THE MODERATING ROLE OF TALENT MANAGEMENT ON THE RELATIONSHIP BETWEEN HUMAN CAPITAL AND INSTITUTIONAL EXCELLENCE IN GOVERNMENT SECTOR IN THE EMIRATE OF ABU DHABI

Sami Nizar Khasawneh¹, Humam Bin Mohamed², Maged Mustafa Al-Dubai ³

Al-Madinah International University Malaysia/Faculty Of Finance & Admin. Science

Abstract

There is a high degree of competition between government institutions in the Emirate of Abu Dhabi to achieve institutional excellence by providing government services to customers. The importance of this study rise from the vitality of the topic matter; impact of Human Capital on achieving Institutional Excellence in the government sector of the emirate of Abu Dhabi; and the extent to which Talent Management moderate the relationship between Human Capital and Institutional Excellence. The study used the descriptive analytical approach for analyzing such studies to describe and evaluate the relationship between variables. Random sampling method was adopted for the purpose of drawing the sample; the total sample was 455 employees from all the institutions. The current research used SPSS and PLS-SEM model to test the measurement and structural models. The study found that Human Capital impacts Institution Excellence. There is a direct and significant relationship between Human Capital and achieving Institution Excellence in the government sector of the emirate of Abu Dhabi. The knowledge of the employees gives sufficient awareness of the achievements of the institution excellence which helps understanding the appliance of application of all standards of excellence. The moderating variable has a positive and significant relationship between independent variables and dependent variables. This study should help government institutions to plan toward business excellence and to create greater awareness of excellence frameworks and their usefulness when embarking on the path of excellence. This research adds to the knowledge of the UAE’s excellence awards scheme and to the knowledge of business excellence best practices deep rooted in multicultural organizational environments.

Keyword: Human Capital (HC), Institutional Excellence (IE), Talent Management (TM), Abu Dhabi Government (ADG)

1. RESEARCH BACKGROUND

The role of human resource management no longer confined as in the past, to attract labor, recruitment procedures, pay wages and salaries, follow up on granting leave to employees, and so forth. The role of human resources management has evolved to become a strategic role, it follows up the processes and procedures track recruitment process, in terms of setting plans, objectives, monitoring outputs and evaluation, Human Capital is actual wealth of institution; it is main element that plays major role in competition process between institutions. Human capital imposes its presence in a comprehensive and sustainable development strategy not only at institutional level but also at nation’s level (Haak-saheem & Festing, 2018).

The United Arab Emirates (UAE) has given significant focus to performance excellence through its various programs such as the Dubai Government Excellence Programs, Dubai Quality Award and Sheikh Khalifa Excellence Award, the implementation steps for the business excellence could show some specific activities & practices due to a different power distance leadership culture, context culture “where UAE should belong to the high power distance leadership culture and high
context culture” and the multinational mix of the employees (Lasrado & Gomiscek, 2017).
Talent management a modern administrative themes, it spreaded rapidly in the last decade of the last century, It become focus of many organizations, researchers and specialists; need for talented staff capable of coping with problems arising from complex work environment and the need for advantages, thus, it is imperative for organizations to fulfill their responsibilities towards their most important talents. Many organizations have established and developed a special focus on talent (Al Awadhi, 2018).
This study focuses to determine the main variables achieving Institutional Excellence for government institutions, which considered as the dependent variables representing by (Leadership, Policy and Strategy, Individuals, Partnership and resources). Also, it seeks to carry out deeper inquiries about reasons influences the government sector Excellence through Human Capital availability, which is considered as the independent variables representing by (Knowledge, Skills and abilities, Experiences, Innovation and Creativity). Moreover, the study investigates how Talent Management can moderate the relationship between Human Capital and Institutional Excellence, which considered as moderating variables representing by (Attraction strategy, Talent development strategy, Retention talent strategy, and Succession or career replacement strategy).
The main objective of this study is to examine the relationship between human capital and institutional excellence in the Emirate of Abu Dhabi, by answering the following questions:

1) Does Human Capital affect the achievement of institutional excellence for institutions in the government sector of the Emirate of Abu Dhabi?
2) Does Knowledge influence institutional excellence achievement (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in institutions in the government sector of the Emirate of Abu Dhabi?
3) Do Innovation and Creativity affect the achievement of institutional excellence (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in the government sector of the Emirate of Abu Dhabi?
4) Do Skills and Abilities affect the achievement of institutional excellence (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in the government sector of the Emirate of Abu Dhabi?
5) Do Experiences affect the achievement of institutional excellence (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in the government sector of the Emirate of Abu Dhabi?

The research used about 455 employees from government sector of the emirate of Abu Dhabi as respondents to the research instrument in the field works. The research findings will clarify the relationship between human capital and institutional excellence in government institutions of the Emirate of Abu Dhabi. The study will clarify the role of Talent Management of the relationship between Human Capital and Institutional Excellence in government institutions of the Emirate of Abu Dhabi. The findings of the study will determine the main factors that affect the achievement of Institutional Excellence in government sector institutions in the Emirate of Abu Dhabi through Human Capital.
In accordance with the research questions above, this research purposes to attain the main study objectives as follows:

1) Recognize the impact of human capital on achieving institutional excellence for institutions in the government sector of the Emirate of Abu Dhabi.
2) Recognize the Knowledge influence institutional excellence achievement (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in institutions in the government sector of the Emirate of Abu Dhabi.
3) Recognize the Innovation and Creativity affect the achievement of institutional excellence (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in the government sector of the Emirate of Abu Dhabi.
4) Identify the Skills and Abilities affect the achievement of institutional excellence (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in the government sector of the Emirate of Abu Dhabi.
5) Recognize the Experiences affect the achievement of institutional excellence (Leadership, Individuals, Policy and Strategy, Partnership and Resources) in the government sector of the Emirate of Abu Dhabi.

2. LITERATURE REVIEW
The human element is one of the main drivers of development and the leader in various sectors; administrative, political or economic. In daily life and without human element, work cannot complete. Hence, the development of human capital is especially important in economic development conditions; investment in human capital is one of achieving sustainable human development factors, which confirmed by modern literature based on the theory of human capital (Shubair, 2015). Armstrong (2017) Human resources activities are concerned with the strategic management of human resources, as well as the management of human capital, in addition to corporate social responsibility, the development of systems and knowledge of employees and the provision of all human resources, as well as the management of education, development and performance, management of employee relations and remuneration and the provision of a luxurious environment for employees.

EFQM put excellence in managerial situation and describes "Organizational Excellence" as: "overall way of working that results in balanced stakeholder satisfaction (customers, employees, partners, society, and shareholder) to increase the probability of long term success as an organization" (Abu Saada, 2013). Al-Abdeen (2016) There are several benefits by applying institutional principles excellence in organizations: 1) lasting success in near and long term, 2) gaining customer loyalty, 3) consistency of strategic direction, 4) cost reduction and discovery improvement opportunities, 5) sustainability in excellence and importance of institutional evaluation and its benefits, 6) requirements for continuous improvement permanent. In addition, Proficiency is the highest quality and excellence, the stages of quality development and institutional excellence started with quality control and then moved to quality assurance, then TQM to institutional management excellence, which is today represents top pyramid of quality and excellence around the world.

Otoom (2016) Talent management refers to appealing, integrating, developing or recalling highly skilled workers their own. Talent management includes a number of elements: talent discovery, development and retention, and work to discover, develop, motivate, and retain talent. In the last century, the focus of managers was on routine transactions, and the work was directed towards hiring and supervising new employees while it was found later that some tests and the selection of qualified employees and then trained, and there appeared legislation in the sixties and seventies to ensure equality in recruitment processes from here began to rely on the expertise of human resources in the management of rights of non-discrimination and bias (Dessler, 2017).

3. RESEARCH MODEL

Smart-PLS is one of the outstanding software applications for Partial Least Squares Structural Equation Modeling (PLS-SEM); it was developed by Ringle, Wende & Will (2005). This study employed IBM SPSS Version 25 Statistics for all descriptive analysis and partial least squares (PLS) path modeling using Smart PLS-SEM Version 3.2.3 software to perform data analysis (Hair et al., & Sarstedt, 2014 & Wong, 2013). A model of PLS is analyzed and interpreted normally in two stages (Hair et al., 2014 & Valerie, 2012); the measurement model and structural model to test the hypothesis. According to Hair et al. (2011), and Gotz et al. (2010), individual item reliabilities, convergent validity and discriminant validity were the three step procedures for evaluating the measurement model. The convergent validity of each construct was tested. According to Hair et al. (2011) and Valerie (2012) validity of the convergence expressing the extent of representation of the intended total structure element and correlating with the actual procedures for the same total structure, the average variance extracted (AVE) extracted mean and composite reliability (CR) complexity are examined.

PLS-SEM contains a two-step procedure which involves the evaluation of the outer measurement model and evaluation of the inner structural model (Hussain et al., 2018). In PLS-SEM, there are four stages for assessment of the measurement models (Hair et al., 2014).

4. HYPOTHESIS DEVELOPMENT

The model PLS used in this research extends the concept of acceptance through the inclusion of three more constructs as; independent variable Human Capital (HC), dependent variable Institutional Excellence (IE) and moderating variable Talent Management (TM). Current research develops the following hypotheses:
4.1. Knowledge dimension on achieving Institutional Excellence

Knowledge consists of four basic dimensions regarding to Bisar (2017): 1) Knowledge of what; is the professional knowledge necessary to control human resource in his field of work. 2) Knowledge of how or knowledge is procedural; it means the ability to apply knowledge to solve various work problems, and this knowledge matches common knowledge. 3) Knowledge of why; systematic understanding of causal relationships between different variables. 4) Knowing importance of why; means attention to some variables is necessary in order to provide motivation to work, will, creativity and flexibility, all of which can cope with change and overcome competition. Recognize that Knowledge Management has become one of most development inputs and change nowadays. Hereafter, HC and knowledge are expected to influence IE in both directly and indirectly, as below:

**H1:** There is a positive influence of Human Capital on achieving Institutional Excellence.

**H2:** Knowledge is a significant dimension of Human Capital.

4.2. Skills and abilities dimension on achieving Institutional Excellence

Skill is a capacity to perform mental or physical tasks with a specified outcome (Souleh, 2014). The ability includes strategic leadership of management in organization, degree of quality of workers, possibility of learning, and extent of participation of decision-makers (Louisah, 2016). Abu Rous (2015) defines ability as a "general energy and readiness that is made up of man as a result of internal and external factors that enable him to acquire that ability. This means to the hypothesis that Skills and abilities influence on IE. This hypothesis outline as:

**H3:** Skills and Abilities is a significant dimension of Human Capital.

4.3. Experiences dimension on achieving Institutional Excellence

Since human capital is characterized as not available in others curve of productivity is rising in the same direction of curve of his experiences and skills, age is renewed with changes of age and will not be lost only by cessation of time, subject to law of diminishing utility (Al-Enazi, & Saleh, 2017). Dimension of experience had a high impact and correlation in managing organizational change (Saadi et al., 2013). Thus, total experiences passed by man so-called experience. This means to the hypothesis that Experiences influence on IE. This hypothesis outline as:

**H4:** Experience is a significant dimension of Human Capital.

4.4. Innovation and Creativity dimension on achieving Institutional Excellence

Innovation defined as new, useful and problem-solving ideas, development of methods or objectives, deepening of vision, or re-entrenchment known patterns of managerial behavior in distinctive and sophisticated forms that drive company forward. Innovation Ability Company is to come up with something new greater, faster value, and offering a better product than competitors' products on the market (Hussain, 2014). Studies emphasize the need for managers to attract individuals who are highly capable of dealing with emergencies and changing circumstances that require creativity and innovation, thereby obtaining high-quality knowledge and intellectual outputs. This means to the hypothesis that Innovation and Creativity influence on IE. The related hypothesis is as follows:

**H5:** Innovation and Creativity is a significant dimension of Human Capital.

4.5. Human Capital impact on leadership dimension

High leadership has a direct impact on excellence by increasing persons’ skills and inspiring them for creativity and excellence through excellence in leadership, effective work relationships, innovative thinking capacity that avoids tradition, and interest in encouraging competition amongst individuals to reach new ideas. If Open Door Strategy is proven and supports direct communication between it and individuals, it lets exchange of information on success of organization,
ability to discuss it, access to proposals, and the creation of new answers to its problems (Mahmoud, 2014). Boussalem (2015) administrative empowerment accounted for 49.2% of variance in leadership dimension; this result attributed reduction company command unit enhanced employees' awareness meaning work they are performing and coordinated their efforts to enhance leadership and excellence. As such, Human Capital is hypothesized to impact the leadership in Institutional Excellence, as presented below:

**H6: Human Capital has a significant and positive effect on Institutional Excellence.**

**H7: Human Capital has a significant and positive effect on leadership.**

### 4.6. Human Capital impact on Policy and Strategy dimension

According to, Al-Tai and Al-Qaisi (2016) modern institutions seek to achieve excellence in performance through integrated and clear vision and conviction which is the right framework and proper approach to maximize use of current and potential resources to achieve satisfaction for their clients. It is necessary to rely on the strategic direction in the institution and orientation towards strategic development plans and achieve strategic coordination in all sections of the institution. Therefore, it is hypothesized that:

**H8: Human Capital has a significant and positive effect on Policy and Strategy.**

### 4.7. Human Capital impact on Individuals dimension

Aldoabasmah (2016) Make their work beyond organization standards and excel at what others offer in quantity and quality and provide ideas and products that are modern, original and creative including achieves high organizational goals. Human resources excellence a set of behaviors, abilities, intellectual skills and knowledge that are enjoyed by individuals working in organizations to enable them to employ them in their field of specialization. Asgar (2015) all human resource plans to sustenance the addition of business design with business excellence. Al-Tai and Al-Qaisi (2016) each organization composed of individuals seeking to develop their skills and motivate them to high levels of performance, and thus obtain good services while ensuring they will continue to preserve their obligation to institution. Based on that, this hypothesis is summarized as:

**H9: Human Capital has a significant and positive effect on Individuals.**

### 4.8. Human Capital impact on Partnership and resources dimension

Al-Amami (2014) confirms that client is ultimately final judge of management excellence according to services, benefits and conditions obtaining it compared with expectations and preferences on one hand, what can get from competitors on the other hand. Excellence management must develop relationships with customers, maintain their organization loyalty and improve their competitive position by focusing on customer service. Saleh (2011) assured the importance of partners dimension as management of company seeks to achieve highest degree of customer satisfaction, which impact on acquisition of new customers and possibility of maintaining existing customers, to increase share of company in market, put customers' requirements within their strategies as they have a significant impact on company's success in sharp competition. So, this hypothesis is summarized as:

**H10: Human Capital has a significant and positive effect on Partnership and Resources.**

### 4.9. Talent Management

In this study, Talent Management is a moderator which is a third independent variable causes the relationship between an Institutional Excellence (dependent) and Human Capital (independent) variables pair to change depending on the value of the moderator variable. This study attempted to measure the construct of Talent Management as a moderator to the relationships between the variables, which may impact the Institutional Excellence. The moderator variable Talent Management affects the relationship between the independent variable Human Capital and the dependent variable Institutional Excellence which considers the main target of this study.
Thus, the current study will attempt to determine whether Talent Management moderates the relationship between Human Capital and Institutional Excellence in the institutions in the government sector of the Emirate of Abu Dhabi. Based on the analysis of the hypothesis and the factors with their relation to the Institutional Excellence among the institutions in the government sector of the Emirate of Abu Dhabi, this will examine the following hypotheses:

**H11**: Talent Management moderates the relationship between Human Capital and Institutional Excellence.

**H12**: Talent Attraction Strategy dimension moderate the relationship between Human Capital and Institutional Excellence.

**H13**: Talent development strategy dimension moderate the relationship between Human Capital and Institutional Excellence.

**H14**: Talent retention strategy dimension moderate the relationship between Human Capital and Institutional Excellence.

**H15**: Succession planning strategy dimension moderate the relationship between Human Capital and Institutional Excellence.

All hypotheses are knotted which considered the building combine of the model recommended in this current work. The model prepared by the researcher.
5. DATA ANALYSIS

The following step is conduct the analysis of PLS after the measurement model was analyzed was to perform assessment to the structural model. This refers to the analysis of the inner model. PLS-SEM contains a two-step procedure which involves the evaluation of the outer measurement model and A model of PLS is analyzed and interpreted normally in two stages (Hair et al., 2014 & Valerie, 2012); the measurement model and structural model to test the hypothesis. In specific, this study applied the PLS-SEM structural model for testing the hypothesized relationships. Here, the PLS algorithm and bootstrapping algorithm in Smart PLS-SEM Version 3.2.3 software were used.

6. HYPOTHESES TESTING

Testing the relationships hypothesis is the last step in the structural model of PLS-SEM. The main important tests are PLS algorithm and bootstrapping algorithm executed using Smart-PLS 3.2.3 model. In PLS analysis, path coefficients are highly crucial, but Hair et al. (2014) indicated that insignificant paths or those that show signs that are contrary to the direction hypothesis means that the prior hypothesis cannot be accepted whereas should be rejected. Significant paths determine that the hypothesized direction is in support to the causal relationship proposed. The researcher added weights and loadings of indicators; the significance of each path coefficient is assessable using the procedure of bootstrapping. Figure 2 viewed the items loadings, path coefficient, as well as $R^2$ values. The amount of cases must record with the number of observations in the initial sample (Winnie, 2014 & Lorenzoet al., 2014, Henseler & Sarstedt, 2013, Monecke & Leisch, 2012, Rubel & Kee, 2014, & livari, 2005). Hair et al (2014) Bootstrapping an method to authorizing a multivariate model by drawing a big number of sub-samples and approximating models for each sub-sample, approximations from all the sub-samples are then combined, providing not only the “best” estimated coefficients but their expected
variability and thus their likelihood of differing from zero. The testing of the hypothesized relationships clarified as below:

**Hypothesis 1:** Concerning to the prospered positive influence of Human Capital on achieving Institutional Excellence achieved via the results ($\beta = 0.062$, T-Value = 5.861, and P-Value = 0.0159), the hypothesis seems to be supported.

**Hypothesis 2:** Concerning to the suggested relationship between Knowledge and Human Capital appeared via the results ($\beta = 0.256$, T-Value = 18.069, and P-Value = 0.0084), the hypothesis seems to be supported.

**Hypothesis 3:** Concerning to the suggested relationship between Skills and Abilities and Human Capital appeared via the results ($\beta = 0.284$, T-Value = 20.053, and P-Value = 0.0043), the hypothesis seems to be supported.

**Hypothesis 4:** Concerning to the suggested relationship between Experience and Human Capital appeared via the results ($\beta = 0.217$, T-Value = 14.714, and P-Value = 0.0051), the hypothesis seems to be supported.

**Hypothesis 5:** Concerning to the suggested relationship between Innovation and Creativity and Human Capital appeared via the results ($\beta = 0.520$, T-Value = 31.270, and P-Value = 0.0047), the hypothesis seems to be supported.

**Hypothesis 6:** Concerning to the suggested relationship between Human Capital and Institutional Excellence appeared via the results ($\beta = 0.194$, T-Value = 6.074, and P-Value = 0.0023), the hypothesis seems to be supported.

**Hypothesis 7:** Concerning to the suggested relationship between Human Capital and leadership, it clearly appeared via the results ($\beta = 0.174$, T-Value = 6.186, and P-Value = 0.0013), the hypothesis seems to be supported.

**Hypothesis 8:** Concerning to the suggested relationship between Human Capital and Policy and Strategy appeared via the results ($\beta = 0.175$, T-Value = 6.066, and P-Value = 0.0026), the hypothesis seems to be supported.

**Hypothesis 9:** Concerning to the suggested relationship between Human Capital and Individuals appeared via the results ($\beta = 0.180$, T-Value = 6.208, and P-Value = 0.0011), the hypothesis seems to be supported.

**Hypothesis 10:** Concerning to the suggested relationship between Human Capital and Partnership and Resources appeared via the results ($\beta = 0.177$, T-Value = 6.150, and P-Value = 0.0015), the hypothesis seems to be supported.

**Hypothesis 11:** Talent Management moderates the relationship between Human Capital and Institutional Excellence, the result shows there is a relationship via the results ($\beta = 0.7503$, T-Value = 30.230, and P-Value = 0.0084), the hypothesis seems to be supported.

**Hypothesis 12:** Talent Attraction Strategy moderates the relationship between Human Capital and Institutional Excellence, the result shows there is a relationship via the results ($\beta = 0.6921$, T-Value = 25.980, and P-Value = 0.0068), the hypothesis seems to be supported.

**Hypothesis 13:** Talent development strategy moderates the relationship between Human Capital and Institutional Excellence, the result shows there is no relationship via the results ($\beta = -0.0200$, T-Value = 0.8204, and P-Value = 0.4124), the hypothesis seems not to be supported.

**Hypothesis 14:** Talent retention strategy moderates the relationship between Human Capital and Institutional Excellence, the result shows there is no relationship via the results ($\beta = -0.0206$, T-Value = 0.8233, and P-Value = 0.4107), the hypothesis seems not to be supported.

**Hypothesis 15:** Succession planning strategy moderates the relationship between Human Capital and Institutional Excellence, the result shows there is a relationship via the results ($\beta = 0.6880$, T-Value = 26.667, and P-Value = 0.0019), the hypothesis seems to be supported.

**7. CONCLUSION**
The purpose of this study is to identify the influence of HC (Knowledge, Skills and abilities, Experiences and Innovation and Creativity) on achieving IE (Leadership, Policy and Strategy, Individuals and partnership and resources) for institutions in the government sector in the Emirate of Abu Dhabi, also to identify the impact of TM (Attraction strategy, Talent development strategy, Retention talent strategy and Succession planning strategy) modification the relationship between HC and IE on the institutions in the government sector in the Emirate of Abu Dhabi.

Regarding to the results obtaining from the descriptive statistics; the employees in the government sector of the emirate of Abu Dhabi showed that they have a sufficient experience in their jobs which qualify them to perform their tasks quickly and with high quality, moreover, most of them have high qualifications that enable them to perform their tasks in the right way. The most important results of the PLS-SEM analysis acquired from the measurement model and structural model assessment is the hypotheses testing, also it appeared in this chapter. From the results, we can recognize that 13 of 15 key hypotheses were supported due to their significance value (P-Value).

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