

The Dynamics of Human Capital Development, Employee Commitment, and Sustainable Competitive Advantage: A Strategic Perspective

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Abstract

The purpose of this study was to see the impact of “strategic human resources management (HRM) practices” on achieving “competitive advantages” that will be long-lasting, as well as the contribution of “human capital development” and “employee commitment” in information technology sector. IT sector works to establish, preserve, and perpetuate their competitive advantages, similar to other corporate organisations. The data were collected using questionnaire method and this study was conducted on 277 randomly selected employees working in different reputed IT companies. To achieve the objective of the study primary and secondary data were used and were analyzed using descriptive statistics, exploratory factor analysis, confirmatory factor analysis, mediation analysis and likewise using AMOS 22.0, SPSS23. The results of the study showed a linear and favourable relationship between strategic HRM practices and sustainable competitive advantage (SCA). Strategic HRM was also found to positively influence human capital development and employee commitment of the IT sector firms. This study further suggests IT sector to prioritise human resources management in their businesses, which will improve human capital development by allowing staff members to acquire implicit expertise that will be challenging and difficult for the rivals to mimic and also add to the literature on sustainable competitive advantages, employment, and human capital development. The finding highlights about IT sector management as well and also the results made an additional argument for employee commitment to achieving a sustained competitive edge. The study further suggested some theoretical and other implications for researchers as well.

Keywords: Strategic HRM practices, Employee commitment, Human capital development, Sustainable competitive advantage, Strategic HRM, IT sector

INTRODUCTION

A "sustainable competitive advantage" (SCA) is now deeply anchored in an organization's nonphysical human resources rather than its physical resources in the dynamic and competitive economic environment of today, where the flow of ideas is fluent (Emeagwal & Ogbonmwan, 2018; Ong & Ismail, 2008). Scholars have focused their attention on the elements that could be crucial for the accomplishment of SCA in light of these findings. Today's society, according to O'Reily and Pfeffer (Pfeffer & O'Reilly, 2001), requires "knowledge and intellectual capital" (Saha & Gregar, 2012) rather than "physical capital." Accordingly, the research thinks it is important for employees to be successful and efficient while creating novel products and services in the corporate environment. On this point, some academics have made an effort to comprehend the specific elements that could let an organisation to accomplish SCA.

Divergent behaviour roles are significant in influencing the kind of methods that an organisation employs, according to the behavioural school of thinking (Emeagwal & Ogbonmwan, 2018). Employees are recognised as one of the primary sources of attaining SCA in an organisation, according to the literature. Therefore, it is determined that the integrative model for strategic HRM, which integrates rational and progressive methods and is rooted in various theories, such as resource-based view (RBV), social exchange theory (SET), and behavioral-based view, is an effective method for strategic HRM and SCA. This study used perceptions of HRM procedures to elaborate on the relationship between employee loyalty to the company and the growth of their human capital. Therefore, by assessing the mediating roles of human capital development and employee commitment, this study will look at the link between the techniques used by the IT sector firms and the durability of their competitive advantages.

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LITERATURE REVIEW

Human capital is the key component that will provide an organisation a competitive edge, and strategic HRM is used to effectively and efficiently manage employee skills, knowledge, and capacity to have a substantial impact on the strategic target attainment of an organisation (Bouzakhem et al., 2023). Strategic HRM (SHRM) practices are used to "unite and guide the employees in line with the business strategies" (Hsu & Wang, 2012; Tuytens et al., 2023; Karman, 2020), "provide a link between the business requirement and the activity of a firm" (Findikli et al., 2015; Greer, 2021), and "make provisions for a firm to achieve a competitive advantage" (Farnham, 2010; Wright & Nishii, 2007). The use of "strategic HRM practices" inside an organisation, according to Boxall (Björkman & Xiucheng, 2002; Arsawan et al., 2022), will provide a business a competitive edge that is unmatched. Prior studies on the connection between strategic HRM practices and SCA have focused on employee motivation and how it affects their ability to carry out organisational strategy (Alfawaire & Atan, 2021; Hans, 2021).

The strategy should improve employees' skills to improve the opportunities to reach the organizational objectives (Zehir et al., 2016; Marashdah & Albdareen, 2020). Further, recent environmental disruptions (Kim et al., 2022), such as the outbreak of the COVID-19 pandemic and the Russia-Ukraine war (Cumming, 2022), are exposing the limitations associated with a parochial focus on shareholder value in the traditional strategic HRM paradigm (Collings et al., 2021; Pucik et al., 2023). A vast number of companies worldwide are struggling to cope with the sudden disruptions to public health, economy, and society brought on by these events and are finding themselves paying more attention to issues of employee wellbeing, fulfilling careers, and sustainable development amidst the need to innovate (Caligiuri et al., 2020).

(Covin & Lumpkin, 2011), with support from (Pratono et al., 2019), argued that in a rapidly evolving global market where competitive advantage is thought to not be sustainable, strategic human resource practices are found to be an important source through which we can clearly understand why some firms fail in achieving and sustaining a competitive advantage, while others succeed (Covin & Lumpkin, 2011; Pratono et al., 2019).

Their definition of strategic HRM centres around the idea that a company may affect its performance via the management of its human resources and also integrate with other initiatives to make it a system rather than a lone entity at a strategic level (Gupta, 2020; Elrehail et al., 2019).

Additionally, according to some writers, organisations must develop their human resources in a systematic approach in order to exploit their tacit knowledge to get an advantage over their rivals (Srivastava et al., 2013; Kuntjoroadi & Safitri, 2011) if they are to attain long-term competitive advantages. In order to accomplish these goals and develop a lasting competitive advantage, a certain style of staff management system must be put in place (Wright et al., 2001).

Therefore, it is crucial to recognise the role of human resource management as a system framework for the growth of human capital that results in sustained competitive advantage (Jackson et al., 2014; Sánchez et al., 2015; Zhang et al., 2023). Strategic HRM practices have been shown to have a favourable influence on the firm's performance through employee commitment, according to a general trend in the empirical research (Malik et al., 2023).

In this study, the mediating roles of human capital development and "employee commitment" were examined using a combination of RBV and behavioural theories. It was proposed that strategic HRM practices would help an organisation gain a competitive advantage through the efficient management of human capital, its development, and "employee commitment." The employee attitude and behavior—referred to as "employee commitment" in this context—come from the behavioural perspective that social exchange theory (SET) integration would mediate the interaction between "strategic HRM practices" and SCA. The development of human capital by any organisation will give the company a competitive edge, as has been demonstrated in the literature (Zehir et al., 2016; Miah et al., 2013).

The following ideas form the foundation of our hypothesis:

H1: Effective strategic HRM practices impacts sustainable competitive advantage in IT sector firms.

H2: Strategic HRM practices have a direct and positive influence on HCD (human capital development) and EC(employee commitment).

H3: Employee Commitment (EC) and Human Capital development (HCD) both have a direct and favourable correlation with Sustained Competitive Advantage (SCA).

H4:Employee Commitment (EC) and Human Capital Development (HCD) partially mediate the relationship between strategic HRM practices and sustainable competitive advantage (SCA).

RESEARCH METHODOLOGY

Conceptual Framework

The research framework of this study, which is shown in Figure 1, shows how our variables relate to one another. The concept proposes a relationship between an organization's strategy for efficiently managing its human resources and how the competitive advantage attained could be maintained, while examining the mediating role of human capital development and employee commitment. In this study, we argue that an organization's strategy for its human resource management practices impacts how the organisation can maintain the competitive advantage attained in the market by speculating that "employee commitment" and "human capital development" will partially mediate the relationship. So, employee dedication, human capital development, and strategic HRM practices will all have a direct and indirect impact on sustained competitive advantage.

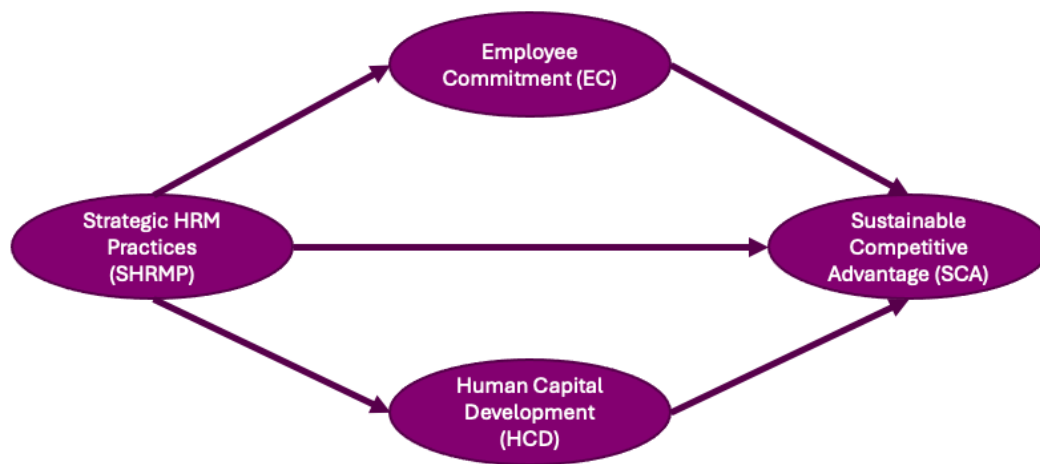


Figure 1. Conceptual framework

Variables Used for the Study

Strategic HRM practices (SHRMP), human capital development (HCD), employee commitment (EC), and sustainable competitive advantage (SCA) were the four latent variables that made up our model. In addition, the control variables included gender, educational qualification, work position.

Table 2. Variables of the study

Variable	Indicator	Source
Strategic Human Resource Management Practice (SHRMP)	SHRMP1: Employee selection is taken very seriously by this IT' sector firm.	Aryanto, Fontana & Afiff (2015)
	SHRMP2: Employee selection places priority on the candidate's potential to learn	Aryanto, Fontana & Afiff (2015)
	SHRMP3: Employee selection emphasizes capacity to perform well right away	Emeagwal & Ogbonmwan (2018)
	SHRMP4: Employees in this IT' firm have clear career paths	Emeagwal & Ogbonmwan (2018)
	SHRMP5: The training programs emphasize on-the-job experiences	Sahar &Gregar (2012)
	SHRMP6: Performance appraisals emphasize development of abilities/skills	Zehir et al., (2016)

	HCD1: The employees working in this IT firm are highly skilled	Kadir et al., (2018)
Human Capital Development (HCD)	HCD2: The employees working in this IT sector firm are considered the best	Mahdi, Nassar & Almsafir (2019)
	HCD3: The employees in the IT sector firm are encouraged to be creative	Sanches, Marin & Morales (2015)
	HCD4: The employees working in the IT sector firm are experts in their jobs	Todericiu & Stanit (2015)
	EC1: I am committed to this IT sector firm.	Emeagwal & Ogbonmwan (2018)
Employee Commitment (EC)	EC2: I really care about the future of this IT sector firm.	Emeagwal & Ogbonmwan (2018)
	EC3: I find my values and the IT sector firm's values very similar	Zehir et al., (2016)
	EC4: I really feel as if this IT sector firm's problems are my own	Zehir et al., (2016)
	SCA1: Our firm employees are highly creative and innovative	Emeagwal & Ogbonmwan (2018)
Sustainable Competitive Advantage (SCA)	SCA2: Our firm employees are highly involved and flexible to change	Mahdi, Nassar & Almsafir (2019)
	SCA3: Our firm employees more concern for quality and result	Kuncoro&Suriani (2018)

Data Collection

The IT and BPM industries' revenue is estimated at US\$ 245 billion in FY 2023. The domestic revenue of the IT industry is estimated at \$51 billion, and export revenue is estimated at \$194 billion in FY 2023. The performance of an organisation depends on the calibre and efficiency of its human resources, and efficient HR practices will increase employee competency levels. Hence in order to study and validate the hypotheses, 350 structured questionnaires were distributed out of which 289 questionnaires were received, while analysing 12 (3.42%) questionnaires were found to be incomplete and were removed, Finally 277 questionnaires (79.14%) were utilized for the analysis. The quantitative tools were applied, namely, mediation analysis using SPSS 23.0 and AMOS 22.0.

ANALYSIS AND RESULTS

The study employed SPSS 23.0 for regression analysis and AMOS 22.0 for performing mediation analysis and finding our model fit.

Findings:

1. *Effective Strategic HRM Practices (SHRMP) impacts Sustainable Competitive Advantage (SCA) in IT sector firms.*

Descriptive Statistics

Table 2 highlights the descriptive statistics where we observe the mean of Sustainable Competitive Advantage (SCA) is 3.3273 and standard deviation is 1.08327, whereas mean of Strategic HRM Practices (SHRMP) is 3.3081 and standard deviation is 1.00970.

Table 2. Descriptive Statistics

	Mean	Std. Deviation	N
SCA	3.3273	1.08327	277
SHRMP	3.3081	1.00970	277

Regression Analysis

Correlation Coefficients

The correlation coefficients provides the numerical summary of the direction and strength of the linear relationship between two variables.

As the sign of the Pearson correlation coefficient is positive in table 3, i.e., 0.857 at significant value < 0.05 (which is 0.00), it indicates that as one variable increases, another variable also increases.

It simply indicates Strategic HRM practices (SHRMP) is found to have a direct and positive influence on the achievement of sustainable competitive advantage (SCA). It supports the fact that strategic HRM practices have emerged as a critical factor in achieving advantage, as it plays a key role in attracting, developing and retaining top talent, fostering a high-performance culture and aligning HR practices with overall business strategies (Kareska, 2023).

Table 3'. Correlations

		SCA	SHRMP
Pearson Correlation	SCA	1.000	.857
	SHRMP	.857	1.000
Sig. (1-tailed)	SCA	.	.000
	SHRMP	.000	.
N	SCA	277	277
	SHRMP	277	277

Co-efficient of Determination

The numerical indicator represented by R square explains how much of the variance in one variable is associated with another variable. The model summary table 4 shows that the value of R square is 0.734, which is in the range of 0.00 to 1.00. It means that Strategic HRM practices (SHRMP) is found to be strongly correlated with sustainable competitive advantage (SCA). Therefore, in order to consider HR practices as a source of sustainable competitive advantage, a strong positive association between particular set of HR practices and firm-performance are a necessary condition (Silva et al., 2019).

The ANOVA result, indicated in table 5, is highly significant ($p < 0.001$), indicating that the regression model as a whole is effective in explaining the variation in the dependent variable, SCA. The F-statistic of 759.862 is much larger than 1, suggesting that the regression model is a good fit for the data. Additionally, the Residual Mean Square (0.313) represents the average unexplained variance within the model.

Overall, this ANOVA result suggests that the regression model is statistically significant, and the independent variable, SHRMP included in the model have a significant effect on the dependent variable, SCA.

Table 4. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.857 ^a	.734	.733	.55944

Note: a. Predictors: (Constant), SHRMP
b. Dependent Variable: SCA

Table 5. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	237.813	1	237.813	759.862	.000 ^b
	Residual	86.066	275	.313		
	Total	323.879	276			

Note: a. Dependent Variable: SCA
b. Predictors: (Constant), SHRMP

In Table 6, the constant (intercept) of 0.286 represents the estimated value of the dependent variable, SCA, when all independent variables are zero. The coefficient for SHRMP (0.919) indicates that, on average, for each one-unit increase in SHRMP, the dependent variable, SCA, is expected to increase by 0.919 units while holding all other variables constant. The Beta value (0.857) suggests that SHRMP has a strong positive effect on SCA, and it is standardized, meaning it's measured in terms of standard deviations. The t-statistic for SHRMP is highly significant ($p < 0.001$), indicating that the relationship between SHRMP and SCA is statistically significant. Overall, the regression analysis suggests that SHRMP is a significant predictor of SCA and the model provides valuable insights into the relationship between these variables. As SHRM emerges as most vibrant practices of the organisation which has a high potential to deliver a competitive edge over competitors. There is a high need of integrating SHRM practices and Corporate strategy to build up an unique HRM system which leads to attaining and sustaining competitive advantage of the firm (Mathur & Nair, 2015).

Table 6. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.286	.115		2.481	.014
	SHRMP	.919	.033	.857	27.566	.000

Note: a. Dependent Variable: SCA

1. Strategic HRM Practices (SHRMP) have a direct and positive impact on EC (employee commitment) and HCD (human capital development).

a. SHRMP have a direct and positive impact on HCD.

Descriptive Statistics

Table 7 highlights the descriptive statistics where we observe the mean of Human capital Development (HCD) is 3.2626 and standard deviation is 1.06186, whereas mean of Strategic HRM Practices (SHRMP) is 3.3081 and standard deviation is 1.00970.

Table 7. Descriptive Statistics.

	Mean	Std. Deviation	N
HCD	3.2626	1.06186	277
SHRMP	3.3081	1.00970	277

Regression Analysis

Correlation Coefficients

The correlation coefficients provides the numerical summary of the direction and strength of the linear relationship between two variables.

As the sign of the Pearson correlation coefficient is positive in table 8, i.e., 0.899 at significant value < 0.05 (which is 0.00), it indicates that as one variable increases, another variable also increases.

It simply indicates Strategic HRM Practices (SHRMP) is found to have a direct and positive influence on the of Human Capital Development (HCD). It supports the fact that strategic HRM practices have emerged as a critical factor in business performance, and therefore strategic HRM practices should consider employee engagement, motivation and commitment, all of which support organisational performance (Peters, 2023).

Table 8. Correlations

		HCD	SHRMP
Pearson correlation	HCD	1.000	.899
	SHRMP	.899	1.000
Sig. (1-tailed)	HCD	.	.000
	SHRMP	.000	.
N	HCD	277	277
	SHRMP	277	277

Co-efficient of Determination

The numerical indicator represented by R square explains how much of the variance in one variable is associated with another variable. The model summary Table 9 shows that the value of R square is 0.809, which is in the range of 0.00 to 1.00. It means that Strategic HRM practices (SHRMP) is found to be strongly correlated with Human Capital Development (HCD). Therefore, integration of human capital development and strategic HRM helps to overcome the weaknesses and create a more robust approach to overall increasing the firm performance (Boon et. al, 2018).

Table 9. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.899 ^a	.809	.808	.46545

Note: a. Predictors: (Constant), SHRMP
b. Dependent Variable: HCD

The ANOVA result, indicated in Table 10, is highly significant ($p < 0.001$), indicating that the regression model as a whole is effective in explaining the variation in the dependent variable, HCD. The F-statistic of 1161.495 is much larger than 1, suggesting that the regression model is a good fit for the data. Additionally, the Residual Mean Square (0.217) represents the average unexplained variance within the model. Overall, this ANOVA result suggests that the regression model is statistically significant, and the independent variable, SHRMP included in the model have a significant effect on the dependent variable, HCD.

Table 10. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	251.629	1	251.629	1161.495	.000 ^b
	Residual	59.577	275	.217		
	Total	311.206	276			

Note: a. Dependent Variable: HCD
b. Predictors: (Constant), SHRMP

In Table 11, the constant (intercept) of 0.134 represents the estimated value of the dependent variable, HCD, when all independent variables are zero. The coefficient for SHRMP (0.946) indicates that, on average, for each one-unit increase in SHRMP, the dependent variable, HCD, is expected to increase by 0.946 units while holding all other variables constant. The Beta value (0.899) suggests that SHRMP has a strong positive effect on HCD, and it is standardized, meaning it's measured in terms of standard deviations. The t-statistic for SHRMP is highly significant ($p < 0.001$), indicating that the relationship between SHRMP and HCD is statistically significant. Overall, the regression analysis suggests that SHRMP is a significant predictor of HCD and the model provides valuable insights into the relationship between these variables. It is in confirmation with study suggested by (Alolayyan et al., 2021) that organisations should place more significant efforts on SHRM practices in their organizations, as this will enhance HCD by enabling employees to develop their knowledge and competencies.

Table 11. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	.134	.096			1.400	.163
	SHRMP	.946	.028	.899		34.081	.000

Note: a. Dependent Variable: HCD
b. SHRMP have a direct and positive impact on EC.

Descriptive Statistics

Table 12 highlights the descriptive statistics where we observe the mean of Employee Commitment (EC) is 3.2942 and standard deviation is 1.08497, whereas mean of Strategic HRM Practices (SHRMP) is 3.3081 and standard deviation is 1.00970.

Table 12. Descriptive statistics.

	Mean	Std. Deviation	N
EC	3.2942	1.08497	277
SHRMP	3.3081	1.00970	277

Regression Analysis

Correlation Coefficients

The correlation coefficients provides the numerical summary of the direction and strength of the linear relationship between two variables.

As the sign of the Pearson correlation coefficient is positive in Table 13, i.e., 0.871 at significant value < 0.05 (which is 0.00), it indicates that as one variable increases, another variable also increases.

It simply indicates Strategic HRM Practices (SHRMP) is found to have a direct and positive influence on the of Employee Commitment (EC). The commitment is reflected in the performance of an organization's

employees, since the commitment of employees generates a sense of connection within their organization, as well as a sense of fit and understanding of the organisational goals. EC serves the SHRM goals that revolve around enhancing flexibility, achieving competitive advantages, and innovation (Alolayyan et al., 2021).

Table 13 Correlations.

		EC	SHRMP
Pearson Correlation	EC	1.000	.871
	SHRMP	.871	1.000
Sig. (1-tailed)	EC	.	.000
	SHRMP	.000	.
N	EC	277	277
	SHRMP	277	277

Co-efficient of Determination

The numerical indicator represented by R square explains how much of the variance in one variable is associated with another variable. The model summary Table 14 shows that the value of R square is 0.758, which is in the range of 0.00 to 1.00. It means that Strategic HRM practices (SHRMP) is found to be strongly correlated with Employee Commitment (EC). Therefore, employee commitment is considered a key factor in achieving organizational goals. Employee commitment is one of the indicators of success in implementing strategic human resource management practices (Herlina et al., 2022). The four main objectives related to strategic human resource management are integration, employee commitment, flexibility and quality(Castro et al. 2020).

Table 14. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871 ^a	.758	.758	.53426

Note: a. Predictors: (Constant), SHRMP
b. Dependent Variable: EC.

The ANOVA result, indicated in Table 15, is highly significant ($p < 0.001$), indicating that the regression model as a whole is effective in explaining the variation in the dependent variable, EC. The F-statistic of 863.243 is much larger than 1, suggesting that the regression model is a good fit for the data. Additionally, the Residual Mean Square (0.285) represents the average unexplained variance within the model. Overall, this ANOVA result suggests that the regression model is statistically significant, and the independent variable, SHRMP included in the model have a significant effect on the dependent variable, EC.

Table 15. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	246.401	1	246.401	863.243	.000 ^b
	Residual	78.495	275	.285		
	Total	324.896	276			

Note: a. Dependent Variable: EC
b. Predictors: (Constant), SHRMP

In Table 16, the constant (intercept) of 0.199 represents the estimated value of the dependent variable, EC, when all independent variables are zero. The coefficient for SHRMP (0.936) indicates that, on average, for each one-unit increase in SHRMP, the dependent variable, EC, is expected to increase by 0.936 units while holding all other variables constant. The Beta value (0.871) suggests that SHRMP has a strong positive effect on EC, and it is standardized, meaning it's measured in terms of standard deviations. The t-statistic for SHRMP is highly significant ($p < 0.001$), indicating that the relationship between SHRMP and EC is statistically significant. Overall, the regression analysis suggests that SHRMP is a significant predictor of EC and the model provides valuable insights into the relationship between these variables. Compatibility between SHRM practices is very important in order to increase commitment of employees. Managers personally must be able to lead the process of strategic implementation and execution of SHRM practices (Adresi & Darun, 2017).

Table 16. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	.199	.110			1.803	.072
	SHRMP	.936	.032	.871		29.381	.000

Note: a. Dependent Variable: EC

2. *Employee Commitment (EC) and Human Capital development (HCD) both have a direct and favourable relationship with Sustained Competitive Advantage (SCA).*

Descriptive Statistics

Table 17 highlights the descriptive statistics where we observe the mean of Sustainable Competitive Advantage (SCA) is 3.3273 and standard deviation is 1.08327, mean of Employee Commitment (EC) is 3.2942 and standard deviation is 1.08497, whereas mean of Human Capital Development (HCD) is 3.2626 and standard deviation is 1.06186.

Table 17. Descriptive Statistics.

	Mean	Std. Deviation	N
SCA	3.3273	1.08327	277
HCD	3.2626	1.06186	277
EC	3.2942	1.08497	277

Regression Analysis

Correlation Coefficients

The correlation coefficients provides the numerical summary of the direction and strength of the linear relationship between two variables.

As the sign of the Pearson correlation coefficient is positive in Table 18, i.e., 0.835 and 0.806 at significant value < 0.05 (which is 0.00), it indicates that as one variable increases, another variable also increases.

It simply indicates both Employee Commitment (EC) and Human Capital development (HCD) are found to have a direct and positive influence on Sustainable Competitive Advantage (SCA). Organisations must pay more attention to human capital development by involving the employees in more training to enhance their competency. These will improve the chances of the firms to have tacit knowledge that will place them in an advantageous position above other competitors. Moreover, employee commitment should be given adequate attention (Hamadamin & Atan, 2019).

Table 18. Correlations.

		SCA	HCD	EC
Pearson Correlation	SCA	1.000	.806	.835
	HCD	.806	1.000	.862
	EC	.835	.862	1.000
Sig. (1-tailed)	SCA	.	.000	.000
	HCD	.000	.	.000
	EC	.000	.000	.
N	SCA	277	277	277
	HCD	277	277	277
	EC	277	277	277

Co-efficient of Determination

The numerical indicator represented by R square explains how much of the variance in one variable is associated with another variable. The model summary Table 19 shows that the value of R square is 0.727, which is in the range of 0.00 to 1.00. It means that Employee Commitment (EC) and Human Capital development (HCD) are found to be strongly correlated with Sustainable Competitive Advantage (SCA).

Table 19 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.853 ^a	.727	.725	.56805

Note: a. Predictors: (Constant), EC, HCD
 b. Dependent Variable: SCA

The ANOVA result, indicated in Table 20, is highly significant ($p < 0.001$), indicating that the regression model as a whole is effective in explaining the variation in the dependent variable, SCA. The F-statistic of 364.863 is much larger than 1, suggesting that the regression model is a good fit for the data. Additionally, the Residual Mean Square (0.323) represents the average unexplained variance within the model. Overall, this ANOVA result suggests that the regression model is statistically significant, and the independent variables, HCD and EC included in the model have a significant effect on the dependent variable, SCA.

Table 20. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	235.466	2	117.733	364.863	.000 ^b
	Residual	88.413	274	.323		
	Total	323.879	276			

Note: a. Dependent Variable: SCA
 b. Predictors: (Constant), EC, HCD

In Table 21, the constant (intercept) of 0.413 represents the estimated value of the dependent variable, SCA, when all independent variables are zero. The coefficient for HCD (0.343) indicates that, on average, for each one-unit increase in HCD, the dependent variable, SCA, is expected to increase by 0.343 units while holding all other variables constant. Also, the coefficient for EC (0.545) indicates that, on average, for each one-unit increase in EC, the dependent variable, SCA, is expected to increase by 0.545 units while holding all other variables constant. The Beta value (0.336, 0.546) suggests that HCD and EC have a strong positive effect on SCA, and it is standardized, meaning it's measured in terms of standard deviations. The t-statistic for both EC and HCD is highly significant ($p < 0.001$), indicating that the relationship between EC & SCA and HCD & SCA is statistically significant. Overall, the regression analysis suggests that EC and HCD are significant predictor of SCA and the model provides valuable insights into the relationship between these variables. It is apparent from our findings that employee commitment should be given adequate attention and human capital development, as they will play prominent roles in how the organisations will achieve competitive advantages that are sustainable (Hamadamin & Atan, 2019).

Table 21. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	.413	.114			3.641	.000
	HCD	.343	.063	.336		5.408	.000
	EC	.545	.062	.546		8.775	.000

Note: a. Dependent Variable: SCA

3. *Employee Commitment (EC) and Human Capital Development (HCD) partially mediate the relationship between Strategic HRM Practices (SHRMP) and Sustainable Competitive Advantage (SCA).*

The study assessed the mediating role of human capital development and employee commitment in the relationship between strategic human resource management on sustainable competitive advantage. The results revealed a significant indirect effect of SHRMP on SCA through HCD ($b = 0.268, t = 6.70, p = .015$), supporting H1. Analyzing the mediating role of EC, the study found a significant mediating role of EC on the linkage between SHRMP and SCA ($b = 0.210, t = 3.684, p = 0.004$), again supporting H1. Furthermore, the direct effect of SHRMP on SCA in presence of the mediators was also found significant ($b = 0.373, p = 0.000$). Hence, HCD and EC partially mediate the relationship between SHRMP and SCA. Mediation analysis summary is presented in Table 22.

Table 22. Mediation analysis summary

Relationship	Direct Effect	Indirect Effect	Confidence Interval		P-value	Conclusion
			Lower Bound	Upper Bound		
SHRM -> HCD -> SCA	0.373	0.268	0.188	0.346	0.015	Partial Mediation
SHRM -> EC -> SCA		0.21	0.121	0.337	0.004	Partial Mediation

In our structural equation model (SEM) analysis conducted in AMOS (figure 10), we investigated the intricate relationship between strategic human resource management (SHRM), human capital development (HCD), employee commitment (EC), and sustainable competitive advantage (SCA). Our findings reveal that HCD and EC play pivotal roles as partial mediators in the relationship between SHRM and SCA. The standardized path coefficients suggest significant direct effects of SHRM on both HCD and EC, as well as significant paths from HCD and EC to SCA. This underscores the importance of nurturing human capital and fostering employee commitment as key mechanisms through which SHRM contributes to sustainable competitive advantage within organizations. Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages—including higher productivity and lower employee turnover (Vance, 2006).

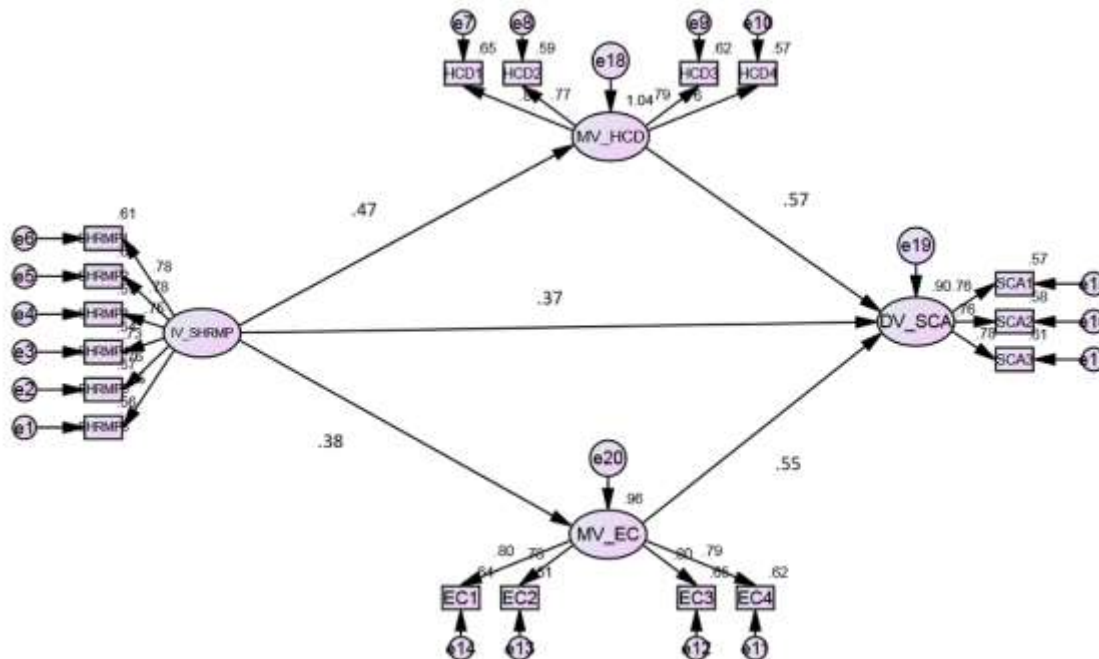


Figure 2. Structural Model Result

DISCUSSIONS

This research work stood apart from earlier empirical layouts and behavioural research because SEM methodologies were used for the analysis. Additionally, AMOS 22.0 was used to carry out the analysis. Our research looked at how strategic HRM practices affected achieving competitive advantages that may last in an IT sector firm. The researcher also assessed how human development and employee commitment could operate as a mediating factor. In the dynamic and competitive business climate, Organisations face some obstacles much like any other organisation. The privatisation, changes in the demands of the labour market,

and global competition are among the difficulties that have been noted by various researchers (Mahdi & Almsafir, 2014; Mahdi et al., 2019) and also these issues are not exclusive to the IT sectors only. This study is important because it addresses the problem of the nature and culture of the IT sector environment.

The theoretical significance of this research focuses on the investigation of how strategic HRM practices affect long-term competitive advantage through the mediation of employee commitment and human capital development which is influenced by an employee's attitude and behaviour), and is based on integrating a "resource-based view" (RBV) and "behavioural theory" and applying it to IT sector. This finding confirmed the importance of the correlation between the variables within a IT sector system and provide a deeper understanding of how strategic HRM practices can have a significant contribution to the achievement of sustainable competitive advantage. According to RBV theory, strategic HRM practices must be supported by the growth of human expertise in line with an organization's core values in order to accomplish SCA (McMahan et al., 1999). In a similar vein, a behavioural perspective contends that several behaviours are crucial for a company to develop a long-lasting competitive advantage (Wright & Nishii, 2007).

It has been observed that strategic HRM has a direct and favourable impact on the development of durable competitive advantages. The findings supported some related earlier research and showed that IT sector could produce long-lasting competitive advantages. But IT sector must make sure that a strategic policy is in place to determine how human resources might be managed and integrated with other intangible human resource components (Emeagwal & Ogbonmwan, 2018). Our findings supported similar earlier research that wasn't conducted in a IT sector setting but discovered a significant impact of HRM practices on SCA (Mahdi & Almsafir, 2014; Mahdi et al., 2019; Warner & Palfreyman, 2001). Our research indicates that strategic HRM practices have a impact on long-term competitive advantages. Thus, in order to meet the demands of evolving business environments, IT sector should maintain enhancing their HRM approach.

Findings from the study also suggest that strategic HRM practices will favourably impact employee commitment and human capital development (Kaur & Singh, 2022; Kaur et al., 2023). According to (Emeagwal and Ogbonmwan, 2018), employee commitment and the development of human capital are influenced by the HRM strategies used by IT sector, which is consistent with earlier findings. Additionally, the study by (Alnidawi et al., 2017) demonstrated that an employee will participate in training via the HRM system set up by the company. The study thus advises IT sector to prioritise human resources management in their businesses, which will improve human capital development by allowing staff members to acquire implicit expertise that will be challenging for rivals to mimic. Additionally, effective human resource management will raise employee engagement, which will help them feel like a part of the company (Jam et al., 2018). This will raise their morale and make them more dedicated to the company. The results also show that while strategic HRM has a strong impact on employee commitment and development of human capital. This suggests that administrators of organisations in IT sector should work to enhance some areas of human resource management so that staff members will be more dedicated to their organisations

The direct impact of employee commitment and human capital development on SCA was assessed. The results show that both variables significantly and favourably impacted SCA. Our results supported some earlier research that had determined the importance of human capital development for SCA (Emeagwal and Ogbonmwan, 2018). In a related study, (Aryanto et al., 2015) used some HRM practices, such as HR orientation, work-life balance, and high working performance, to quantify HRM. It was discovered that there is a connection between HRM and organisational performance, which could lead to SCA. Additionally, (Zehir et al., 2016) revealed that employee dedication has a direct and beneficial impact on SCA. The research by (Sanchez et al., 2015) demonstrated the importance of HRM in the growth of human capital, which may result in SCA. According to (Nico et al., 2017), human capital contributes significantly to organisational effectiveness. These supported our conclusions. In contrast to our findings, (Emeagwal and Ogbonmwan, 2018) showed that the development of human capital had a favourable and significant impact on the sustainability of the competitive advantages attained by the organisation.

CONCLUSION AND IMPLICATIONS

In conclusion, this study's findings add to the literature on sustainable competitive advantages, employment, and human capital development. It offers information about IT sector management as well and analysis made an additional argument for employee commitment to achieving a sustained competitive edge. The administration of IT sector should determine which aspects of human resources management require improvement in order to place a greater emphasis on employee commitment and the development of human capital. Additionally, as noted by (Pausits and Pellert, 2007), organisations need to embrace cultural changes, just like other corporate organisations, before introducing strategic HRM practices and ensuring that they are properly used.

The results of this study make a significant contribution to the literature on strategic HRM practices and the sustainability of competitive advantages. They also establish the partial mediating roles of both employee commitment and human capital development, both of which were found to be statistically significant and positively associated. It firms must function like other organisations in order to acquire sustained competitive advantages due to the ever-evolving nature of the business environment, global competition, and changes in the labour market. This work is accessible to future causality investigation since it shares certain similarities with previous cross-sectional social science studies in its approach. According to the pertinent research, strategic HRM practices have a substantial influence on SCA through influencing an employee's abilities, attitudes, and behaviours towards the company. Nevertheless, human capital development may operate as a mediator in the link between strategic HRM practices and SCA. The study offers a new perspective on this relationship by empirically investigating the mediating roles of employee commitment and human capital development in the relationship between strategic HRM practices and long-lasting competitive advantages in IT sectors.

FUTURE RESEARCH

Further research is warranted given that this study acknowledged a significant boundary constraint in its explanation. The link between strategic HRM practices and organisational results may need further studied, with human capital development and employee commitment in IT sector serving as the mediating factors with larger sample size. The research on this topic will also benefit from a comparison study of the interactions between public and private firms of different sectors. Future studies on the development of sustainable competitive advantages in the IT sector through tactical HRM practices should also take into account other concepts, such as innovations and technology, to broaden the body of knowledge on such studies.

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