an explanatory and cross-sectional design and a deductive method to test the hypotheses developed in Chapter Two.

The target group includes academic and administrative staff, chosen through purposive sampling with help from institutional network, my professor Ahmad Alshuaibi who works in Dubai University. Data will be collected through by hand and also by structured online questionnaire adapted from well-established scales, and a pilot test will be conducted to check that the questions are clear and suitable for the local context. The research follows all ethical standards, including informed consent, confidentiality, and voluntary participation.

All variables will be measured using five-point Likert scales, and data will be analyzed with Partial Least Squares Structural Equation Modelling (PLS-SEM) in SmartPLS, with SPSS used for initial data checks. This method allows the study to test both direct and indirect effects, making it appropriate for examining the mediation model. The following chapter will present the findings of the study and discuss their importance for both theory and human resource practices within higher education institutions.

CHAPTER 4 - RESULTS AND ANALYSIS

4.1 Introduction

This chapter presents the empirical results of the study which investigates the influence of SHRM practices on organizational performance in higher education institutions in the UAE, with employee satisfaction acting as a mediating variable. The analysis was conducted using the Partial Least Squares Structural Equation Modelling (PLS-SEM) technique, as described in Chapter Three, using SmartPLS software.

The results are organized into two major sections. The first section presents the measurement model, focusing on the reliability and validity of the constructs used in the study. The second part presents the structural model, which evaluates the hypothesized relationships between SHRM practices, diversity and inclusion, green HRM, and fair compensation, employee satisfaction, and organizational performance. Mediation analyses are also included to determine whether employee satisfaction mediates the relationship between SHRM practices and organizational performance.

This chapter seeks to provide a clear and comprehensive interpretation of the statistical findings and to interpret the results within the context of the theoretical framework established earlier, particularly the SET, which explains how fair and supportive HR practices can foster positive reciprocal behaviors such as job satisfaction and higher performance among employees.

4.2 Measurement Model Assessment

Before testing the structural relationships among the study constructs, the reliability and validity of the measurement model were examined to confirm the reliability and validity of the indicators representing each latent variable. The evaluation included internal consistency reliability, convergent validity, and discriminator validity.

4.2.1 Reliability and Convergent Validity

Internal consistency was evaluated using both Cronbach's alpha and composite reliability (CR). As shown in Table 1, all constructs exceed the accepted reliability thresholds, with Cronbach's alpha values ranging between 0.763 and 0.916, and composite reliability values between 0.863 and 0.941. These results demonstrate strong internal reliability and

indicating that the items within each construct are measuring the same underlying concept.

Convergent validity was assessed through the Average Variance Extracted (AVE), which reflects the proportion of variance explained by each construct relative to measurement error. The AVE values ranged between 0.680 and 0.802, all exceeding the recommended cut-off value of 0.50 (Hair et al., 2022), confirming adequate convergent validity. This means that all constructs share a high proportion of variance with their indicators.

Construct	Cronbach's Alpha	Composite Reliability	AVE
Diversity & Inclusion	0.876	0.924	0.802
Employee Satisfaction	0.916	0.941	0.800
Fair Compensation	0.763	0.863	0.680
Green HRM	0.829	0.897	0.745
Organizational Performance	0.915	0.940	0.797

Table 1 - Reliability and Convergent Validity

These results indicate that all constructs have satisfactory reliability and convergent validity. Therefore, the measurement model is robust and can be used for further analysis of the structural model.

4.2.2 Discriminant Validity

Discriminate validity tests whether constructs that are supposed to be distinct are also different from each other. The Fornell–Larcker criterion was applied for this assessment. The square root of each construct's AVE was greater than its correlation with any other construct, confirming discriminant validity.

For instance, the square root of the AVE for organizational performance (0.893) exceeded its correlations with diversity and inclusion (0.579), employee satisfaction

(0.739), fair compensation (0.672), and green HRM (0.566). This pattern was consistent across all constructs, confirming that each latent variable is empirically distinct from the others.

Overall, the results of the reliability, convergent validity, and discriminant validity analyses demonstrate that the measurement model has strong psychometric properties, thereby providing a sound basis for proceeding with the structural model analysis.

4.3 Structural Model Assessment

After establishing the adequacy of the measurement model, the next step was to test the hypothesized relationships among the latent constructs using the structural model. The model's predictive accuracy and explanatory power were evaluated using R^2 values, and the strength and significance of the hypothesized paths were tested using bootstrapping with 5,000 resamples.

4.3.1 Model Explanatory Power

The coefficient of determination (R^2) indicates the proportion of variance in a dependent variable that can be explained by their predictors. In this study, the results showed that employee satisfaction had an R^2 value of 0.493 (adjusted $R^2 = 0.485$), this suggests that approximately 49.3% of the variance in employee satisfaction is explained by the SHRM dimensions, diversity and inclusion, green HRM, and fair compensation.

Similarly, organizational performance had an R^2 value of 0.658 (adjusted $R^2 = 0.650$), showing that 65.8% of its variance is explained by employee satisfaction and the three SHRM practices. According to Chin (1998), R^2 values of 0.19, 0.33, and 0.67 represent weak, moderate, and substantial explanatory power, respectively. Therefore, the R^2 values obtained in this study demonstrate a substantial level of predictive power for organizational performance and a moderate level for employee satisfaction.

These results suggest that the model effectively explains the relationships among the variables and that SHRM practices and employee satisfaction together account for a considerable portion of the variation in organizational performance across educational institutions.

4.4 Hypotheses Testing

The path coefficients derived from the PLS-SEM analysis were used to test the study's hypotheses. The results for both direct and mediating relationships are presented below.

4.4.1 Direct Relationships

The results in Table 2 present the direct effects of SHRM practices and employee satisfaction on organizational performance. All direct hypotheses were significant except for the relationship between green HRM and organizational performance.

Path	β (Original Sample)	t-value	p-value	Decision
Diversity & Inclusion → Employee Satisfaction	0.314	5.366	0.000	Supported
Fair Compensation → Employee Satisfaction	0.303	3.313	0.000	Supported
Green HRM → Employee Satisfaction	0.246	3.007	0.001	Supported
Diversity & Inclusion → Organizational Performance	0.204	3.510	0.000	Supported
Fair Compensation → Organizational Performance	0.304	4.566	0.000	Supported
Green HRM → Organizational Performance	0.041	0.608	0.272	Not Supported
Employee Satisfaction → Organizational Performance	0.423	5.394	0.000	Supported

Table 2 - Direct Hypotheses Testing Results

The analysis shows that both diversity and inclusion and fair compensation have strong positive effects on both employee satisfaction and organizational performance. This suggests that employees who perceive equitable treatment and fair remuneration are more satisfied with their jobs and perform better, contributing to overall institutional performance.

The green HRM dimension significantly influences employee satisfaction ($\beta = 0.246$, $p = 0.001$), indicating that environmental and sustainability initiatives improve employees' attitudes and sense of organizational commitment. However, its direct impact on organizational performance ($\beta = 0.041$, $p = 0.272$) is not statistically significant, implying that green practices may not immediately translate into higher performance outcomes without other mediating mechanisms, such as employee satisfaction.

Finally, employee satisfaction has a significant positive effect on organizational performance ($\beta = 0.423$, $p < 0.001$), confirming that satisfied employees are more productive, motivated, and committed, which ultimately enhances institutional outcomes.

4.4.2 Mediation Analysis

To test the mediating role of employee satisfaction, the indirect effects of SHRM practices on organizational performance through employee satisfaction were examined. As presented in Table 3 all three SHRM dimensions demonstrated significant indirect effects on organizational performance via employee satisfaction.

Indirect Path	β (Original Sample)	t-value	p-value	Mediation Type
Diversity & Inclusion → Employee Satisfaction → Organizational Performance	0.133	4.040	0.000	Significant
Fair Compensation → Employee Satisfaction → Organizational Performance	0.128	2.642	0.004	Significant
Green HRM → Employee Satisfaction → Organizational Performance	0.104	2.343	0.010	Significant

Table 3 - Mediation Testing Results

The results reveal that employee satisfaction significantly mediates the relationship between all three SHRM practices and organizational performance. Specifically:

- The indirect effect of diversity and inclusion on organizational performance is significant ($\beta = 0.133$, $p < 0.001$), demonstrating complementary mediation, where both direct and indirect effects are significant and in the same direction.
- The indirect effect of fair compensation ($\beta = 0.128$, $p = 0.004$) also represents complementary mediation, where both direct and mediated relationships contribute to improving organizational performance.
- The indirect effect of green HRM ($\beta = 0.104$, $p = 0.010$) reveals indirect-only mediation, meaning that green HRM practices influence performance entirely through employee satisfaction, as the direct path was not statistically significant.

Overall, these findings support the hypothesized mediation model, confirming that employee satisfaction serves as a key mechanism through which sustainable HRM practices enhance organizational performance in higher education.

4.5 Comprehensive Discussion

The results of this study show that SHRM practices, diversity and inclusion, fair compensation, and green human resource management, have a strong and positive effect on employee satisfaction and organizational performance. These findings are consistent with the principles of SET, which explains that employees develop positive attitudes and behaviors when they perceive fair and supportive treatment from their organizations. According to SET, individuals form exchange relationships based on reciprocity, and when organizations invest in their employees through fair rewards, inclusive practices, and environmental responsibility, employees reciprocate with greater satisfaction and performance (Bos-Nehles & Meijerink, 2018) (Al-refaei et al., 2023). This supports the broader argument that mutual trust and reciprocity strengthen commitment and cooperation within institutions (Benevene et al., 2018).

The significant direct effects of diversity and inclusion and fair compensation on both satisfaction and performance confirm that fair and transparent HR practices improve the quality of the employee organization relationship. Employees who perceive equity and inclusion feel valued and are therefore more motivated to contribute to the institution's goals (Phuangsuwan et al., 2025). These results reinforce the view that employee satisfaction acts as a mediator between good governance and performance: when employees are treated fairly and experience transparent management, they perform better and remain committed to their organizations (Phuangsuwan et al., 2025). The mediating role of satisfaction aligns closely with SET, where emotional trust and perceived organizational support lead to improved work outcomes (Al-refaei et al., 2023)

The importance of job satisfaction as a mediator has been recognized as literature. In the Ecohumanism Journal article, Wong et al. (2024) found that job satisfaction mediates the relationship between training and turnover intention, meaning that employees who feel satisfied because of development opportunities are less likely to leave their jobs (Wong et al., 2024). Similarly, Li et al. (2025) reported that job satisfaction mediates the link between perceived organizational support and job performance among university teachers (Li et al., 2025). In both cases, satisfaction acts as the key mechanism transforming supportive organizational practices into improved performance and lower turnover. The results of this study replicate that pattern: SHRM practices influence organizational performance mainly through employee satisfaction, demonstrating complementary mediation effects.

The findings related to green HRM further reinforce this point. Although the direct relationship between green HRM and organizational performance was not significant, the indirect effect through satisfaction was positive and meaningful. This result agrees with Lu et al. (2022), who showed that sustainable HRM practices strengthen employee resilience and commitment, which later improve performance (Lu et al., 2023). Environmental and sustainability initiatives often generate intrinsic motivation by aligning employees' values with those of the organization, which builds moral engagement even when short-term productivity effects are not immediately visible (Alhazmi, 2023). In educational institutions, such practices contribute to employees' sense of purpose, which enhances satisfaction and long-term performance. Consequently, green HRM functions as an indirect performance driver that relies on psychological mechanisms rather than direct economic ones.

The empirical evidence from the measurement and structural models aligns closely with the findings on good governance and employee satisfaction. Phuangsuwan et al. (2025) found that social development and economic management core dimensions of good governance significantly influence employee satisfaction, which in turn has a strong positive impact on organizational performance. Their PLS-SEM results showed that satisfaction explains over 78 percent of the variance in performance, confirming its central role as a mediator. Similarly, social development and transparency enhance satisfaction by fostering trust and fairness in the workplace, both of which are essential elements of SET relationships (Phuangsuwan et al., 2025) These results strengthen the interpretation that SHRM practices grounded in fairness and sustainability can be considered instruments of good governance that enhance both satisfaction and performance.

From a theoretical point of view, the results correspond to the propositions of Social Exchange Theory across the uploaded theoretical works. Blau (1964) and later HRM scholars explain that employees perceive HR actions such as fair pay, inclusiveness, and training as socio-emotional resources that generate an obligation to reciprocate with positive behavior (Han et al., 2024) , (Nazir et al., 2018). When an institution provides equitable compensation and transparent policies, it sends a signal of respect and trust, which motivates employees to remain loyal and productive. Conversely, the absence of such fairness weakens the exchange balance and leads to dissatisfaction or withdrawal. This theoretical explanation fits the empirical evidence from the current study, where

satisfaction mediates the link between sustainable HRM and organizational performance. It also connects to Li et al. (2025), who confirmed that perceived organizational support fosters personality stability, self-efficacy, and job satisfaction, which improve job performance.

In the context of the UAE and Vision 2030, these findings are particularly relevant. The Saudi Vision 2030 framework emphasizes sustainability, workforce empowerment, and improved organizational effectiveness across the education sector (Ministry of Economy and Planning, 2016), (Asfahani et al., 2023). Sustainable HRM practices such as promoting diversity, environmental responsibility, and fair compensation support the goals of Vision 2030 by creating committed, innovative, and high-performing human capital. The alignment between SHRM and Vision 2030 confirms that organizational success in Saudi universities depends not only on resources but also on the quality of exchange relationships between institutions and employees. When universities provide transparent governance, inclusive culture, and fair opportunities, staff members respond with satisfaction and dedication, which strengthens institutional performance (Lu et al., 2023), (Abdelhamied et al., 2023).

Moreover, ethical and inclusive HRM practices contribute to reducing turnover and enhancing stability, which is critical for the sustainability of educational institutions. As observed by Wong et al. (2024), soft training and development initiatives that promote interpersonal skills and emotional intelligence significantly reduce turnover intentions by increasing satisfaction and engagement. These findings suggest that sustainable HRM systems focusing on human values rather than technical efficiency are more effective in building long-term organizational excellence (Mostafa et al., 2024). The combination of fair compensation, developmental support, and ethical leadership creates a virtuous cycle: satisfied employees deliver higher performance, which further reinforces trust and reciprocity within the institution.

The discussion of good governance and job satisfaction also connects to organizational performance literature in the uploaded documents. Studies in the *Journal of Governance and Regulation* and *BMC Psychology* indicate that satisfaction mediates the effect of both governance and perceived organizational support on performance (Phuangsuwan et al., 2025; Li et al., 2025). Together, they confirm that organizations aiming to improve performance should focus first on the psychological and relational climate. This interpretation is consistent with SET, which stresses that sustainable

performance stems from reciprocal social exchanges rather than from control or enforcement mechanisms (Al-refaei et al., 2023) (Bos-Nehles & Meijerink, 2018).

Finally, the results of this research provide a coherent model integrating sustainable HRM, organizational performance and job satisfaction. Diversity and inclusion and fair compensation generate both direct and indirect positive effects, while green HRM exerts an indirect impact through satisfaction. These relationships are strengthened by governance, quality and perceived support. The collective evidence from this study indicates that satisfaction acts as the core mediator that links HR practices, ethical governance, and performance across different organizational contexts from education to business This highlights the universal value of SET as a framework for understanding how fair, ethical, and sustainability-oriented HRM policies foster stronger institutional outcomes and long-term organizational success.

CHAPTER 5 - SUMMARY

5.1 Introduction

This final chapter summarizes the main findings of the study, outlines its theoretical and practical contributions, acknowledges its limitations, and offers recommendations for both practitioners and future researchers. The research investigated how SHRM practices influence organizational performance in higher education institutions in the UAE, with particular focus on the mediating role of employee satisfaction.

Using Partial Least Squares Structural Equation Modelling (PLS-SEM), the study provided empirical evidence that diversity and inclusion, fair compensation, and green HRM significantly enhance performance, largely through the mediating effect of employee satisfaction. Importantly, these effects occur largely through the mediating influence of employee satisfaction, confirming its central role in linking sustainability-oriented HRM practices with improved institutional outcomes.

5.2 Summary of Key Findings

My study confirmed that SHRM practices play an important role in shaping institutional outcomes within the UAE's higher educational sector. Overall, the results reveal several key insights.

First, sustainable HRM and organizational performance were found to be closely related. Consistent with the work of Malik et al. (2020) and Mostafa et al. (2023), sustainable human resource practices such as diversity, inclusion, and fair pay had a strong positive impact on organizational performance. This indicates that when institutions promote fairness, equality, and sustainability, employees respond with better commitment and productivity, thereby improving the overall organizational effectiveness.

Employee satisfaction was confirmed as a significant mediator between sustainable human resource management practices and organizational performance. This finding supports the SET (Blau, 1964; Bos-Nehles & Meijerink, 2018) which suggests that when employees are treated fairly and supported by their organizations, they respond with higher levels of engagement, loyalty, and performance.

It was also confirmed that inclusive policies improved both employee satisfaction and organizational performance, showing the importance of fairness and respect in

multicultural academic environments. This aligns with Aro-Gordon and Mohamed Al-Raeesi (2022), who noted that inclusion fosters innovation, collaboration, and a stronger sense of belonging employees.

Transparent and fair pay systems were strong predictors of employee satisfaction and performance. This supports the work of Lu et al. (2022), who found that inclusion fosters innovation, collaboration, and a stronger sense of belonging among employees.

While green human resource management did not have a direct impact on performance, it showed an indirect positive effect through employee satisfaction. This suggests that sustainability initiatives contribute to performance primarily by enhancing employees' sense of purpose and moral alignment with institutional values (Alhazmi, 2023; Lu et al., 2023).

Finally, the model explained 65.8% of the variation in organizational performance, providing strong evidence for the robustness of the proposed relationships. Collectively, these results provide clear evidence of the mediating role of employee satisfaction within sustainable human resource management frameworks.

5.3 Theoretical Contributions

This study contributes to the growing literature on SHRM in several important ways. It extends the use of SET to the context of UAE educational institutions, showing that reciprocity and fairness play a key role in improving satisfaction and performance. The research also brings together three main dimensions of sustainable HRM such as diversity and inclusion, green HRM, and fair compensation, into one model, bringing a clearer understanding of how sustainability can be integrated into human resource practices. In addition, it provides new empirical evidence from the UAE, a region that has received little attention in previous HRM and sustainability studies, helping to fill an important geographical and institutional gap identified by Sidani and Al Ariss (2014) and Ehnert et al. (2016). Finally, by confirming employee satisfaction as a mediating factor, the study enhances understanding of how psychological and relational processes transform HR practices into improved organizational performance. This highlights the central role of employee perceptions and social exchange dynamics in achieving sustainable and high-performing institutions.

5.4 Practical Implications

The findings of this study provide valuable guidance for policymakers, educational leaders, and human resource professionals seeking to enhance institutional performance through sustainable practices. Educational institutions are encouraged to integrate sustainability principles into their HR strategies, as initiatives such as fair compensation, diversity and inclusion programs, and environmentally responsible policies can increase employee satisfaction and strengthen overall performance. Leaders should also focus on promoting ethical and inclusive work environments that build fairness and trust among employees. As emphasized by Limna et al. (2022), ethical leadership characterized by openness, respect, and recognition has a direct impact on employee morale, motivation, and productivity.

In addition, institutions should invest in training and development programs that connect sustainability values with professional growth, as this can enhance motivation and long-term commitment. Although the direct relationship between green HRM and performance was not very strong, environmental initiatives remain important. Their indirect influence through employee satisfaction highlights their value in creating responsible, motivated, and engaged workforces.

5.5 Limitations of the Study

Although this study makes a valuable contribution to the understanding of SHRM, it also has some limitations that should be considered.

First, the research used a cross-sectional design, collecting data at a single point in time. This approach limits the ability to establish cause-and-effect relationships. Future studies could adopt a longitudinal design to observe how sustainable HRM practices influence satisfaction and performance over time.

Second, the study relied on self-reported data, which reflects employees' perceptions and may include personal bias or social desirability effects, even though confidentiality and anonymity were assured.

Third, the research focused specifically on higher education institutions in the UAE. While this provides important insights within that context, the findings may not be fully generalizable to other sectors or countries with different cultural and economic environments.

Another limitation is that only three dimensions of sustainable HRM practices were diversity and inclusion, green HRM, and fair compensation were examined. Future research could include other factors such as ethical leadership, employee training, or work–life balance to provide a broader understanding of how sustainable HRM affects performance.

Finally, the UAE's cultural context is characterized by high power distance and collectivist values, which may influence how employees perceive fairness, satisfaction, and organizational practices compared to Western settings.

5.6 Recommendations for Future Research

To further develop the findings of this study, future research could explore different directions. Long-term studies could be conducted to examine the effects of sustainable human resource management on satisfaction and performance. Also comparative studies among Gulf Cooperation Council (GCC) countries would also be valuable for identifying cultural or institutional differences in how SHRM practices are applied and perceived. Future research could include additional variables such as ethical leadership, work engagement, and organizational commitment to gain a wider understanding of the mediating and moderating factors involved.

A mixed-methods approach that combines quantitative and qualitative techniques could provide deeper insight into how SHRM practices are experienced by employees and implemented by HR managers. Moreover, expanding the scope of research to other sectors, including healthcare or tourism, would help test whether the current model is applicable across different industries. Finally, future studies should aim to validate the model in various cultural contexts to determine whether the relationships identified in the UAE context remain consistent in other regions.

5.7 Conclusion

This study concludes that SHRM practices have a strong influence on organizational performance in UAE higher education institutions, primarily through the mediating role of employee satisfaction. The results support Social Exchange Theory by demonstrating that fair, inclusive, and sustainable HR practices create positive reciprocal relationships that enhance institutional outcomes. By implementing policies that promote equitable

pay, inclusive workplaces, and environmentally responsible policies, educational institutions can achieve both social and organizational sustainability. Overall, this research contributes to theory, practice, and policy by emphasizing the strategic importance of sustainable HRM in developing satisfied employees and high-performing organizations in line with regional sustainability visions such as UAE Vision 2030, highlighting how higher education institutions can support national sustainability goals through effective and human-centered HR strategies.

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