The Impact of Ability, Motivation and Opportunity-Enhancing SHRM on Employee Performance: Moderating Role of Digital Transformation

Fahad Maiyah M Alshammari[1] and Muhammad Hasmi Bin Abu Hassan Asaari[2]

Abstract

Objective: The aim of current study is to find out the impact of strategic Human resource management (SHRM) activities on employee performance, to inspect the role of digital transformation as moderator between SHRM activities and employee performance, to examine the authenticity of AMO (Ability, motivation, opportunity) theory in the context of aviation sector of Saudi Arabia. Methodology/Data collection: Current research is cross-section study and quantitative in nature. For the data collection a well-established questionnaire is developed on the base of previous literatures. Sample of 330 participants is selected from Saudi aviation sector from May to August 2023. After the data collection, partial least squares structural equation modelling (PLS-SEM) method is adopted by using SmartPLS application. Findings: The study found that among the activities of strategic human resource management, ability has positive and significant relationship with employee performance. Furthermore, motivation also has a positive and significant relationship with employee performance. However, work engagement and opportunity do not have direct relationship with employee performance. The digital transformation plays a moderating role to make positive link between motivation and opportunity with employee performance of aviation workers in Saudi Arabia. Limitation/Implementation: This study has practical, theoretical as well as empirical importance. The results of current research are not limited to Saudi Aviation sector but this framework can be used in different sector for enhancing the employee performance. In spite of, the importance of current study in the field of management, this study is limited to Saudi Arabia. This study used small sample size and data is collection on point of time. Originality/ Value: with the best of author's knowledge, current study is first attempt to explain the SHRM activities to explain the employee performance in aviation sector of Saudi Arabia especially in the context of Saudi as well as Flynas airline. The finding of study will have great contributions for making the strategies regarding to enhance the performance of employee. Therefore, current research is beneficial for policy makers, aviation administration, society and researchers.

Keywords: *AMO Factors, Employee Performance, Digital Transformation, Aviation Sector, Saudi Arabia*

INTRODUCTION

Employees are responsible for executing the organization's strategies and accomplishing its objectives and regards as the backbone of an organization. Employees who are motivated and skilled contribute to higher efficiency and productivity (Rivaldo & Nabella, 2023; Santos, 2023). Employee with good ability led to cost savings and a competitive advantage for the organization. Their skills, dedication and contributions are essential for achieving the corporation's purposes, maintaining a positive work culture, and staying competitive in the marketplace(Santos, 2023). Recognizing and valuing the importance of employees is important to long-term organizational success. Therefore, SHRM involves not just filling positions but hiring individuals who possess the abilities and competencies required to drive the organization's strategic goals. This means that employees are seen as more than just labor like assets that can contribute to the strategic direction of the organization (Delery & Roumpi, 2017). The engaged employees are more likely to be motivated to work towards the organization's strategic goals. SHRM has a strong emphasis on creating ability that fosters employee engagement, which, in turn, drives organizational success (Cooke et al., 2021; Delery & Roumpi, 2017). SHRM promotes performance management systems that focus on employee contributions to the organization's strategic goals.

There are most of study on SHRM are conducted on western context e.g (Cooke et al., 2021; Ganta, 2014; Junior et al., 2020; Song et al., 2023). There are few study elaborated the SHRM in the context of Saudi Arabia. But, there is a deficiency of literature on how the SHRM practices are operationalized through the administrative activities and achievement of organisational performance through clear, consistent and relevant

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[1] School of Distance Education, Universiti Sains Malaysia (USM), Malaysia. E-mail: fahadalshamari2021@gmail.com

[2] School of Distance Education, Universiti Sains Malaysia (USM), Malaysia. E-mail: hasmipjj@gmail.com

SHRM practices such as ability, motivation, opportunity and work engagement. Therefore the aim of current study is to find out the impact of strategic Human resource management (SHRM) activities on employee performance, to inspect the role of digital transformation as moderator between SHRM activities and employee performance, to examine the authenticity of AMO theory in the context of aviation sector of Saudi Arabia.

This study is very significant in the field of management. Current extension in AMO theory by adding the work engagement, enhance the validity for measuring the employee performance. The finding of current study will give the pathway to policy makers, government agencies, administration body and future researchers for getting best employee performance.

LITERATURE REVIEW

In the article, the literature review part has great importance. This part is consisted on three sub-sections. In first section, theories related to variables are explained. There are two theories (AMO theory, RBV theory) are adopted for providing the theoretical foundations to study. In second section, literature reviews related to SHRM activities (Ability, motivation, opportunity), employee performance and digital transformation is elaborated. Further, third section explained conceptual framework and hypothesis development on the base of previous literatures.

Relevant Theory

Current study uses two theories to explain the concept of research framework such as AMO theory and second Resource-based view theory (RBV). Further, current study is extension of AMO theory by adding work engagement as addition factor along with ability, motivation and opportunity.

The AMO (Ability, Motivation and Opportunity) theory is a framework used in organizational and industrial psychology to understand and analyze the factors that influence individual behavior in the workplace, particularly regarding performance and engagement (Kalyani, 2021). This theory explains that Ability, motivation and opportunity represent the behaviour of individual. The perspective of job these factors help to increase the performance of the employee. Additionally, AMO theory play even significant role to enhance the employee engagement and productivity. Therefore, in the case of shortage in any of these factor can affect the performance of employee. The foundation of the AMO model is found in Vroom's (1964) research, where it was clams that performance is function of ability as well as motivation. But this theory was neglected due to external environment that emphasize on individual performance. Further, model is augmented by Blumberg and Pringle (1982) by the opportunity (Ujma & Ingram, 2019). So, in the perception of current study, another factor is added as work engagement along with ability, motivation and opportunity.

Second Theory used in research is resource based view theory, Earlier studies claims that (RBV) is the utmost used theory in human capital study (Muda & Che Abdul Rahman, 2019). There are some studies argue that theory has view about the improved, exclusive, and non-imitable resources and capabilities for improving performance because of the competitive advantage gained from superior human capital (Ahmad & Salleh, 2019). (RBV) theory assumed that a firm's tangible and intangible resources were utilized to influence the competitive advantages towards firm performance (Wernerfelt, 1984). Therefore, in current study (RBV) theory is used to elaborate the association with organization's perception for instituting the resources or capabilities in generating high employee performance.

SHRM activities (Ability, Motivation, Opportunity and Work Engagement)

In the study of management, abilities, motivation and opportunity are the part of SHRM practice system. Ability, motivation and opportunity are main parts of SHRM (Kaufman, 2020). It provides the efficiency to employee for attain their goals and self-development for enhancing the performance (Okay-Somerville & Scholarios, 2019; Zhai et al., 2023). Therefore, SHRM activities are way to increase the overall performance of Organization. The AMO model serves as a valuable framework within the realm of Strategic Human Resource Management (SHRM) for assessing and enhancing employee performance(Larsson & Edwards, 2022). It operates by examining the intricate interplay of ability, motivation, and opportunities. The employees of an

organization possess the requisite skills, exhibit high motivation, favorable environment are more persuaded to excel in their roles(Kaufman, 2020). Thus, SHRM activities (ability, motivation and opportunity) playing a pivotal role in advancing the organization toward the realization of its strategic objectives (Kaufman, 2020; Okay-Somerville & Scholarios, 2019; Zhai et al., 2023). According to Kalyani (2021) in the SHRM activities the ability is related to recruitment, selection, training and work deigns. Motivation is related to the compensation or benefits, promotion, encouragement and communication etc. Whereas participation in management task, high performance, commitment etc are related with the opportunity.

Employee Performance

Employee performance is a critical factor in the success of any organization(Nyathi & Kekwaletswe, 2023; Persada & Nabella, 2023). Effective performance is driven by a combination of factors, including the employee's skills and abilities, their motivation and engagement in their work, and the opportunities and support provided by the organization. Organizations use various performance management tools and practices, such as performance appraisals, feedback mechanisms, and development plans, to monitor and improve employee performance (Maharjan, 2023; Nyathi & Kekwaletswe, 2023; Persada & Nabella, 2023). High-performance employees contribute to the achievement of an organization's goals (Brhane & Zewdie, 2018), while poor performance can hinder progress, making the effective management of employee performance a central concern in the field of human resource management (Ciobanu et al., 2019).

Digital Transformation

In recent years, the profound impact of digital transformation has heightened concerns among businesses and managers due to its far-reaching effects. Digital transformation is known as advancement in the organizational business process to meet the need of stakeholders. In the other words digital transformation is related to rethinking, redesigning and reimagining the activities of organizations (Li et al., 2018; Pramanik et al., 2019). Digital transformation provides the fundamental changes in setup that can be digitalized from different resources (Nyagadza, 2022). Further, it develops the stronger networking(Frank et al., 2019); advance customer interfaces, more access to knowledge. Furthermore, in the aviation sector digital transformation has great importance to make it more secure and make the customer more satisfied (Annaç Göv, 2023; Heiets et al., 2022).

Conceptual Framework and Hypothesis Development

In the current study, for extension of AMO theory work engagement is selected as variable along with Ability, motivation and opportunity. These AMO variables are independent; employee performance is dependent and digital transformation play as moderating role. Following figure illustrate the conceptual framework.
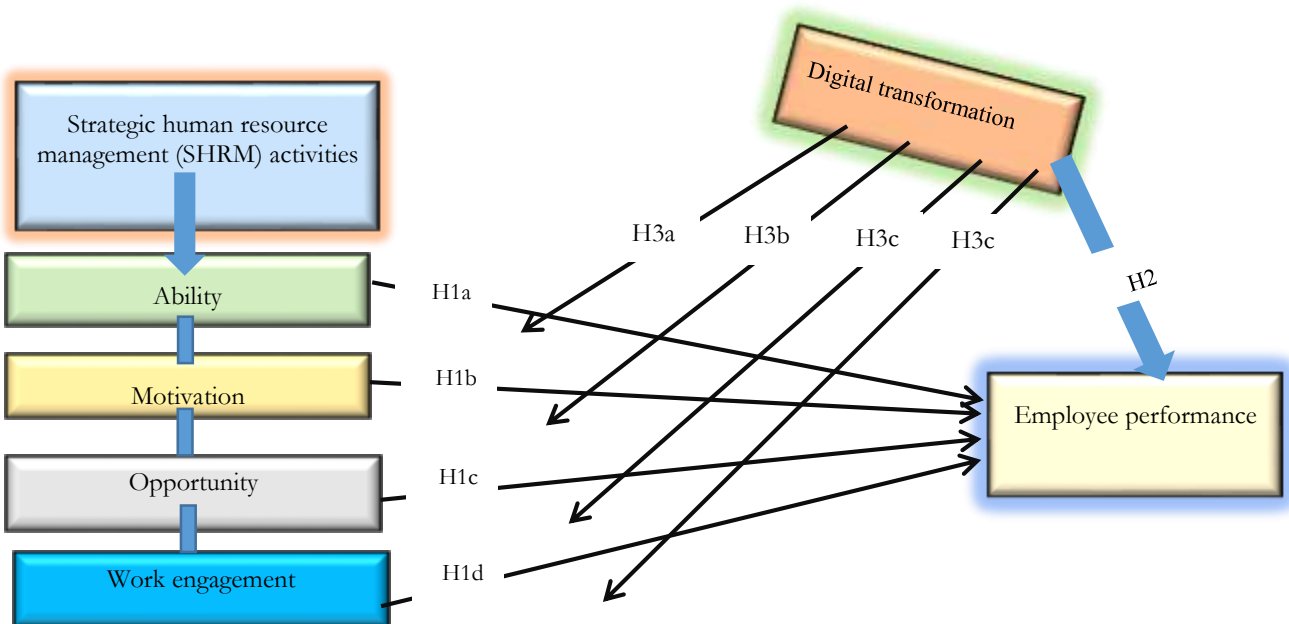
Figure 1: Conceptual framework of research

Source: Developed by author

Ability and Employee Performance

A strong correlation exists between an employee's proficiency and their workplace performance. An employee's ability, knowledge, skills, and competencies, undertakes a pivotal role in shaping their job performance (Pawirosumarto et al., 2017; Sinambela & Ernawati, 2021). The employees possess with abilities to execute their responsibilities effectively can achieve greater performance levels (Rivaldo & Nabella, 2023; Schuler, 1977). Competent and skilled employees tend to complete tasks with greater efficiency, resulting in heightened productivity and improved performance results. Furthermore, employees endowed with robust abilities are better equipped to address intricate problems and handle workplace challenges (Pawirosumarto et al., 2017). In essence, employees equipped with the essential abilities are primed to execute tasks effectively, leading to elevated productivity and the attainment of high-quality outcomes (Retnowati & Lestari, 2021). On the basis of above discussion following hypothesis is developed.

H1a: Ability has positive relationship with Employee performance

Motivation and Employee Performance

Motivation plays a pivotal role in shaping employee performance within the workplace (Guo & Ayoun, 2023). The employees with motivation exhibit a higher level of commitment, enthusiasm, and engagement in their tasks (Bakker, 2015). There are two types of motivations one is intrinsic motivation and other one is extrinsic motivation (Fischer et al., 2019). The intrinsic motivation excel not only enhances their productivity but also fuels their willingness to go the extra mile in pursuit of organizational goals(Guo & Ayoun, 2023). Motivated employees are more likely to show initiative, take ownership of their work, and persist in the face of challenges, all of which contribute to improved performance outcomes. Furthermore, a motivated workforce tends to foster a positive work environment, which can have a ripple effect on team dynamics and overall organizational culture (Fischer et al., 2019; Guo & Ayoun, 2023), which ultimately leading to greater success and achievement of objectives. Therefore, understanding and connecting the power of motivation is a fundamental aspect of optimizing employee performance and realizing the full potential of a workforce. On the basis of above discussion following hypothesis is developed.

H1b: Motivation has positive relationship with Employee performance

Opportunity and Employee Performance

Opportunity has a reflective influence on employee performance in the workplace. The accessibility of opportunities for employees to apply their skills and capabilities effectively can significantly stimulus their overall job performance (Beltrán-Martín & Bou-Llusar, 2018; Kellner et al., 2019). The employees facilitated with opportunities of training, experience sharing and collaboration are tend to be more motivated and engaged in their work (Beltrán-Martín & Bou-Llusar, 2018). Moreover, opportunities for skill development, training, and career progression can enhance an employee's performance over time (Edirisooriya, 2014). Employees who see a path for growth within an organization are often more committed and motivated to excel in their current roles (Kim et al., 2020). On the basis of above discussion following hypothesis is developed.

H1c: Opportunity has positive relationship with Employee performance

Work Engagement and Employee Performance

Work engagement is closely linked to employee performance, as it reflects the degree of an employee's involvement, enthusiasm, and dedication to their work (Cesário & Chambel, 2017; Krishnaveni & Monica, 2018). Engaged employees are typically more productive (Puspita et al., 2020). They are focused on their tasks, exhibit a strong work ethic, and efficiently use their time and resources. Work engagement is often associated with higher levels of creativity and innovation (Clack, 2021). Engaged employees are more likely to think deeply, propose new ideas, and find innovative solutions to problems, leading to enhanced performance (Puspita et al.,

2020). Engaged employees are more likely to provide excellent customer service. Their enthusiasm and commitment to their work can lead to higher customer satisfaction and loyalty, which can directly impact organizational performance(Clack, 2021; Puspita et al., 2020).

H1d: Work engagement has positive relationship with Employee performance

Digital Transformation and Employee Performance

Digital transformation is the comprehensive integration of digital technology into all aspects of an organization, leading to fundamental changes in how it operates and delivers value to its customers (Cetindamar et al., 2021; Hanelt et al., 2021; Imran et al., 2021). It encompasses the adoption of various digital technologies, such as cloud computing, artificial intelligence, data analytics, the Internet of Things (IoT), and automation, to streamline processes, enhance decision-making, and improve customer experiences(Hanelt et al., 2021; Imran et al., 2021). Digital solutions also empower employees to adapt to changing work environments, improve decision-making through data-driven insights, and engage with customers and colleagues across diverse channels (Nadkarni & Prügl, 2021). Moreover, the flexibility and connectivity offered by digital transformation can support remote work arrangements, improving work-life balance and potentially boosting job satisfaction (Cetindamar et al., 2021)

H2: Digital transformation has positive relationship with Employee performance

Digital Transformation as Moderator Between AMO Factors and Employee Performance

Digital transformation can serve as a moderator between AMO (Ability, Motivation, and Opportunity) factors and employee performance by playing a crucial role in enhancing the relationships and outcomes between these elements. Digital transformation provides employees with access to advanced learning and development resources, including online training, e-learning platforms, and skill-building tools (Bos-Nehles et al., 2023). These digital resources can help employees acquire the necessary abilities more efficiently, thereby improving their performance (Cai et al., 2020). Digital transformation can enable organizations to create a more flexible and inclusive work environment. It can facilitate remote work, flexible schedules, and virtual collaboration, which can provide employees with more opportunities to excel in their roles (Stofkova et al., 2022). Digital transformation often involves data analytics tools that allow organizations to gather insights on employee performance (Cai et al., 2020; Hanelt et al., 2021). These insights can be used to adapt AMO strategies to each employee's specific needs and abilities, further optimizing their performance (Bos-Nehles et al., 2023; Li et al., 2022). Digital technologies effectively better align their human resource management practices with the needs and capabilities of their workforce, driving enhanced performance outcomes (Zia ul-rehman et al., 2021; Li et al., 2021). Digital transformation often involves the integration of advanced technologies and data-driven solutions (Dremel et al., 2017). This provides employees with greater access to information and resources, enabling the employee to perform their tasks more efficiently and effectively (Zaki, 2019). The ease of access to relevant information and resources can positively impact their engagement. Digital transformation enables organizations to gather and analyze data on work engagement and its impact on performance (Guzmán-Ortiz et al., 2020). This data can be used to tailor engagement strategies and optimize employee performance, as organizations gain insights into what works best for their employees (Guzmán-Ortiz et al., 2020; Nurkhori et al., 2021).

On the bases of above discussion following hypothesis are developed

H3a: Digital transformation moderates the relationship between Ability and Employee performance

H3b: Digital transformation moderates the relationship between Motivation and Employee performance

H3c: Digital transformation moderates the relationship between Opportunity and Employee performance

H3d: Digital transformation moderates the relationship between Work engagement and Employee performance

METHODOLOGY

Sampling and Data Collection

This study has conducted analysis on the aviation sector of Saudi Arabia. There are many airline are working in Saudi Arabia but current study selected Saudi airline and Flynas airline for data collection. This study is quantitative in nature and data is collected by convenience sampling. To acquire the anticipated population, the survey was created in Google Forms. The survey link was posted to them. There are two portion of questionnaire; first section is consisted on demographic characteristics on the patients, while second portion is consisted on measurement scale for variable. The questionnaire is prepared in two languages such as Arabia and English. Back translation techniques were adopted for validity of translation. There were 500 questionnaires distributed and 330 received. This study was conducted between May to August 2023.

Table 1: Demographic characteristics of participating patients

Variables	Cataloging	Rate of recurrence	Percentage
Gender	Male	200	60.6
	Female	130	39.3
	Less than 30	39	11.8
	31 to 35	93	28.1
Age in years	35-40	110	33.3
	Above 40	88	26.7
	> 1	40	12.1
	3 to 6	58	17.5
Job Experience in years	7 to 10	98	29.6
	10 to 16	85	11.5
	16 <	49	14.8

Table 1 explains the demographic feature of the participants. The sample size is 330 and 200 are male and 130 are female. There are 39 participants are 30 years old or younger, 93 participants are from 31-35 years old. 110 participants are 31-40 years old, there are 88 participants are from the age of 40 or above. Only 40 participants are less than 1 years of experience. 58 people have 3 to 6 years, 98 has 7 to 10 year of experience, 85 people has 10 to 16, and only 49 has more than 16 years.

Measurement Scale for Variables

Measurement of Ability

There are three items measured for ability such as "In our organization there is training program to develop interpersonal communication skill", there is training of teamwork skill", there is training to develop self-reflection and knowledge externalization" developed by (Andreeva & Sergeeva, 2016; Johar et al., 2022)

Measurement of Motivation

In the current study motivation is measured with two dimensions such as extrinsic motivation and intrinsic motivation with three items for each. Extrinsic motivation is measured as "my job rewards my skill with financial incentives"; my job rewards my skill with non-financial incentives, in our organization, skill of workers is component of employee's performance evaluation" and for intrinsic motivation "I have freedom as I want" in my job I have opportunity for independent initiative in performance" there is high level of variety in my job". There measurement items are developed by (Andreeva & Sergeeva, 2016; Johar et al., 2022).

Measurement of Opportunity

The opportunity is measured with four measurement items such as" the give opportunity to hold activities for promoting friendship among the colleagues". "Knowledge sharing with others", conduct meeting to share experience for resolving work issue" there items are developed by (Andreeva & Sergeeva, 2016; Johar et al., 2022)

Measurement of Work Engagement

The work engagement is measured with three items such as " at my work I use to preserve, even thou things don't go well, "at my work I use to remain mentally resilient", " at my job I feel vigorous and strong" developed by (Kloutsiniotis & Mihail, 2020).

Measurement of Digital Transformation

The digital transformation is measured with five items such as" there is strong networking system between digital technologies and work process", "organization has objective of digitality for information exchange", "Organization has aim to digitalize everything that can be digitalized", "organization has access to massive volumes of data" organization has target to increase efficient customer interface by digitality" the items are developed by (AlMulhim, 2021).

Measurement of Employee Performance

In this study employee performance as task performance is measured by five items such as "rarely make mistake", "my work is always up to stander required by frontrunner" often plan and advance woke", "my work is productive and on time", "my work performance is understandable in organization" these item are adopted from the study by (Liu & Ren, 2022).

All the items for each variables is measure at five Likert-scale from 1=strongly agree to 5= strongly disagree.

RESULTS

For extracting the results from the collected data, current study conducted measurement model and assessment model.

Measurement Model

The reliability of the measurements is depending on two indicators, such as values of composite reliability and Cronbach's Alpha (Fornell & Larcker, 1981; Ghali et al., 2023). The values to measure the composite reliability is ranged from 0.925 to 0.985, there values are sustaining the recommended threshold level recommended by Fornell & Larcker, (1981). Further, the values of Cronbach' Alpha are satisfy the recommended cutoff value by (Hair et al., 1998) which is 0.7. The results of factor loading, reliability and convergent validity are given in table 2.

Table 2: Measurement model

Latent Variable	Items	Loadings	Alpha	AVE	CR
Ability	Ab1	0.890	0.761	0.726	0.812
	Ab2	0.969			
	Ab3	0.807			
Extrinsic motivation	EM1	0.867	0.817	0.841	0.879
	EM2	0.854			
	EM3	0.780			
Intrinsic motivation	IM1	0.863	0.816	0.725	0.819
	IM2	0.887			
	IM3	0.809			
Opportunity	OP1	0.878	0.927	0.774	0.945
	OP2	0.903			
	OP3	0.893			
	OP4	0.838			
Work engagement	WE1	0.802	0.827	0.841	0.811
	WE2	0.924			
	WE3	0.925			
Digital transformation	PS1	0.897	0.824	0.867	0.840

DT2	0.876	
DT3	0.789	
DT4	0.795	
DT5	0.235	

Note: Ab (ability), EM (extrinsic motivation), IM (intrinsic motivation), OP (opportunity), WE (work engagement), DT (digital transformation)

Further, cross loading matrix are shown in the table 3. This table shows the discriminant validity with the help of Fornel and Lacrcker criterion. So, the tables indicate that all the items have higher load values with the constructs comparison to their values on other constructs. On the base of these values by discriminant validity, the entire items are acceptable.

Table 3: Discriminant validity (Fornell and Larcker criterion)

	AB	EM	IM	OP	WE	DT
AB	0.722					
EM	0.621	0.876				
IM	0.341	0.534	0.852			
OP	0.361	0.234	0.552	0.785		
WE	0.461	0.645	0.876	0.740	0.782	
DT	0.231	0.534	0.870	0.582	0.778	0.810

Ab (ability), EM (extrinsic motivation), IM (intrinsic motivation), OP (opportunity), WE (work engagement), DT (digital transformation)

Predictive Relevance of Structural Model

Saturated Model

For the predictive relevance of saturated model, productiveness of model is assessed by the squared multiple correction (R^2) of dependent variable. The values of stone-Geiseer (Q^2) test indicates the predictive relevance, f^2 shows the effect size of the model (Cohen, 1988). The Table number 3 specifies that The R^2 for EP is 0.610 and DT is 0.787. The value of Q^2 for EP is 0.591 and 0.632 for DT. The SRMR in the table indicates the SRMR (Standardized Root Mean Square Residual) values. The value of SRMR confirmed that model is good fit as the value is 0.067

Table 3: Saturated model results

Construct	R Square	R Square Adjusted	Q^2	F^2	SRMR
EP	0.610	0.584	0.591	0.026	0.067
DT	0.787	0.693	0.632	0.039	

Note: EP(employee performance), DT (digital transformation)

Hypothesis Verification

The table 5 explains the hypotheses testing. The p-value of these hypotheses is greater than threshold level 5%. H1a and H1b are accepted, which explain that ability has positive and significant impact on employee performance. Whereas, according to these results opportunity does not have significant direct relationship with employee performance. Furthermore, on the base of p-value the result indicates that work engagement also do not have significant relationship with employee performance. Further, this study accepted the hypothesis "H2" that explained that digital transformation has positive relationship with employee performance $\beta = 0.368, p = 0.007$. Furthermore, the analysis indicates that digital transformation moderator the relationship between

ability, motivation, opportunity and work engagement (H3a, H3b, H3c, H3d) on the base of p-values $\beta = 0.213, p = 0.006, \beta = 0.342, p = 0.000, \beta = 0.196, p = 0.000, \beta = 0.237, p = 0.000$ respectively.

Table 4: Hypotheses of the structural model

Hypothesis	Relationship	Beta	Standard error	t-value	p-value	Decision
H1a	AB -> EP	0.326	0.046	0.639	0.007	Supported
H1b	M -> EP	0.132	0.055	0.451	0.000	Supported
H1c	OP -> EP	0.037	0.082	0.581	0.461	Rejected
H1d	WE -> EP	0.234	0.082	2.856	0.354	Rejected
H2	DT -> EP	0.368	0.031	2.235	0.007	Supported
H3a	AB* DT -> EP	0.213	0.024	2.354	0.006	Supported
H3b	M* DT -> EP	0.342	0.027	2.428	0.000	Supported
H3c	OP* DT -> EP	0.196	0.045	5.268	0.000	Supported
H3d	WE* DT -> EP	0.237	0.037	4.213	0.000	Supported

Note: Ab (ability), EM (extrinsic motivation), IM (intrinsic motivation), OP (opportunity), WE (work engagement), DT (digital transformation)

DISCUSSION

Current study is very great contribution in the field of management and provides theoretical, empirical and practical implementation. The main focus of study in aviation sector of the Saudi Arabia and investigation is consisted on the employee of Saudi airline and Flynas air line. Furthermore, study introduces the extension of the AMO theory by adding work engagement as additional activity. The findings of current study are following

The first hypothesis is consisted on four sub-hypothesis and explains that Ability, motivation, opportunity and work engagement has significant relationship with employee performance. Regarding to ability, the employee with high ability is more professional and tries to do innovative work. There are a lot of challenges have to face to every employee in the workplace. So, the ability of worker is more important to achieve the task assigned by organizations. The finding of current study is a line with previous studies (Rivaldo & Nabella, 2023; Sinambela & Ernawati, 2021; Pawirosumarto et al., 2017; Serfaraz et al., 2022; Mohsin et al., 2021). Further, the study explained that motivations have positive and direct relationship with employee performance. There are two categories of the motivation are used in this study, intrinsic and extrinsic motivation. The hypothesis on both type of motivations are accepted. Motivation is very important SHRM activity, as motivated employees are more possible to show inventiveness and stronger to tackle challenges, all of which contribute to improved performance outcomes. The result of this variable is a line with (Brhane & Zewdie, 2018; Ganta, 2014; Kuswati, 2020; Paais & Pattiruhu, 2020).

This study has not accepted the direct relationship between opportunity as well as work engagement with employee performance. There are some causes that do not showed the direct relationship with employee performance in current study. Opportunity and work engagement can indirectly impact employee performance by digital transformation, knowledge sharing and collaboration. Further, a hypothesis is developed the digital transformation has positive and significant relationship with employee performance. On the bases of analysis this hypothesis is accepted. Digital transformation is the complete combination of digital technologies into all sides of an organization. It leads the fundamental changes in maneuvers and delivers value to its customers. It includes the adoption of various digital technologies, such as cloud computing, artificial intelligence, data analytics, and computerization. The main contribution of the digital transformation are modernize processes, enhance decision-making and improve customer experiences by increasing employee performance (Hanelt et

al., 2021; Imran et al., 2021; Cetindamar et al., 2021; Hanelt et al., 2021; Imran et al., 2021; Mohsin et al., 2024; Yasin et la., 2022).

In this study digital transformation is used as moderator between SHRM activities such as ability, motivation, opportunity and work engagement. On the bases of empirical results these hypothesis are accepted. Digital transformation is important moderator between AMO (Ability, Motivation, and Opportunity) factors and employee performance. It plays a crucial role in enhancing the relationships and outcomes between these factors. For the relationship between ability and employee performance, digital transformation enables organizations to collect and analyze data related to employee performance. This can provide valuable insights for improving performance, coaching, and training (Pawirosumarto et al., 2017; Sinambela & Ernawati, 2021; Hussain et al., 2022). The increase of ability by digital transformation increases the working capabilities of the employee and employee present good performance. The results are a line with (Junior et al., 2020; Lindawati & Parwoto, 2021; Varshney, 2020)

In current study the motivation is use with its two dimensions. The motivation play important role for increasing the performance of the workers. The digital transformation frequently offers employees with greater intrinsic and extrinsic motivation access to information and knowledge, which can improve their capabilities. Employees motivated by the organization effectively are expected to perform better. The organization motivated the employee by rewards, incentive, access to information and advance technology. Further, the secure good environment is important for providing the opportunities to the employee for giving high quality work performance. The digital transformational provide the opportunity of access to collaboration with other colleagues. Through the digitalized equipment for communication and knowledge sharing the employee get opportunity to do best in work and reduce mistakes. The results are a line with (Bakker, 2015; Fischer et al., 2019; Guo & Ayoun, 2023; Azam et al., 2023; Serfaraz et al., 2023; Yasin et al., 2022)

Furthermore, Digital transformation plays a pivotal role in moderating the relationship between work engagement and employee performance. As organizations embrace digital technologies and modern work practices, they often create an environment where employees can be more engaged and productive. Digital technologies increase work engagement by offering vibrant, collaborating tasks. Additionally, digitalization modernization processes, permit the employees for focusing on evocative tasks and fostering better performance. These technologies provide appreciated perceptions through data analytics which further helps to engaged employee's satisfactory performance. The digital transformation creates a cooperative relationship with employee work engagement and performance. The higher work engagement leads to improved employee performance which is amplified by the transformative power of digital tools. The results are a line with (Beltrán-Martín & Bou-Llusar, 2018; Kellner et al., 2019; Kim et al., 2020)

Theoretical Aspects of Research

Current study has theoretical aspects and contribution in research related to management. First, this study has used SHRM activities such as ability, motivation and opportunity. These variables are related to AMO theory. But this study has extended the AMO theory by adding work engagement. So, at one side current study is related to SHRM activities but on another side study is an extension of AMO theory. Secondly, study is related to employee performance in aviation sector. Third, the digital transformation is selected as moderator which a moderating role between SHRM activities and employee performance. Forth, current study used two theories AMO and RBV theory to found out the theoretical bases of study.

Practical Aspects of Research

Current study has practical implementation for not only aviation sector but in different sector. First of all in the context of aviation sector, this study elaborates that ability, motivation and opportunity has positive impact of performance. So, if company adopts this framework, they can have likely to achieve their objectives. The study emphasizes at adoption of the digitalization in all over the sector for satisfaction of customer as well as for high performance of employees. The aviation sector with advance digital transformation can improve the efficiency of work and reduction of cost. On the basis of data analysis this study suggests to digitalize everything

that can be digitalized, because aviation department closely connected to digital technology (Heiets et al., 2022) The use of technology assists in reduction of cost, innovation in services and reduction of downtime due to maintenance. The result of current study are not limited to aviation sector, these results can be practice in industrial sector, banking sector or health sector etc.

LIMITATIONS AND RECOMMENDATION FOR FUTURE RESEARCH

This study has theoretical, practical and empirical importance in the context of aviation sector of Saudi Arabia. Current study selected cross-sectional data. This method is used to collect at the point of time, while future study can collect longitude data for data analysis. The study is limited to the employee of Saudi airline and Flynas, future studies can add more airline companies or make comparison. The research framework of current study is limited to aviation sector, but future studies can analysis same model for industrial or SMEs in different of same country.

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