FACTORS INFLUENCING JOB PERFORMANCE AMONG AIRLINE INDUSTRY EMPLOYEES IN THE KINGDOM OF SAUDI ARABIA: MEDIATING ROLE OF PERCEIVE ORGANIZATIONAL SUPPORT

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by

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

HRM	Human Resource Management
AMO	Ability, Motivation, Ability
POS	Perceived Organizational Support
SEM	Structural Equation Modelling
AVE	Average Variance Extracted
HTMT	Heterotrait-monotrait
VIF	Variance Inflation Factor

LIST OF APPENDICES

FAKTOR-FAKTOR MEMPENGARUHI PRESTASI KERJA DALAM KALANGAN PEKERJA INDUSTRI PENERBANGAN DI ARAB SAUDI: PERANAN PERSEPSI SOKONGAN ORGANISASI SEBAGAI PENGANTARA

ABSTRAK

Dalam industri penerbangan dinamik hari ini, semakin diakui bahawa penglibatan dalam amalan pengurusan sumber manusia (HRM) dan memupuk budaya sokongan organisasi (POS) boleh memainkan peranan penting dalam meningkatkan prestasi pekerja dan kejayaan organisasi. Walaupun penyelidikan meluas dijalankan ke atas kesan komponen HR (AMO) terhadap prestasi pekerja, konsensus mengenai mekanisme yang mendasari hubungan ini masih belum dicapai. Kajian ini menggunakan teori penetapan matlamat dan Teori Pertukaran Sosial (SET) untuk mengkaji hubungan antara komponen HR (AMO) dan prestasi pekerja, dengan tumpuan untuk meneroka kesan pengantaraan sokongan organisasi yang dirasakan. Untuk mencapai objektif kajian, kajian ini menggunakan kaedah pengumpulan data primer menggunakan soal selidik yang ditadbir sendiri. Soal selidik telah dibangunkan dengan mengekstrak item yang relevan daripada literatur sedia ada yang berkaitan dengan pembolehubah kajian. Saiz sampel seramai 1128 responden telah dikumpul dan dianalisis melalui penggunaan metodologi persampelan rawak berstrata. Selain itu, menggunakan metodologi deduktif, penyiasatan ini telah mengkaji perkaitan antara pembolehubah melalui proses dua langkah yang terdiri daripada model pengukuran dan penilaian model struktur, yang sepadan. Keputusan yang diperoleh daripada penilaian model pengukuran menunjukkan bahawa tiada isu yang berkaitan dengan

kebolehpercayaan, ketekalan dalaman, dan ukuran lain yang berkaitan yang diperlukan untuk menjalankan penilaian model struktur. Tambahan pula, hasil analisis model struktur menunjukkan pengaruh komponen HR yang patut diberi perhatian dan menggalakkan ke atas prestasi pekerja dalam syarikat penerbangan Saudi, Flynas dan Flyadeal. Dapatan kajian menunjukkan bahawa faktor seperti kebolehan, motivasi dan peluang memainkan peranan penting dalam menentukan prestasi pekerja dalam industri penerbangan. Selain itu, penilaian sokongan organisasi dianggap sebagai ukuran prestasi pekerja yang boleh dipercayai. Sebaliknya, kesan pengantaraan sokongan organisasi yang dirasakan terhadap hubungan antara AMO dan prestasi pekerja perlu diberi perhatian. Penemuan mendedahkan perkaitan yang ketara antara amalan HRM (keupayaan, motivasi, peluang) dan prestasi pekerja, dengan POS menjadi pengantara hubungan ini. Secara khususnya, persepsi pekerja terhadap sokongan organisasi meningkatkan kesan amalan HRM ke atas hasil prestasi mereka. Keputusan ini menyumbang kepada pemahaman teori dan praktikal mengenai HRM dalam industri penerbangan, memberikan pandangan berharga untuk pengamal HRM, pemimpin organisasi dan penggubal dasar yang bertujuan untuk mengoptimumkan strategi HRM dan memupuk budaya organisasi yang menyokong untuk meningkatkan prestasi pekerja dan keberkesanan organisasi.

FACTORS INFLUENCING JOB PERFORMANCE AMONG AIRLINE INDUSTRY EMPLOYEES IN THE KINGDOM OF SAUDI ARABIA: MEDIATING ROLE OF PERCEIVE ORGANIZATIONAL SUPPORT

ABSTRACT

In today's dynamic airline industry, it is increasingly recognized that investing in human resource management (HRM) practices and cultivating a culture of perceived organizational support (POS) plays a pivotal role in enhancing employee performance and organizational success. Despite of the extensive research conducted on the impact of HR-components (AMO) such as Abilities, motivation, and opportunity on employee performance, there is need to underlying this relationship in the context of Saudi airlines. The present study employs goal setting theory, AMO theory and Social Exchange Theory (SET) are selected to examine the relationship between HR-components (AMO) and employee performance as well as focus on exploring the mediating effect of perceived organizational support. To achieve the research objectives, current study employed a primary data collection method which utilizes a self-administrated questionnaire based on previous studies. A sample size of 1128 participants was collected and analysed through the use of convenience stratified random sampling methodology. Moreover, employing a deductive methodology, the present investigation has examined the association between the variables via a two-step process comprising of measurement model and structural model assessment, correspondingly. Furthermore, the results of the structural model analysis demonstrate a noteworthy and favourable influence of HR components on the performance of employees in Saudi airlines, Flynas and Flyadeal. The study findings indicate that factors such as ability, motivation and opportunity play a significant role in determining employee performance within the aviation industry. Moreover, the assessment of perceived organizational support is considered a reliable measure of job performance of the employee. Conversely, the mediating effect of perceived organizational support on the relationship between AMO and employee job performance is noteworthy. The findings reveal significant associations between HRM practices (ability, motivation, opportunity) and employee performance with POS mediating these relationships. Specifically, employee's perceptions of organizational support enhance the impact of HRM practices on their performance outcomes. These results contribute to both theoretical and practical understandings of HRM in the aviation industry, which provide valuable insights for HRM practitioners, organizational leaders, and policymakers for aiming to optimize HRM strategies and foster a supportive organizational culture to improve employee performance and organizational effectiveness.

CHAPTER 1

INTRODUCTION

1.1 Background

In the contemporary business environment, an organization's ability to maintain a competitive advantage in the marketplace is greatly influenced by the performance of its employees (Khan & Wisner, 2019; Jermsittiparsert et al., 2019). The airline industry is a fiercely competitive, safety-critical, and technologically advanced service industry (Julius, 2013). In contrast to other economic sectors, this one involves not only the application of IT, tourism, and engineering marvels of design, but also, and perhaps most importantly, the human element, making it twice as exotic, fascinating, and demanding for all parties involved (Julius & Josefina, 2013). People, employees and customers are fast adopting the lead roles in the technology shift from the traditional corporate processes and services. The airline industry's survival and overall sustainability are dependent upon the performance of its workforce. The airline business has the potential to increase its client base and revenue generation through the implementation of exceptional staff performance (Slavković, Pavlović & Simić, 2018).

Furthermore, improved staff performance within the company will be reflected in higher-quality client services. According to Alsaad and Almaamari (2020) study of the variables affecting employee performance in the Kingdom of Bahrain, higher employee performance is demonstrated by the volume and quality of work that employees generate for the company. The organization's current focus is on enhancing the quality of customer service delivery, therefore employee performance has received a lot of attention (Giorgi, Arcangeli, Perminiene, Lorini, Ariza-Montes, Fiz-Perez & Mucci, 2017). According to Abbas et al. (2020) employee performance is demonstrated by how employees carry out their duties and responsibilities in meeting the goals of the organization. Companies can improve employee performance by utilizing HRM strategies, which focus on the human resource management of the company (Kerdpitak & Jermsittiparsert, 2020).

The airline sector in Saudi Arabia serves as a key driver of economic growth and plays a strategic role in advancing the objectives of Saudi Vision 2030, which aims to diversify the national economy beyond oil dependency. As the Kingdom positions itself as a global hub for tourism, trade, and investment, the airline industry emerges as a central pillar in this transformation (Mızrak, 2023). One of the primary contributions of the airline sector lies in its support for the tourism and hospitality industry. With the goal of attracting over 100 million visitors annually by 2030, Saudi Arabia is heavily investing in airline infrastructure and national carriers, such as Saudi Arabia and the newly launched Riyadh Air (Abuhjeeleh, 2019; Klingmann, 2021). Enhanced air connectivity is crucial in making the country more accessible to tourists, business travellers, and pilgrims, thereby stimulating economic activity in sectors such as accommodation, retail, and cultural services (Alola & Alafeshat, 2021; Boehm-Davis et al., 2001).

Moreover, the airline sector significantly contributes to the expansion of trade and logistics. Efficient air cargo operations facilitate the rapid movement of goods, improve supply chain performance, and strengthen Saudi Arabia's role as a regional logistics hub (Khan, 2020). Major airport developments, including King Abdulaziz International Airport in Jeddah and King Khalid International Airport in Riyadh, are essential to supporting this vision. The sector also provides substantial employment opportunities, both directly and indirectly. It creates jobs in airline operations, maintenance, air traffic services, customer support, and airport management, while also supporting related sectors such as logistics, tourism, and hospitality. This contributes to workforce development, skill enhancement, and the creation of a more dynamic labour market.

Moreover, the growth of the airline industry enhances international connectivity and regional integration, bolstering Saudi Arabia’s global standing and attracting foreign direct investment. Strengthened air links foster economic partnerships and enable greater participation in global markets(Alola & Alafeshat, 2021; Boehm-Davis et al., 2001). In short, the Saudi airline sector plays a critical role in the nation’s economic development by promoting tourism, facilitating trade, generating employment, and positioning the country as a strategic global hub. Continued development of this sector is essential for achieving sustainable and inclusive economic growth.

In Saudi Arabian Airlines, human resource management is also involved in the personnel employment and effectives (Nankervis & Stanton, 2010). The personnel and the staff are the main players that usually ensure that the policies that the organization set out to achieve are attained. They are what can be considered as the drive towards achieving the goals and strategies of the organization. It is clear that in recent decades the way the role of human resource (HR) in organizations has changed drastically (Fahim, 2018). Employees who believe they are being treated fairly and are getting adequate support from human resources are more likely to succeed in their roles. Airline front-line employees handle a high volume of passengers and other visitors every day, therefore they are essential to providing a pleasant flying experience for customers. As a result, their satisfaction increases productivity, and staff retention results in a successful firm. (Iqbal & Aftab, 2025) states that in order for employees to perform at a standard level and reach the organization's goal or aim, employers must make sure that workers finish their responsibilities on time. If employees finish their tasks or jobs on time, their employers might be able to keep an eye on their performance and help them get better. Stup (2003), states that in order for employees to perform at a standard level and reach the organization's goal or aim, employers must make sure that workers finish their responsibilities on time. If employees finish their tasks or jobs on time, their employers might be able to keep an eye on their performance and help them get better.

Employees are source of competitive advantage if the company pays them more attention and helps them improve their skills on the job (Danish & Usman, 2010; Zaharie & Osoian, 2013). An increase in employee’s skills, motivation, and opportunity for better jobs is anticipated with such a system (Appelbaum et al., 2000). The Ability-Motivation-Opportunity-Human Resource hold that an employee's performance on the work is driven by their skills, enthusiasm, and possibilities. In other words, it is the worker's capacity, motivation, and opening to create a positive impact on the organization. For instance, performance-based pay may increase employee motivation, training may improve employee capabilities, and self-directed team participation may influence engagement opportunities(Isang et al., 2025). Nevertheless, such Human Resource Management practices' applications are relatively nebulous, and a prescriptive path to actualizing AMO's potential remains elusive. Yet, when HRM practices are seen as a whole, they have the impact of boost outcomes like productivity, performance, and profitability. The AMO framework may also be used to investigate the dynamics at play between human resource management projects and the results they produce (Purcell, 2003).

The recognition that employees serve as a critical source of competitive advantage has gained increasing attention among organizations (Abome et al., 2025; Md et al., 2025). Scholars have emphasized that enhancing organizational performance is closely linked to understanding the human resource practices and programs that influence individual performance outcomes (Lado & Wilson, 1994; Wright, McMahan, & McWilliams, 1994). In this context, the concept of Perceived Organizational Support (POS) has emerged as a vital factor, as it reflects the degree to which employees believe their contributions are valued and their well-being is prioritized. POS is widely acknowledged in the literature as a key determinant of organizational effectiveness, playing a significant role in shaping employee attitudes, engagement, and performance. Few studies have looked at how activities related to perceived organizational support affect perceived organizational support, even though research has shown a connection between the two. This study has theoretically contributed to the body of information in these fields. Managers may motivate their staff to perform better in both task and context by creating more favourable work environments, implementing sound human resource practices, and providing adequate organizational support. The growth and profitability of the organization will be enhanced as a result. This study aims to examine the function of perceived organizational support as a mediator between human resource management (HRM) factors such as ability, skills, motivation, and work performance among airline professionals. So, the study's goals are to find out if AMO-HR affects performance on the job or if workers' perceptions of organizational support play a mediating role in the connection between the dependent and independent variables.

1.2 Airline Industry Background

According to Arbesú Iglesias (2003), the development of air travel represents one of the most significant steps forward in terms of both communication and globalization. Plus, as Rodrigue notes, "the airline sector has played a crucial role in fostering the establishment of a global economy" (2007:1). Some of the most influential people in airline's past century are Sir George Cayley and Langley, the men responsible for creating the first aerodrome. Everything is done during this time set the stage for the famed Wright brothers to succeed and change flying.

Their achievement in North Carolina stands out as one of the most impressive details; it was the first time a piloted plane powered by an engine travelled 260 meters in almost a minute. Nonetheless, even at this time, accidents happened, such the one in 1908 in which a passenger 3 perished on board that plane, becoming the first fatal victim of flight (Žižlavský & Senichev, 2013). Despite the first setback, the Wright brothers continued to make significant contributions to the development of airline, culminating in a two-hour and twenty-minute flight in which the pilot maintained complete control at the year's conclusion. But these developments, which first arose in the United States, did not occur simultaneously everywhere else in the world (Žižlavský & Senichev, 2013). As can be seen, Europe lagged behind the Americas in airline development, as the first flight lasting more than a minute wasn't accomplished there until the end of 1907 (Žižlavský & Senichev, 2013).

The First World War was the catalyst for the spread of cutting-edge aircraft technology and engine design across Europe. As a result of these advancements, commercial air travel benefited greatly from shorter distances and shorter travel durations (Žižlavský & Senichev, 2013). Also, as noted by (Arbesú Iglesias, 2003)the early twentieth-century applications of aero planes differed greatly between continents. While the primary function of these flights was the delivery of mail in the United States, they soon expanded to include the transportation of people in Europe, leading to a rise in demand for flights between the major cities of the continent. It was at the same time that newer, safer, and more pleasant planes were arriving. For example, the Douglas DC-3, an aero plane that can carry up to 21 people, not only improved productivity but also helped firms reap huge financial rewards (Žižlavský & Senichev, 2013). Some estimates suggest that in 1939, 90% of all airline passengers rode on Douglas DC-3s (Arbesú Iglesias, 2003).

Since the first aero planes with a single engine, airline has seen a steady stream of improvements that have resulted in craft that are faster, can climb higher, and fly farther than ever before (Arbesú Iglesias, 2003). The end of the 1950s represented a turning point in airline history with the debut of cutting-edge plane designs, including bigger aircraft outfitted with cutting-edge systems and technology. The Boeing 707 and the Douglas DC-8 are two notable examples; each can carry up to 100 people (Žižlavský & Senichev, 2013). The development of the Concorde, the first aircraft capable of supersonic flight, is another landmark in airline history; at the time, it was widely believed that this jet represented the pinnacle of airline engineering (Žižlavský & Senichev, 2013). Nonetheless, what they did not realize was that it would be terminated at the turn of the new century, amid debate and mishaps like the one in France (Appel NASA, 2019).

One of the most significant businesses in the world has undergone a major structural shift in the last several decades, and the results of this shift are of great interest to economists and policymakers (Morrison et al., 1996). It is safe to predict that rising demand will continue to drive rapid expansion in international air travel over the next few years (Doganis, 2009; Rürup & Reichart, 2014), which is the primary driver of this transformation. Most nations in the globe benefit from the services provided by the airline sector, which also aids in the economic and social growth of the countries in which it is present (ATAG, 2014). When it comes to the economy, air travel has several positive implications, including the generation of employment and the effective use of infrastructure and resources (ATAG, 2005). The positive effects of the airline business may be broken down into three types: direct, indirect, and induced (ATAG, 2014; Vasigh et al., 2018). Everything that happens inside the sector has an effect, including pay for airline and airport workers, landing fees, fuel costs, and so on. Companies in the air transportation supply chain have a positive knock-on effect on the economy thanks to the services they provide, which in turn is tied to the positive effects that airports and airlines have on other industries (such as the hospitality industry, transportation services, and so on). A combination of the direct and indirect effects creates what is known as the "induced impact"

(Vasigh et al., 2018). Consequently, the airline business has an impact equal to 3.5% (or 2.7 trillion USD) of worldwide GDP (ATAG, 2014).

In terms of societal gains, it is important to note that people's quality of life improves thanks to the cultural and recreational opportunities they are exposed to as a result of air travel, and that their standard of living rises thanks to trade and tourism as a result of air travel's status as one of the main drivers of economic expansion. It also simplifies the construction of air transportation networks and contributes to sustainable growth (ATAG, 2014). There have been a number of significant transitional periods in the history of the airline business as we know it now (Olson & Trapani, 1981; Bartoš & Badánik, 2019). Later, towards the tail end of the 1970s, as a result of the deregulation movement, economic liberalization occurred in the airline industry.

United States airline industry deregulation in 1978 ushered in a new era of openness and competition around the globe. Reduced air fares were one immediate outcome of these shifts, along with improvements in areas such as service quality and flight safety (Doganis, 2009; Morrison et al., 1996; Bartoš & Badánik, 2019). When, for instance, airlines suddenly had unrestricted access to the airspace between more than two cities, restrictions on flight frequency, available seat capacity, and airline price were instantly lifted (Ben-Yosef, 2005; Doganis, 2009) terms like profitability, competition, and cost efficiency became the focal points of discussion. Open route access, free code-sharing, and no pricing limits, together with the freedom to run charter and bilateral flights, resulted from these protests and were enshrined in Europe's "open skies" policy in 1992 (Belobaba, 2009b; Doganis, 2009).

1.3 Challenges in Airlines Industry

According to Belobaba et al. (2015), the airline industry throughout the world faces a wide variety of problems, all of which have an impact on the businesses within the sector. Competition is one of the key challenges in the current day, with many airline firms operating on a worldwide scale, and this has hurt the operations of every company in the market. The market is saturated with identical service offerings from competing businesses. Because of the high level of competition in today's market, it has become increasingly difficult for businesses, especially smaller ones, to stay afloat. Airline firms are working on building corporate strategies to deal with the problem of intense competition so that they may more easily endure over the long run (Borenstein & Rose, 2014; Misopoulos et al., 2014). In the present period, the difficulty of competing with the market is much higher than in the past, and this has been a major obstacle for enterprises.

In addition, with increasing competition in the market, it is essential for the firm to highlight certain distinctive aspects of its service range to ensure the continued success of the business in the long run. Therefore, a significant factor contributing to the success of airline companies in the market is their ability to provide a distinctive service that distinguishes them from their competitors (Choi et al., 2015). Companies may only endure in the long term if they possess an appropriate plan to address the formidable level of competition they encounter. The presence of competition in the business adversely affects the low-cost carriers that are already operating in the market. The presence of competition has a clear impact on the market share and revenue of firms, posing challenges for them to operate in alignment with their actual needs. Some companies fail completely because of the extremely high level of competition. Companies like Air India will plummet to the bottom of the rankings if their customer service falls short of expectations (Eaton, 2017). Furthermore, US Airways and Frontier are among the most infamous airlines in the business. These companies' inability to meet the expectations of their target market is the root of the problem. When it comes to pricing and service quality, airline companies can gauge their own success by how well they meet or exceed customer expectations.

It has been noted that increasing customer expectations pose a problem for airlines (Abdelghany & Abdelghany, 2016). In order to be in business for extended amounts of time, every firm has to have a strategy that ensures they are meeting the needs of their target market. Nonetheless, Shaw (2016) said that the airline sector as a whole is a high-priced market in which the vast majority of large-scale businesses charge greater prices for their services. One of the difficulties airlines confront is that they cannot recoup their primary expenses by providing their services at a reduced price. Airline fare pricing is widely recognized as one of the most difficult in all of business. Substantial cost variation is a direct result of this complexity (David, 2013). In general, the overhead associated with running an airline business is substantial, which drives up prices across the board. Companies have no say over pricing since they must cover a wide range of expenses, including but not limited to gasoline expenditures. According to Lee et al. (2013), airlines discriminate in pricing in a number of ways. Airline companies generate revenue by charging extra for seats with more legroom. Its notoriously high additional fees, like those for excess baggage, are reminiscent of Ryanair.

Less price-conscious customers, like shown below, may opt to board the plane early and pay full fare (Bazargan, 2016). Moreover, most of the airline's expenses are fixed ones including landing, fuel, labor, etc. To achieve their primary goal of increasing sales volume, airline firms prioritize the sale of more tickets through enticing promotions. The total performance of the company in the market is improved by this. However, as pointed out by Bilotkach et al. (2015), fuel price fluctuations are another problem that the airline industry faces. On occasion, the overall increase in fuel costs has a detrimental effect on the state of airline companies that are active in the market. There are times when a decrease in gasoline costs allows businesses to make a lot of money, and this helps businesses to have enough money to meet their genuine needs in the market (Kleymann & Seristö, 2017). In addition, it is common knowledge that fuel is a key expense for airlines, and that the industry as a whole must exert significant effort to control this expense in order to sustain its current level of profitability for the foreseeable future. Excessive increases in gasoline prices might hinder firms from recovering substantial costs, leading to a detrimental effect on productivity. Unfortunately, airlines have limited control over the escalating fuel costs (Gegg et al., 2014). Increasing airline firms' income is one way to deal with this sort of difficulty, since it allows them to absorb the growing cost of fuel price without cutting costs elsewhere. The global airline industry faces various obstacles, one of which involves adjusting to the constantly changing expectations of the target market. According to Ford and Despeisse (2016), there has been a noticeable shift in consumer expectations as a result of increased levels of modernization, with more emphasis placed on services that are both convenient and in line with customers' genuine needs. This has created an immediate problem for the airline industry. It has been observed that customers have a bad impression of airlines now that they know how much of an influence the airline industry has on the environment. The public has a negative impression of airlines because of the pollution they cause (Taneja, 2017).

Because of this, one of the difficulties airline businesses confront is that they often are unable to alter their clients' preconceived notions about flying. Furthermore, the target market has extremely high standards when it comes to security, safety, comfort, etc., and customers are more likely to purchase services from companies that can consistently deliver high-quality service. Low-cost airlines, due to budgetary limitations, often fail to meet the target market's demands for convenience, comfort, and similar factors, which poses a direct challenge for these businesses. According to Eaton (2017), airline companies face numerous challenges that affect their operations and necessitate service improvements to maintain market success in the long run. Companies may be seen functioning on a range of scales across the world. Hence airlines must base operations on size (Lim & Hong, 2014). Many smaller and medium-sized airlines are forced to cease operations. Furthermore, research has demonstrated that large-scale businesses can handle market competition, and their strategies are seen as very effective, which helps them manage their market performance for a longer duration.

According to Lim and Hong (2014), one of the difficulties airlines confront is keeping up with technological advancements. In today's times, every airline needs its own app via which customers may simply make reservations. If an airline doesn't keep up with the latest technological changes in its field, it can hurt its bottom line and, in the worst cases, even cause it to go out of business. With the world becoming increasingly interconnected, the issues affecting the airline sector are growing in severity, compelling every airline to discover optimal solutions to ensure their existence. Adaptability helps firms thrive in the face of change and may be used as a tool for growth. One of the difficulties facing the airline business is traffic, as stated by the authors (Oster et al., 2013). Air travel is expanding at a quicker rate as more and more commercial aircraft from a variety of manufacturers compete for customers. Airline companies encounter this as one of the challenges they encounter in running their day-to-day operations. Air travel continues to rise as a result of the need to construct more planes to fulfil the surging demand from customers. As a result of the need to service the market as a whole, businesses nowadays must use a wide variety of aircraft in their operations.

According to Fraher and Gabriel (2014), the airline sector is heavily regulated, with the government having enacted a plethora of rules and regulations that must be adhered to by all airlines. Airline businesses have a significant challenge from complying with legal rules and procedures, which diverts their attention away from their core activities. Small enterprises encounter the obstacle of competitiveness. There is an increase in the number of firms providing services that are almost identical to those already available (Button, 2017). The distinguishing factor of established enterprises in the airline sector lies mostly on the exceptional quality of their services. Competition in today's market is so fierce that it's tough for firms to concentrate on their primary goals, such as growing their customer base or increasing their profits. High fixed costs and low profit margins are defining features of the airline industry. Discounts on flights are the main focus of most companies as a means to boost sales and recoup their main expenses. Considering the lessons learned from nations like India, where the airline industry is undergoing severe challenges. The issue is the exorbitant price of fuel for turbines used in aeroplanes. Nearly half of all operational expenses for Indian businesses are attributable to fuel at the moment. Fuel for aircraft turbines is subject to a high sales tax in the state, cutting into the profits of businesses operating in the industry (Mallikarjun, 2015). The market's airline businesses have no say in this matter; the government sets tax rates and levies, and the sector as a whole must adhere to these policies for them to continue functioning normally. Additionally, airport fees in the Indian market are comparatively exorbitant to those in other countries. Another problem is the relatively high service tax, which now accounts for 12.36% of ticket prices. When it comes to tasks like catering and aircraft maintenance, for example, a large portion of the market's airline enterprises rely on outside help from other businesses (Knox et al., 2016).

The service tax, which is applied to both airline tickets and the services utilized by airlines, raises the cost of doing business in the airline sector. The fact that many companies have had to alter their procedures to be competitive due to the rapid growth of technology in the airline sector adds another layer of complexity. Typically, enterprises functioning in the market view the expense of adopting new technologies as being prohibitive. Some smaller airlines aren't able to implement the newest technology for running their operations, which might have a negative impact on their overall success in the market. Inadequate use of cutting-edge technology can negatively affect a business's bottom line and productivity (Wittman, 2014). The most pressing issue facing airlines today is keeping up with the ever-evolving technological landscape. Keeping up with the ever-changing consumer demand requires airline companies to invest heavily in deploying cutting-edge technologies. In nations like India, where many new trains have been established with high-quality services and the majority of customers consider this a decent alternative as opposed to the air travel, the emergence of replacements is another difficulty for the airline business (Robinson et al., 2016).

As a result, the presence of a high number of replacements is a significant obstacle for many enterprises in the Indian airline sector, making it difficult for the industry as a whole to function. To combat this, businesses often engage in the process of differentiating their services in order to draw in a sizable client base, which in turn helps them better meet the demands of their ideal consumers. The airline industry has substantial global security and safety challenges. In addition, the airline sector is a primary target for terrorist acts, raising security concerns (Daft & Albers, 2013). Keeping a healthy equilibrium between visible and unseen forms of safety is difficult. Despite the assaults, it is important to remember that modern industry is inherently secure, and that concerns over safety may emerge as one of the sector's primary drivers of change in the not-too-distant future. Further, consumers spend the most of their time in airports, thus it's crucial that airports be constructed with passengers' needs in mind (Iatrou & Oretti, 2016). Delivering high-quality food service, premium goods, etc., is a crucial part of providing excellent customer service. The only way to get people to buy airline tickets is to improve airports so that they meet the needs of passengers. The airline sector as a whole is at risk of suffering if airports fail to meet the needs of its target audience. The whole airline sector is being negatively impacted by issues connected to sustainability.

To add insult to injury, it is common knowledge that the airline sector has a major effect on the environment, especially as the rate of air pollution continues to rise. The airline business has a number of concerns, but carbon emissions is one of the most pressing (Harvey et al., 2013). Air pollution is on the rise, which is exacerbating other problems like global warming. Because of this problem, the public's view of airlines has begun to shift negatively. Additionally, airlines can do little but use cutting-edge technology, such as cleaner aircraft engines, to address the growing air pollution crisis. Flight delays are associated with heavier air traffic, and research shows that passengers lose time and money due to delays, and that many would-be travellers just give up and never fly again (Wheeler & Bozhko, 2014). Many businesses have attempted to address the problem of airline delays, but thus far, no satisfactory answer has been found. Customers are becoming less keen in booking flights with this company as flight delays become increasingly common. As more low-cost airlines and Middle Eastern airlines enter the market, the global airline sector will confront more competition next year. Companies based in the Middle East have an advantage over their global competitors due to cheaper fuel costs and enough financial backing (Pearson & Merkert, 2014). Increased levels of competition have had a major impact on the market share and profitability of airlines. The airline sector in India has difficulties due to the country's weak infrastructure (Connor et al., 2017).

All businesses, no matter how large or little, are vulnerable to the sector's current challenges. When problems arise, low-cost airlines tend to suffer more than large enterprises do. Since airlines have no control over rising customer expectations, they must come up with innovative ways to satisfy those needs in a timely and effective manner (Boyd, 2016). High-end services that give customers a sense of opulence tend to sell well. Therefore, the low-cost airline cannot establish a first-rate service; the obstacle is one of money. Maintaining a high level of customer satisfaction requires a substantial investment of resources, and this is the goal of any business operating in the market today. Airlines mostly incur expenses due to the price of fuel, government restrictions, and airport security. Recent events have shown that airlines are particularly vulnerable to fluctuations in fuel costs. Many businesses can't afford to keep up with the growing cost of gasoline, so they end up losing a lot of money instead. Most businesses are on the lookout for simple ways to reduce expenses, which would increase their profit margin. For numerous airlines, client retention and loyalty pose significant hurdles in managing their primary operations (Hu et al., 2013). With so much rivalry in the market, it's impossible for companies to keep customers for very long. Companies have used new promotional strategies in an effort to increase their consumer base. One example is Indigo, an Indian airline that has been around for a while and makes a steady profit by offering low flights to locals and tourists alike.

In addition, government rules are seen as a difficulty by airlines serving international routes in regions such as Europe, the Middle East, Africa, etc. (Pearson & Merkert, 2014). Safety concerns have been acknowledged as a major issue for all companies in the global airline business due to the industry's stringent regulatory environment. Many businesses' primary concern has been meeting regulatory requirements set by the government. In today's contemporary day, the airline sector is confronting a number of problems and obstacles. Because of these problems, businesses are finding it more difficult to accomplish their goals. Employee dissatisfaction is a major obstacle to business as usual, a challenge that many companies in this sector face. As a result of the strike, airlines are facing new challenges in meeting the needs of their customers for timely, accurate, and pleasant service (Boyd, 2016). The high incidence of staff turnover is another big challenge airline confront when it comes to human resources. When it comes to employing new employees and providing them with the necessary training, these companies devote substantial time, money, and other resources. However, it may be argued critically that after investing so much, these firms start losing a lot of money because of the high turnover. As with any other sector, airlines must deal with the challenge of managing diversity in the workplace. Keeping a diverse workforce productive and happy is crucial to a company's long-term health. As things are, businesses struggle to effectively manage diversity, which adds a layer of complexity to managing brands.

1.4 Problem Statement

Employee job performance has a considerable impact on the productivity and efficiency of the airline sector. Employee job performance is said to be related to ability that produce values and contribute, either favorably or negatively, to the achievement of organizational goals (Bakhsh, 2020). According to Sharma, Rajesh, Dabi, and Bhagyashree (2022), airline employees are the foundation of their operations. The airline industry contributes more than 4% of global GDP and employs more than 65 million people worldwide. According to Forbes, if airline were a country, it would be rated 20th in terms of GDP growth. In terms of income, airline is a huge $328 billion business in 2020, representing a 40% increase over

2019 (Hammad, 2021). The frontline staff in airlines plays a critical role in providing a pleasant travel experience to passengers and handles a large footfall of tourists throughout the day. However, the Saudi airline sector pays little attention to enhancing their work environment, which has a negative impact on employee performance (Sharma et al., 2022). In the current era of globalization, marked by rapid technological and cultural changes, the Saudi airline industry is having difficulty attracting, developing, and maintaining qualified people resources. Managing employee performance is becoming increasingly difficult as workplace diversity increases. As a result, research has shown that the airline industry's largest challenge is a high rate of personnel turnover (Chung & Jeon, 2020; Sharma et al., 2022).

Organizations fail to receive desired ability, motivation, and opportunity in employees in the absence of effective execution of human resource procedures, which eventually leads to unsatisfactory results. As a result, successful firms recognize that human resource bundles, or AMO, are a vital aspect that directly contribute to both employee and organizational performance (Bajwa, 2022). Consequently, the HR function is regarded as a significant asset that aids in the achievement of organizational strategic goals and the maintenance of a competitive edge over competitors (Chung & Jeon, 2020). The main challenges in the recruiting process are the availability of people with the requisite skills and qualifications, as well as the financial expectations of new applicants (Chung & Jeon, 2020; Sharma et al., 2022). Strong talent retention will be critical in order to avoid making the already challenging effort of recruiting even more arduous. As a result, the AMO model is utilized to investigate the relationship between HR and employee performance.

Workers perform best when they have access to training opportunities, internal incentives, and possibilities to take on new responsibility, according to the notion (Marin-Garcia & Tomas, 2019). This study investigates the impact of HR bundles on the performance of employees at a Saudi airline, Flynas and Flyadeal.

These airlines have been selected due to their growing significance in the Kingdom's aviation sector, particularly in line with Saudi Vision 2030, which aims to boost tourism, transportation, and employment. As rapidly expanding budget airlines, both Flynas and Flyadeal face unique HR challenges, including high employee turnover, cultural diversity, and the need for cost-effective yet efficient human resource strategies. Studying these airlines offers valuable insights into how strategic HR practices can influence job performance in dynamic, fast-paced, and cost-sensitive operational environments. Additionally, their distinct position as Saudi-owned carriers striving for international competitiveness makes them ideal case studies for assessing the effectiveness of HR bundles in enhancing workforce performance.

The airline sector in Saudi Arabia faces several issues that significantly impact employee job performance. One major challenge is managing a culturally diverse workforce, which leads to communication barriers and workplace misunderstandings. It affects the team interconnection and service quality. Employees often work under high stress and pressure due to long hours, irregular shifts, and the need to meet strict safety and service standards which further consequential in fatigue and tension. Additionally, limited access to specialized training and career development opportunities can leave employees underprepared for evolving industry demands. The implementation of Saudi policies, while aimed at increasing local employment, sometimes results in hiring less-experienced staff without adequate training, which can affect overall performance. Moreover, the rapid pace of technological change in the aviation sector requires employees to adapt quickly, but resistance to digital tools and low digital literacy hinder efficiency. Poor leadership and inconsistent management practices also contribute to unclear job roles and low employee motivation. Furthermore, job insecurity caused by economic fluctuations, airline rearrangement, or global crises like the COVID-19 pandemic adds stress and reduces morale. Employees also struggle with maintaining a healthy work-life balance due to irregular and demanding schedules. Lastly, dealing with a diverse and often demanding passenger base, especially during peak religious seasons such as Hajj and Umrah, places additional pressure on airline staff, which can lead to decreased service quality and job satisfaction. Collectively, these factors pose significant challenges to maintaining high job performance in Saudi Arabia's airline industry.

Most studies on Human Resource Management (HRM) have been conducted within Western contexts such as (Cooke et al., 2021; Ganta, 2014; Junior et al., 2020; Song et al., 2023). However, there are limited research has explored HRM practices specifically within the Saudi Arabian context. There are some studies such as (Advithi & Ganesha, 2025; S. Bakir et al., 2025; Li et al., 2025) explains about the human resource management strategies and wellbeing of employee. Notably, there is a gap in the literature regarding HRM practices and operationalized through administrative processes (Al-Romeedy & Alharethi, 2025) and how they contribute to organizational performance via coherent and relevant approaches such as ability, motivation, opportunity (AMO), and work engagement to enhance the work performance. Therefore, the present study aims to investigate the impact of HRM activities on employee performance, assess the moderating role of digital transformation between strategic HRM practices and employee performance, and evaluate the applicability of the AMO theory within the airline sector of Saudi Arabia

A major issue in the existing previous literature is the lack of investigation on the impact of job performance strategies that influence their behavior toward job performance. Based on the previous studies, POS is described as employees' perceptions of how much the organization values their contributions and cares about their well-being (Sung & Hu, 2021). This study also offers the concept that perceived organizational support (POS) is a powerful predictor or antecedent for flight attendants and manager to adopt various emotional labor methods, acting as a proximal cause of affective behaviors i.e., employee performance (Qi et al., 2019). The goal of this research is to fill a gap in understanding the impact of POS and the working environment on the development of negative effects and attitudes about the profession, such as lower levels of job performance in order to meet academic criteria. There for the perceived organizational support are very helpful to emotionally control the worker by providing support. This support is very important for achieving the target set by the organization. The lack of effective HR strategies in the Saudi airline industry is leading to suboptimal employee performance and high turnover rates, which affects overall productivity and service quality. Therefore, this study seeks to explore how the AMO framework can improve performance outcomes in the industry.

1.5 Research Objectives

The primary aim of this study is to identify the effect of AMO-HR on job performance among airline employees, within the context of the Kingdom of Saudi Arabia (KSA). The present investigation entails the gathering of data from airline professionals, specifically HR employees who are employed in Saudi airline, Flynas and Flyadeal, Saudi Arabia. The present study aims to assist the airline management authority in formulating a policy to augment job performance among staff members. This study incorporates HR AMO model. The model under consideration is namely as ability, motivation and opportunity. The variable that is being measured and analysed in this particular research is employee performance, which is considered as the dependent variable. The study incorporates perceived organizational support (POS) as a mediating variable. The present study aims to outline the main goals of the research, which are as follows:

- **General objectives**

1. To investigate the relationship between AMO-HR on Job performance of airlines employees in KSA
2. To investigate the relationship between AMO-HR on perceived organizational support of airlines employees in KSA
3. To inspect the mediating role of perceived organizational support between relationship AMO-HR and job performance of airlines employees in KSA
4. To develop theoretical, empirical and practical implication for the policy makers, administrative authority and future researchers.