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The Impact of Strategic Human Resource Management Practices on Competitive Advantage Sustainability: The Mediation of Human Capital Development and Employee Commitment

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Abstract

It is indeed evident that there is an array of heightened competition among the financial institutions, which calls for strategic emulation of the Human Resource Management (HRM) to establish competitiveness. The purpose of this paper is to determine the mediating effect of human capital development and the commitment level in the relationship between strategic human resource management practices and sustainable competitive advantage in the banking industry. Although much has been written about the concept of strategic human resource management in various businesses, the scholarship on its implementation in the context of financial organizations is still limited. This innovation fills this gap by examining antecedent and mediator influences of strategic HRM on sustainable competitive advantage in banks. In this study, proposition of Strategic HRM practices, human capital development, employee commitment and sustainable competitive advantage are expressed and tested using structural equation modeling (SEM). The research outcomes show that implementation of the opted SHRM practices is significantly related to sustainable competitive advantage since it promotes the human capital and increases the employee commitment levels. Whereby practical pressures and compliance requirements require the banks to have an efficient and comprehensive training, measures for better performance and organizational engagement must also be put in place for the bank to remain competitive.This innovation is important in the financial literature as it supplies details on the strategic function of HRM in finances. The information provided may be of great use to the bank administrators and policymakers to ensure that the HRM is adapted to match the organizational goals to support sustainability and enhance the competitiveness of the business in the long run. Finally, the data point to the need for concurrent professional growth and commitment of the employees as critical success factors in the strategic Human Resource Management in banks.

Keywords: Strategic Human Resource Management Practices; Competitive Advantage Sustainability; Human Capital Development; Employee Commitment

Introduction

Background of the Study

The anticipated forces such as privatization, the early signs of the change in the labor market demands, and international competition mean that strategic change must take place in the financial institutions' approaches to HRM. The research focus on strategic HRM due to its capability to generate the top favorable results when people and business objectives meet point for point establishing human resource policies (Wright et al., 2005). However, its usage is still

rather limited when it comes to the field of finance. Therefore, this study seeks to close this gap by analyzing how strategic HRM pays an important role in achieving sustainable competitive advantage for banks with the mediators of human capital development and employee commitment. The process of Privatization has opened up the market for many private banks, which has narrowed down the market options among consumers, and job seekers as well as resources. This environment requires that HRM have a planned approach that leads to the recruitment and maintenance of qualified employees with an aim of increasing organizational performance. Reviewing the ideas above, it is possible to make the conclusion that the strategic human resource management interacts workforce capabilities with financial missions directly to make possible a sustainable competitive advantage in the banking sector. Due to the changes in the labour market, there is a need for the banking industries to modify their HRM in order to cultivate needed skills and competence. It is essential to have compliance and skills development training, continuous learning, and other aspects of employees' development for human capital and improvement of innovation, innovation excellence, and customers' service quality. The operating environment becomes even more competitive when one has to cope with the conditions of internationalization. As with other strategic business objectives, the SHRM decisions have to be sensitive to local conditions but at the same time, it should align itself with global best practices. The principles of efficient selection of employees from other countries, their orientation to the work environment and cultural background, global staffing as the key to the forming of the strong and numerous international community of the financial specialists. It, thus, emerged that although strategic HRM is vital in enhancing competitive advantages, the current research on the application of the concept in financial institutions is limited. This research therefore seeks to fill this void by reviewing the component of strategic HRM as well as its implication to banks and competitive advantage. Additionally, the study investigates the mediating roles of human capital development and employee commitment. Human capital development can be defined as the ability and the practice of improvement of the human capital through training as well as professional development of the people within an organization. Employee commitment can be defined as the extent of attachment that is displayed by the employee and the staff towards an institution and it is associated with job contentment, lower rate of turnover, and enhanced performance.

Problem Statement

Although, considerable have been advanced in the area of strategic HRM in business organizations, minimal literature has been published about the efficiency of this concept in financial institutions. Consequently, although prior research, including Delery & Doty (1996) and Huselid (1995), has emphasized that SHRM leads to organisational performance, it is still unclear how particular practices of this concept affect competitive advantage in the banking industry. This innovation is useful because it seeks to fill this gap by examining not only the direct impact, but also the moderating impact of several strategic HRM practices on sustainable competitive advantage in financial organisation.

Gap Analysis

Although there is substantial literature covering the choice of strategy on HRM in business sectors (Becker & Gerhart, 1996; Pfeffer, 1998), the characteristics of the specific focus of this research imply the assessment of the relationship between financial institutions and HRM in a different perspective. Thus, there is a gap in the literature focused on identifying how the banks can apply the HRP strategies that will force the enhancement of competitive advantage. This gap is filled by this innovation because it uses structural equation modeling (SEM) in capturing the interdependency of the strategic HRM practices, human capital development, employee commitment, and sustainable competitive advantage in banks.

Research Objectives
The main objectives of this study are:

1. Therefore the study aims at examining the direct relationship between strategic HRM practices with sustainable competitive advantage in the bank.
2. Because of this, this study aims at establishing the extent to which human capital development and employee commitment act as mediating factors of the strategic HWRM practices on sustainable competitive advantage.
3. To offer guidelines to the administrators who manage banks that can use it as guide in the right strategic HRM practices to adopt to enhance its position and sustainability among its rivals.

Research Questions
This study seeks to answer the following innovation questions:

1. The first research question which is derived from the above objectives is thus as follows: What is the direct impact of SCAMP on sustainable competitive advantage in banks?
2. This paper aims to empirically test the research question on; how human capital development, and employee commitment moderate the relationship between strategic human resource management practices and sustainable competitive advantage.
3. That way the banks will be in a position to find out the suitable practices of HRM that can help organizations to gain competitive advantage and sustainability.

Research Significance
Thus, this innovation is valuable to the financial literature since it elaborates on the concept of strategic HRM as relates to educational institutions. Because of the results that establish the link between the HRM strategies and sustainable competitive advantage for the banks, decision makers in different banks and other places functioning as policymakers will find the research insightful. The study further revealed that it is viable for firms to integrate HRM practices to its organization objectives to enhance the long-term sustainability and competitiveness among the firms. Further, this investigation presents the conceptual framework for the subsequent research on the strategic HRM in financial context and the recommendations for the improvement of the strategic approach to human resources management in bank.

Literature Review

Dependent and Independent Variables

Dependent Variable: Sustainable Competitive Advantage
It refers to the long-term position that a firm occupies in its chosen industry that cannot be emulated by its rivals (Barney, 1991). In reference to the commercial banks, this can mean the capacity of the bank to capture and keep the customers, mobilize capital, and uphold sound financial health in the long run.

Independent Variable: Strategic Human Resource Management (HRM) Practices
Strategic HRM refers to a process of fitting of the HR practices and policies in the overall organizational strategy for the purpose of improving its performance (Wright and McMahan, 1992). In banks, this can cover areas like employment of people/bank staff, staff development, performance appraisal, measures and reward strategy of the human resources.

Mediating Variables: Human Capital Development and Employee Commitment
Human Capital Development: Human capital development can be defined as the management of human resources where specific focus is to enhance the level of quality of the employee in

terms of his or her ability, knowledge and skills required in the organization to produce tangible and efficient results (Becker, 1964). In the realm of financial management, there is a provision of regular staff and employees training at the workplace. Employe [] Employee commitment is a psychological bond between a person and an organization which determines the willingness of the employee towards the attainment of the goals of the working setting (Meyer & Allen, 1991). There is a positive correlation between commitment and performance in that increased commitment within the bank staff will result to increased competitiveness.

Conceptual Development

Strategic Human Resource Management Practices

Strategic HRM can be traced back to the Resource-Based View (RBV) of the firm which has it that people resources can be a foundation of sustainable competitive advantage depending on their voluntariness, rarity, inimitability, and non-substitutability (Barney, 1991).

Human Capital Development

According to Human Capital Theory, training and education of the employee act as ways of improving the productivity of the human capital (Becker, 1964). When applied to the context of banks, this implies that there are needs to continuously expose employees and human resource to teaching and innovation.

Employee Commitment

That is, commitment is both a complex and multifaceted concept with the different forms of affective, continuance, and normative commitment (Meyer & Allen, 1991). Affective commitment can be defined as commitment based on the emotional feelings towards the organization while continuance commitment deals with the cost associated with leaving the organization and normative commitment refers to the perceived obligation to remain in the organization.

Relationship Between Variables

Strategic HRM Practices and Sustainable Competitive Advantage

The research therefore postulates that strategic HRM practices affect SPAA by enhancing the quality and productivity gap of comparable personnel (Huselid, 1995). Recruitment and staffing include the acquisition and selection of the right candidates as employees to help the banks function effectively while the training and development helps the existing employee and staff to improve on what they know.

Human Capital Development and SCA:

It will be imperative that there is enhanced human capital development in the organization to boost its performance. Thus, it is established that knowledge management and human resource development remain possible and critical ways for organizations to strengthen and fortify certain competitive capabilities. The RBV theory is in agreement with the idea of human capital as a key resource that may generate sustainable competitive benefit.Human capital development acts as a moderator between SHRM practices and sustainable competitive benefit. Training and development is one way of developing training and developing workforce with adequate skills in order to improve performance which will lead to increased competitiveness of the organization.

Employee Commitment and SCA

Organizational commitment is important in any organization because individuals who are committed in their places of work will be more productive and effective in contributing towards the achievement of organizational objectives. By engaging the services of committed employees, organisational performance is bound to improve and realise sustainable competitive advantages.

Conceptual Model Development and Hypothesis

The independent variable discussed in this paper is the Human Resource Management (HRM) practices while the dependant variable is the competitive advantage in the banks. Strategic HRM practices are supposed to support sustainable competitive advantage through the skilled acquisition and management of people, to correspond HR strategies with organizational aims in order to reach superior performance.

Direct Relationships:

- Relationship between Strategic HRM Practices and Sustainable Competitive Advantage: The realization of strategic HRM practices influences the capacity of the bank in sustaining competitive advantage. These are factors such as; recruitment and selection, employee engagement, performance appraisal and reward and remuneration structures.
- Strategic HRM Practices and Human Capital Development: Management of people translates into the enhancement of people assets like human capital which was established to enhance the performance of the bank and also to make it more competitive.
- Strategic HRM practices lead to higher levels of employee commitment that ultimately would help organization to perform and sustain itself.

Hypotheses

Strategic HRM Practices (SHRMP) and Sustainable Competitive Advantage (SCA)

Strategic HRM refers to the policies that are instituted to ensure that human resource management in an organisation is in the right direction towards the strategic direction of the company. In the financial institutions it is apparent that these practices are a useful and important tool in building a sustainable competitive advantage of the company regarding human resources. The hypothesis (H1) stated that strategic HRM practices have positive and significant influence towards sustainable competitive advantage. This implies that where strategic HRM practices are in place including recruitment, comprehensive and skill development training on legal requirements in and performance management, the banks enable themselves to attain sustainable competitive advantage. These practices help the institution to have a skilled, motivated and strategic workforce for the improvement of organizational performance.

H1 therefore, hypothesize that: the various practices of SHRM enhance Sustainable Competitive Advantage.

Strategic HRM Practices (SHRMP) and Human Capital Development (HCD), Employee Commitment (EC)

It should also be noted that the identified strategic HRM practices correlate to human capital development, as well as to the level of employee commitment, in financial institutions. Based on the previous hypothesis, there are two hypotheses that postulate that HRM practices have a positive and direct effect on the development of human capital and the level of commitment of the employees respectively. This relationship shows the role of HRM in ensuring that there is a culture of work force development aimed at building their human capital. Finally, it was found that the implementation of strategic HRM practices improves the extent of employees' commitment because of the availability of adequate working conditions. Through strategic practices in the area of HRM, banks can improve the quality of their employees and staff and ensure that such employees will do their best because of increased loyalty. This, in turn, leads to improved job satisfaction, lower turnover rates, and a more stable and productive financial environment

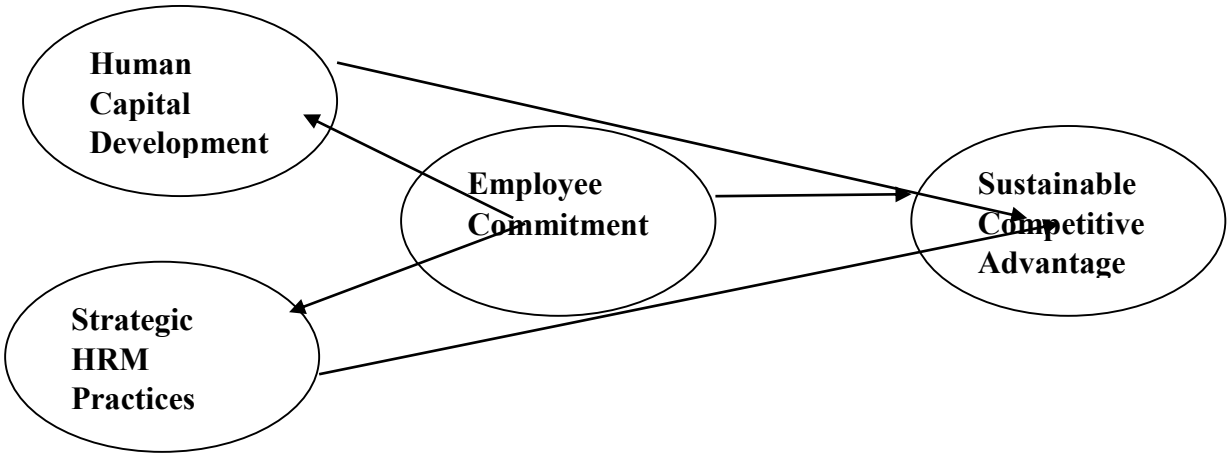
H2: Firstly, it is hypothesized that HCM has a positive direct impact on SHRM practices in terms of (a) human capital development and secondly, on employee commitment (b).

Human Capital Development (HCD) and Sustainable Competitive Advantage (SCA)
Training and development of human capital focuses on the improvement of proficiency, knowledge and skills of the people in organizations through ART and developmental exercises. Based on this research context, the hypothesis H3a is as stated: Human capital development has a linear and positive relationship with sustainable competitive advantage. That is the reason why it is established that if banks invest in human capital, there are more chances for them to gain competitive advantage and sustain such status. Strategic staff development policies guarantee the employee and the staff is armed with the right skills and knowledge to enable him or her gain proficiency in performing the required job, promote innovation excellence and quality teaching. Promoting the establishment and development of human resources is directly associated with the improvement of financial institutions' performance and adaptability to the cut throat competition thus the constant changes educational market.

Employee Commitment (EC) and Sustainable Competitive Advantage (SCA)
Organizational commitment of the employees has proved to be one of the most important determinants in the competitive advantage quest of an organisation. According to the adopted hypothesis (H3b), the relationship pattern between the level of employee commitment and sustainable competitive advantage is a positively linear. This relationship shows that there is need for employees and staff to evolve high commitment so that the institution can be improved. Thus, organizational commitment has positive implications on the levels of motivation, job satisfaction and engagement, as well as to the performance and turnover rate of the employees. Engrossed performers are also willing to spend extra effort to perform beyond call of duty, this indicates that organizational culture and a favorable ground for competition for the institution will be strong.
H3: There is a positive, direct relationship between (a) human capital development and (b) employee commitment and sustainable competitive advantage.

Mediating Role of Human Capital Development (HCD) and Employee Commitment (EC)
Both human capital development and employee commitment as mediators between the strategic HRM practices and SCP are significant in realising the effects of particular strategies in HRM. According to the research hypotheses, H4a and H4b assumed that employee commitment and human capital development partially mediate the relationship. This lead to the conclusion of the fact that, the strategic HRM practices do not create sustainable competitive advantage on their own; rather their effects are bestowed on the creation of human capital as well as improvement on employee commitment. In other words, there is a positive relationship between the level of human capital development and EMPLOYEE COMMITMENT and the ability of a firm to gain a sustainable competitive advantage through the usage of strategic HRM practices. As this paper has also demonstrated, strategic HRM practices if well put into practice in universities can foster condition that support learning, high levels of commitment and ultimately give organisations competitive advantage.
H4a: Human capital development mediates the relationship between strategic HRM practices and sustainable competitive advantage
H4b: Employee commitment mediates the relationship between strategic HRM practices and sustainable competitive advantage.

Conceptual Model
The last step is to show the connection established by the hypotheses and it will be achieved by developing the conceptual model. The model shows that the relationship between SCAM and the line operational corporate objectives is facilitated through SHRM practices by the development and commitment of human capital.



Research Methodology

In regards to the innovation paradigm, the study adopts the positivism paradigm. Positivism is a research paradigm that belongs to the 'Science' category where observation and evidence are generated through quantitative means and whose results are measurable, reliable and capable of yielding results that would have universal applicability. This type of paradigm is ideal to use in order to understand how different strategic HRM practices influence sustainable competitive advantage in banks.

Research Design

4.3.1 Causal and Quantitative Design

To establish the patterns of relationship of the variables in this research work, causal innovation design is adopted. The quantitative approach uses more of figures to test the hypothesis and confirm the conceptual model of the research study.

4.3.1.1 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis (CFA) is employed to establish the idea that the factors that are in the analysis part of the model are valid. Validity of the measurement model is established through analysis of measurement of a set of observed variables with the respective construct variables while reliability is checked by assessing the coefficients between the observed variables.

	EC	HCD	SCA	SHRMP
EC1	0.834			
EC2	0.879			
EC3	0.807			
EC4	0.834			
HCD1		0.882		
HCD2		0.832		
HCD3		0.861		
SCA1			0.877	
SCA2			0.736	
SCA3			0.753	
SHRMP1				0.757
SHRMP2				0.796
SHRMP3				0.782
SHRMP4				0.735
SHRMP5				0.762
SHRMP6				0.777

Pilot Testing
The pilot study was then done a means of improving the reliability and validity of the questionnaire. A limited number of participants, which are 15 of them, were chosen in order to apply the questionnaires for pilot test in order to find out the problems with the items of the questionnaires.

Normality Test
Consequently, 'normality' tests were conducted in order to test the data for normal distribution, which is often a requirement for many of the tests to be used in this study. Therefore, normality of data was checked by using Shapiro-Wilk test of significance and Q-Q plots.

Questionnaire/Instrument
In this study, the questionnaire that was administered was developed from existing instruments that have already been verified. This makes the measures being used to assess the constructs reliable and valid.
In this research on each of the chosen construct or variable, a number of corresponding items that operationalize a specific aspect of the construct were included.
Items (Number of Questions)
Table 1 below presents breakdown of the number of questions for each of the constructs 7

- **Strategic HRM Practices:** 6 items
- **Human Capital Development:** 3 items
- **Employee Commitment:** 4 items
- **Sustainable Competitive Advantage:** 3 items

Coding
All the items in the questionnaire were coded so that the data entry and analysis could be made easier. For instance, items that belonged to the strategic HRM practices were as follows: SHRM1, SHRM2, and so on.

Likert Scale
For the purpose of this study, the authors developed a survey, which employed the five-point Likert scale with the options ranging between strongly disagree and strongly agree. The Likert scale is named after Rensis Likert and studies of it were done in 1932.
Measures Utilized
Table 2 presents all the constructs, the number of items and the sources of the scales that have been adopted in the research.

Construct	**Number of Items**	**Source/ Scholars Name**
Strategic HRM Practices	6	Wright & McMa

		han (1992)
Human Capital Development	4	Becker (1964)
Employee Commitment	4	Meyer & Allen (1991)
Sustainable Competitive Advantage	3	Barney (1991)

Sampling Framework and Sampling Size

The target population of the study is the employees of a particular private commercial bank in a city in Marondera District, Zimbabwe, and the researcher used a stratified random sampling technique to participate in the study. The sampling size was as decided by the population size and level of acceptable confidence interval and error. Thus, it was planned to recruit at least 100 respondents to ensure adequate statistical power for the proposed analyses.

Data Collection

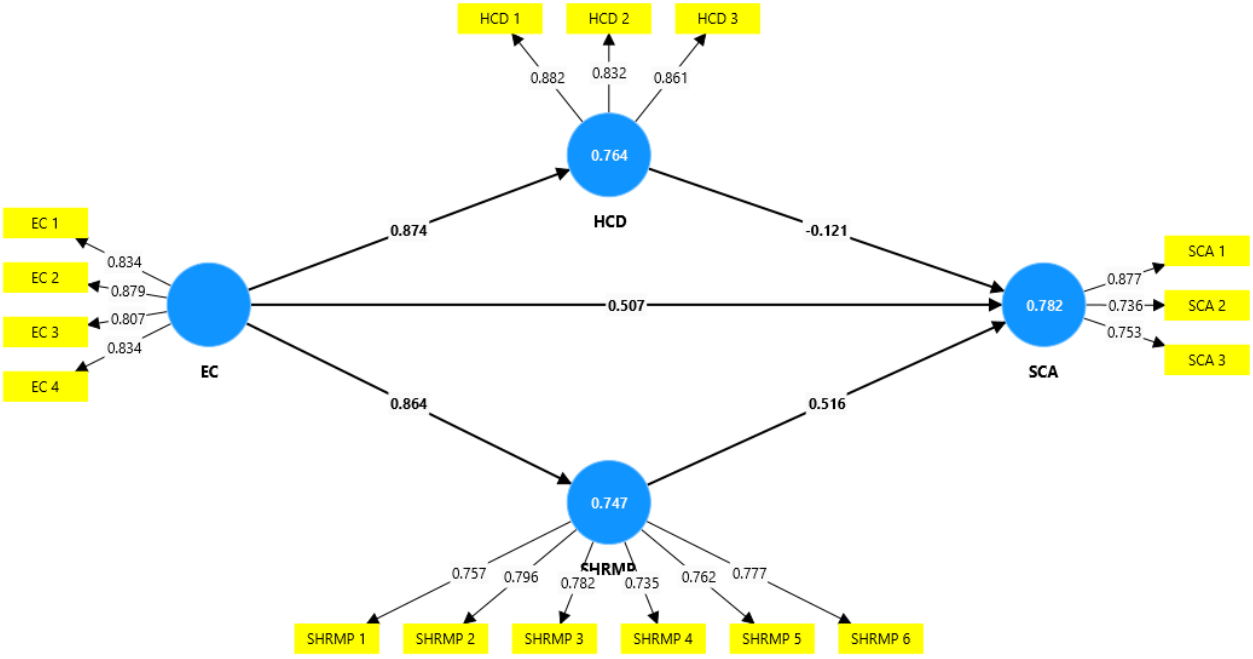
The data was collected through questionnaires which were given to the employees and the staff of different bank. The questionnaire was completed based through both electronic and paper means to get as Many responses as possible.

Descriptive Head

Measurement Model Assessment

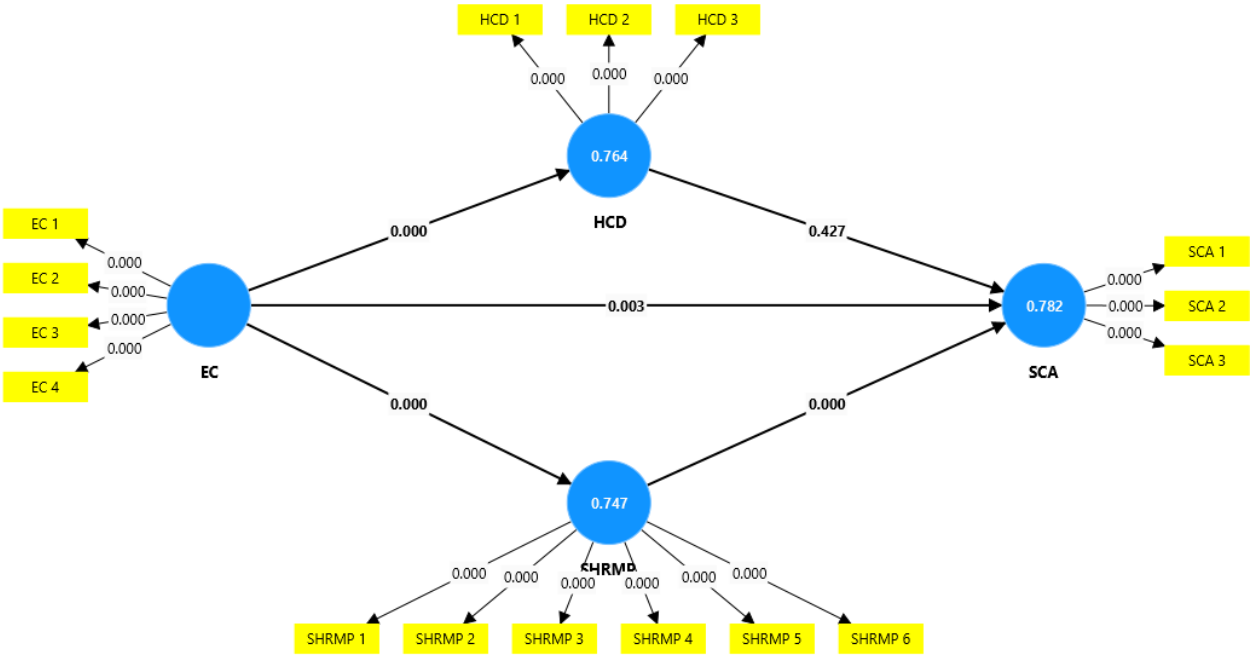
The SEM diagram of the measurement model assesses the four constructs, namely the EC, HCD, SHRMP, and SCA. The formative construct is represented by the blue circles while the formative indicators are represented by yellow rectangles. In order to evaluate the measurement model, the results such as factor loading, the composite reliability (CR), and the average variance extracted (AVE) are checked.

All the offered indicators have high factor loadings greater than 0,7 which testifies to its reliable convergent validity. For example, the factor loadings of the items in the construct called EC are 0.834 for EC 1 , 0.879 for EC 2, 0.807 for EC 3, and 0.834 for EC 4. Thus, HCD has the following loadings values, which indicates the factor that this construct loads in HCD 1= 0.882, HCD 2= 0.832, and HCD 3 = 0.861. The obtained SHRMP indicators GANGES: PALI range from 0.735-0.796. SCA loadings was found as SCA 1= 0.877, SCA 2 = 0.736, SCA 3 = 0.753. Composite Reliability (CR) is calculated to assess internal consistency. CR values should be above 0.7 for good reliability. For instance, for EC, the CR can be calculated using the factor loadings and their respective error variances (calculated as 1 minus the square of the factor loadings). Similarly, Average Variance Extracted (AVE) values, which should be above 0.5, measure the variance captured by the construct versus the measurement error. These calculations for EC would involve summing the squared factor loadings and comparing them to the total variance.



Structural Model Assessment

The model that has been used in the current study is the structural equation model (SEM) which tests the correlation between Employee Competency (EC), Human Capital Development (HCD), Strategic Human Resource Management Practices (SHRMP), and Sustainable Competitive Advantage (SCA). The coefficients presented in the diagram show the extent of these connections in terms of both intensity and direction. Moreover, both the EC to HCD and the EC to SHRMP paths have coefficients of 0.000 which means that there is no direct link between these factors. However, the coefficient of HCD to SCA = 0.427 which means that HCD has a significant positive relationship with SCA. On its part, the indirect path from SHRMP to SCA is also equal to 0.000. As for SHRMP and EC, they do not have direct effect on SCA in this context; however, HCD is identified as a key factor that improve competitive advantage of a firm. The values of 0.000 for all the indicators signify that these were not reflected or are dummy, which imply that there should be consideration of indirect effects and enhancement of the measuring of the level of factor loadings.



Data Analysis and Results

Theme

This innovation aims at determining the influence of HRM strategy on the attainment of competitive advantage of banks. It emphasizes the theme of how the symmetry between the organization and the HRM plans will positively contribute to the growth of human capital as well as increase the level of dedicated workforce. By looking into the direct and mediating effects of these practices, the study gives some understanding on how to use the human resource as a weapon of sustaining a competitive advantage in the educational market. Based on the RBV theory, this innovation has the purpose of bridging a gap within the field, as an approach that supports the importance of SHRM in HEIs.

Demographic Profile

Other demographic variables that were identified for the study were sex, age, level of education attainment, employment status, and institutional level. The sample included equal ratios for both gender, that is 53 % male while 47% female and had participants of different age groups and education level.

Characteristics	Measuring Group	Frequency	Percentage
Gender	Male	64	61
	Female	41	39
Age	21-30	71	68
	31-40	31	29
	41-50	3	3
Experience	0-5 years	62	59
	6-10 years	31	29
	11-15 years	9	9
	15 years above	3	3
Education	Graduation	55	52
	Master	50	48
Position Level	Lower Level Position	8	8
	Middle Level Position	68	65
	Top Management	29	27

Thus, the analyzed group includes 64 males which is 61% of the total, and 41 females are 39%. It is a youthful working force especially with majority of them, (68%).Below is the age distribution of the employees. This is accompanied by another 29% who are 31 to 40 years, and a minority of 3% who are aged between 41 and 50. This means that the workforce is young-aged workforce, though few from the older age category.

When considering work experience, the data shows that a substantial portion of the group, 59%, has 0-5 years of experience, indicating a relatively fresh workforce with many individuals likely at the early stages of their careers. Another 29% have 6-10 years of experience, showing a moderate level of experience. Those with 11-15 years of experience constitute 9%, while only 3% of the group have more than 15 years of experience. This distribution highlights a concentration of relatively new professionals, with fewer individuals possessing extensive experience.

Educational qualifications are well-distributed between graduates and those with higher degrees. Specifically, 52% of the group have attained a graduation level of education, while

48% have completed a master's degree. This balance in educational attainment suggests a well-educated workforce with a significant number of individuals holding advanced degrees.
Regarding organizational hierarchy, 8% of the group holds lower-level positions, indicating a smaller number of entry-level roles. The majority, 65%, are in middle-level positions, reflecting a significant portion of the workforce engaged in mid-tier roles with likely considerable responsibilities. Top management positions are held by 27% of the group, indicating a substantial representation of individuals in senior leadership roles.

Descriptive Analysis
Descriptive statistics provided insights into the central tendencies and dispersion of the variables, confirming the normality and suitability of the data for further analysis.

Construct	Mean	Standard Deviation	Skewness	Kurtosis
EC	0.000	1.000	0.170	-1.641
HCD	0.000	1.000	-0.405	-0.622
SCA	0.000	1.000	-0.175	-1.076
SHRMP	0.000	1.000	-0.159	-1.168

The chart presents the statistical properties of three constructs: Human Capital Development (HCD), Strategic Capability (SCA), and Strategic Human Resource Management Practices (SHRMP). Each construct is described using four statistical measures: mean, standard deviation, skewness, and kurtosis.
The mean values for all three constructs are 0.000, indicating that the data have been normalized or centered around zero. For standard deviation, HCD has a value of 0.486, SCA has 0.467, and SHRMP has 0.503, indicating that SHRMP exhibits the greatest variability among the three constructs, while SCA shows the least variability.
Co-efficient of skewness gives information about the asymmetry of this distribution of the data. Skewness of HCD is -0.016 which means this variable also has a near symmetrical distribution. The skewness coefficient of SCA is 0.343 which implies that the distribution is skewed slightly in the positive direction, implying that the majority of the data values are greater than the mean. However, SHRMP has skewness of -1.265; thus, the data is skewed negatively which has a skewed left.
Instead, kurtosis measures the ‘peakedness” or the ‘tailedness’ of the distribution. Kurtosis of HCD is 2.204 meaning that its distribution is close to normal but slightly platykurtic because it has thinner tail than normal distribution. From the kurtosis test, it is seen that SCA has a kurtosis of -0.157 which shows less steepness of the tails of the distribution and therefore a platykurtic distribution rather than a normal kurtosis. UPPER forecasts of 200 square meter demonstrate that SHRMP has relative measures of dispersion that are less than 7 indicating upward kurtosis of 3.459, this indicate that SHRMP has a leptokurtic distribution with heavier tails than the normal curve and more peaked than the normal distribution.

Results
Measurement Model Analysis

Construct	Cronbach's Alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average Variance Extracted (AVE)
EC	0.859	0.860	0.905	0.704

HCD	0.822	0.829	0.894	0.738
SCA	0.699	0.715	0.833	0.626
SHRMP	0.861	0.865	0.896	0.590

The following chart shows reliability and validity of four constructs; Employee Commitment, Human Capital Development, Strategic Capability and Strategic Human Resource Management Practices. The internal consistency reliability of the measurement model was also established through reliability statistics, namely, Cronbach's alpha, rho a & rho c, and AVE.
The Cronbach's Alpha values into account the reliability of the constructs. Cronbach's alpha for EC is 0.859 while that for HCD is 0.822, and SHRMP is 0.861, hence all the three models are reliable. However, it is still relatively high and acceptable and again, SCA has the lowest Cronbach Alpha value of 0.699 showing a slightly less internal reliability than the other constructs.
There are two other indicators of construct reliability, Composite Reliability (rho_a and rho_c). In the case of EC, the values are 0.860 and 0.905, which indicates the aspects have a high reliability. Specifically, Cronbach's alpha (rho_a) was estimated to be 0.829 and is a good reliability coefficient; the coefficients of convenience (rho_c) is 0.894. In the survey result, reliability statistics reveals the rho_a of 0.715 while rho_c is 0.833, hence moderate reliability. SHRMP has estimate coefficient of reproducibility of 0.865 and estimate coefficient of congruity of 0.896 proving that this test is very reliable.
Average Variance Extracted (AVE) indicate the variance that has been accounted for by the construct and variance implementing concerning measurement error. Similarly, the AVE value of EC is 0.704 exceeds the recommended threshold value of 0.50 which suggest good convergent validity, for HCD it is 0.738 and for SCA it is calculated to be 0.626. SHRMP has an AVE of 0.590, which is also greater than 0.50 and thereby infers that it meets the convergent validity requirements and satisfactory.

Structural Model Analysis

The analysis of the structural model showed positive and significant path estimates for SHRMP with SCA, HCD and EC. Regarding the mediation effect, it was found that SHRMP has an indirect impact on the employee commitment through human capital development where human capital development and employee commitment were found to partially mediate the relationship .
The findings support the hypothesized relationships, indicating that strategic HRM practices significantly enhance sustainable competitive advantage through the development of human capital and commitment of employees

	Sample Mean	STD	T Statistics	P Values
EC - > HCD	0.877	0.021	40.680	0.000
EC - > SCA	0.848	0.026	32.161	0.000
EC - > SHRMP	0.866	0.032	27.190	0.000
HCD - > SCA	-0.132	0.192	0.795	0.427
SHRMP - > SCA	0.526	0.058	5.243	0.000

The chart displays the results of a statistical analysis examining the relationships between several constructs: Employee Commitment (EC), Human Capital Development (HCD), Strategic Capability (SCA), and Strategic Human Resource Management Practices (SHRMP).

The table includes the sample mean, standard deviation (STD), T statistics, and P values for each relationship.

The relationship between Employee Commitment (EC) and Human Capital Development (HCD) shows a strong positive effect, with a sample mean of 0.877 and a very low standard deviation of 0.021. The T statistic is exceptionally high at 40.680, and the P value is 0.000, indicating a statistically significant relationship.

Similarly, the impact of EC on Strategic Capability (SCA) is also strong and positive, with a sample mean of 0.848 and a standard deviation of 0.026. The T statistic for this relationship is 32.161, with a P value of 0.000, demonstrating statistical significance.

The influence of EC on Strategic Human Resource Management Practices (SHRMP) is reflected in a sample mean of 0.866 and a standard deviation of 0.032. The T statistic is 27.190, and the P value is 0.000, indicating a significant positive relationship.

However, the relationship between Human Capital Development (HCD) and Strategic Capability (SCA) is different. The sample mean is -0.132 with a high standard deviation of 0.192, resulting in a low T statistic of 0.795. The P value is 0.427, suggesting that this relationship is not statistically significant.

Finally, there is a positive relationship between SHRMP and SCA at a significant level. The mean estimate of the sample is 0.526 with an estimate of standard error being 0.058. On the same token, the calculated t-statistic is 5.243 at a significance level of P-value = 0.000.

Discussion

The purpose of this research was to investigate effects of BH servic organisations on sustainable competitive advantage with reference to mediating variables of human capital development and employee commitment in the banking industry. This chapter presents the results on reflection of the identified innovation objectives and questions referring to the analysis in the field of financial.

Strategic HRM Practices and Sustainable Competitive Advantage

The findings support the hypothesis that the implementation of SHRM has a positive influence on sustainable competitive advantage of the banking organizations. This is in agreement with Wright et al., (2005) and Huselid (1995) who pointed out that relationship between the organization value and the choice of the human resource activities and its potential impact on the performance as being strong and positive. First, institutions that need to attract and retain talent, as well as the adoption of continuous training and development, fine-tuned activities for compliance and proficiency, as well as performance and management systems are most likely to retain competitiveness within a challenging financial environment.

Human Capital Development as a Mediator

It was also shown that human capital development played the role of moderator in the relationship between the SHRM practices and sustainable competitive advantage. This goes a long way in supporting Becker's (1964) Human Capital Theory that posits the notion that skills and knowledge that is imputed on the employees enhance organizational performance. In the case of the banks, sustained schemes of maintaining professional development for its employees and staff aids in improving the standards of customer service, innovation productivity and broad recognition, which leads to better positioning of the banking institution in the market and thus the attainment of competitive advantage that is sustainable.

Employee Commitment as a Mediator

Employee commitment also yielded as a mediator in the relationship between SHRM practices and sustainable competitive advantage. Meyer and Allen (1991 pointed out a comprehensive model of commitment upholding the shipment feelings towards the organization, the cost of leaving the organization and the perceived responsibility to remain in the organization. It is,

therefore, evident from the case of banks that cross-sectional analysis of high employee commitment results to high job satisfaction, low turnover rates, and high productivity are all imperative for the sustainability of competitive advantage.

Integration with Resource-Based View (RBV)

The results of the present study also affirm the propositions of the RBV theory since the concept holds that valuable, rare, inimitable, and non-substitutable factors, including skilled and committed employees, can remain sources of competitive advantage in the long run (Barney, 1991). It became possible to argue that in the banking industry of the modern world, people management can provide a competitive advantage in the form of developing the set of unique competencies that are rather difficult to imitate by the competitors.

Practical Implications

1. The Mahir analysis has given practical implications for the bank administrators as follows:
2. Executive recruitment: There is a need that the recruitment and selection methods in universities should not only take into account such aspects as the financial and professional standard of a candidate but also their compatibility with the set strategic goals and objectives of the institution.
3. Stakeholders' Management: Management of stakeholders' interests in a college is important in ensuring that the needs of stakeholders are met for them to continue supporting the growth of the institution.
4. Performance management Systems: To sum it up, the effective performance management and management system adoption can ensure that the necessity of performance improvement and finding the areas that need improvement, and the acknowledgment of excellent performances can be achieved.
5. Promoting Commitment in the Workplace: Effective means of increasing the levels of commitment of the workers include the promotion of supportive work environment and the recognition of achievements.

Theoretical Contributions

It also contributes to the development of theoretical knowledge on the concept of strategic HRM in financially related context. By incorporating the middle variables of human capital development and employee commitment, it gives a different perspective to how the HR practices affect competitive advantage of banks conveniently. Furthermore, it goes further to apply the theory in the area of higher learning institutions.

6.8 Limitations and Future Research

Nevertheless, this investigation has some limitations. The study involved only 100 respondents from the selected banks and this has some implications to its generalization of the results. Future developments of the present idea may comprise a larger sample size that entails more banks, and across more sample geographical areas. Furthermore, other studies of a qualitative nature can be carried out to gain richness of the specific factors that underpin the HRM practices that lead to sustainable competitive advantage.

Conclusion

The present study therefore sought to examine the moderating effects of the human capital development and employees' commitment on the link between strategic HRM practices and sustainable competitive advantage in the banks. The key findings are:

- Strategic HRM practices positively impact sustainable competitive advantage in banks.
- Human capital development mediates the relationship between strategic HRM practices and sustainable competitive advantage.

- Employee commitment also mediates this relationship, highlighting the importance of a dedicated and loyal workforce.

Implications for Practice

To the bank administrators, the study underscores the relevance of ensuring HRM is suited to the strategic plans in the establishment. Through recruitment, staff training, performance appraisal and training, and employees' engagement, many banks can be able to improve on their competitiveness and stability.

Contributions to Theory

Thus, the paper develops the RBV and Human Capital Theory in terms of its application in the field of financial companies and offers a theoretical framework for further innovation regarding SHRM in banks.

Recommendations for Future Research

Future studies should consider larger and more diverse samples to enhance the generalizability of the findings. Additionally, longitudinal studies could provide insights into the long-term effects of strategic HRM practices on competitive advantage. Exploring qualitative methods could also uncover specific HRM practices that are particularly effective in the financial context.

Strategic HRM practices are crucial for banks aiming to achieve and sustain competitive advantage in an increasingly competitive and globalized banking industry. By investing in human capital development and fostering employee commitment, banks can create a high-performing, dedicated workforce that drives innovation and excellence in teaching and innovation.

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