

عنوان المشروع

The Effect of E-HRM Practices on Employee Productivity in the Saudi Banking Sector

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التاريخ- الفصل الدراسي

CHAPTER ONE.....	4
1. Introduction	4
2. Research Problem	5
3. Research Importance.....	5
Theoretical Importance.....	5
Practical Importance	6
4. Research Questions	6
5. Research Objectives	6
6. Research Hypotheses	7
Main Hypothesis.....	7
Sub-Hypotheses	7
7. Research Model (Conceptual Framework)	7
Independent Variable (IV)	7
Dependent Variable (DV).....	7
8. Scope of the Study	8
Geographic Scope	8
Sector Scope	8
Population Scope	8
Time Scope.....	8
Subject Scope	8
9. Project Outline.....	8
CHAPTER TWO	10
Literature Review.....	10
2.1 Electronic Human Resource Management (E-HRM)	10
2.2 Types of E-HRM Practices	10
2.2.1 Electronic Recruitment (E-Recruitment).....	10
2.2.2 Electronic Training (E-Training)	11
2.2.3 Electronic Performance Appraisal	11
2.2.4 Electronic Communication	11
2.3 Employee Productivity.....	12
2.4 Relationship Between E-HRM and Employee Productivity	12
2.5 Previous Studies (2021–2025)	13
Study 1.....	13
Study 2.....	13
Study 3.....	13

Study 4.....	14
Study 5.....	14
Study 6.....	14
Study 7.....	14
Study 8.....	14
2.6 Research Gap	14
References:.....	16
Appendix A	18
Questionnaire.....	18
The Effect of E-HRM Practices on Employee Productivity in the Saudi Banking Sector	18
Instructions.....	18
Section A: Demographic Information.....	18
A1. Gender.....	19
A2. Age	19
A3. Educational Qualification	19
A4. Years of Experience.....	20
A5. Current Position	20
Section B: Electronic Human Resource Management (E-HRM) Practices.....	20
Dimension 1: Electronic Recruitment (ER)	20
Dimension 2: Electronic Training (ET).....	21
Dimension 3: Electronic Performance Appraisal (EPA)	21
Dimension 4: Electronic Communication (EC)	21
Section C: Employee Productivity	22
Research Instruments Table	22
Total Questionnaire Items.....	23

CHAPTER ONE

1. Introduction

Electronic Human Resource Management (E-HRM) has become one of the most significant technological developments in modern organizations. It refers to the use of digital technologies, internet-based applications, and information systems to perform traditional human resource management (HRM) functions more efficiently. These functions include recruitment, employee training and development, performance appraisal, communication, payroll, and employee records management. By integrating technology into HR activities, organizations can reduce administrative workload, improve decision-making, and enhance overall organizational performance.

The banking sector is among the industries that have rapidly adopted digital technologies to improve operational efficiency and customer service. In Saudi Arabia, banks are actively investing in digital transformation initiatives in line with the objectives of Saudi Vision 2030. As financial institutions continue to modernize their operations, Human Resource (HR) departments are increasingly implementing E-HRM systems to streamline HR processes, improve employee experiences, and support organizational competitiveness.

Employee productivity is a critical factor that determines the success and sustainability of banks. Productive employees contribute to higher service quality, faster transaction processing, greater customer satisfaction, and improved organizational performance. E-HRM practices such as electronic recruitment, online training, digital performance appraisal, and electronic communication can positively influence employees by providing timely information, continuous learning opportunities, transparent evaluation systems, and efficient communication channels.

Despite the growing implementation of E-HRM systems in Saudi banks, there is still limited empirical evidence regarding how these practices affect employee productivity. While many studies have examined E-HRM in different countries and industries, relatively few have focused specifically on the Saudi banking sector. Therefore, this study aims to investigate the

effect of E-HRM practices on employee productivity among employees working in Saudi banks.

2. Research Problem

The Saudi banking sector has experienced rapid digital transformation over the past decade. Banks have invested significantly in information technology and electronic human resource management systems to improve operational efficiency and employee performance.

However, implementing advanced HR technologies does not necessarily guarantee higher employee productivity. Some employees may face challenges such as inadequate training, resistance to technological change, limited technical skills, or insufficient organizational support, which may reduce the effectiveness of E-HRM systems.

Although Saudi banks continue to adopt electronic HR practices, there is still uncertainty regarding the extent to which these practices improve employee productivity. Previous studies have reported inconsistent findings concerning the relationship between E-HRM and employee outcomes, particularly in developing economies. Consequently, there is a need for further research that examines how different E-HRM practices contribute to employee productivity within the Saudi banking environment.

This study seeks to address this gap by investigating the effect of four major E-HRM practices: electronic recruitment, electronic training, electronic performance appraisal, and electronic communication on employee productivity in the Saudi banking sector.

3. Research Importance

This research is important from both theoretical and practical perspectives.

Theoretical Importance

The study contributes to the growing body of knowledge on electronic human resource management by examining its relationship with employee productivity within the Saudi banking sector. It also extends previous literature by focusing on four important E-HRM dimensions and providing empirical evidence from Saudi Arabia, where research on this topic remains limited.

Practical Importance

The findings of this study will assist bank managers and HR professionals in understanding the effectiveness of E-HRM practices in improving employee productivity. The results may help organizations identify which HR technologies create the greatest value and support informed decisions regarding future investments in digital HR systems.

The study may also provide useful recommendations for policymakers, banking executives, and HR practitioners who seek to enhance workforce productivity while supporting Saudi Vision 2030's digital transformation objectives.

4. Research Questions

This study seeks to answer the following research questions:

Main Research Question

- What is the effect of Electronic Human Resource Management (E-HRM) practices on employee productivity in the Saudi banking sector?

Sub-Questions

1. What is the effect of electronic recruitment on employee productivity?
2. What is the effect of electronic training on employee productivity?
3. What is the effect of electronic performance appraisal on employee productivity?
4. What is the effect of electronic communication on employee productivity?
5. Which E-HRM practice has the greatest influence on employee productivity?

5. Research Objectives

The main objective of this study is to investigate the effect of Electronic Human Resource Management practices on employee productivity in the Saudi banking sector.

The specific objectives are to:

- Examine the effect of electronic recruitment on employee productivity.
- Investigate the influence of electronic training on employee productivity.

- Evaluate the impact of electronic performance appraisal on employee productivity.
- Assess the effect of electronic communication on employee productivity.
- Identify the most influential E-HRM practice affecting employee productivity.
- Provide recommendations for improving HR digitalization within Saudi banks.

6. Research Hypotheses

The study proposes the following hypotheses:

Main Hypothesis

H1: Electronic Human Resource Management (E-HRM) practices have a significant positive effect on employee productivity in the Saudi banking sector.

Sub-Hypotheses

H1a: Electronic recruitment has a significant positive effect on employee productivity.

H1b: Electronic training has a significant positive effect on employee productivity.

H1c: Electronic performance appraisal has a significant positive effect on employee productivity.

H1d: Electronic communication has a significant positive effect on employee productivity.

7. Research Model (Conceptual Framework)

Independent Variable (IV)

Electronic Human Resource Management (E-HRM) Practices

- Electronic Recruitment
- Electronic Training
- Electronic Performance Appraisal
- Electronic Communication

Dependent Variable (DV)

Employee Productivity

The conceptual framework assumes that improvements in E-HRM practices positively influence employee productivity. Each dimension of E-HRM is expected to contribute to employees' efficiency, work quality, task completion, and overall job performance.

8. Scope of the Study

The scope of this study is defined as follows:

Geographic Scope

The study will be conducted in the Kingdom of Saudi Arabia.

Sector Scope

The research focuses exclusively on the banking sector.

Population Scope

The target population consists of employees working in commercial banks operating within Saudi Arabia.

Time Scope

The study will be conducted during the year 2026.

Subject Scope

The study investigates the relationship between Electronic Human Resource Management practices (electronic recruitment, electronic training, electronic performance appraisal, and electronic communication) and employee productivity.

9. Project Outline

This research is organized into five chapters.

Chapter One introduces the study by presenting the research background, problem statement, research importance, objectives, research questions, hypotheses, conceptual framework, scope of the study, and overall research structure.

Chapter Two reviews the relevant literature on Electronic Human Resource Management and employee productivity. It discusses previous studies, theoretical foundations, and identifies the research gap.

Chapter Three explains the research methodology, including the research design, target population, sampling method, data collection procedures, research instrument, validity and reliability measures, and statistical analysis techniques.

Chapter Four presents the data analysis, hypothesis testing, interpretation of results, and discussion of the findings.

Chapter Five summarizes the major findings, presents conclusions, provides practical recommendations, discusses limitations of the study, and suggests directions for future research.

CHAPTER TWO

Literature Review

2.1 Electronic Human Resource Management (E-HRM)

Electronic Human Resource Management (E-HRM) refers to the application of information technology, web-based systems, and digital platforms to perform human resource management activities. Unlike traditional HRM, which relies heavily on manual procedures and paperwork, E-HRM automates HR functions, making them faster, more accurate, and more accessible. Organizations use E-HRM systems to manage recruitment, employee records, training, performance appraisal, payroll, communication, and other HR processes.

According to Cheng and Zou (2021), E-HRM enables organizations to improve operational performance by integrating technology into HR activities while reducing administrative costs and increasing efficiency. Furthermore, the adoption of E-HRM has become an essential component of organizational digital transformation, allowing HR departments to focus more on strategic decision-making than routine administrative work.

The Saudi banking sector has increasingly adopted E-HRM practices as part of its digital transformation initiatives under Saudi Vision 2030. Digital HR systems help banks manage large workforces, improve employee experiences, enhance service quality, and support organizational competitiveness.

2.2 Types of E-HRM Practices

The present study focuses on four major E-HRM practices that are commonly implemented in modern organizations.

2.2.1 Electronic Recruitment (E-Recruitment)

Electronic recruitment refers to the use of online platforms, company websites, recruitment portals, and social media to attract, screen, and hire employees. Compared with traditional recruitment methods, electronic recruitment allows organizations to reach a larger number of qualified applicants in less time and at lower cost.

E-recruitment improves transparency, reduces paperwork, shortens hiring cycles, and enables HR managers to identify suitable candidates more efficiently. Advanced applicant tracking systems (ATS) also help organizations evaluate candidates objectively and maintain recruitment records electronically.

2.2.2 Electronic Training (E-Training)

Electronic training involves delivering learning programs through digital technologies such as online learning platforms, webinars, virtual classrooms, and Learning Management Systems (LMS).

E-training provides employees with continuous learning opportunities regardless of time and location. It also allows organizations to reduce training expenses while increasing employees' knowledge, technical skills, and adaptability to organizational changes.

In the banking sector, electronic training has become increasingly important due to continuous technological developments and regulatory requirements.

2.2.3 Electronic Performance Appraisal

Electronic performance appraisal refers to evaluating employees using computerized systems instead of paper-based evaluations.

These systems enable managers to monitor employee performance continuously, provide timely feedback, establish measurable performance indicators, and improve fairness in evaluation. Digital performance management systems also facilitate performance reporting and support data-driven HR decisions.

Organizations benefit from electronic appraisal systems because they increase transparency, reduce evaluation bias, and encourage employee development.

2.2.4 Electronic Communication

Electronic communication includes all digital communication channels used between HR departments and employees, such as email, HR portals, mobile applications, intranet systems, video conferencing, and instant messaging platforms.

Efficient electronic communication enables employees to access HR services quickly, receive organizational updates, submit requests electronically, and communicate with managers without unnecessary delays.

Strong digital communication systems improve collaboration, employee engagement, and organizational responsiveness.

2.3 Employee Productivity

Employee productivity refers to the efficiency with which employees utilize their skills, knowledge, and available resources to accomplish organizational objectives. It reflects employees' ability to produce high-quality work within a specified period while minimizing errors and resource waste.

Productive employees contribute directly to organizational competitiveness by improving service quality, customer satisfaction, operational efficiency, and financial performance.

Several factors influence employee productivity, including technological infrastructure, employee motivation, organizational support, training opportunities, communication effectiveness, and performance management systems.

Within the banking sector, employee productivity is particularly important because banking services depend heavily on employee accuracy, speed, compliance, and customer interaction.

2.4 Relationship Between E-HRM and Employee Productivity

The relationship between E-HRM and employee productivity has attracted increasing attention in recent years due to organizations' digital transformation efforts.

E-HRM contributes to productivity by reducing administrative tasks, improving information accessibility, accelerating HR services, and supporting better managerial decisions.

Employees can spend more time performing value-added activities instead of completing manual HR procedures.

Electronic recruitment improves workforce quality by selecting qualified candidates more efficiently. Electronic training enhances employee knowledge and competencies, enabling employees to perform tasks more effectively. Electronic performance appraisal provides

regular feedback that motivates employees to improve performance. Electronic communication strengthens collaboration and facilitates rapid information sharing across departments.

Recent evidence consistently suggests that E-HRM adoption positively influences organizational performance and employee outcomes, although the strength of the relationship may depend on organizational context and implementation quality.

Overall, organizations implementing comprehensive E-HRM systems are more likely to experience higher employee productivity, improved operational efficiency, greater employee satisfaction, and enhanced organizational performance.

2.5 Previous Studies (2021–2025)

Study 1

Cheng and Zou (2021) conducted a meta-analysis to examine whether E-HRM improves organizational performance. The study analyzed numerous empirical studies and found that E-HRM adoption significantly enhances organizational performance, particularly when organizations possess sufficient technological resources and employee readiness.

Study 2

Elsawy and Elbadawi (2021) investigated the impact of E-HRM on organizational performance using data collected from 241 employees in UAE organizations. The findings indicated that electronic recruitment, electronic training, electronic performance appraisal, and electronic communication significantly improve organizational performance.

Study 3

Cheng and Zou (2022) conducted a comprehensive meta-analysis examining the antecedents and consequences of E-HRM adoption. The study concluded that E-HRM positively affects operational performance and organizational effectiveness, especially in organizations with advanced information technology infrastructure.

Study 4

Lakshmi (2023) performed a systematic literature review on E-HRM and employee performance. The review concluded that digital HR technologies improve employee efficiency, engagement, and organizational performance while reducing administrative costs.

Study 5

El Saeed, Maarouf, and Younis (2025) examined the relationship between E-HRM and organizational performance and found that HR service quality mediates the positive relationship between E-HRM implementation and organizational performance.

Study 6

Kandelousi (2025) investigated the influence of E-HRM tools on employee productivity and satisfaction. The study reported that E-HRM technologies improve employee productivity through automation, efficient information management, and enhanced employee engagement.

Study 7

Yazough and Tahifa (2025) reviewed the literature on HRM digitalization and organizational performance. The study concluded that HR digitalization positively affects organizational flexibility, innovation, employee satisfaction, and operational efficiency.

Study 8

Khudhaire and Fzaea (2026) reviewed studies published between 2022 and 2025 and found that digital HR transformation enhances employee efficiency through automation, artificial intelligence, and integrated HR information systems.

2.6 Research Gap

Although previous studies have confirmed the positive impact of Electronic Human Resource Management on organizational performance and employee outcomes, several research gaps remain.

First, most previous studies examined organizational performance rather than focusing specifically on employee productivity.

Second, many empirical studies were conducted in Europe, Asia, or the United Arab Emirates, while relatively few have investigated the Saudi banking sector.

Third, earlier research often examined E-HRM as a single construct without evaluating the individual effects of electronic recruitment, electronic training, electronic performance appraisal, and electronic communication.

Finally, rapid digital transformation in Saudi Arabia requires updated empirical evidence to determine how E-HRM practices influence employee productivity within Saudi banks.

Therefore, this study addresses these gaps by examining the effect of the four major E-HRM practices on employee productivity in the Saudi banking sector during 2026.

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Appendix A

Questionnaire

The Effect of E-HRM Practices on Employee Productivity in the Saudi Banking Sector

Dear Respondent,

You are invited to participate in this research study entitled "**The Effect of E-HRM Practices on Employee Productivity in the Saudi Banking Sector.**" The purpose of this questionnaire is to examine how Electronic Human Resource Management (E-HRM) practices influence employee productivity in Saudi banks.

Your participation is voluntary, and all information collected will be kept strictly confidential. The responses will be used for academic research purposes only.

Thank you for your valuable participation.

Instructions

Please indicate your level of agreement with each of the following statements by selecting one option using the following **5-point Likert Scale**:

Scale	Response
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

Section A: Demographic Information

Please tick (✓) the appropriate answer.

A1. Gender

☐ Male

☐ Female

A2. Age

☐ Less than 25 years

☐ 25–34 years

☐ 35–44 years

☐ 45–54 years

☐ 55 years and above

A3. Educational Qualification

☐ Diploma

☐ Bachelor's Degree

☐ Master's Degree

☐ PhD

☐ Other

A4. Years of Experience

- ☐ Less than 5 years
- ☐ 5–10 years
- ☐ 11–15 years
- ☐ 16–20 years
- ☐ More than 20 years

A5. Current Position

- ☐ Administrative Employee
- ☐ HR Officer
- ☐ Supervisor
- ☐ Manager
- ☐ Other

Section B: Electronic Human Resource Management (E-HRM) Practices

Dimension 1: Electronic Recruitment (ER)

No.	Statement	1	2	3	4	5
ER1	My bank uses online recruitment systems to attract job applicants.	☐	☐	☐	☐	☐
ER2	Job vacancies are advertised through electronic platforms.	☐	☐	☐	☐	☐
ER3	Electronic recruitment speeds up the hiring process.	☐	☐	☐	☐	☐

ER4	Electronic recruitment helps the bank select qualified candidates.	☐	☐	☐	☐	☐
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Dimension 2: Electronic Training (ET)

No.	Statement	1	2	3	4	5
ET1	My bank provides training through online learning platforms.	☐	☐	☐	☐	☐
ET2	Electronic training improves my knowledge and skills.	☐	☐	☐	☐	☐
ET3	Online training programs are easy to access.	☐	☐	☐	☐	☐
ET4	Electronic training helps me perform my job more effectively.	☐	☐	☐	☐	☐

Dimension 3: Electronic Performance Appraisal (EPA)

No.	Statement	1	2	3	4	5
EPA1	My performance is evaluated using an electronic system.	☐	☐	☐	☐	☐
EPA2	Electronic performance appraisal provides fair evaluations.	☐	☐	☐	☐	☐
EPA3	I receive timely feedback through the electronic appraisal system.	☐	☐	☐	☐	☐
EPA4	Electronic performance appraisal motivates me to improve my performance.	☐	☐	☐	☐	☐

Dimension 4: Electronic Communication (EC)

No.	Statement	1	2	3	4	5
EC1	HR communicates with employees through electronic platforms.	☐	☐	☐	☐	☐

EC2	Electronic communication enables quick access to HR information.	☐	☐	☐	☐	☐
EC3	Digital communication improves coordination between employees and HR.	☐	☐	☐	☐	☐
EC4	Electronic communication enhances the efficiency of HR services.	☐	☐	☐	☐	☐

Section C: Employee Productivity

No.	Statement	1	2	3	4	5
EP1	I complete my assigned tasks efficiently.	☐	☐	☐	☐	☐
EP2	I consistently meet my work targets.	☐	☐	☐	☐	☐
EP3	E-HRM systems help me complete my work faster.	☐	☐	☐	☐	☐
EP4	Electronic HR services improve my overall productivity.	☐	☐	☐	☐	☐
EP5	I can perform my duties with fewer errors because of E-HRM systems.	☐	☐	☐	☐	☐
EP6	E-HRM allows me to manage my work more effectively.	☐	☐	☐	☐	☐
EP7	I am more productive because HR processes are electronically managed.	☐	☐	☐	☐	☐
EP8	Overall, E-HRM practices have improved my job performance and productivity.	☐	☐	☐	☐	☐

Research Instruments Table

Variable	Dimension	Code	Number of Items	Item Numbers	Source

Electronic Human Resource Management (Independent Variable)	Electronic Recruitment	ER	4	ER1–ER4	Adapted from Cheng & Zou (2022); Elsaywy & Elbadawi (2021)
	Electronic Training	ET	4	ET1–ET4	Adapted from Lakshmi (2023); El Saeed et al. (2025)
	Electronic Performance Appraisal	EPA	4	EPA1–EPA4	Adapted from Cheng & Zou (2022); El Saeed et al. (2025)
	Electronic Communication	EC	4	EC1–EC4	Adapted from Elsaywy & Elbadawi (2021); Yazough & Tahifa (2025)
Employee Productivity (Dependent Variable)	Employee Productivity	EP	8	EP1–EP8	Adapted from Kandelousi (2025); Lakshmi (2023)

Total Questionnaire Items

Section	Number of Items
Demographic Information	5
E-HRM Practices	16
Employee Productivity	8
Total Research Items	29

