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كلية الإدارة

دارة المشاريع

Project Title عنوان المشروع

**The Impact of Promotion Practices on Employee
Performance in Private Companies in Saudi Arabia**

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Chapter 1: Introduction

1.1 Research Introduction

Human resources are among the most valuable assets in any organization, as organizational success depends on employee performance. Promotion practices are an important human resource management function because they motivate employees, recognize achievement, and encourage career development. Fair and transparent promotion decisions improve motivation, commitment, and

productivity, while unfair promotion practices may reduce morale and performance. In Saudi Arabia, private companies are increasingly focusing on developing effective human resource practices to support competitiveness and Vision 2030. Despite this, some employees perceive promotion decisions as inconsistent or unclear, which may negatively influence their performance. Previous studies have examined promotion practices in different contexts; however, limited evidence exists regarding private companies in Saudi Arabia. Therefore, this study investigates the impact of promotion practices on employee performance in private companies in Saudi Arabia and aims to provide practical recommendations for improving promotion systems.

1.2 Research Problem

Promotion practices are expected to encourage employees to improve their performance by providing equal career advancement opportunities. However, many private companies face challenges in ensuring that promotion decisions are transparent, fair, and based on employee merit. When employees perceive promotion decisions as unfair, their motivation and performance may decline. Although previous studies have investigated promotion practices, limited research has focused on private companies in Saudi Arabia. Therefore, this study examines the impact of promotion practices on employee performance in this context.

1.3 Research Significance

The study is significant at both the theoretical and practical levels.

1.3.1 Theoretical Significance

This study contributes to the human resource management literature by expanding knowledge on the relationship between promotion practices and employee performance in private companies in Saudi Arabia.

1.3.2 Practical Significance

The findings may assist managers and HR professionals in designing fair promotion systems that improve employee motivation and performance.

1.4 Research Questions

- What is the level of promotion practices in private companies in Saudi Arabia?
- What is the level of employee performance in private companies in Saudi Arabia?
- Is there a significant relationship between promotion practices and employee performance?

1.5 Research Objectives

- To examine promotion practices in private companies.
- To assess employee performance.
- To investigate the impact of promotion practices on employee performance.

1.6 Research Hypothesis

H1: Promotion practices have a significant positive impact on employee performance in private companies in Saudi Arabia.

1.7 Research Model

Independent Variable: Promotion Practices



Dependent Variable: Employee Performance

1.8 Scope of the Study

The study focuses on employees working in private companies in Saudi Arabia. It examines the impact of promotion practices on employee performance using a quantitative survey approach.

1.9 Project Structure

The project consists of five chapters: Introduction, Literature Review, Research Methodology, Data Analysis and Findings, and Conclusion and Recommendations.

Chapter 2: Literature Review

2.1 Introduction

This chapter reviews theories, concepts, and previous empirical studies on promotion practices and employee performance. It provides the theoretical foundation for examining the impact of promotion practices on employee performance in private companies in Saudi Arabia.

2.2 Promotion Practices

Promotion practices are HRM policies that govern employee advancement based on merit, performance, qualifications, experience, and organizational needs. Fair, transparent, and merit-based promotion systems improve motivation, organizational commitment, and job satisfaction. In contrast, unfair promotion decisions may reduce trust, morale, and productivity.

2.3 Employee Performance

Employee performance refers to how effectively employees accomplish assigned duties and contribute to organizational objectives. It includes task performance, quality of work, productivity, commitment, teamwork, and efficiency. HR practices such as promotion significantly influence employee performance.

2.4 Theoretical Framework

Equity Theory argues that employees compare their inputs and outcomes with others. Fair promotion decisions encourage positive attitudes and higher performance. Expectancy Theory suggests employees increase effort when they believe good performance leads to promotion and rewards. Social Exchange Theory explains that employees reciprocate fair organizational treatment with stronger commitment and performance.

2.5 Previous Studies

Recent studies consistently report a positive relationship between fair promotion practices and employee performance. Studies conducted in Saudi Arabia, the UAE, Malaysia, India, and South Korea found that transparent promotion systems improve motivation, organizational commitment, job satisfaction, and productivity.

Table 2.1 Summary of Previous Studies

Author	Country	Sample	Main Finding
Ahmad et al. (2022)	Saudi Arabia	310	Fair promotion improves performance
Khan & Ali (2021)	UAE	250	Promotion increases

			motivation
Ibrahim (2020)	Malaysia	400	Transparent promotion enhances commitment
Kim & Park (2022)	South Korea	355	Merit-based promotion improves performance
Singh (2021)	India	275	Promotion fairness improves job satisfaction

2.6 Research Gap

Although previous studies support the relationship between promotion practices and employee performance, limited evidence focuses specifically on private companies in Saudi Arabia. This study addresses that gap.

2.7 Conceptual Framework

Independent Variable: Promotion Practices

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Dependent Variable: Employee Performance

2.8 Chapter Summary

The literature demonstrates that fair promotion practices are essential for improving employee performance and supports the proposed hypothesis.

References

- Adams, J. S. (1965). Inequity in social exchange.
- Armstrong, M. (2020). Armstrong's Handbook of Human Resource Management Practice.
- Dessler, G. (2020). Human Resource Management (16th ed.).
- Robbins, S. P., & Judge, T. A. (2022). Organizational Behavior (19th ed.).
- Vroom, V. H. (1964). Work and Motivation.

Appendix A: Questionnaire

Promotion Practices (5-point Likert Scale)

1. Promotion decisions are fair.
2. Promotions are based on performance.
3. Promotion criteria are transparent.

4. Equal opportunities are provided.
5. Promotions motivate me.

Employee Performance

1. I complete tasks efficiently.
2. I achieve work objectives.
3. I maintain high quality.
4. I cooperate with colleagues.
5. I exceed job expectations.

Appendix B: Table of Research Instruments

Variable	Dimension	Items	Source
Promotion Practices	Fairness & Transparency	5	Armstrong (2020)
Employee Performance	Task Performance	5	Robbins & Judge (2022)