

## The effect of HRM practices and employees' job satisfaction on employee performance

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ABSTRACT

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Saudi Ports, is one of the busiest seaports in the world and the biggest ports in the Middle East, which is facing challenges from different ports such as Salalah and Dubai ports especially in the cargo section, which can release their cargoes and goods in a short time without any congestion of stock. The current challenges of Saudi Ports Authority are the overstock of cargo which is the result of low performance of workers at cargo field. This paper investigated the root of this problem based on the role of the human resource practices such as training and development, reward, job analysis, social support, recruitment and selection, employee relationship and empowerment, employee satisfaction into employee performance. In other words, the current study explored to know whether HRM practices offer direct impact on the employee performance or through employees' job satisfaction on employee performance to solve the said problem. The study analysed the 367 Saudi port authority employees' data and found a positive significant relationship between HRM practices and employee performance. Furthermore, the current study revealed a positive relationship between employee job satisfaction and employee performance. Moreover, the present study found the insignificant relationship between HRM practices and employee job satisfaction but reported no significant mediating role of employee job satisfaction between HRM practices and employee performance.

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### 1. Introduction

The Kingdom of Saudi Arabia is the world's main oil exporting country. It has the largest and the most diversified economy in the Middle East with industrial exports that are internationally oriented. The Kingdom, therefore, has to have efficient, fully equipped ports that are capable of doing perfectly well. The port Authority played a great role on increasing the economy of the country through handling imports and exports of commodities. According to Elentably (2015), Saudi Ports Authorities have nine main ports on two regions which are accounted for 95% of the export and import of goods through the kingdom's sea ports while, 55% of the cargo handled are associated with exports. In addition, more than 5 million Twenty-Foot Equivalent Unit (TEUs) are handled annually and 11,000 ships visit Saudi ports annually (Elentably, 2015). Despite a positive contribution to growth domestic product (GDP) of Saudi Arabia, cargo's over stock is the main issue which has recently increased the price of cargo's handle up to 200%

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and result in lack of satisfaction among employees in cargo section (Arab, 2016). It is also pointed out that low job satisfaction enhances low employee performance which yields to inadequate human resources in cargo field at Saudi Ports Authority (Arab, 2016). Though, there are several studies on the role of human resource practices on employee job satisfaction and performance (Jeet & Sayeeduzzafar, 2014). Nevertheless it appears to be very limited studies on the effect of human resource practices on satisfaction and the performance of employees in Saudi port Authority (Elentably, 2015). Therefore, this paper intends to examine the impact of human resource practice on employees' performance through job satisfaction at Ports Authority especially in cargo's field.

## **2. Literature review**

This section presents the concepts and operationalization of variables. Furthermore, it develops the hypotheses of the survey based on the literature review.

### *2.1 Human Resource Practices*

When the global market becomes more challenging and unstable, many organizations have focused on human resource practices to overcome the challenges and gain the competitive advantage. Human resource practices (HRM) may enhance the skills, knowledge, creation, synergy, commitment, and outcome of the organization. Therefore, HRM is a core of achieving the organizations' goals in different fields (Cania, 2014; Harter et al., 2002). In addition it is a system that set the attitude and behaviour of the workers and builds up the relationship between employer and employees which motivate the employees to spend more efforts based on creation and innovation and helps firm achieve its objectives and motivates the employees (Tan & Nasuridin, 2011). As business faces more development and changes, different challenges can be defeated by HRM through offering various practices which increase the satisfied workers. These practices help organization have better performance (Armstrong, 2006). Human resource functions include many practices such as training and development, reward, job analysis, recruitment and selection, employee relationship, employee empowerment and social support. All these practices should be built in order to achieve high level of satisfaction and performance of workers (Albrecht et al., 2015; Dessler, 2006; Majumder & Hossain, 2012).

### *2.2 Human Resource Practices and Employee performance*

The empirical studies are considered as a rich literature that indicates the link between human resource practices and performance (Gerhart et al., 1992; Haddock-Millar et al., 2016), those studies have been carried out in different sectors and various countries and most of them reveal that there is a positive relationship between human resource practices and employees' performance (Tabiu & Nura, 2013). Therefore, human resource practices offer a key role to increase the performance of the employees, which lead the organizations to achieve their goal. Thus, the organization should consider the human resource practices as a core method to achieve their goals through employees' performance (Hassan, 2016). Boselie et al. (2005) HRM was tested as a set of human resource practices in 104 studies. Human resource practices have seven factors that offer positive contribute to employees' performance, those factors are training and development, reward, job analysis, recruitment and selection, social support, employee relationship and employee empowerment (Delery & Doty, 1996; Nataraja & Alamri, 2016). Consequently, organisation seeks to select the right people who have the skills and abilities to offer successful environment through those factors (Cania, 2014; Pfeffer & Villeneuve, 1994). The managers at each organization should imply the practices of human management in a right way because the success of human resource practices is based on the way of implementation. Thus, managers should pay high attention once they intend to imply human resource practices to avoid any mistake that cause a failure (Guest, 2011, 2017). There are many empirical studies that examine the relationship between human resource practices and employees' performance at various fields (Korde & Laghate, 2015; Shakeel & Lodhi, 2015). In addition,

the impact of human resource practice on other facets of employee's behaviour such as loyalty and engagement was examined (Si & Li, 2012). Thus

H<sub>1</sub>: There is a positive relationship between human resource practices and employees' performance

### *2.3 Human Resource Practices and Job Satisfaction*

Human resource practices is a method that offers satisfaction for the employees based on their work at different fields (Bekru et al., 2017; Ting, 1997). In addition, many scholars have stated that human resource practices offer positive contribution to employees' satisfaction in various levels of organisations which increase the performance of the workers. Gould-Williams (2003) conducted a study at local government organizations in the United Kingdom (UK) to examine specific HR practices. The result of their study stated that Human resource practices offer a positive contribution to job satisfaction and increase the workplace trust, commitment, engagement, performance, therefore, organization will gain their goals. The human resource practices should be considered by managers as a method that improves the work condition and increases the outcome of the organization (Absar et al., 2010). There are some empirical studies on human resource practices and job satisfaction at different sectors and we have a rich literature on the effect of human resource practices on other issues such as performance, loyalty, engagement (Al-Khasawneh, 2013; Balozi & Aman, 2014; Tabiu & Nura, 2013). Thus

H<sub>2</sub>: There is positive relationship between human resource practices and job satisfaction

### *2.4 Job Satisfaction and Employee Performance*

The relationship between job satisfaction and employees' performance is important and it is an aspect of organizational psychology. Therefore, many researchers tried to test the relationship between job satisfaction and employees' performance in various sectors (Judge et al., 2001). Job satisfaction is the Holy Grail of organizational psychology (Mitchell et al., 2017). The relationship between the attitude of workplace and outcome of employees' behaviour is an interesting area (Harrison et al., 2006; Schleicher et al., 2004). Job satisfaction is the feeling of the employees towards the workplace situation (Smith, 1969). More recently, job satisfaction presents the feeling of employees on their jobs. According to Brief and Weiss (2002) job satisfaction can be measured based on the employees' feeling and emotion towards their job conditions. On the other hand, the job performance is the behaviour of employees while they do their jobs in order to achieve the organization's objectives (Campbell et al., 1993). The organization is focused on their employee's performance, which considers as the main method to achieve the goal of the organization (Huffcutt & Arthur, 1994). The definition of performance should be focused on the behaviour of the workers not to the outcome of the organisation. Campbell et al. (1990) mentioned that performance is an observed behaviour of employees during their task and duties. Thus, job satisfaction is an important factor that offers positive contribution to employees' performance (Gosselin, 2005; Yvonne et al., 2014). There are many empirical studies accomplished in different fields to examine the impact of job satisfaction on performance of employees and to test the impact of job satisfaction on another dependent variable such as engagement, loyalty (Owusu & Owusu, 2014; Ram, 2013; Waqas et al., 2014). Thus

H<sub>3</sub>: There is a positive relationship between job satisfaction and employees' performance.

### *2.5 Mediating role of job satisfaction between HRM practices and employee performance*

Job satisfaction has a positive impact on employees' behaviour which leads to increase the commitment, performance, loyalty, and engagement, on the other hand, the rate of turnover, accidents, grievances, tardiness and absenteeism will decrease (Rothenberg et al., 2017). Job satisfaction offers positive contribution to employees' performance through its mediator role (Khan et al., 2016). The organization offers varieties practices of the human resource such as reward, training and development, recruitment and

selection to the employees to increase their performance, however, if the employees did not feel satisfied, the performance will decrease. Thus, human resource practices are a facet of job satisfaction, that leads the employees to increase their performance (Koedel et al., 2017). Therefore, managers should pay high attention regard the way of offering practice in order to gain a high level of satisfaction which leads the workers to spend high effort. There are many empirical studies that indicate the positive relationship between human resource practices and performance through job satisfaction at different fields by examining the job satisfaction as a mediator between human resource practices and other outcomes rather than performance (Khan et al., 2016; Nabi et al., 2017). Therefore,

H4: Job satisfaction plays as mediator between human resource practices and employees' performance.

### 3. Research Framework

The objective of the study is to examine the relationship between human resource practices such as training & development, reward, job analysis, recruitment & selection, social support, employee empowerment and employee relationships with employees' performance through job satisfaction. The literature of human resource practices reconciles the role of human resource practices on employees' performance (Nassazi, 2013). In addition, this is in line with Maslow theory and Adam equity theory that employees are satisfied when their needs are fulfilled (Adams, 1965; Maslow, 1965).

#### 3.1 Adams' Equity Theory

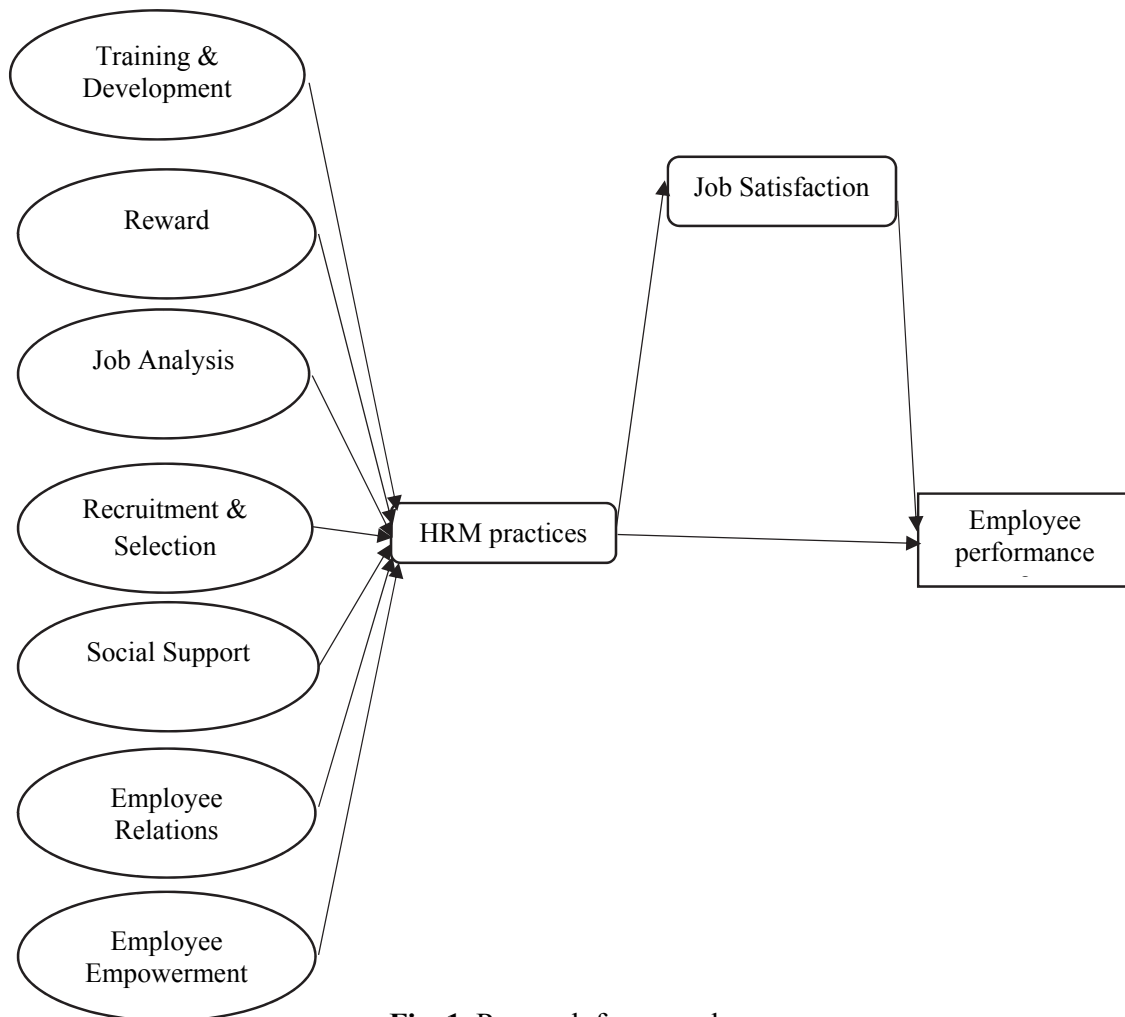
According to Adams' Equity Theory, the inputs and the outputs should be fair to ensure the high level of job satisfaction and performance among the employees in an organization. Remarkably, the human resource practices in every organization should follow the procedural justice for high job satisfaction and performance (Deutsch, 1975). The training & development, reward, recruitment & selection, job analysis, employee relations, employees' empowerment, and social support are identified as key factors that determine employees' job satisfaction and employee performance. These factors are viewed as independent variables that determine whether the employees are satisfied and deliver good performance at the workplace or not. Through Adams' Equity Theory, the job satisfaction of employees and its relation with the employee performance are rationalized (Montana & Charnov, 2008). Accordingly, Adams' Equity Theory suggests the need for equity between the employees' expectations (inputs) and what the employees gain in return (outputs) and the significance of the organization to strike a balance between inputs and outputs to realize maximum employee performance (Rothmann & Cooper, 2015). In other words, the inputs can be viewed as effort (to perform their job and improve their job performance) while the outputs (outcomes of performing their job) are deemed as reward. Hence, it is imperative that the maximum impact of training & development as well as other organizational functions of human resource practices is delivered at the Saudi ports. Moreover, employees exhibit diverse behaviours, which should be comprehensively considered. Over the years, Saudi ports have demonstrated successful attempts in their training & development for the employees given their keen interest to satisfy the needs of their employees. With respect to this particular theory, employees who express job satisfaction are more likely to demonstrate enhanced employee performance and productivity of organization (Montana & Charnov, 2008) because their needs are considered by the organization, making them feel appreciated and acknowledged. Essentially, the organization should provide high-quality training & development to equip the employees with the job skills (Ahmad & Schroeder, 2003), resulting in elevated satisfaction and performance at the workplace. Through training & development, the employees are able to acquire the necessary knowledge and enhance their capacities to sustain and improve their performance (Atteya, 2012). Besides that, the equipment provided during these training & development courses should be adequate to ensure all employees have similar training opportunity (Al-Qudah et al., 2014) and to clear any doubts that the employees may have by exposing them to all key areas of the industry. The individual who is responsible for the training and development should be well-informed and possesses the expertise and capacity to address all questions posed by the employees. Moreover, it becomes even more difficult for

the employee to put in effort for the assigned duties when the organization does not offer reward to the employee. At this point, it is plausible that the employee expresses the intention of quitting, which may influence other employees to follow suit. With that intention, the employee seeks a different career opportunity that offers job satisfaction (Montana & Charnov, 2008). Apart from training & development, this study also views reward as another independent variable that significantly influences the employees' job performance. Theoretically, the reward can be either intrinsic or extrinsic. Essentially, a reward program motivates employees to value the challenge of the assigned task and to complete the task well using the necessary skills and competencies (Guest, 2017). Meanwhile, job analysis is the preliminary hiring & recruitment process, which allows the organization to identify potential employees according to the details and requirements of the job. The job analysis helps the human resource manager quantify the duties of the job and the appropriate salary for the hired employees. Through the job analysis, the organization knows what to expect from the employees and how to reward employees who demonstrate good performance; and in return, the employees know what the organization expects from them and the type of compensation and reward they receive (Hailemariam et al., 2019). The recruitment & selection process is another critical process that influences the employees' performance and productivity. Besides evaluating and determining the best fit for the particular job, this process also involves an in-depth discussion on the expectations of both organization and the potential employee (Atteya, 2012). This ensures that the hired employee for a particular position can meet the organization's expectations. Hence, the issue of equity is typically highlighted to ensure job satisfaction and job performance. Good employee relations, as another identified factor that influences employee performance, ensures that the organizational goals are achieved. Similarly, Adams' Equity Theory posited a fair balance between inputs and outputs of the employees, resulting in a satisfied workforce with enhanced employee performance (Rothmann & Cooper, 2015). Adding to that, good social support, such as support groups and counselling programs, helps the employees handle job-related challenges or stress effectively. This is another strategy on how an organization addresses the employees' needs (Golden & Gajendran, 2019). Furthermore, empowerment at the workplace also influences employees' job satisfaction and job performance. When the employees are empowered, their self-esteem increases and they are able to work with ease. Since fairness is advocated at the workplace with respect to Adams' Equity Theory, the employees' job satisfaction can be ensured (Yao et al., 2013). In view of the above, this study focuses on the cargo employees' job satisfaction through training & development, reward, recruitment & selection, job analysis, employee relations, employees' empowerment, and social support at Saudi ports authority, specifically SPA under the umbrella of Adams' Equity Theory.

### *3.2 Maslow Hierarchy of Needs theory*

Maslow posited that there are five primary classes of human needs, which are to be hierarchically satisfied: (i) physiological needs; (ii) safety and security; (iii) belongingness; (iv) self-esteem; (v) self-actualization (Akilu & Junaidu, 2015). In the organizational context, employees are able to gain job satisfaction and eventually, perform well when the organization provides a working environment that is conducive to fulfil these fundamental needs. This theory highlighted various factors that motivate employees and how to structure their work accordingly (Singhapakdi et al., 2015). The organization that satisfies employees' needs for career development, job security, salary, and supervision is deemed to fulfil the first three basic needs of Maslow's Hierarchy of Needs (i.e., physiological needs, safety & security, and belongingness) (Akilu & Junaidu, 2015). Accordingly, various organizational functions of human resource practices influence job satisfaction among employees. Firstly, training & development are viewed as effective organizational strategies that provide job related skills and ensure job security among the employees at the workplace (Dhar, 2015). In other words, this function satisfies the employees' physiological needs, safety & security, and belongingness. Secondly, the reward in terms of salary, bonus, and any other form of monetary reward and compensation is considered as another strategy to provide job satisfaction to the employees. Essentially, appropriate reward management helps the employees achieve their needs in different levels. The ability to achieve physiological needs provides financial comfort among the employees at the workplace (George, 2015) and subsequently, the sense of belongingness

given the fulfilment of their prior needs through reward. Thirdly, fair recruitment & selection assure employees in attaining and maintaining their job, which satisfy their physiological needs, as well. As their physiological needs are satisfied, the assurance provided for their job security and financial security fulfils the employees' needs in the second level of Maslow's hierarchy of needs (Ekwoaba et al., 2015). With the fulfilment of the first two levels of Maslow's hierarchy of needs, the employees are able to satisfy the subsequent level of needs (belongingness). On a similar note, fair job analysis, good employee relations, and employees' empowerment are also deemed to contribute to the fulfilment of employees' physiological needs, safety & security, and belongingness since these functions provide the employees the opportunity to nurture a solid relationship among one another and to strengthen their connection with the organization (Rubin & Babbie, 2016). Additionally, it is imperative that the organization provides adequate social support to demonstrate appreciation and concern for the employees (Aktar & Pangil, 2017). For examples, housing support, meals, medical and insurance cover, and maternity and paternity leave (Sharma & Jain, 2015). Consequently, job satisfaction spurs the employees' drive to deliver expected organizational outcomes through enhanced employee performance (Albrecht et al., 2015). Fig. 1 demonstrates the structure of the proposed study.



**Fig. 1.** Research framework

#### 4. Research methodology

This study is an exploratory study, which means that it seeks to get new insight, ask questions and to evaluate an event in a new light (Robson, 2002), it is a cross sectional study which is a research period,

that focuses on carrying out a research in short time in order to measure the result that came out from the given respondents (Levin, 2006). In addition, the research approaches are deductive and positivist.

#### *4.1. Population and sample size*

This study focused on cargo employees in SPA under the Saudi Government (public). There are nine main ports in KSA, namely (1) Jeddah Islamic Port, (2) King Abdulaziz Port Dammam, (3) King Fahad Industrial Port Yanbu, (4) King Fahad Industrial Port Jubail, (5) Jubail Commercial Port, (6) Yanbu Commercial Port, (7) Jizan Port, (8) Dhiba Port, and (9) Ras Al-Khair Port, which serve as the targeted population of this study. This study selected an appropriate sample size from the population of interest.

Essentially, it is imperative to gather an adequate sample size that statistically represents the population of interest in an empirical study for generalization of findings. The determination of sample size depends on the population, of either unknown (infinite) population or known (finite) population. It was reported that there were about 8,000 cargo employees in Saudi ports (Authority, 2019). Hence, this study determined the selection of sample size based on a finite population (Krejcie & Morgan, 1970). Hence, according to Krejcie and Morgan (1970), a sample size of 367 was selected for this study. This study considered the convenience sampling strategy given the simplicity of its process using limited resources. In other words, only cargo employees who were available and willing to participate in the questionnaire survey were considered.

#### *4.2. Instrument*

Studies by Cook (1981), Harter (1985), Snell and Dean Jr (1992), Boselie et al. (2001), Laka-Mathebula (2004), Singh (2004), Morgeson and Humphrey (2006), and Qureshi et al. (2007) were used as the primary sources for the development of instrument of this study. This study adopt and adapt the constructs and items accordingly. The questionnaire survey approach using the five-point Likert scale with endpoints of “strongly disagree” (1) and “strongly agree” (5) was employed for this study based on several rationalizations (Davidson, 1979) and it was considered as the easiest way to collect the data (Haque & Taher, 2008; Imran et al., 2018). Considering that the first language of the targeted population is Arabic, the study translated the questionnaire into Arabic to use back-translation method. In other words, the instrument translated from English language to Arabic language and back translated to English language for accuracy. The reliability and validity checked of adapted instrument. The convenience selected respondents were then required to complete the questionnaire survey that comprises several sections on human resource practices, job satisfaction, and job performance.

#### *4.3 Research findings*

This section presents the results of the data examination. The current study adopted the structural equation modeling (SEM) to examine the current study data. However, for the analysis of SEM, smart-PLS-3 software was employed. The data analysis of the study was divided into two steps, including measurement model evaluation and structural model evaluation.

#### *4.4 Measurement model evaluation*

There are three criteria used to validate the measurement model. Basically, measurement model examines the data reliability and validity. However, the Cronbach alpha, composite reliability and average variance extract (AVE) criteria were used to validate the reliability of data in measurement model. The threshold values of Cronbach alpha, composite reliability and AVE should be 0.70, 0.70 and 0.50 respectively. The results of data reliability can be seen in Table 1 and Fig. 2. In respect of data validity, HTMT criteria have been used in measurement model. The HTMT values should be less than 1.0. However, all the values of HTMT were less than 1. The result data validity can be seen in Table 2.

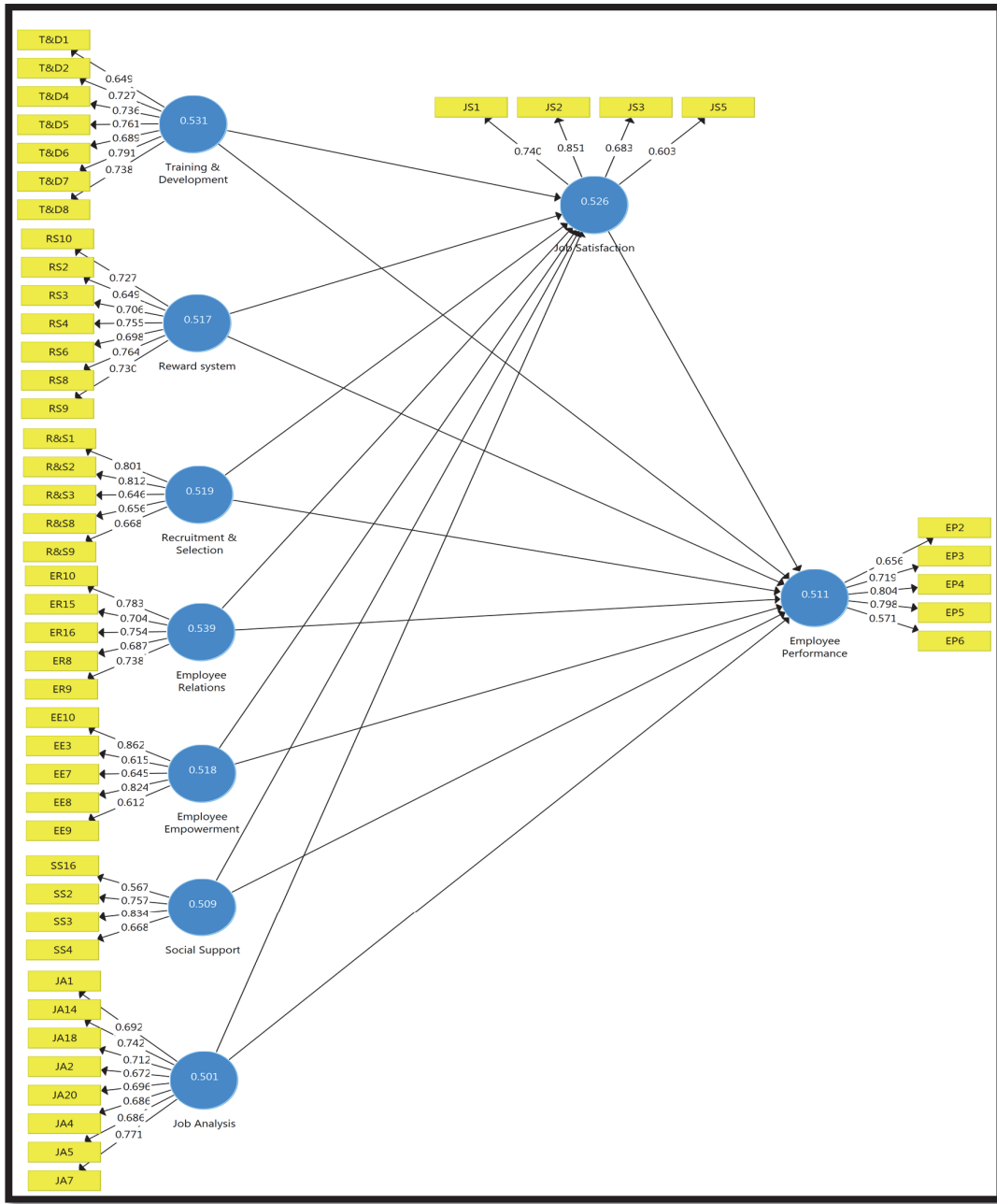


Fig. 2. Measurement model

Table 1  
Reliability of the constructs

Constructs	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Empowerment	0.770	0.794	0.840	0.518
Employee Performance	0.759	0.787	0.837	0.511
Employee Relations	0.788	0.803	0.854	0.539
Job Analysis	0.860	0.878	0.889	0.501
Job Satisfaction	0.692	0.701	0.814	0.526
Recruitment & Selection	0.779	0.837	0.842	0.519
Reward system	0.850	0.882	0.882	0.517
Social Support	0.676	0.706	0.803	0.509
Training & Development	0.858	0.889	0.888	0.531



**Table 2**

Validity of Constructs: Heterotriat-Monotrait Ratio of Correlations (HTMT)

Constructs	EE	EP	ER	JA	JS	R&S	RS	SS	T&D
EE									
EP	0.118								
ER	0.103	0.332							
JA	0.586	0.092	0.106						
JS	0.246	0.465	0.531	0.257					
R&S	0.569	0.088	0.138	0.996	0.206				
RS	0.479	0.086	0.103	0.885	0.194	0.885			
SS	0.104	0.326	0.415	0.14	0.417	0.138	0.115		
T&D	0.509	0.085	0.085	0.912	0.226	1.025	0.88	0.120	

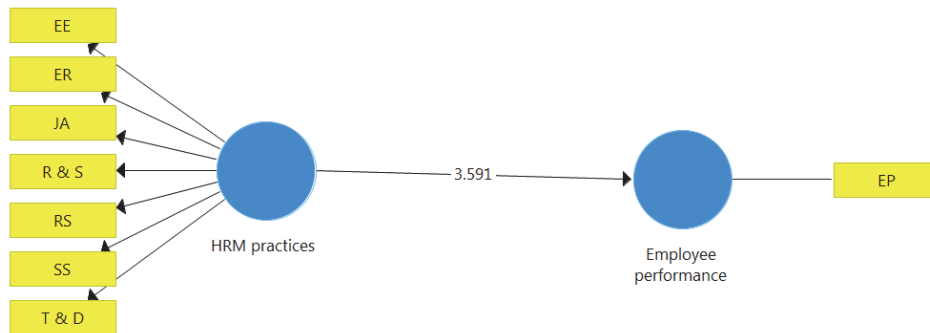
Note: EE = Employee Empowerment; EP=Employee Performance; ER=Employee Relations; JA=Job Analysis; JS= Job Satisfaction; R&S= Recruitment & Selection; RS=Reward system; SS= Social Support; T&D=Training & Development

4.5 Structural model evaluation

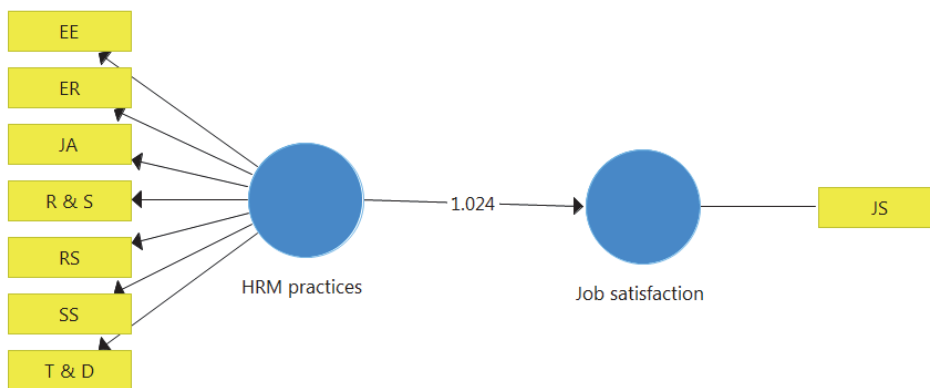
Structural model was evaluated through four criteria such as path co-efficient, coefficient of determination ( $R^2$ ), effect size ( $f^2$ ) and model fit.

4.6 Path co-efficient

The path co-efficient was used to test the proposed hypotheses and to make the decision and in smartPLS that runs the bootstrap at 5000 sub-sample with 1.96 t-value and 0.05 significance level. Therefore, in current study hypothesis  $H_1$  and  $H_3$  were accepted and  $H_2$  and  $H_4$  were rejected, the result can be seen in Table 3 and Table 4. Furthermore the result can observed in Figs. (3-6) as well.



**Fig. 3.** Hypothesis 1



**Fig. 4.** Hypothesis 2

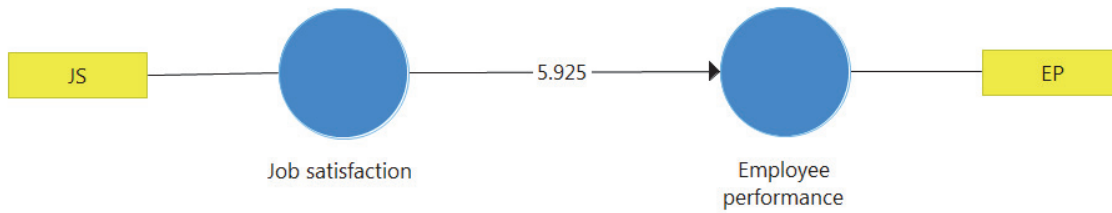


Fig. 5. Hypothesis 3

Table 3  
Direct Relationship

Hypothesis	Beta	Standard Deviation	T Statistics	P Values	Decision
H1: HRM practices → Employee performance	0.338	0.094	3.591	0.000	Accepted
H2: HRM practices → Job satisfaction	-0.434	0.424	1.024	0.306	Rejected
H3: Job satisfaction → Employee performance	0.353	0.060	5.925	0.000	Accepted

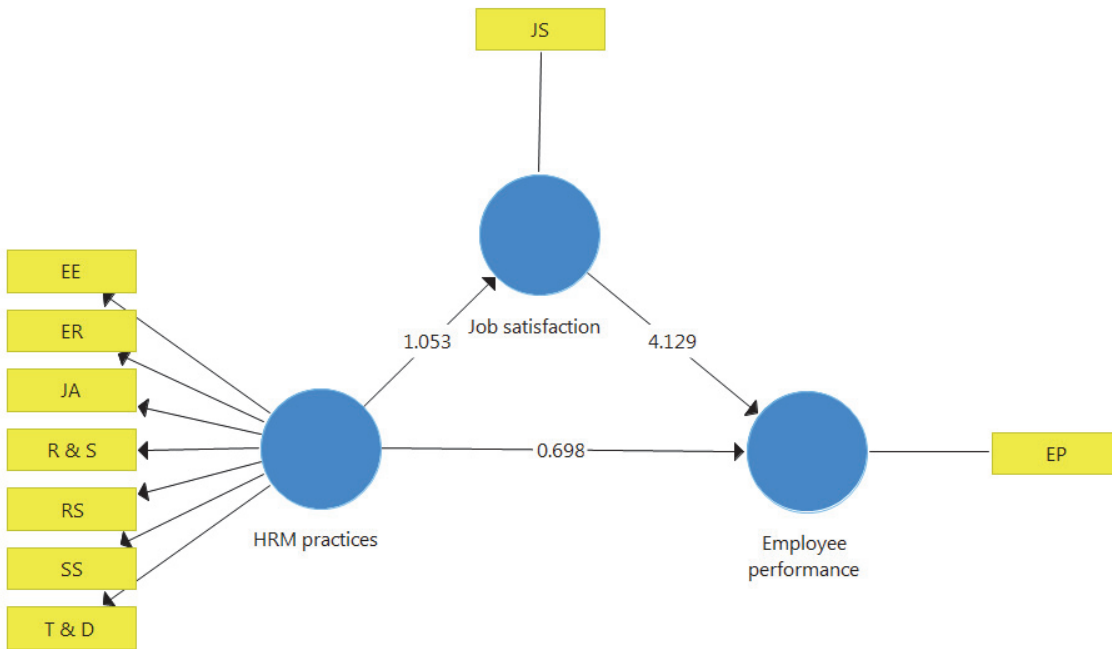


Fig. 6. Hypothesis 4

Table 4  
Indirect Relationship (Mediation)

Hypothesis	Beta	Standard Deviation	T Statistics	P Values	Decision
H4: HRM practices → Job satisfaction → Employee performance	0.146	0.143	1.024	0.306	No Mediation

4.7. Co-efficient of determination ( $R^2$ )

$R^2$  stated that variance proportion percentage in dependent variable explained by independent variables. Henseler et al. (2009) presented a rule of thumb for acceptable range for  $R^2$  with 0.75, 0.50, and 0.25 are

described as substantial, moderate and weak respectively. In the current study  $R^2$  is recorded moderated in both variables, the result can be seen in Table 5.

#### 4.8 Effect Size ( $f^2$ )

$F^2$  has been used as a measure for the strength of each exogenous variable in explaining endogenous variables. According to Chin (1998)  $f^2$  values of 0.02, 0.15, and 0.35 for the significant independent variables represent weak, moderate and substantial effects, respectively. The present study found the effect size of HRM practices into employee performance as moderated and into job satisfaction we have found weak effect size. However, job satisfaction effect size into employee performance was found moderated as well. The results can be seen in Table 5.

**Table 5**

Co-efficient of determination and effect size

Constructs	$f^2$		$R^2$	
	Job satisfaction	Employee performance	Job satisfaction	Employee Performance
HRM practices	0.011	0.129	0.310	0.405
Job satisfaction		0.124		

#### 4.9 Model Fit

There are the following criteria to validate the model fitness in PLS-SEM.

##### 4.10 SRMR

Standardised Root Mean Residuals (SRMR) assesses the average magnitude of the discrepancies between observed and expected correlations as an absolute measure of model fit criterion. According to Henseler et al. (2016) the value of SRMR should be less than 0.10 and we observed it within the acceptable range of SRMR.

##### 4.11 NFI

Model fit index (NFI) represents an incremental fit measure. NFI values should be more than 0.90 for acceptable fitness of the model. Therefore, current study found the acceptable values of NFI. The result can be seen in Table 6.

##### 4.12 RMS\_theta

Root mean squared (RMS) measures the residual covariance matrix of the outer model ((Lohmöller, 2013). RMS-theta criterion is only useful for reflective model fitness. However, the values of RMS\_theta should be below 0.12. which is the case for this study and the result can be seen in Table 6.

**Table 6**

Model Fit

Criterial	Saturated Model	Estimated Model
SRMR	0.089	0.089
NFI	0.940	0.940
rms Theta	0.109	

## 5. Discussion and conclusion

This study has examined the role of human resource practices on employee's performance and satisfaction in Saudi Arabia port Authority. Human resource practice plays a great role to lead the organisations

to achieve competitive advantage and compete in a global dynamic market. The finding of the study have revealed a positive relationship between HRM practices and employee performance, hence hypothesis 1 is accepted. Secondly the present study has found the insignificant relationship between HRM practices and employee job satisfaction, hence the hypothesis 2 has been rejected. Moreover, on the basis of current study findings, the current study has found a positive significant relationship between employee job satisfaction and employee performance, thus the hypothesis 3 has been accepted. In terms of mediating role of employee job satisfaction, the findings have revealed no mediating role between HRM practices and employee performance, hence the hypothesis 4 was rejected as well.

However, the current study findings are consisted with previous researches such as the previous literature acknowledges that human resource practice found positive contributions to employees' loyalty, satisfaction, engagement and performance (Haruna & Marthandan, 2017; Nwachukwu & Chladková, 2017). Thus, the needs of employees have to be fulfilled in order to reach good performance measurement (Kuppuswamy et al., 2017). Saudi Ports Authority is very important for the economic growth. However, insignificant relationship between HRM practices and employee job satisfaction alarming sign for management. In other words, the current challenges of Saudi Ports Authority are the overstock of cargo which is as a result of low satisfaction of workers at cargo field. The management should restructure the HRM system into the department which can lead to positive employee job satisfaction. As future studies we can expand the research context to validate the current study research framework into manufacturing and other services industries.

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