MAPPING THE PERCEIVED ROLE OF STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES IN SUSTAINABLE COMPETITIVE ADVANTAGE

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ABSTRACT

Applying resource-based view and behavioral based view in this current research to develops and investigate study model that examine whether strategic HRM practices has direct effects on the sustainable competitive advantage, secondly weather developing human capital and attitude and behavior (employee’s commitment) mediates the effect of strategic HRM practices on the sustainable competitive advantage. The data acquired from academic workers with a 3-week time lag in three waves in TRNC were utilized to evaluate the above-stated relationship. The outcome of structural equation modeling suggests that strategic HRM practices improve developing human capital and employees commitment, while its direct effects on a sustainable competitive advantage. Furthermore, the results propose that developing human capital and employees’ commitment partially mediates the link among strategic HRM practices on a sustainable competitive advantage.

Keywords: Strategic Human Resources Management Practices, Developing Human Capital, Employee Affective Commitment, TRNC, Turkey, Sustainable Competitive Advantage.

INTRODUCTION

The global achievement in today business world of dynamic and proficient interchange of an idea, a Sustainable competitive advantage is no longer ingrained in organization visible resources, but inactive firm’s human resources (Aronson, Halawi & McCarthy, 2005). The impression that sustainable competitive advantage is mostly to assess firm’s achievement comparative to its competitors. The comparative achievement could be assessed by the financial success that firm is able to create (Ong & Ismail, 2008). Other scholars have expounded on the particular capabilities and assets which enhance sustainable competitive advantage. For instance, Barney (1991) supports the debate by investigating the link among organization resources and sustainable competitive advantage. Barney noted that not all organization resources have the potential enhancing sustainable competitive advantages; rather, the resources must possess the following potential: uniqueness or scarcity, values addition, not easily imitable and not easily substituted. The most frequent named theory for describing the relationship in strategic HRM practices is a behavioral approach which postulated that divergent role behaviors are essential for various kinds of strategies that organization pursues (Jackson & Schuler, 1987). These approach emphasizes on individual employee behavior as a mediator between firm’s strategy and outcome (Wright & McMahah, 1992) or between strategic HRM approach and sustainable competitive advantage (McMahan et al., 1999). According to Pettitigrew & Whipp firms that continuous practices and promote learning, teamwork, participation and flexibility will be able to build a sustainable competitive advantage. The integrative approach of strategic HRM practices and
sustainable competitive advantage approach are rooted in appropriate theories such as resource-based view, behavioral based view and social exchanges theory. The perception HRM practices was utilized in the research and explained in detail from the perspective of human capacity development and employee commitment. Based on the theories mention above, the research aims to examine the perceived roles of strategic HRM practices to understand sustainable competitive advantage in the academic environment from the strategic HRM perspective.

BACKGROUND, HYPOTHESES AND RESEARCH MODEL

Background

Strategic HRM practices are defined as the pattern of plan organizational HR deploys and behavior that anticipated facilitating organization to attain its objectives (McMahan & Wright, 1992). There are two ideas suggested in this explanation, the firm is able to influence their organization level of output or outcome through their HRM and secondly, the activities of a bundle of organization HRM performance in a system rather than in isolation which explain the capability of HRM to influence organization at a strategic level. Strategic HRM practices to an extent are all about integration and adaption. Its ensure that organizations HRM are fully integrated into organization strategic need; secondly, to ensure that HR strategic and policies coexist across all level of the organization; and finally, HRM police are recognizable, established and employ by supervisor (line managers) and other staff as a daily routine. Human resource center around the ability of organization align its HR practices, policies and programs with business and organization’s need (Greer, 2001). In strategic HRM practices, employees are a very important resource and vital component in firm’s performance. The major justification for strategic HRM practices is the incorporating HR practices with business needs and applying specific HR management system, the organization will manage their employee competence, thereby improving both employee and organization performance (Farnham, 2010). Strategic human resource management emphasizes on organization internal factors rather than external resources that affect firms’ performance. According to Barney (1991) organization workforce is view as vital resources that should be engaged in a group with other resources to improve organizational performance.

Strategic HRM practices enhance both individual and organization performance, an employee that are well trained, motivated are more committed and willing to put extra effort as well provide a superior performance (Becker & Huselid, 2006). The major distinction connecting strategic HRM practices and HRM is the adoption and integration of strategic decision into HRM procedure and plan to manage organization performance (Guest, 1989). Early research on strategic HRM practices and its relationship with sustainable competitive advantage center around a particular HRM function like motivation and its influence on an employee on the achievement of organizational strategy. The result from this research recommended that this strategic HRM function can be aligned with organization strategy, employee HRM practices to build sustainable competitive advantages (Schuler & Jackson, 1987). These are organization valuable assists that are scarce, unique; Inimitability and non-substitutable can help organization enhance sustainable competitive advantage. Inimitability mean that is it hard for other organization to mimic resources for their own use, on the other, non-substitutability refers to the fact that the resources have no alternative or cannot be substituted by a competing firm (Barney, 1991).
Strategic HRM Practices in Academic Environment

The evolution of human resources management in university and colleges has been relatively new phenomena considering the tenure of most university and colleges. Higher education is very peculiar organizations which are administered with stiff rules and rigid structure due to the government-oriented nature of universities and colleges (Pausits & Pellert, 2007). Others scholars maintain that due to the fact that colleges and universities are a public enterprise in natural, it is problematic to initiate strategic HRM practices and more complicated to feel the effect on employee outcomes (Guest & Clinton, 2007). To a large extent, no research work has revealed the effect strategic HRM practices on universities and colleges outcomes. Warner & Palfrayman (2003), carefully examine the process of management in higher academic environment, they realized that a system is a people-oriented approach that focuses on good practice and recognizes academic excellence. Furthermore, the management structure is not profit oriented but people oriented which indicate that the expenditure is always more than the profits. The main features of universities and colleges in the independent nature of the academic system and the unique different between academic process and the administrative system. In order to be able to introduce the right strategic HRM practices in colleges and the universities the administrative structure must be integrated with the academic process but unfortunately, it is difficult to align the academic process with the management system because of the people-oriented nature of the university system that is quite unique from others business sector. Secondly, the universities culture is also recognized as one of the rationales behind the level of development of strategic HRM practices in the academic environment (Pausits & Pellert, 2007). The high education sector must be obliged to change like others business organizations and applied strategic HRM practices. However, on this ground a research was conducted on university and colleges employees (Smeenk et al., 2008), the study establishes that there are more variances and some consistency in different locations concerning the most suitable HRM policy and approach that will have a positive impact on employees performance.

In addition, higher institution these days are required to be more dynamic in a forceful and aggressive business environment in where higher institution regularly requires enhancing and maintaining a sustainable competitive advantage in research and teaching (Taylor, 2013). Middlehurst (2013) maintained that the ongoing restructuring in the higher education sector is as a result of privatization in the university education that brings about competitiveness and also strengthen the operational system to ensure that both academic and administrative need are met. However, he also implement the innovative theory of Gary Hamel in his study which state that reversing the organization pyramid, from hierarchies of “command” to hierarchies of “influence”, suggest that “re-invent management for the 21st century should be widely heard in higher education, not just in the U.K. but in other parts of Europe and across countries and regions that are modernizing and reforming higher education.

Sustainable Competitive Advantage

As the global competition becomes increasingly aggressive, how to sustain competitive advantage or achieve sustainable competitive advantage starts gaining more attention. Barney & Hesterly differentiate competitive advantage into two categories, which are temporary and sustainable competitive advantage. According to them, temporary competitive advantage is when organization outcomes naturally resulted into a high market returns, but these increase returns attract competition which normally restricted to short period of time, most organization
competitive advantage fall in to this categories. While the sustainable competitive advantages are when a firm possesses unique value that is rare to copy or imitate, a firm will be able to sustain a competitive advantage for a long period of time. Additionally, Reed & Defillippi (1990) stated that sustainable competitive advantage is gain when organization generates some obstacles that make organization unique value difficult to copy. A firm competitive leadership is at the core value of organization outcome” (Porter, 1985). Barney (1991) review that there are four measurement possibility of organization core value to achieve a sustainable competitive advantage: valuable, inimitability, difficult to copy and lack of a substitute. However, there are four ideas that can be deduced from the notions. First and foremost, the idea of organization competitiveness is the valuable resources and capabilities it possesses, secondly, the medium of sustain organization competitiveness is knowledge, skill and ability. The important question here is modifying the context of organization competitiveness into practices (Bharadwaj, Varadarajan & Fahy, 1993). Furthermore, the purposes of sustaining organization competitiveness are to accomplish monetary returns, or file competence gaps in the organization, or to preserve organization core value, the value fortification aspect in supply chain management view, or building strong clients based from the marketing viewpoint (Coplin, 2002). Finally, the context-medium-purpose process of sustainable competitive advantage requires continuous restructuring to be able to regulate the dynamic business need (Hitt et al., 2010).

**Strategic HRM Practices and Sustainable Competitive Advantage**

The fit among various bundles of strategic human resources management practices that make up organization HRM system, may not be adequately sufficient in order to have a practical effect on a sustainable competitive advantage. Nishii & Wright (2007) argue that apart from the proposed strategic HR structure, the real and the perceived strategic HRM practices are enough evidence for clarifying the effect of strategic HRM practices outcomes. The anticipated strategic HRM practices are the bundles of HR practices which planned by the strategic HRM experts, while the real strategic HR practices are the outcomes human resources management practices after application. The supposed strategic human resources management practices review individual workers view of the system of HR practices that shift the entire system to the individual worker. In line with this recommended study guidelines that include employee view, the research model of this study was to examine the relationship between strategic HRM practices and developing human capital, employee commitment and sustainable competitive advantage. Though, more recently, there has been growing interest in the impact of bundle strategic HRM practices and their relationship on a sustainable competitive advantage. According to Huselid (1995), the High Performance Work Practices (HPWP) are normally know to have impact on organizations outcomes by motivating employee commitment and enhancing the developing human capital through knowledge, skill and abilities and positive employee attitude and behavioral.

Guzzo & Noonan (1994) added that through collective communication of strategic HRM practices that influence individual and eventually affect organizational outcomes Unlocking the “black box” which clarify that a bundle of strategic HRM practices enhanced sustaining organizations competitive (Becker & Huselid, 2006). Strategic HRM practices studies supports the belief that bundles organization HRM are positively related in sustainable competitive advantage through the effect on developing human capital and employee commitment (Lepak et al., 2004). The social exchange theory seems organization HRM system as practices that support workers welfare which enhances employee felt commitment to respond in supportive and useful
manner to the organization (Bowen & Ostroff, 2004). Additionally, the resources based view experts maintained that when organizations implement strategic HRM practices in which individuals are seen as organization resources, necessary to create superior goods and services, long-term investment is made on developing employee knowledge, skills and abilities and the organization will be more focus on employee well-being through motivation above revenue and financial gain (Boxall & Macky, 2007). The improvement in strategic HRM system theories and practices has facilitated change in HRM system from a re-active role that focuses on organization managerial function to strategic approach that focus on adaption and integration. The strategic approach means that HRM function is adapted and integrated into organization strategy to enhance sustainable competitive advantage. The rationale for the change in the old system of creating a sustainable competitive advantage is that they can be easily be substituted or copy. In today business world employee has seemed as a major success of enhancing sustainable a competitive advantage. Therefore, we hypothesize that:

\[ H_1: \text{Strategic HRM practices have a direct and positive impact on a sustainable competitive advantage.} \]

**Strategic HRM Practices, Developing Human Capital and Employee Commitment**

Strategic HRM practices experts maintain that is important to investigate strategic HRM practices as system rather individual practices since strategic HRM practices supplement one another (Boxall & Purcell, 2000).

High-Performance Work Practices (HPWP) is the compilation of a set of HRM approach intended in acquiring and developing human resources for organizations as the major aims and it also involves coordinating and enhances desired employee behaviors over a period of time which improves organizational outcomes (Allen & Wright, 2006). Secondly, high-performance work practices has two different effects on organization human resources, the effects are interpreted once HRM practices are integrated into High-Performance Work practices and factor analysis.

1. System of HRM approach that concern employee selection and training, knowledge, skills and abilities and organization system that emphasize on human capacity development; and
2. Human resources management system that focus on employee motivation through reward, employee involvement and performance appraisal that bring about employee positive attitude and behavior (Huselid, 1995).

Human capability development alone directly affects HR practices intended toward employee recruitment and development. The link connecting the high-performance work practices and the developing human capital is straightforward (Wright & Snell, 1991). Organizations can implement various set of HR approach that stresses the importance of developing the value of individual employees and improving the knowledge, skills and abilities of existing workforce (Delaney & Huselid, 1996). The more rigorous and comprehensive recruitment and selection are, the more competent employees are, compared to organizations where these sets of HRM system are not utilized.

An additional study also reveals that comprehensive employee’s selection and training systems improve individuals’ collective knowledge, skills and abilities (Lin & Yang, 2009). In addition, when organization engages rigorous training and development, their employee will become more competent and more useful. Others HRM functions such as comprehensive rewarding, incentives system and employees work security will enhance competent individuals
and keep them in organizations while flexible work design, teams work and participation will motivate individuals the opportunities to acquire and share new knowledge (Jiang et al., 2012). More importantly, any fit to organizations strategy must first examine the kind of individual’s attitude and behavior essential to effectively implement the approach and the sort of competency required to showcase these behaviors (Allen & Wright, 2006). The major aims of strategic HRM practices is to have positive influence employee attitudes behaviors which enhance both employee and organization outcomes (Nishii et al., 2008).

The behaviorally based view indicated that organizations utilized system of HRM practices to enhance positive behaviors from individual and hence to desire organizations outcomes (Becker & Huselid, 1997). The HRM system can improve the development of an organization commitment to enhancing employees’ positive attitudes and behavior; the HR system has a superior effect on employee affective commitment (Conway & Monks, 2008). Thus, it is predicted that:

\[ H_2: \text{Strategic HRM practices have a direct and positive impact on (a) developing human capital. (b) Employees’ commitment.} \]

**Developing Human Capital, Employee Commitment and Sustainable Competitive Advantage**

A high number of the study suggests that set of strategic human resources management practices can have significant effects on employees and organizational outcomes (Rynes et al., 2002). These studies have also revealed the positive relationship between developing human capital and organization outcomes. Additionally, Bettencourt et al. (2001) noticed that employee knowledge, skills and abilities are major indicator of services organizational good citizenship behaviors. Specifically, they maintained the employee knowledge, skills and abilities improve the collection HRM practices the individual have to acquire in valuable manner of communicating with the various clients. Moreover, sustainable competitive advantage is achieved when firms exploit and improved system of HRM practices that allow its individual to acquire and apply knowledge more successfully than other competitors (Jackson et al., 2006).

Firms with high level human capital possess the potential to develop a sustainable competitive advantage over its competitors since workers vary with the extent of KSA they have acquired (Allen & Wright, 2006). For example, Collins & Smith (2006) have revealed that the utilization of HRM practices planned to develop workers' knowledge, skills and abilities are linked to improved service outcomes.

Furthermore, Hitt et al. (2010) notices a useful relation involving human capacity building and organization outcomes for services organization, the affiliation is comprehensive in terms of organization costs which indicate that early cost may exceed marginal output, but the improve in human resources competency will improve productivity through accumulation of synergy (that is, employee acquire strategic KSA and learn to utilize the strategic competency effectively) and average expenditure reduce (Lane & Lubatkin, 1998). Studies have suggested that system of human resources management practices will influence individuals’ attitudes and behavior that will improve organization outcomes (Becker et al., 1997). According to Delaney & Huselid (1996), proactive HRM system includes practices that influence individual knowledge, competency and capacity, motivate and restructure job design. Huselid (1995) utilized the expression “high commitment work practices” as generally considerable system of HRM practices and recommend that the system plan can advances the
knowledge, skills and abilities of existing and potential employees, enhance their motivation, decrease shirking and improve retention of quality individuals while encouraging non-productive employees to leave the organization”. Harter et al. (2002), maintained that efficient management of organization’s HR will be useful in developing and improve competency, stimulus, corporation as well enhance employee positive attitude and behavior, that can lead to organization competitive lead. The proposition is in line with that of Huselid (1995), which maintained that organization uses strategic HRM practices to shaped employee attitude and behavior since HR approach, motivates employees to been more extremely concerned with the organization by working extremely hard to achieve firm’s objective that leads to sustainable competitive advantage. Therefore, we hypothesize that:

\[ H_3: \text{ (a) Developing human capital and (b) Employees ‘commitment have a direct influence on sustainable competitive advantage.} \]

**Developing Human Capital and Employee Commitment as a Mediator**

This research conceptual model examines the link among the strategic human resources management practices, human capability building (developing human capital), employee attitude and behavior (employee commitment) and sustaining competitive leadership. However, there has been growing interest in the effect of bundles of HRM practices and their relationship with sustainable competitive advantage. These sets HRM practices often referred to as High-Performance Work Practices (HPWP) (Huselid, 1995), are normally known to influence organization outcomes by motivating employee commitment and support human capabilities building through positive behavioral outcomes and developing employee knowledge skills and abilities (Boxall & Purcell, 2000). Moreover, strategic HRM practices are linked to sustainable competitive advantage through human capability building (developing human capital) and employee positive attitudes and behaviors (employees’ commitment) (Lepak et al., 2004). The integration of behavioral and the resources based view theories; a mediating model purposed the system of HRM practices in sustainable competitive advantage through developing human capital and employee commitment.

The behavioral perspective presents the general background to anticipate that employee attitude and behavior (employee commitments) are mediating the link between strategic human resources management practices and sustainable competitive advantage, through integrating of the social exchange theory (Blau, 1964). According to Mayer employee attitudes and behaviors are devoted attribute that is essential in High-Performance Work Practices (HPWP) which mediates between various strategies connecting HRM system to enhanced sustainable competitive advantage. Meyer & Allen (1991) argues that the high commitment work practices provide employee with the opportunities to enhance their skill, knowledge and abilities that result into effective commitment that makes the employees to have emotional attachment to identify and involvement with the organization, the effective commitment to identify and associate with the firm is one of the components of sustainable competitive advantage.

Guzzo & Noonan (1994) added that the system of human resources management practices shape individual workers skill, knowledge and abilities and enhance employees positive attitudes and behaviors that ultimately affect organizational outcomes which Open the “black box” that clarify strategic HR practices support a sustainable competitive advantage for the organization.
Moreover, in consistent with social exchange assumption, strategic HRM practices are motivational enhancement practices that stimulate effective responsibility to respond in a useful manner (Bowen & Ostroff, 2004). In line with the RBV theory, studies have shown that when a firms implement HRM approach where individual are valuable as a major partner in achieving organization aims, there is a possibility that the firm will tend to make long-term huge investment to improve the workers skills, knowledge and abilities and the organizations will also focus on motivating employees, place my more priority on employee well-being above financial gain, sustainable competitive lead is expected to be achieved (Macky & Boxall, 2007). Jackson & Schuler (1987) added that Organizations implement HRM practices that are most expected to enhance the level of developing human capital and to shape employee attitudes and behaviors to support organizations business plan. Therefore, we hypothesize that:

\[ H_4: \text{Developing human capital and employee commitment function as a partial mediator of the effect of strategic HRM practices on sustainable competitive advantage.} \]

The Research Model

The theoretical framework in Figure 1 indicates the relationships among the study constructs. The theoretical framework proposes that Strategic human resources management practices are the indicators of Sustainable competitive advantage, through Developing human capital and employees affective commitment.

The model contends that these strategic HRM practices are indicator of sustainable competitive advantage through developing human capital and employee commitment.

The model also proposes that developing human capital and employee commitment partially mediates the effect of strategic HRM practices on a sustainable competitive advantage. That is, strategic HRM practices, developing human capital and employee commitment have a direct and indirect effect on the sustainable competitive advantage. As represented in the theoretical framework, the data were gathered from an academic employee in TRNC universities in three waves.

METHOD

Participants and Procedure

The data were collected from whole academic staff working in Universities in TRNC. The researcher obtained information from the ministry of higher education in TRNC, to determine the number of the university in the above-mentioned categorization. It was ascertained that there were 12 universities in TRNC. The head HRM department of the 12 universities was contacted through a formal letter, explaining the purpose of the study and asking for consent to gather data from the academic employee of their various universities, eight out of the twelve universities granted the permission to collect data from their academic employee.

The survey instrument was dispersed to academic staff through employee representing the HRM department in each of the eight universities. The HRM department representative was informed to distribute the survey instrument across a wide scope of academics employee to reduce the method of selection biases.
The questionnaire was dispersed to 490 universities academic staff, 420 survey instruments was retrieved, about 92%. 50 of the survey items retrieved were useless due to insufficient information. The others 370 were utilized in this research. Hence, the respondent ratio was 81%, 51 percent of the respondent was men, While 49 percent of the respondent was female. Thirty-seven percent of the respondents were between 21-30 age group, 25 percent was between 31-40 age group, 31 percent was between 41-50 age group, 5 percent were in the 51-60 age category while others 3 percent were above 61 years of age. The highest number of the respondents had a Ph.D. degree. Specifically, 4 percent of the respondents had Bachelor degrees, 23 percent had master degrees, 29 percent of the respondents had a Ph.D. degree, 22 percent of the respondents are Assist Prof, 19 percent of the respondents are Associate Prof, 8 percent of the responses are full Prof while 5 percent had others degree.

The Measuring Instruments

The Strategic human resources management was measure with item scale obtained from researches carried out by Boselie (2010); Macky & Boxall (2007); Kehoe & Wright (2010). The measurement scale is generally recognized for improving employee knowledge and competency, enhancing individual’s positive attitude and behavior toward work outcomes. Developing human capital was measured with four items from intellectual capital scale by Youndt & Snell (2004). Employee commitment (attitude and behavior) was measured with four items scales obtained from Allen & Meyer (1990); Wayne et al. (1997). While sustainable competitive advantage was measured with survey items obtained from Barney (1991); Prahalad & Hamel (1990); Porter (1985) a pilot study of 50 academics staffs in the universities in TRNC was utilized to test the survey instrument, which indicates that respondents had no difficulty understanding survey items; hence no modification was made in the survey instrument.

Data Analysis

This current research employs two-step approaches to evaluate the psychometric quality of measuring model and investigating the relations among structural model (Anderson &
Gerbing, 1988). Particularly, convergent, discriminant validity and composite reliability are evaluated through the utilization of confirmatory factor analysis (Anderson & Gerbing, 1988; Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Secondly, the alternative structural models were evaluated with the anticipated models, based on the proposal by James et al. (2006) the analytical techniques for assessing mediating model effects on alternative models.

The operational framework of the study was evaluated through structural equation modeling, while the importance of mediating effects was assessed with bootstrapping (Hayes, 2002). In general, the $\chi^2$ measurement, Root Mean Square Error of Approximation (RMSEA), Incremental Fit Index (IFI), Comparative Fit Index (CFI) and Standardized Root Mean Square Residual (SRMR) was overall utilized to assess the models fit.

Findings

The Measurement Findings

The study measurement utilized confirmatory factor analysis to assess the psychometric quality. Some survey questionnaire was detached as a result measurement errors correlation of the confirmatory factor analysis. The final results showed that the model measurement of data was adequately fit ($X^2=316.603$, df=113; $X^2$/DF=2.80; CFI=0.974; IFI=0.798; RMSEA=0.070; SRMR=0.023). The findings of the confirmatory factor analysis test (Table 1) demonstrate that all the loadings were significant and greater than the threshold 0.70 and the overall $t$ values were significant as well. As demonstrated in the confirmatory factor analysis Table 1 below, the Average Variance Extracted (AVE) of SHRMP, DHC, EAC and SCA were 0.859, 0.857, 0.879 and 0.784 respectively. In general, the results present proof of convergent validity (Anderson & Gerbing, 1988; Fornell & Larcker, 1981). The AVE of individual variables was constantly greater than the shared variance ($\Phi^2$) discriminant validity was also demonstrated by other measurement variables (Hair et al., 2010).

The confirmatory factor analysis Table 1 also presents composite reliability results of each latent variable which is above 0.60 accepted thresholds (Bagozzi & Yi, 1988). The alpha ($\alpha$) coefficient was higher than 0.70 accepted thresholds. The variable observed Means, standard deviations and correlations are shown in Table 2. The Overall, findings provided evidence of discriminant validity.

<table>
<thead>
<tr>
<th>Scale Items</th>
<th>Mean</th>
<th>Standardized Loading</th>
<th>$t$-value</th>
<th>AVE</th>
<th>CR</th>
<th>$\alpha$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic HRM practices</td>
<td></td>
<td>37.17</td>
<td>0.97</td>
<td>0.86</td>
<td>0.97</td>
<td>97</td>
</tr>
<tr>
<td>Employee selection is taken very seriously by this University</td>
<td>1.55</td>
<td>0.94</td>
<td>37.17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee selection places priority on the candidate’s potential to learn</td>
<td>1.56</td>
<td>0.92</td>
<td>34.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee selection emphasizes capacity to perform well right away</td>
<td>1.57</td>
<td>0.91</td>
<td>33.31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees in this university have clear career paths</td>
<td>1.57</td>
<td>0.94</td>
<td>37.89</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The training programs emphasize on-the-job experiences</td>
<td>1.55</td>
<td>0.90</td>
<td>30.96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance appraisals emphasize development of abilities/skills</td>
<td>1.55</td>
<td>0.94</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 1
CONFIRMATORY FACTOR ANALYSIS RESULTS

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Direct effect</th>
<th>Indirect effect</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing human capital</td>
<td>0.86</td>
<td>0.96</td>
<td>0.96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The employees working in this university are highly skilled</td>
<td>1.51</td>
<td>0.94</td>
<td>31.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The employees working in this university are considered the best</td>
<td>1.49</td>
<td>0.94</td>
<td>32.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The employees in the university are encouraged to be creative</td>
<td>1.48</td>
<td>0.91</td>
<td>29.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The employees working in the university are experts in their jobs</td>
<td>1.48</td>
<td>0.91</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees’ commitment</td>
<td>0.88</td>
<td>0.98</td>
<td>0.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am committed to this university</td>
<td>1.75</td>
<td>0.98</td>
<td>59.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I really care about the future of this university</td>
<td>1.74</td>
<td>0.89</td>
<td>34.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I find my values and the university’s values very similar</td>
<td>1.76</td>
<td>0.90</td>
<td>34.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I really feel as if this university’s problems are my own</td>
<td>1.75</td>
<td>0.97</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable competitive advantage</td>
<td>0.78</td>
<td>0.92</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our university employees are highly creative and innovative</td>
<td>1.54</td>
<td>0.89</td>
<td>22.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our university employees are highly involved and flexible to change</td>
<td>1.52</td>
<td>0.89</td>
<td>22.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our university employees more concern for quality and result</td>
<td>1.54</td>
<td>0.88</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Model fit statistics: $\chi^2=320.918$, df=114; $\chi^2/df=2.83$; CFI=0.974; PNFI=0.804; RMSEA=0.070; SRMR=0.037

Note: AVE=Average Variance Extracted; CFI=Comparative Fit Index; CR=Composite Reliability; IFI=Incremental Fit Index; RMSEA=Root Mean Square Error of Approximation; SRMR=Standardized Root Mean Square Residual; (−)=Dropped during confirmatory factor analysis. All loadings are significant at the 0.01 level.

### Table 2
MEANS, STANDARD DEVIATIONS AND CORRELATIONS OF OBSERVED VARIABLES

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>20.4</td>
<td>9.57</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>1.49</td>
<td>0.51</td>
<td>-0.174**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education level</td>
<td>3.58</td>
<td>3.62</td>
<td>-0.011</td>
<td>0.184**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic HRM practices</td>
<td>9.35</td>
<td>3.09</td>
<td>-0.040</td>
<td>0.019</td>
<td>0.018</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing human capital</td>
<td>5.96</td>
<td>2.12</td>
<td>0.024</td>
<td>-0.039</td>
<td>-0.031</td>
<td>0.250**</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Employees’ commitment</td>
<td>7.00</td>
<td>1.89</td>
<td>-0.033</td>
<td>-0.025</td>
<td>0.018</td>
<td>0.188**</td>
<td>-0.47</td>
<td>-</td>
</tr>
<tr>
<td>Sustainable competitive advantage</td>
<td>4.59</td>
<td>1.39</td>
<td>0.023</td>
<td>-0.043</td>
<td>-0.014</td>
<td>0.156**</td>
<td>0.217**</td>
<td>0.211**</td>
</tr>
</tbody>
</table>

Notes: SD=Standard Deviation. The control variables are in binary variables; Age six categories, Gender two categories (1=male and 2=female) and Education level in seven categories; *correlations are significant at the 0.05 level; **correlations are significant at the 0.01 level (two-tailed)

### Table 3
RESULTS OF MODEL COMPARISON

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direct effect</th>
<th>Indirect effect</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHRMP -&gt; DHC -&gt; SCA</td>
<td>0.172***</td>
<td>0.038***</td>
<td>Partial mediation</td>
</tr>
<tr>
<td>SHRMP -&gt; EAC -&gt; SCA</td>
<td>-0.252***</td>
<td>-0.042***</td>
<td>Partial mediation</td>
</tr>
</tbody>
</table>
Tests of Hypotheses

The Findings from the hypothesized models (Table 3) emerge to present good models fits. From the hypothesized model fits analysis, the following statistical data fits was review ($X^2=320.918$, df=114; $X^2$/df=2.83; CFI=0.974; PNFI=0.804; RMSEA=0.070; SRMR=0.037)

The structural equation modeling results demonstrate that strategic HRM practices have direct and positive impact on sustainable competitive advantage ($t=3.078$, $\beta=0.171$). Therefore, hypothesis 1 is supported. The findings specify that strategic HRM practices exert positive impact on developing human capital ($t=4.928$, $\beta=0.259$), while it has direct and positive effect on employee commitment ($t=3.761$, $\beta=0.197$). Therefore, Hypothesis 2a and 2b are both accepted. In addition, developing human capital has a direct and positively influence sustainable competitive advantage ($t=3.129$, $\beta=0.172$). Thus, Hypotheses 3a is accepted. Opposing to Hypotheses 3b, the findings demonstrate that employees commitment has a negative effect on sustainable competitive advantage ($t=-4.709$, $\beta=-0.252$). Thus, hypotheses 3a supported.

Hypotheses 4 were accepted since both developing human capital and employee commitment are partially mediating variable of strategic HRM practices and sustainable competitive advantage (Figure 2).

![FIGURE 2 STRUCTURAL MODEL TEST RESULTS](image1)

The mediating effect was tested via bootstrapping analytical techniques; the bootstrapped 5,000 sample size at 95% confidence interval was applied in the process. The findings indicate a partial mediating relationship effect for strategic HRM practices → developing human capital → sustainable competitive advantage (indirect effect=0.038, p<0.005, the upper limit of the
confidence interval 0.070 and lower limit of the confidence interval 0.016). While a partial mediation relationship indirect effect for the strategic HRM practices → employee commitment → sustainable competitive advantage relationship (indirect effect=-0.042, p<0.005, the upper limit of the confidence interval -0.019 and lower limit of the confidence interval -0.079).

In addition, gender is positively related to sustainable competitive advantage (β=0.238, t=0.012) and Age is negatively related to sustainable competitive advantage (β=0.853, t=-0.045), education level are also positively related to sustainable competitive advantage (β=0.030, t=0.002). The findings explained 9% of the variances in strategic HRM practices, 4% in developing human capital, 3% in employees’ commitment and 1% in sustainable competitive advantage.

**DISCUSSION**

**Summary of Findings**

The rationale for this research paper was to formulate and investigate study models that examined how strategic human resources management practices, human capacity development and employee positive attitude and behavior are the indicators of sustainable competitive advantage. Secondly whether human capability development and employee positive attitude acted as the mediator of the impact of strategic HRM practices on sustainable competitive advantages. There are inadequate empirical studies concerning the background and result of strategic HRM practices relevant literature, we utilized the data gathered from academics staffs in three weeks’ time lag in TRNC universities in three waves to investigated this relationships.

The results suggest that strategic HRM practices are indicators of a sustainable competitive advantage as well enhancing the development of human capital and employee commitment. The results outcomes further propose that strategic HRM practices motivate human capital development and employee commitment, while it enhances sustainable competitive advantages. According to the hypothesized relationship, developing human capital and employee commitment has an impact on sustainable competitive advantages, which resulted to indirect impact of strategic HRM practices on sustainable competitive advantage via developing human capital and employee commitment.

**Theoretical Implications**

The proceeding finding from the research paper support strategic human resources management practices in academic environment research and has major implication for the additional assumption. Specifically, it looks at the sustainable competitive advantage effects of strategic HRM practices in relation to developing human capital and employee commitment (employee behavior and attitude) based on RBV and the behavioral theory; by incorporating both into the holistic theoretical model in the academic environment. This, along with the proof presented by developing human capital and employee commitment relate to sustainable competitive advantage in an academic environment, contribute to the better understanding of the mechanisms involving strategic HRM practices and sustainable competitive advantage in academics environment and shows the value of thoughts across academic limitations. Based on this RBV theory which proposes that strategic HRM practices support sustainable competitive advantage through the development of human competency that are organization core values, which generate intricate behavior embodied in the organization's culture produce special
competency (Wright & McMahan, 1992). The behavioral perspective also propose that various behavioral are essential for organizations to pursue a sustainable competitive advantage, Wright & McMahan (1992) added that employee behaviors may be exhibiting flexibility in implementing additional tasks or being competent in executing necessary tasks for sustainable competitiveness.

In addition, the research findings also add to important theoretical contribution for managing human resources in an academic environment in TRNC, Turkey. The present study is significant to both organizational commitment and developing human capital literature, by presenting awareness to the extent in which employee’s positive attitude and behavior and the level of human capacity can enhanced organizational commitment and productivity. Moreover the outcomes of this present research offer academic scholar and HRM practitioner with important considerable perception about the level of human capital and employee commitment, which are revealed in the result from SEM to have a critical proposition for assumption and application. It supports the assumption with regarding developing human capital and enhancing employee commitment by encouraging universities in TRNC to pay more attention on human capital, employee commitment through improving strategic HRM practices and considerable perception of employee inducement package. Hence the academic employee will be successfully motivated and positive working environment will created.

Management Implications

The findings of this research paper clear indication that the universities management in TRNC must create more awareness to the measurement indicators of sustainable competitive advantage in the university environment. Particularly, the universities administrator must renounce “one size fits all” practices and center on comprehensive strategic HRM practices through developing human capital and motivation-enhancing practices that guarantee employees commitment which ensures that employees perform successfully in their workplace. It is increasingly significant to offer motivational oriented strategic HRM practices to current employees as well as the new individuals to be hired, or else, management will not be able to attract and retain competent individuals which are probable examine and understand considerable costs (tangible and intangible) connected employee absenteeism and low work outcomes in the universities. Higher institutions in TRNC must encourage motivation-enhancing HRM practices to establish friendship and foster teamwork among employees. These approaches stimulate employees to reciprocate in a useful and positive gesture that will be beneficial to the organization in terms of service encounters.

Another contribution, applicable to university management, is extracted from the practical result that employee positive attitude and behavior (employee commitment) is significant drive for organization and employee outcomes. The higher education must successfully use various interventions to channel the behaviors of committed employees towards bridging the gaps in the performance of service, supporting the synergy between employees and highlighting the attainment target of the universities performance level (Conway & Briner, 2012).

In addition, the University of TRNC should recognize area where there is poor management of HRM practices and focus on the HRM practices indicators that can help to improve as well as acquire and retain competent individuals. When such talented individuals are engaged in the right positions, it is likely that they will be serious with their position in a higher level and display effective work outcome that usually results into a sustainable competitive
advantage for the firms (Qin et al., 2014). Universities management should put in place suitable seminars to acquire vital feedback from employees on how to manage these sets of strategic HRM practices effectively better. The universities management should summarize the new HRM practices ideas, verdict new resolution that will guarantee that the universities develop a new system of HRM programs (Lages & Piercy, 2012). When employees recognize that they positively contributed and effectively participated something that is vital and significant to their universities, they will fully occupied in their duties and consequently display effective work outcomes.

It should also be emphasized that not every employee’s exhibit knowledge skill and abilities and positive attitude and behavior based on management expectations. In that case, individual with poor work outcomes regardless of the HRM practices, if the individuals do not achieve to universities management anticipation but the universities have no choice than letting the employees leave rather than wasting universities resources. University requires paying more consideration to the factor that is probably responsibility for employee’s poor performance, to minimize such situation the universities can introduce conferences where an individual employee can liberally air his/her view and present comment about the issue that may generate lack of commitment and low work outcomes. When this idea is openly discussed among universities management and its employees, such individual’s employees will feel more valued and motivated.

Finally, the major importance of this research is that it presents adequate knowledge on how to manage academic employee higher institution environment through the application of strategic human resources management. Guest & Clinton (2007) state that universities management find it hard to be fully responsible because they do not have inadequate knowledge and skills required to accomplish their tasks. For instance, to present overall responsibility and accountability to universities employees for the daily business need, bundles of HRM practices such as recruitment and selection, training and development, performance appraisal and rewards must be effectively applied and practices.

LIMITATIONS AND FUTURE RESEARCH

The result of this present research will be explained with considerable boundaries, which must be acknowledged to “create restrictions, exceptions and doubts inherent” (Creswell, 2003). The current research is subject to numerous restrictions that may justify further empirical study, specifically. This current research work is cross-sectional design, like the majority of studies in social science; the cross-sectional design research is open for further investigation concerning causality. Most relevant literature in social science assumes that strategic HRM practices influence sustainable competitive advantage through individual knowledge, skills and abilities and positive attitudes and behaviors. Nevertheless, developing human capital can also mediate the effect of strategic HRM practice and sustainable competitive advantage as a practical alternative (Wright et al., 2005). The current research is the groundbreaking research in investigating the mediating effect of both developing human capital and employee commitment and their relationship with strategic HRM practices and sustainable competitive advantage in an academic environment, which the current study indicates that there are considerable relations. The subsequent study can examine the relations by investigating the model further, by examining the impact of strategic HRM practices and organizational outcomes through human capacity development in an academic environment with the same procedures. Grant & Wall suggested the exploitation of long period of time to improved data collection process, causal outcome and can
establish if strategic HRM practice involvement has a direct or indirect effect on developing human capital, employees’ commitment and sustainable competitive advantage. In addition, Ployhart & Vanderenberg (2010) propose that to allow for overall examination of modification and specific investigation of causality, there must be a minimum mandatory full compilation of recurring procedures for over a period of time.

**REFERENCE**


