A Conceptual Framework for the Impact of Electronic Human Resource Practices on Organizational Performance: The Mediating Role of Talent Development in Saudi Arabia's Luxury Tourism Sector

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ABSTRACT

This paper presents a conceptual framework examining the impact of electronic human resource (e-HR) practices on organizational performance, with a focus on the mediating role of talent development in Saudi Arabia's luxury tourism sector. The framework explores how key e-HR practices such as electronic recruitment, training, selection, performance evaluation, and compensation contribute to enhancing organizational outcomes, including productivity, service quality, and employee engagement. The study underscores the importance of talent development as a strategic bridge that translates e-HR practices into tangible performance improvements, fostering innovation, skill enhancement, and career progression. In the context of Saudi Vision 2030, which aims to diversify the economy and elevate the tourism sector, this research addresses a critical gap in understanding how technology-driven HR strategies can support organizational success in luxury tourism. By offering insights into the interactions between e-HR practices, talent development, and organizational performance, the framework provides practical recommendations for HR managers, organizational leaders, and policymakers seeking to optimize human capital management and align HR strategies with the long-term goals of the industry.

1. Introduction

Electronic Human Resource (e-HR) practices have increasingly become a cornerstone for modern organizations striving to enhance efficiency, streamline processes, and improve overall performance. The rapid advancement of digital technologies has enabled the integration of e-HR systems into key HR functions such as recruitment, selection, training, performance evaluation, and compensation, offering organizations the tools to make data-driven decisions and foster a more agile workforce. These systems allow organizations to manage HR processes with greater accuracy and speed, which is critical in competitive industries such as luxury tourism. This sector, in particular, relies heavily on high-quality service delivery, and the ability to manage human capital effectively is crucial for maintaining the competitive edge. By adopting e-HR systems, luxury tourism organizations can improve their decision-making processes, enhance employee engagement, and ultimately boost service quality, aligning these improvements with the broader economic goals set forth in Saudi Arabia's Vision 2030 (Ruel & Njoku, 2021; Robina-Ramirez et al., 2023). Despite the growing prevalence of e-HR systems, there remains a significant gap in the literature regarding how these systems directly influence organizational performance, particularly in service-oriented sectors like luxury tourism. Existing research has often focused on individual HR practices, but few studies have examined the comprehensive impact of e-HR systems on organizational outcomes such as productivity, employee retention, and customer satisfaction. Moreover, the role of talent development as a mediator between e-HR practices and organizational performance has been largely overlooked. Talent development encompasses a range of strategies aimed at fostering employee growth, including leadership development, skill enhancement, and career progression. In industries like luxury tourism, where the customer experience is closely tied to employee competence and service delivery, understanding how talent development bridges the gap between e-HR practices and improved performance is critical (Nyathi & Kekwaletswe, 2023).

The purpose of this study is to develop a conceptual framework that links e-HR practices, talent development, and organizational performance in the context of Saudi Arabia's luxury tourism sector. This sector, identified as a key driver of economic diversification under Vision 2030, presents a unique case for examining the strategic role of HR practices in enhancing organizational performance. Specifically, this research aims to explore how e-HR practices such as recruitment, training, and performance management impact organizational performance and how talent development acts as a mediating factor in this relationship. By focusing on these interactions, the study seeks to fill a critical gap in the literature,

providing insights into how e-HR practices can be leveraged to develop a more skilled and engaged workforce, which is essential for achieving organizational goals in the luxury tourism industry (Fekrisari & Kantola, 2024; Seyfi et al., 2024). Furthermore, this research has practical implications for HR managers and organizational leaders in the luxury tourism sector. By understanding how e-HR systems can enhance talent development and contribute to improved performance, managers can implement more effective HR strategies that align with organizational goals. For instance, leveraging data from e-HR systems can help HR practitioners identify skill gaps, design targeted training programs, and create succession plans that ensure the long-term success of the organization. These systems also provide the tools necessary to foster employee engagement and retention, which are critical for maintaining high levels of service quality and operational efficiency in luxury tourism organizations. Moreover, the study will offer recommendations for policymakers seeking to support the adoption of e-HR practices in Saudi Arabia's expanding tourism sector, highlighting the need for national guidelines and frameworks that promote the use of technology-driven HR solutions in alignment with Vision 2030's workforce development goals (Marinelli et al., 2023; Riggs et al., 2023). In developing the proposed conceptual framework, the study will examine the relationships between different components of e-HR practices such as electronic recruitment, selection, training, performance evaluation, and compensation and their impact on organizational performance. The framework will also explore how talent development mediates these relationships, providing a deeper understanding of how e-HR practices contribute to employee skill enhancement, engagement, and innovation, which are essential for achieving superior organizational outcomes. This comprehensive approach will allow the study to offer a more nuanced perspective on the role of e-HR systems in driving organizational success, particularly in high-stakes service industries like luxury tourism, where employee performance and customer satisfaction are closely intertwined (Paolone et al., 2024).

2. Theoretical Foundations

2.1 Electronic Human Resource (e-HR) Practices

Electronic Human Resource (e-HR) practices represent a pivotal shift in how organizations manage their human capital, integrating technology to optimize recruitment, selection, training, performance evaluation, and compensation processes. These practices, rooted in digital platforms, are designed to increase the efficiency, accuracy, and transparency of human resource management by automating routine functions and facilitating data-driven decision-making. Electronic recruitment utilizes digital platforms and sophisticated algorithms to streamline the identification and acquisition of talent, thereby expanding the reach of luxury tourism organizations in attracting high-caliber candidates. Through this process, organizations can not only access a broader talent pool but also enhance the overall quality of hires, a critical factor in the competitive luxury tourism sector. Electronic selection employs online tools and assessments to evaluate candidates systematically, thus reducing subjectivity and improving the alignment between the organization's needs and the candidates' qualifications. This digital transformation in selection processes ensures that luxury tourism companies make more informed hiring decisions, enhancing their overall talent pool.

Electronic training platforms offer continuous learning and development opportunities through online modules and virtual workshops, enabling employees to update their skills in line with industry trends. In a sector as dynamic as luxury tourism, where customer expectations constantly evolve, the ability to deliver timely, relevant training is essential for maintaining service excellence. Furthermore, electronic performance evaluation systems provide real-time, data-driven feedback mechanisms that encourage continuous improvement and accountability among employees. By leveraging digital performance management tools, luxury tourism organizations can track progress against key performance indicators (KPIs) and implement strategic interventions that enhance both individual and organizational outcomes. Lastly, electronic compensation systems streamline payroll, benefits, and reward distribution, ensuring that compensation is handled efficiently and transparently. By automating these processes, luxury tourism organizations can reduce errors, increase employee satisfaction, and ensure that compensation strategies are aligned with organizational performance goals.

The literature indicates that the adoption of e-HR practices significantly enhances efficiency, transparency, and employee engagement within organizations. Ruel and Njoku (2021) highlight that the integration of AI in e-HR systems, particularly within the hospitality industry, allows for better decision-making, reduction in human errors, and a marked improvement in service delivery. Similarly, Robina-Ramirez et al. (2023) emphasize that digital innovations in HR foster a more satisfied workforce, which is critical in sectors like luxury tourism where employee satisfaction directly influences service quality. The use of e-HR practices not only automates routine tasks but also improves communication and engagement between employees and HR departments, creating a more responsive and dynamic working environment. In sum, e-HR

practices are not merely operational tools but strategic assets that enhance organizational agility, improve employee performance, and contribute to overall competitiveness in the luxury tourism sector.

2.2 Talent Development

Talent development is a strategic HR function that focuses on nurturing employees' skills, knowledge, and abilities to align with organizational objectives. It encompasses a broad range of activities, including training, career growth opportunities, leadership development programs, and continuous learning initiatives. In the context of luxury tourism, where service excellence is paramount, talent development plays a crucial role in maintaining competitive advantage by ensuring that employees are equipped to meet the evolving demands of high-end clientele. Training and upskilling employees is a fundamental component of talent development, providing them with the tools and knowledge required to enhance customer experiences, improve operational efficiency, and drive innovation within the organization. Leadership development, another critical aspect, involves identifying and nurturing potential leaders within the organization, ensuring a robust leadership pipeline that supports long-term growth and sustainability.

The alignment of individual employee growth with organizational goals is particularly important in competitive industries like luxury tourism, where the quality of service can make or break a brand's reputation. By investing in talent development, luxury tourism companies can foster a high-performance culture where employees feel empowered to contribute to organizational success. Seyfi et al. (2024) argue that talent development initiatives that cater to the needs of Gen Z workers who value flexibility, learning opportunities, and career progression are essential in attracting and retaining top talent in the hospitality industry. Moreover, El Amine and Cascón-Pereira (2024) highlight that talent development strategies should be tailored to align with the sociocultural context of the workforce, particularly in regions like Saudi Arabia, where cultural norms and expectations influence employee motivation and engagement. Effective talent development programs not only enhance individual capabilities but also contribute to the overall organizational performance by fostering a skilled, motivated, and committed workforce.

2.3 Organizational Performance

Organizational performance in the tourism industry is a multidimensional construct that encompasses service quality, customer satisfaction, operational efficiency, and financial outcomes. These dimensions are critical in assessing how well an organization meets its objectives and competes in a highly dynamic and customer-centric environment like luxury tourism. Service quality is paramount in this sector, as luxury tourism clients demand exceptional and personalized experiences. Maintaining high standards of service quality requires a well-trained and highly engaged workforce, which ties directly into the organization's talent development and HR strategies. Customer satisfaction is another key indicator of performance, as satisfied customers are more likely to return and recommend services to others, contributing to the long-term sustainability of the business.

In addition to service and customer metrics, operational efficiency is critical for ensuring that luxury tourism organizations remain competitive. Efficient operations help reduce costs, streamline processes, and enhance the overall guest experience. Lastly, financial performance serves as the ultimate measure of organizational success, reflecting the organization's ability to generate revenue, control costs, and deliver value to stakeholders. Santiago (2019) emphasizes the importance of aligning HR practices, including recruitment and talent development, with broader organizational performance goals, suggesting that organizations that strategically invest in their human capital tend to outperform their competitors in terms of financial and operational results. Furthermore, Riggs et al. (2023) argue that big data analytics and digital HR systems can play a crucial role in enhancing operational efficiency by providing managers with real-time insights into employee performance and organizational processes.

2.4 Theoretical Models Supporting the Study

The theoretical foundation of this study is supported by three primary models: the Resource-Based View (RBV), Human Capital Theory, and the Technology Acceptance Model (TAM). Each of these models provides a unique perspective on how e-HR practices and talent development influence organizational performance in the luxury tourism sector. The Resource-Based View (RBV) posits that organizations can achieve a competitive advantage by effectively leveraging their internal resources, particularly human capital. According to RBV, e-HR practices and talent development are strategic resources that contribute to the organization's ability to innovate, deliver high-quality services, and outperform competitors. By adopting advanced e-HR systems, luxury tourism organizations can optimize their human capital, aligning employee skills and capabilities with organizational objectives, thus driving long-term performance. Robina-

Ramirez et al. (2023) highlight the critical role of human resources as a competitive asset in the tourism industry, emphasizing that talent and innovation are key drivers of success.

Human Capital Theory further complements this view by focusing on the strategic importance of employees' skills, knowledge, and competencies. The theory suggests that organizations that invest in their workforce through training and development are more likely to experience improvements in productivity, innovation, and overall performance. In the context of luxury tourism, where service excellence is directly linked to employee competence, investing in talent development is not just an operational necessity but a strategic imperative. As Sinkovics and Archie-acheampong (2020) argue, human capital is a critical driver of value creation, especially in service-based industries where employee interactions directly impact customer satisfaction and brand reputation.

Finally, the Technology Acceptance Model (TAM) offers insights into the factors that influence the adoption of e-HR systems within organizations. TAM suggests that perceived ease of use and perceived usefulness are the primary determinants of technology adoption. In the luxury tourism sector, where digital transformation is reshaping service delivery and employee management, understanding the factors that drive the adoption of e-HR systems is essential for maximizing their impact on organizational performance. Swain et al. (2024) suggest that overcoming barriers to technology adoption, such as resistance to change or lack of digital skills, is critical for realizing the full potential of e-HR practices.

2.5 Linking Theories

The integration of the Resource-Based View (RBV), Human Capital Theory, and Technology Acceptance Model (TAM) offers a comprehensive framework for understanding how e-HR practices and talent development contribute to organizational performance in luxury tourism. RBV frames e-HR systems and talent as strategic resources that provide a competitive edge by enhancing service delivery and operational efficiency. Human Capital Theory reinforces the importance of continuous investment in employee development as a driver of performance improvements. Lastly, TAM highlights the necessity of understanding the organizational and individual factors that influence the successful adoption of e-HR technologies, ensuring that these systems are fully utilized to enhance human capital and drive organizational success.

3. Gap in the Literature

3.1 Lack of Integration Between e-HR Practices and Talent Development

Despite the increasing reliance on electronic Human Resource (e-HR) practices in organizations across various sectors, there is a notable gap in the literature concerning the direct connection between these digital HR systems and talent development, particularly in service-oriented industries like luxury tourism. Much of the existing research on e-HR practices has focused primarily on their operational benefits, such as improving recruitment, selection, and other HR functions, without adequately addressing how these systems can be leveraged for strategic purposes like talent development. For instance, while e-HR systems are known to streamline HR processes and enhance administrative efficiency, the ways in which these systems contribute to developing employees' skills, fostering leadership, and enabling long-term career growth have been underexplored (Johnson et al., 2021). This gap is particularly relevant in industries like luxury tourism, where personalized service and a highly skilled workforce are essential for maintaining competitive advantage. Brunetti et al. (2020) emphasize the challenges organizations face in integrating digital HR tools with comprehensive talent development strategies, suggesting that without a clear alignment between these technologies and human capital growth, the potential of e-HR to drive long-term organizational success may remain untapped. Moreover, Geldres-Weiss et al. (2023) note that the integration of e-HR systems into broader talent management strategies is crucial for value creation in service industries, yet there is little empirical evidence to support how such integration occurs, particularly in high-end tourism. Bridging this gap would offer significant insights into how e-HR systems can be leveraged to develop a workforce that not only meets operational needs but also drives competitive advantage through enhanced talent development.

3.2 Talent Development as a Mediator

Another significant gap in the literature is the limited exploration of how talent development mediates the relationship between e-HR practices and organizational performance. While a growing body of research examines the direct effects of e-HR systems on performance outcomes such as efficiency, customer satisfaction, and operational improvements, the

4

mediating role of talent development in this process remains underexplored, especially in sectors like luxury tourism, where human capital is critical to success (Marinelli et al., 2023). Talent development, which includes initiatives such as training, leadership grooming, and career progression, is often the mechanism through which HR systems contribute to sustainable performance improvements. However, few studies have empirically examined how these development efforts translate the benefits of e-HR systems into tangible performance outcomes, leaving a critical gap in the understanding of this relationship.

In the context of Saudi Arabia's luxury tourism industry, this presents a unique opportunity for investigation. The sector is undergoing rapid transformation, driven by Vision 2030, which places a strong emphasis on service excellence and human capital development (Nyathi & Kekwaletswe, 2023). Despite this, there is limited research focusing on how talent development functions as a mediating factor between e-HR practices and the strategic performance goals of this growing industry. Marinelli et al. (2023) suggest that talent development is a crucial factor in fostering innovation and competitive advantage within entrepreneurial ecosystems, yet its mediating role in the context of digital HR systems remains poorly understood. Further, Johnson et al. (2021) highlight the need for more empirical studies in emerging markets like Saudi Arabia, where cultural and economic dynamics can significantly affect how e-HR systems are implemented and how they impact performance.

3.3 Contextual Gap in Saudi Arabia's Luxury Tourism Sector

The luxury tourism sector in Saudi Arabia is an area of significant economic focus due to the country's Vision 2030 initiative, yet it remains under-researched, particularly in the context of HR strategies and organizational development. While Saudi Arabia's tourism industry is poised for rapid growth, driven by large-scale investments and a shift toward economic diversification, there is a lack of academic studies examining the specific HR challenges and strategies needed to support this growth (McGillivray et al., 2024). Most existing research on e-HR and talent development is concentrated in Western contexts or more established tourism markets, leaving a significant gap in understanding how these practices are being adopted and implemented in Saudi Arabia's unique socio-cultural and economic environment.

Saudi Arabia's luxury tourism sector faces unique challenges, such as aligning global best practices with local cultural expectations, navigating regulatory complexities, and meeting the high service demands of international tourists (Kader, 2021). However, few studies have focused on how e-HR practices and talent development strategies can be tailored to meet these specific needs. Furthermore, Marino-Romero et al. (2023) argue that the strategic development of human resources is crucial in industries undergoing rapid transformation, such as Saudi Arabia's tourism sector, yet there is little empirical research exploring these dynamics in depth. This represents a significant gap in understanding how HR strategies can be optimized to align with the broader goals of Vision 2030, which include enhancing service quality, improving customer satisfaction, and driving economic growth. As the Saudi tourism industry expands, there is a pressing need for empirical studies that examine how e-HR practices and talent development strategies are being implemented to support this growth. Addressing this gap is crucial for providing insights into how HR practices can be optimized to align with the broader goals of Vision 2030, offering valuable contributions to both academic literature and industry practice in Saudi Arabia's rapidly evolving luxury tourism sector (Nyathi & Kekwaletswe, 2023; Kader, 2021).

4. Conceptual Framework Development

4.1 Electronic Human Resource Practices and Organizational Performance

Electronic Human Resource (e-HR) practices are becoming integral to the modern workforce, particularly in service-oriented sectors like luxury tourism. These practices include the automation of traditional HR functions such as recruitment, training, performance evaluation, and compensation management, all of which contribute to improved organizational efficiency and enhanced decision-making processes (Nyathi & Kekwaletswe, 2023). Within luxury tourism, where service quality is paramount, e-HR systems provide a structured mechanism to manage talent, ensuring that employees are aligned with the organization's strategic goals while simultaneously reducing operational redundancies. e-HR systems have a direct impact on organizational performance by streamlining administrative tasks and improving the accuracy and speed of HR-related decisions. For instance, electronic recruitment systems allow for quicker, more efficient hiring processes, enabling organizations to attract high-caliber talent that fits their needs. Moreover, e-HR facilitates data-driven decision-making by providing real-time access to employee performance metrics, which helps in identifying areas for improvement and recognizing high performers (Hosain, 2023). These efficiencies are especially crucial in luxury tourism, where maintaining high service standards depends on a well-managed and motivated workforce. Furthermore, the integration of e-HR systems into performance management ensures that feedback and evaluations are

more consistent, transparent, and objective, which contributes to overall employee satisfaction and retention. When HR processes such as training and development are managed electronically, employees can engage in continuous learning and professional growth, leading to enhanced service quality and customer satisfaction. This, in turn, positively impacts organizational outcomes such as productivity, profitability, and competitive advantage in the market (Paolone et al., 2024).

4.2 Talent Development as a Mediator

Talent development serves as a critical link between e-HR practices and organizational performance. e-HR systems not only streamline HR operations but also facilitate talent development by providing platforms for training, career development, and leadership grooming (Ogbeibu et al., 2022). These systems allow organizations to align employee growth with strategic goals, fostering a culture of continuous learning and innovation. This alignment is particularly important in luxury tourism, where customer expectations for personalized, high-quality service are exceptionally high, and organizations must continuously develop their talent to meet these demands. As a mediator, talent development bridges the gap between e-HR practices and improved organizational outcomes by enhancing employee engagement, skill acquisition, and innovation. For example, e-HR-enabled training programs can be tailored to individual employee needs, ensuring that staff acquire the specific skills necessary to excel in their roles. These targeted development efforts lead to higher employee satisfaction and retention, which are key drivers of organizational performance (Nyathi & Kekwaletswe, 2023). Furthermore, by facilitating better career progression opportunities through e-HR systems, organizations can develop a more committed and capable workforce, which ultimately translates into improved service quality and operational efficiency (Xavier & Picoto, 2023). In luxury tourism, where human capital is the cornerstone of service excellence, e-HR systems enable organizations to implement structured talent development initiatives that foster innovation and ensure that employees are continuously improving their skills. This, in turn, drives organizational performance by enhancing employee engagement and productivity, leading to superior customer experiences and sustained competitive advantage (Panda et al., 2024).

4.3 Proposed Framework Overview

The proposed conceptual framework in this study aims to link e-HR practices, talent development, and organizational performance in the luxury tourism sector of Saudi Arabia. At the core of this framework is the assertion that e-HR practices encompassing electronic recruitment, selection, training, performance evaluation, and compensation directly influence organizational success by improving operational efficiency and service quality. However, this relationship is mediated by talent development, which acts as a conduit through which the benefits of e-HR practices are realized in tangible performance outcomes. Each component of e-HR contributes uniquely to organizational success. For instance, electronic recruitment and selection systems ensure that the right talent is hired, reducing time-to-hire and improving the quality of candidates. Electronic training and performance evaluation systems provide continuous feedback and development opportunities, enabling employees to enhance their skills and align their efforts with organizational goals. Finally, electronic compensation systems help retain top talent by ensuring that rewards are closely tied to performance outcomes (Gyarteng-Mensah et al., 2022). By fostering talent development, e-HR systems enable organizations to cultivate a workforce that is not only highly skilled but also aligned with the strategic goals of the business. This alignment enhances employee engagement, job satisfaction, and innovation, which are critical drivers of organizational performance in the luxury tourism sector (Ravina-Ripoll et al., 2024). Ultimately, the framework posits that e-HR practices, when integrated with a focus on talent development, lead to improved service quality, operational efficiency, and financial outcomes, all of which contribute to the overall success of luxury tourism organizations.

4.4 Relationship Between e-HR Practices and Organizational Performance

The relationship between e-HR practices and organizational performance is central to this framework. Research has shown that the adoption of e-HR systems can lead to significant improvements in productivity, employee engagement, and service quality (Gravili et al., 2023). For example, electronic recruitment and selection systems reduce time-to-hire and ensure that the most qualified candidates are selected, which enhances organizational efficiency. Similarly, electronic training systems provide employees with access to continuous learning opportunities, enabling them to stay updated with the latest industry trends and improve their service delivery. Performance management systems, when digitized, offer a more consistent and objective approach to evaluating employee performance, leading to better alignment between individual contributions and organizational goals. These systems also provide real-time feedback, enabling employees to make immediate improvements to their work, which enhances overall productivity and service quality (Ogbeibu et al.,

2022). As such, the hypothesized relationship between e-HR practices and organizational outcomes is positive, with e-HR systems acting as a catalyst for improved performance metrics such as customer satisfaction, operational efficiency, and financial success.

4.5 The Mediating Role of Talent Development

Talent development mediates the impact of e-HR practices on organizational performance by ensuring that employees are continuously improving their skills and aligning with the strategic objectives of the organization. e-HR systems facilitate this process by providing platforms for training, career development, and succession planning, which are essential for fostering a skilled and engaged workforce (Otoo, 2024). Through electronic training programs, employees can access tailored learning modules that help them develop the competencies necessary to excel in their roles. This not only enhances individual performance but also contributes to overall organizational success by improving service quality and operational efficiency (Paolone et al., 2024). In addition, e-HR systems enable organizations to track employee progress and identify high-potential individuals for leadership development and succession planning. This proactive approach to talent management ensures that organizations have the right people in place to meet future challenges, thereby enhancing organizational resilience and long-term success (Panda et al., 2024). As a result, the mediating role of talent development is critical in translating the benefits of e-HR practices into tangible performance outcomes, particularly in the luxury tourism sector, where service excellence and human capital are key drivers of success.

4.6 Visual Representation of the Conceptual Framework

The conceptual framework proposed in this study visually represents the relationships between e-HR practices, talent development, and organizational performance. The framework highlights both the direct effects of e-HR systems on organizational performance and the mediated effects through talent development. Each component of e-HR recruitment, selection, training, performance evaluation, and compensation is linked to talent development initiatives, which in turn influence key performance outcomes such as service quality, customer satisfaction, operational efficiency, and profitability.

Figure: 1 Conceptual Framework
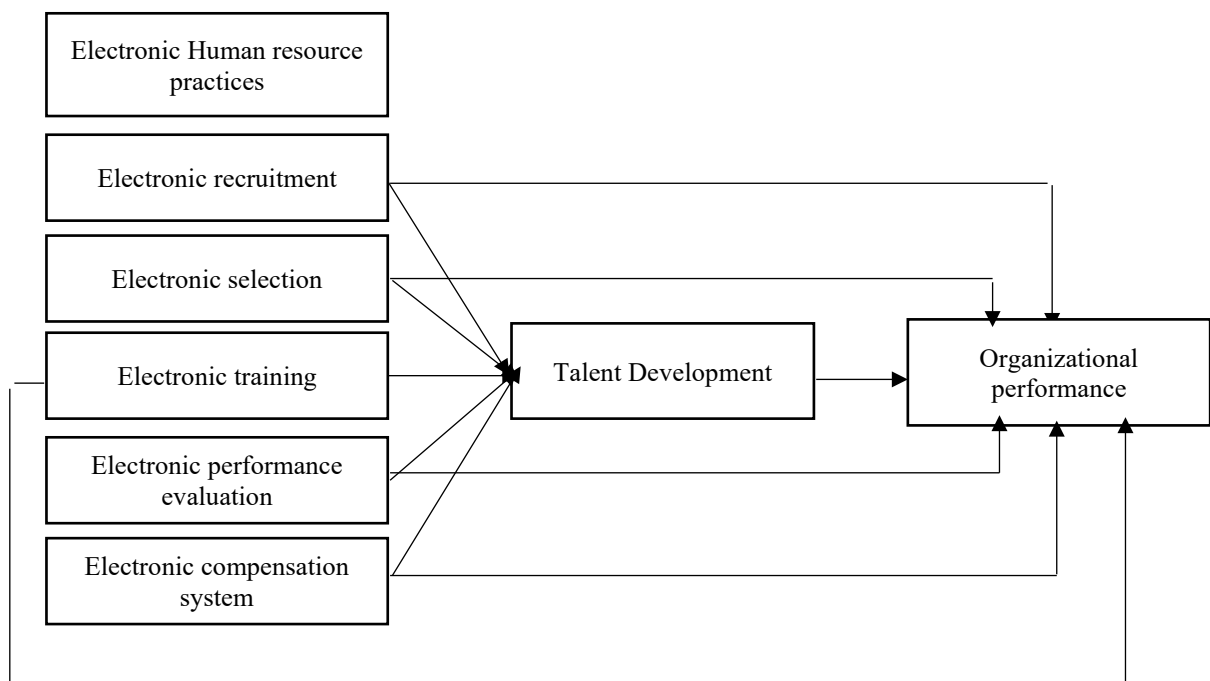
5. Practical Implications

The integration of Electronic Human Resource (e-HR) practices in luxury tourism organizations offers a pathway to enhance both talent development and overall organizational performance. e-HR systems, such as those enabling electronic recruitment, training, and performance management, offer tools to streamline operations and improve decision-making

7

processes. These systems ensure that HR practices are aligned with the dynamic goals of luxury tourism, which thrives on providing personalized and high-quality service experiences. By adopting e-HR practices, luxury tourism organizations can reduce administrative overhead, making processes more efficient and improving employee engagement through accessible, technology-driven platforms for training and career growth (Ahmad & Zulkifli, 2022).

Moreover, organizations can develop strategies to ensure that their HR practices are fully integrated with the strategic objectives of the luxury tourism sector. This alignment can be achieved by leveraging e-HR platforms to analyze workforce data, identifying gaps in skill sets and using these insights to develop targeted training programs that enhance service quality and operational efficiency. Given the competitive nature of luxury tourism, these organizations should invest in technology that enhances the agility of their HR operations, enabling them to meet the evolving expectations of high-end customers. Furthermore, linking e-HR with performance management ensures that employee performance aligns with business objectives, ultimately driving profitability and customer satisfaction (Ali Mohamad et al., 2023).

HR managers in the luxury tourism sector are in a unique position to harness e-HR systems to foster talent development. Best practices include utilizing e-HR platforms for continuous learning and development initiatives, which are critical for maintaining high service standards in luxury tourism. These platforms allow HR managers to provide real-time feedback, enabling employees to continuously enhance their skills and performance. Furthermore, e-HR systems offer HR managers access to rich data that can be used to monitor employee engagement levels, identify trends in turnover, and design interventions to improve employee retention (Yameen et al., 2021). By focusing on fostering talent development through technology-driven HR systems, managers can ensure that their workforce is not only skilled but also highly motivated. Techniques such as data-driven performance assessments and personalized training programs improve employee engagement, making the organization a more attractive place to work. Additionally, utilizing e-HR data to implement targeted retention strategies can address one of the most critical challenges in luxury tourism high turnover rates, particularly among skilled front-line staff. By reducing turnover, HR managers can maintain continuity in service quality, which is a key factor in customer satisfaction (Iman et al., 2022).

Policymakers play a crucial role in shaping the regulatory landscape to support the growth of Saudi Arabia's luxury tourism sector, particularly as it aligns with Vision 2030. To promote the adoption of e-HR systems, policymakers should consider designing regulations and incentives that encourage tourism businesses to adopt technology-driven HR practices. These regulations could include tax incentives for companies that invest in HR technology or grants for implementing digital transformation projects aimed at improving workforce management. Such policies would contribute to the broader national objectives of workforce development and economic diversification as outlined in Vision 2030 (Preko & Anyigba, 2024). Additionally, policymakers should work towards creating national guidelines that promote sustainable HR practices across the tourism industry. By setting industry standards for the adoption of e-HR systems, policymakers can ensure that organizations are not only improving their operational efficiency but also contributing to the sustainable development of the national economy. These policies can help align the tourism sector with global best practices, making Saudi Arabia's luxury tourism industry more competitive on an international scale (Xu et al., 2024). For HR practitioners and managers, adopting e-HR practices is essential to enhancing talent development and aligning HR strategies with the broader organizational goals of luxury tourism. By integrating these systems into their day-to-day operations, HR professionals can streamline processes such as recruitment, training, and performance management, making these functions more efficient and data-driven. This approach not only saves time but also enables HR professionals to focus on strategic talent management activities that drive organizational success (Zenk et al., 2022). Recommendations for HR practitioners include leveraging e-HR systems to create individualized development plans for employees, thus fostering a culture of continuous improvement. These plans can be tailored to align with both the personal goals of the employees and the strategic needs of the organization. Moreover, using e-HR platforms to track employee performance allows HR managers to identify high-potential employees for leadership development programs, ensuring a pipeline of skilled professionals ready to take on key roles within the organization (Al-Alawi et al., 2023).

At the organizational leadership level, there is a growing recognition of the need to integrate talent development into broader business strategies to enhance organizational performance in the luxury tourism sector. Leaders must view talent development not as a peripheral activity but as a core component of their business strategy. By integrating e-HR systems into their strategic planning processes, leaders can ensure that their workforce is continuously developing the skills necessary to meet the evolving demands of luxury tourism (Innerhofer et al., 2024). Strategic initiatives to boost employee engagement and organizational productivity through modern HR practices include the implementation of continuous training programs and leadership development initiatives facilitated by e-HR systems. Leaders should also encourage a culture of innovation by utilizing e-HR platforms to promote knowledge sharing and collaboration among employees.

8

This approach not only improves service quality but also fosters innovation, which is critical in a competitive, service-oriented industry like luxury tourism (Adiguzel & Sonmez Cakir, 2022).

Policymakers must take proactive steps to support the integration of e-HR practices within Saudi Arabia's luxury tourism sector, aligning these efforts with the overarching goals of Vision 2030. Recommendations include creating government-backed programs that provide financial and technical support to tourism organizations transitioning to e-HR systems. This support could help smaller organizations that may lack the resources for such investments. Furthermore, establishing a legal framework that mandates best practices in HR management across the sector could enhance the overall competitiveness of Saudi Arabia's tourism industry on a global scale (Ravichandran & Shanmugam, 2024). Additionally, policymakers can play a role in workforce development by aligning national educational and vocational training programs with the needs of the luxury tourism sector. By fostering collaboration between educational institutions and tourism businesses, policymakers can ensure that graduates enter the workforce with the skills required to thrive in a technology-driven HR environment (Bharath, 2023). This alignment will not only enhance workforce readiness but also contribute to achieving the human capital development goals of Vision 2030, thereby driving economic growth and sustainability (Ab Talib & Wahab, 2021).

6. Conclusion

This study has proposed a conceptual framework that highlights the relationship between electronic human resource (e-HR) practices, talent development, and organizational performance, specifically within Saudi Arabia's luxury tourism sector. The framework emphasizes how e-HR practices, such as recruitment, training, selection, and compensation, directly contribute to organizational success by enhancing service quality, employee engagement, and productivity. Talent development plays a crucial mediating role, bridging the gap between e-HR systems and organizational outcomes by fostering skill enhancement, career growth, and innovation. In alignment with Vision 2030's focus on economic diversification and tourism development, the framework provides a theoretical foundation for understanding how advanced HR strategies can drive performance improvements in a rapidly growing industry. The paper contributes to the existing literature by offering a structured approach to linking e-HR practices with organizational performance through talent development, filling a critical gap in HRM research. However, it acknowledges the limitations of its conceptual nature, urging empirical studies to validate the framework in various contexts, including luxury tourism and beyond. Future research should explore the applicability of the framework across different industries and organizational sizes, while also investigating how digital transformation in HR can further optimize talent management and performance outcomes. Additionally, exploring the role of digitalization in advancing HR practices could yield valuable insights into how luxury tourism organizations can stay competitive in an evolving digital landscape.

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