

INTERNATIONAL JOURNAL OF ORGANIZATIONAL LEADERSHIP

WWW.CIKD.CA

journal homepage: <https://www.ijol.cikd.ca>



Examining the Relationship between Aspects of Human Capital Management and Employee Job Performance: Mediating Role of Employee Engagement and Moderating Role of Perceived Organizational Support

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Keywords:

*Human capital management,
Employee engagement,
Perceived organizational
support, Employee job
performance*

Received

09 August 2022

Received in revised form

22 August 2022

Accepted

25 November 2022

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ABSTRACT

This paper examined the effect of the selected aspects of human capital management on employee job performance and the mediating role of employee engagement. Likewise, this study tested the moderation role of perceived organizational support on the HCM-employee performance link. The research sample is the responses of 426 participants from twelve banking organizations operating in Addis Ababa, Ethiopia, utilizing the social exchange theory and the theory of the resource-based view. This paper is structured quantitatively, with stratified and simple random sampling techniques. The research model analysis method applies structural equation modeling with AMOS to test the hypothesized relationships. The results showed that the Human Capital Management (HCM) practices, namely knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement, positively related to employee job performance. Moreover, the bias-corrected bootstrapping iteration revealed that employee engagement partially mediates this relationship between aspects of human capital management and employee job performance. The findings also show that perceived organizational support positively moderates the association between knowledge accessibility, learning capacity, leadership practice, career advancement, and employee job performance. Conversely, it has an insignificant moderation effect on the association between workforce optimization and employee job performance. Finally, the limitations and future research implications are discussed.

In this challenging knowledge-based economy, human capital has emerged as the major intangible asset of organizations and the basic determinant of their competitive advantage (Wright, 2011). Managing the company's human capital is increasingly important to its success as the business environment grows more competitive (Unger et al., 2011). Managing Human Capital (HC) through acquiring and retaining the best employees is only half the battle (Hatch & Dyer, 2004). The acquisition and alteration of new knowledge in organizations is an inherently human process (Khan & Chaudhry, 2019), making it imperative to understand the contribution that Human Capital Management (HCM) practices make to the aspect of employee job performance.

There is a lack of evidence in analyzing the relationship between human capital management and its outcome factors, despite the prominent literature centering on human resource management and outcome variables in the management discourse. Additionally, among the research that looked at this connection (e.g., Crook et al., 2011; Delery & Roumpi, 2017; Kuchar et al., 2015; Minbaeva & Shell, 2018), none considered the outcome variables of employee job performance and the effect of the intervening effect of employee engagement and the moderating role of Perceived Organizational Support (POS). Although these studies are important first steps, there is a general dearth of research, especially in developing countries, including Ethiopia, on the interaction of the aspects of human capital management, employee engagement (EYE), POS, and employee job performance. Furthermore, while researchers have concentrated on the direct effect of HC or HCM on performance (Abualoush et al., 2018; Cania et al., 2016; Nderitu, 2019), the interaction of human capital management practices on employee job performance, POS, and employee engagement constructs has been overlooked. Namazi and Namazi (2016) argued the nature of multifarious business organizational problems. Without specifying these intervening variables, business frameworks are not complete and thus are not able to solve real business difficulties. Authors claim that the contemporary real business challenges in developing economies include managing talent, uncertainty about the future, performance evaluation, legislation, maintaining a green economy, compliance having the necessary skills and hiring the right people, technology, data explosion, and customer service (Boone et al., 2019; Jacobson & Sowa, 2015; Sroka & Szántó, 2018). This is because the scope of the dominant business theories is expanded by moderating and mediating variables, and the nature of these complicated business situations is reflected more clearly. This research is an effort to provide an insight into the study of HC and HCM on job employee performance, EYE, and POS in the Ethiopian banking sector.

With this precept in mind, this study was designed to examine the effect of selected aspects of HCM on employee job performance, the mediating role of employee engagement, and the moderation effect of POS. HCM is mainly a planned and strategic approach to managing the most vital of the organization's employees (Hatch & Dyer, 2004; Kuchar et al., 2015) . It deals with obtaining, developing, and retaining employees in a strategic people management approach (Wright et al., 2014). It is argued that when an organization develops a better

The better they can implement HCM in a way that aligns with their larger system, the better they will be able to harness engagement and performance for competitive advantage (Jacobson & Sowa, 2015; Khan & Chaudhry, 2019). Therefore, managers need to devise strategies and

make better investments in human capital management, POS, and engagement to enhance employee performance. Despite the strategic value of the HCM components and related outcome factors, few academic studies have attempted to take these streams into account (Boon et al., 2018; Wright et al., 2014). The lack of a well-defined HCM framework and issues with aligning desired HCM with business strategy and performance, particularly in the Ethiopian context (Boon et al., 2018; Schleicher et al., 2018), is what calls for further research. This is true of Ethiopia's banking sector, which is losing inept at the aspects of HCM and less committed staff and is consequently ill-equipped to compete in the globalized business world (Gebrehiwot, 2016; Girma, 2017). Due to the rise of these challenges, the necessity for proper human capital management and its outcome variables effort is becoming increasingly apparent.

Moreover, to increase and maintain business profitability, leaders of business organizations need to work hard to have engaged employees and create better employee perceptions of organizational support (Eder & Eisenberger, 2008). Employee Engagement (EYE) is a typical construct in work relations, and it has received great attention among the academic community and business consultants in recent years (Bhatnagar & Biswas, 2013). Similarly, for the benefit of employees and organizations alike, organizations must recognize employees as valuable sources of human capital, which is the main theme of POS (Kurtessis et al., 2017). Eisenberger et al. (2002) defined POS as the degree to which employees consider that their organization values their contributions, cares about their well-being, and fulfills their socio-emotional needs. This article proposes that EYE plays a positive mediating role and that POS has a moderating role in the relationship between the selected aspects of HCM and Employee Job Performance (EMJP). HCM practices are important preconditions for employee engagement, which is defined as workers who take pride in their work, feel that their efforts count, and strive to improve their performance (Gruman & Saks, 2011).

The following are our work's main contributions: the study emphasizes the significance of emphasizing an organization's intangible assets in the first place (i.e., human capital). This is because intangible assets, like human capital, are a contemporary way of thinking and view to organization management and human capital management for most organizations then. An organization that deals with aspects of the HCM process can create a significant competitive advantage. Besides, by incorporating significant elements that were previously unconnected, this study adds to the development of a new theoretical framework for the interaction between elements of HCM, employee engagement, POS, and employee job performance. Further, the findings of this paper contribute to increasing the concern of administrators and business unit managers about the importance of a proper HCM so that the organization can have better EMJP and the role of EYE and POS to create value for the company.

Literature Review and Hypothesis Development

Human capital is an important term in many academic disciplines, from basic macroeconomics, where it was first conceived (Becker, 1964), to micro-level psychology, where researchers have concentrated on individual differences in knowledge, skills, abilities, and other talents. The literature on strategy and HRM acknowledges the significance of human capital management for boosting corporate success. HCM is the planned and strategic approach to managing the most vital aspects of the organization. It is a way of evaluating people as assets whose current value can be evaluated and whose future value can be enhanced through investment (Wright et

al., 2014). This study focuses on aspects of HCM like knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement, a model tested by some scholars (e.g., Bassi & McMurrer, 2008; Kuchar et al., 2015; Tüzin & Özge, 2013), to identify the practice of HCM for high employee engagement and employee job performance as well as the contributing factor of POS.

Employees' perceptions of how much their employer values and cares about their contributions are known as POS. It has been defined as "the extent to which employees perceive that their contributions are valued by their organization and that the firm cares about their well-being" (Eisenberger et al., 1986, p. 501). POS can be defined as the degree to which employees consider that their organization values their contributions, cares about their well-being, and fulfills their socio-emotional needs (Eder & Eisenberger, 2008). It has been discovered that POS has a significant impact on employee performance and well-being. Kim et al. (2016) suggest that POS would be influenced by praise and approval, rank, job enrichment pay, and organizational policies. Better POS not only satisfies the aforementioned needs of employees but also communicates to staff that the company is prepared to assist with work-related issues and reward improved performance (Chen et al., 2009).

Moreover, business organizations need to make sure that their workers are focused and give their tasks their all to sustain high levels of productivity and functional effectiveness. To determine the level of an employee's psychological presence, the concept of employee work engagement has paramount importance (Christian, 2011). The simultaneous employment and expression of a person's 'preferred self' in task behaviors that enhance connections to work and people, personal presence, and active, full performance is what "work engagement" means (Schaufeli et al., 2006). Numerous studies have pointed out that EYE has three dimensions: vigor, dedication, and absorption (Christian, 2011; Mishra et al., 2014; Schaufeli et al., 2006). According to these authors, vigor indicates power, mental resilience, spending constant effort, and determination on the job. Vigor also implies high levels of energy and mental elasticity while working and high levels of persistence even when faced with difficulties. The second dimension, dedication, concerns being enthusiastic, inspired, and highly concerned about your job. An individual can obtain a sense of meaning from work, the sentiment of passion, pride, and challenge. As an EYE dimension, absorption refers to a sense of detachment from your surroundings, a high level of attentiveness on the job, and a lack of conscious awareness of the time spent on the job. Absorption is concentration and being immersed in people's work, whereby passing time will be intangible. Therefore, in this paper employee engagement is treated as an antecedent of employee job performance.

Employee performance is typically looked at in terms of outcomes. Employee performance of job describes the overall financial or non-financial outcome of the employee that is directly related to the effectiveness and success of the firm (Armstrong, 2010). In an organizational context, performance is typically defined as the degree to which an organizational member (employee) contributes to achieving the goals of the organization (Chang & Chen, 2011). Researchers point out that employee performance has three dimensions: task performance, contextual performance, and adaptive performance (e.g., Koopmans, 2014; Pradhan & Jena, 2017; Ramdani, 2019). Task performance is the form of task performance that encompasses explicit job behaviors that comprise essential job responsibilities as part of the job description (Baard et al., 2014; Koopmans, 2014). Adaptive performance, on the other hand, is the extent

to which an individual employee adapts to changes in the job role or work environment (Baard et al., 2014). Contextual performance is defined as "discretionary extra-role behavior" and is manifested in actions such as coaching colleagues, consolidating social networks within an organization, and entering and working extra jobs for the specified organization (Koopmans, 2014).

With this in mind, this research proposes that the use of aspects of HCM could improve the organization's human capital pool, which in turn leads to better engagement and performance. Likewise, SET is among the most influential theoretical paradigms for the conceptualization of workplace behavior (Cropanzano et al., 2017). It is stated that the SET is invoked wherein the employees view employment as a trade-off between effort and faithfulness for the tangible benefits of the organization. SET offers a theoretical foundation to explain why employees become less engaged or more engaged in their job. In SET, responsibilities are determined through a series of exchanges between parties in a state of mutual interdependence (Cropanzano & Mitchell, 2005). In other words, it means the relationships between employees and employers are based on norms of reciprocity. When employees feel that they are being treated well and valued by their employer, they are more likely to respond by being more engaged, exerting effort, and raising levels of performance (Cropanzano et al., 2017; Lavelle et al., 2007). Likewise, this paper adapted Resource-Based View Theory (RBVT) and social exchange theories (SET). RBVT has become the predominant theoretical underpinning used by scholars studying knowledge-based views of the firm (Bhatnagar & Biswas, 2013; Wilson & Tizikara, 2017). The crucial tenets of RBVT, as advocated by researchers, are resources that are unique, vital, rare, and non-substitutable leading to competitive advantage (Crook et al., 2011; Wright et al., 2014). Barney and Mackey (2016) argued that, based on the RBVT, performance is reflected by how well managers develop their resources that are rare, valuable, unique, and lack substitutes. Therefore, human capital as a resource meets these conditions; hence, HCM practices should be managed, maintained, and protected since doing so can increase employee engagement and boost employee job performance.

Linking the Aspects of HCM and Employee Job Performance

In this study, we argued that human capital management (HCM) factors, such as knowledge accessibility, learning capacity, workforce optimization, leadership practices, and career development, improve employee job performance. Prior empirical and theoretical studies have related aspects of HCM to diverse organizational positive work outcomes. In this regard, it is found that leveraging the human capital of the organization has a positive impact on performance (Jamal & Saif, 2011). A study by Vij and Sharma (2014) showed that HCM practices, for instance, leadership practice, knowledge accessibility, and learning capability, have a positive effect on employee positive behavioral outcomes. According to Tüzin and Özge (2013), accessibility to knowledge is correlated to the new firm's performance and sustainability. A study by Kashif (2018) also found that both knowledge management practices and dynamic capabilities have a positive, significant impact on employee performance in the banking sector. The author further claimed that banking managers need to manage knowledge properly and systematically to make the company more knowledge-based, which leads to improved performance. It is found that better worker learning results in them contributing original and creative ideas due to their knowledge, which boosts staff productivity (Luthans & Youssef, 2004). Moreover, general mental ability was a better predictor of performance, while

conscientiousness was an improved predictor of performance for experienced workers (Sturman & Tews, 2007). Improved leadership techniques positively impact employee performance, which is one of HCM's key drivers (Buil et al., 2019).

Career development prospects of HCM are positively linked to employee well-being and negatively related to employee deviant behavior (Hamid et al., 2017). Career advancement as part of HCM practice within the organization is one of the significant motivational tools to absorb employees in positive job-related activities (Briggs et al., 2011). Conversely, some argue that the relationship between HRM and employee performance is influenced by context and that HCM practices (e.g., leadership practices such as communication, inclusiveness, influence, workforce optimization, and learning capacity) do not always result in better employee performance that benefits the organization (Parker & Griffin, 2011). Maditinos et al. (2011) stated that HC competence was not statistically associated with positive behavioral and work-related outcomes. Thus, previous research lacks conclusive results. Based on empirical data and the aforementioned supporting ideas, the following hypotheses are put-forth:

H1a. Knowledge accessibility is positively related to employee job performance.

H1b. Learning capacity is positively related to employee performance.

H1c. Workforce optimization is positively related to employee performance.

H1d. Leadership practice is positively related to employee performance.

H1e. Career advancement is positively related to employee performance.

The Mediating Role of Employee Engagement

Work engagement mediates the positive association between leadership, helping behavior, and employee job performance (Lai et al., 2020). Song et al. (2014) found that employee engagement mediated the association between high-performance work practices and employee performance. Research by Witasari and Gustomo (2020) was conducted to examine the mediating role of employee engagement in human capital management, such as employee training, accessibility of knowledge, leadership practices, learning capacity, and performance. The findings revealed that employee engagement positively mediates the relationship between HCM practices and performance. Moreover, employee engagement positively mediates the association among the practices of HCM, such as employee learning practices, employee career growth, and competitive advantage (Kerdpitak & Jernsittiparsert (2020). These findings advise managers to improve their strategy on HCM best practices to include workers in their work, increase productivity, and gain a competitive edge. Employee engagement is a mediator between performance, learning and development, and the organizational working environment (Chaudhry et al., 2017). Employee work engagement mediated the relationship between HR and job performance.

EYE mediates the relationship between HRM practices and both employee satisfaction and performance outcomes to some extent (Sattar et al., 2015). Similar to how EYE mediates how human capital influences employee performance, it has a big and favorable impact on employee performance (Ngwenya & Pelsler, 2018). According to a study by Jiang et al. (2012), employee inspiration and involvement functions are linked to career development, ongoing feedback, and job stability, all of which have an impact on workers' performance.

Employees' work engagement mediates the positive relationship between leadership practice, helping behavior, and employee job performance (Lai et al., 2020). Furthermore,

research by Wei et al. (2018) found that followers' work engagement mediates the main effect of leadership and the collaborating effect of leadership on followers' task performance and organizational citizenship behavior. Thus, leaders are more likely to engage followers in being dedicated to these goals, enthusiastic about making individual sacrifices for the interest of collective goals, and executing their performance beyond the call of duty. Conversely, it was confirmed that employee engagement did not significantly mediate the connection between human capital activities and performance. Song et al. (2014) also found that aspects of learning capacity as an aspect of HCM positively affect team performance and indirectly only through employee engagement. Although the majority of studies focus on the effects of some HR practices on EYE and its mediating role (Gruman & Saks, 2011), scholars call for future researchers to include employee engagement as a mediator variable between HCM and performance relationships in a business organizational context (Shantz & Alfes, 2014; Truss et al., 2013). The following hypotheses are proposed based on the preceding discussions and the indicated supporting theories:

H2a. Employee engagement positively mediates the relationship between knowledge accessibility and employee job performance.

H2b. Employee engagement positively mediates the relationship between learning capacity and employee job performance.

H2c. Employee engagement positively mediates the relationship between workforce optimization and employee job performance.

H2d. Employee engagement positively mediates the relationship between leadership practice and employee job performance.

H2e. Employee engagement positively mediates the relationship between career advancement and employee job performance.

Perceived Organizational Support as a Moderating Role

Perceived organizational support moderates the relationship between the link between HR, emotional labor, and job performance (Kim et al., 2017). According to Kim et al. (2016), when employees believe that their company values and cares about their well-being, they give back by helping the firm succeed. POS can be used to assess a company's benevolent intentions (Kim et al., 2016). This paper sought to assess the moderating role of POS, which is argued to positively change the strength of an effect of aspects of HCM on employee job performance. SET and the reciprocity norm are the sources of POS (Chen et al., 2009). Employees who willingly perform duties in anticipation of earning a perceived reward, typically a reward, are considered to be engaging in social exchange. According to the SET and the rule of reciprocity, employees who perceive receiving organizational aid put in a greater effort because of their enhanced loyalty to the company (DeConinck & Johnson, 2009). Conversely, Chen and Jin (2014) investigated the moderating role of POS in the relationship between organizational justice and teacher performance, but no such effects were found.

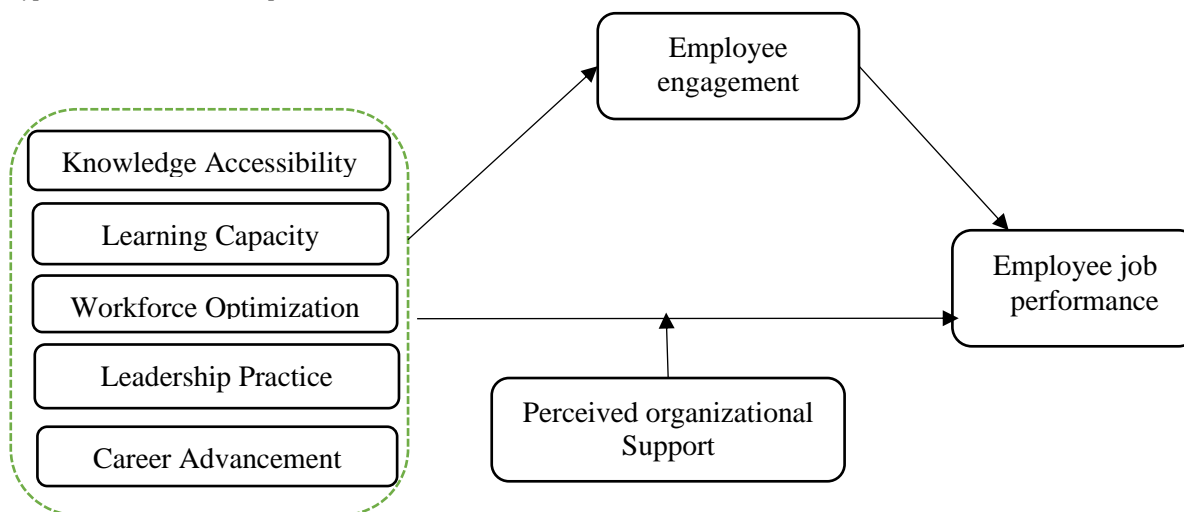
According to previous research findings, POS has been revealed to play a significant role in moderating organizational relationships among job design, career development, and performance relationships (Cheng & Yang, 2018); it boosts an employee's ability to handle the responsibilities of their job (Kurtessis et al., 2017). Chen et al. (2009) claimed that better support

of an organization involves helping workers not only socio-emotionally but also by offering technology, equipment, thoughts, and other provisions. Moreover, high POS promotes collaboration, productivity, and communication among coworkers, typically assuming the kind of cooperation (Erdogan & Bauer, 2009). Consequently, colleagues engage in mutually beneficial actions. POS moderates the connection between management of the work-family interface and job performance (Witt & Carlson, 2006), and high POS levels result in sentiments of trust, organizational affiliation, and long-term commitment. POS considers employees' commitment and enthusiasm to helping the company achieve its goals and their expectation of rewards for better performance (Gavino et al., 2006; Eder & Eisenberger, 2008). Better POS within the organization; pay back the organization's lower staff turnover and better performance. Key effects of POS include lower withdrawal behavior and higher productivity (Eisenberger et al., 2002). Furthermore, researchers found that POS is related to citizenship behaviors in an organization, organizational commitment, job performance, extra-role performance, and the nurturing of enthusiastic and productive employees (Caesens & Stinglhamber, 2014; Chen et al., 2009; Gottman et al., 2016; Noruzy et al., 2011). Nevertheless, almost any empirical research has examined the effect of POS in moderating the link between HCM aspects and employee job performance. As per the pieces of literature discussed above, and using the lens of the underpinning theories, the following hypothesis is predicted:

H3. POS positively moderates the association between the aspects of human capital management and employee job performance.

Figure 1

Hypothetical Relationship and Research Framework



Method

Sample and Procedure

This paper used a quantitative research approach and was designed to provide empirical evidence about the effect of aspects of human capital management on employee job performance through or mediated by employee engagement and the moderation role of perceived organizational support in the Ethiopian banking sector. By the end of the 2020/21 fiscal year, Ethiopia will have 18 private and public banks. However, the accessible population for this study was managerial and non-managerial employees of 12 banks operating in Addis

Ababa, Ethiopia. Stratified and simple random sampling methods have been applied. The stratified probability sampling method is supposed to be proper because it excludes bias in selecting participants for the study (Creswell & Clark, 2017). During the distribution of questionnaires, respondents were informed about the agreement, confidentiality, anonymity, and the right to withdraw from participation (Quick & Hall, 2015).

This study employed a survey method, so out of the 601 paper questionnaire surveys distributed, 461 were returned, with a response rate of 78.3%. After removing missing values and outlier cases, 426 responses remained for data analysis purposes, with a response rate of 70.89%, which can be considered a very good rate of response (Corbetta, 2013). In doing so, IBM SPSS version 25 was used to conduct Mahalanobis Distance to find multivariate outliers, a measure to evaluate the position of each observation compared with the center of all observations in a set of the specified variable (Cleff, 2019). A large Mahalanobis distance value indicates the case having extreme values for one or more variables. It is advised that a very statistical test of significance at .001 is the threshold rule (Morgan & Rubin, 2017). Therefore, in this research, by comparing calculated probabilities and checking against 0.001, a total of 21 of the response items were cleared because their Mahalanobis distance measure was less than the accepted threshold probability of $p = .001$ (Morgan & Rubin, 2017).

Measures

Questions from existing measuring instruments that had proven reliable and valid in previous research studies were adopted and adapted. The survey questionnaire comprises demographic information, HCM practice, eye, EMJP, and pos. A total of 83 questionnaire items were adapted in this study. To measure knowledge accessibility as HCM practice, eight-item scale items were adapted from Bassi and McMurrer (2008). Nine items for learning capacity, eight items for workforce optimization, and twelve items for leadership practice have been used to measure the variables, which were adapted from Bassi and McMurrer (2008). While five items measuring the level of career advancement were adapted from Gong and Chang (2008) and Marineau (2017). Moreover, employee engagement was assessed with 9-item scales adapted from Schaufeli et al. (2006), and pos was measured using eight high-loading items (Eisenberger et al., 2002; Eder & Eisenberger, 2008). Finally, to test employee job performance, twenty-four (24) items were adapted from Koopmans (2014) and Pradhan and Jena (2017). A 6-point Likert scale was used to measure all the items, where 1 showed strongly disagree and 6 specified strongly agree.

Data Analysis and Results

This paper focuses on the effects of human capital management on employee job performance. Besides, it tests the mediating role of EYE and the moderating influence of POS. Data was analyzed employing structural equation modeling (SEM) and Amos to test the hypotheses. Both the procedural and statistical corrections suggested by Mackenzie and Podsakoff (2012) were used to test the Common Method Bias (CMB). Techniques like temporal separation, a time lag, and random ordering of corresponding scales were applied via procedural treatments. As a result, questions on the predictor and moderator factors were addressed first, and then the criteria and mediating variable questions were addressed two weeks later. Furthermore, as a

statistical cure for CMB, Mackenzie, and Podsakoff (2012) suggested Harman's single-factor test.

Principal component factor analysis with an un-rotated solution has been used with Harman's single-factor test. The factor of multiple eigenvalues explains 24.72 percent of the variance. A single factor extracted 24.762% of the total variance. Thus, it is far less than 50% (Podsakoff et al., 2003), so it is determined the common method of variance is unlikely to be a serious problem. Moreover, non-response bias was examined by comparing the Likert scale data collected in the first wave to that received in the second wave, as recommended by Rogelberg and Stanton (2007). Individuals who completed the survey between the first and second contact were compared to those who completed the survey between the second contact and the end of the study. Two-way t-tests were used to compare the mean value of each construct between the two groups. The results showed no significant differences in means, indicating that non-response bias was not a problem.

Correlation analysis: A statistical technique used in research to determine the association between two variables and the strength of their linear relationship is correlation analysis. In other words, the magnitude of change in one variable as a result of the change in the other is determined using correlation analysis. As it can be seen in Table 1, the findings show that study variables correlate with each other sufficiently, and they can be reviewed adequately. Further, multicollinearity does not exist in the study variables because correlation levels are less than 0.7 (Hair et al., 2010).

Table 1
Means, Standard Deviations, Correlations, and Reliabilities

	KA	LC	WO	LP	CA	EYE	POS	EMJP	Mean	Std. dev.	Reliability
KA	1								3.92	1.11	.81
LC	.45**	1							3.42	1.08	.81
WO	.58**	.48**	1						4.25	1.23	.92
LP	.66**	.50**	.66**	1					3.83	1.16	.72
CA	.42**	.47**	.59**	.53**	1				3.32	1.10	.82
EYE	.66**	.70**	.23**	.42**	.22**	1			4.33	0.99	.82
POS	.23**	.36**	.33**	.12**	.44**	.20**	1		3.86	1.11	.80
EMJP	.40**	.29**	.55**	.58**	.39**	.33	.49**	1	4.62	0.94	.79

Note. N=426 KA = Knowledge Accessibility; LC = Learning Capacity; WO = Workforce Optimization; LP = Leadership Practice; CA = Career Advancement; POS = Perceived Organizational Support; EYE = employee engagement EMJP = Employee Job Performance; **p < .05. Scale reliabilities (coefficient alpha) are **p < .05. Scale reliabilities (coefficient alpha) are on the main diagonal.

Control Variables: A control variable was used to examine the stated model while accounting for the impact of demographic data (Collier, 2020). The outcome is presented in Table 2 following the inclusion of the demographic variables as control variables in the structural model using AMOS; the results are found and stated in Table 4. As we can see in Table 2, the P-value of the demographic characteristics (i.e., gender, age, education, and experience) are above .05, and they found to be non-significant (Kline, 2011). This demonstrates that these variables do not obscure the relationship that the whole structural model specifies. As a result, these factors are not included in the study.

As we can see in [Table 3](#), the measurement model above the universal cutoff looks to represent the data quite well.

Table 3

Model Fit Indices

Measure	Estimate	Threshold	Interpretation
CMIN/DF	2.68	> 3	Excellent
Goodness-of-Fit Index (GFI)	0.91	> .90	Acceptable
Comparative fit index (CFI),	0.92	> .90	Acceptable
Tucker Lewis index (TLI)	0.92	> .90	Acceptable
RMSEA	0.06	< .07	Excellent

After attaining a good match between the measurement model and the data, the validity and reliability of the measures are evaluated. By measuring the degree of factor loadings of observed variables on the suggested latent constructs, convergent validity was examined. In convergent validity, the Average Variance Extracted (AVE) was used and evaluated with a threshold above 0.5 (Kline, 2011). [Table 4](#) shows that the AVE was greater than 0.5 and that all factor loadings were higher than 0.5 (Hair et al., 2010). The degree of factor loadings of observed variables on the suggested latent variables or constructs was used to examine convergent validity. The AVE needs to be above and beyond 0.5 for convergent validity (Hair et al., 2010). The square root of each variable's average variance should be larger than the correlations between latent constructs, indicating sufficient discriminant validity (Byrne, 2010). The square root of AVE is depicted in [Table 4](#). It is checked that values are larger than correlations between latent constructs, confirming the discriminant validity of the model (Kline, 2011).

Table 4

Validity Results

Construct	Items	Sta. load.	Square of SL	The Sum STL	No. Ind.	AVE	The squ. AVE		
Aspects of HCM	HCMk_q3	.95	.91	2.51	3	.83	.91		
	HCMk_q2	.96	.92						
	HCMk_q1	.81	.66						
	Aspects of HCM	HCML_q16	.74	.55	1.79	3	.59	.86	
		HCML_q10	.78	.62					
		HCML_q9	.78	.61					
		Aspects of HCM	HCMw_q26	.71	.50	1.69	3	.56	.75
			HCMw_q19	.65	.42				
			HCMw_q27	.87	.76				
	Aspects of HCM		HCML_33	.75	.56	1.75	3	.58	.76
			HCML_31	.70	.50				
			HCML_28	.83	.69				
Aspects of HCM		HCMc_q41	.82	.68	1.25	2	.62	.79	
		HCMc_q40	.75						
		EYE_q2	.90	.81					
	EYE	EYE_q3	.93	.87	4.35	6	.72	.85	
		EYE_q4	.82	.68					
		EYE_q5	.85	.72					
EYE		EYE_q7	.80	.65	4.35	6	.72	.85	
		EYE_q8	.77	.59					
		POS_q5	.89	.79					
	POS	POS_q1	.89	.79	2.07	3	.69	.83	
		POS_q6	.68	.47					
		EMJP							
EMJP	EMPtp_q2	.84	.70	4.53	6	.75	.86		
	EMPtp_q3	.90	.82						
	EMPap_q10	.93	.87						
	EMPap_q13	.94	.88						
	EMPcp_q15	.86	.74						
	EMPcp_q24	.70	.50						

Hypothesis Testing

The first hypothesis postulates that the perceived system of knowledge accessibility procedures has a favorable direct impact on employee job performance. As presented in Table 5, the structural model demonstrates a strong relationship between information accessibility and worker performance (standardized path coefficient (β) = .13, $t = 5.37$, $p = .001$). This H1a was therefore supported. Hypothesis 2 suggests a positive direct effect of learning capacity on employee performance. The results confirmed that learning capacity has a marginally significant positive effect on employee job performance ($\beta = .11$, $t = 3.08$, $p = .059$). Collier (2020) suggested that if a p-value is a little larger than .05, it is possible to report the result as "marginally significant", signifying that there could still be some kind of real effect going on. This leads to the acceptance of hypothesis H1b as almost significant. As per the findings, learning capacity has a negligibly favorable impact on an employee's ability to perform their work ($\beta = .11$, $t = 3.08$, $p = .059$). According to Collier (2020), results may be reported as "marginally significant," indicating that there may still be a true impact if the p-value is slightly higher than .05. As a result, hypothesis H1b is accepted as being almost significant.

The practice of workforce optimization is hypothesized to have a favorable impact on employee job performance in Hypothesis 1c. The findings supported the hypothesis by showing that workforce optimization significantly improves employee job performance ($\beta = .17$; $t = 3.08$; $p = .001$). The positive direct impact of perceived system leadership practices on employee work performance was proposed by hypothesis 1d, and the positive impact of employee career advancement on employee job performance was projected by hypothesis 5. The model provided support for Hypotheses 1d by demonstrating that the degree of leadership practices has a significant positive effect on employee job performance ($\beta = .09$; $t = 9.22$, $p = .001$) and that career advancement has a significant positive effect on employee performance ($\beta = .08$; $t = 11.42$, $p = .001$). Table 5 below summarizes the findings from this section and shows that, as expected, all five suggested hypotheses are supported.

Table 5

Summary of Direct Effect Hypotheses

			β	t	p	Decision
Employee Job Performance	<--	Knowledge Accessibility	.13	10.45	***	Accepted
Employee Job Performance	<--	Learning Capacity	.11	3.08	.06	Accepted
Employee Job Performance	<--	Workforce Optimization	.17	3.08	.001	Accepted
Employee Job Performance	<--	Leadership Practice	.09	9.22	***	Accepted
Employee Job Performance	<--	Career Advancement	.08	11.42	***	Accepted

*** $p < .000$

The mediation effects were analyzed by using an AMOS bootstrapping iteration ($n = 5000$), as suggested by Preacher and Hayes (2008). According to Collier (2020), a bootstrap technique treats the data sample as a pseudo-population. Then, it takes a random sample with replacement to see if your indirect effect is within a confidence interval. As suggested by Preacher and Hayes (2008), the AMOS bootstrapping iteration ($n = 5000$) was used to investigate the mediation effects. To determine whether an indirect impact is inside a confidence interval, the bootstrap technique treats the data sample as though it were a pseudo-population and then takes a random sample with replacement (Collier, 2020).

This study examined how employee involvement affected the relationship between information accessibility and worker productivity. As shown in Table 6, the lower bound confidence interval obtained using the bootstrap is .02, while the upper bound is .0692, according to the results of the bias-corrected percentile technique. Collier (2020) asserts that the indirect effect is considerable if the upper and lower bound estimations range does not exceed zero (p. 176). Consequently, it has a significant indirect impact. Additionally, according to the results, there was a positive and significant indirect effect of information accessibility on employee job performance, supporting hypothesis H2a, and there was a significant direct effect of knowledge accessibility on employee engagement in the presence of the mediator.

Hypothesis H2b proposes the mediating role of employee engagement in the relationship between learning capacity and employee job performance. The results from the bias-corrected percentile method show that the lower bound confidence interval via the bootstrap is .0233 and the upper bound is .10; since the range for the upper and lower bound estimates do not cross over zero, then the indirect effect is considered significant (Collier, 2020). Moreover, the results revealed a positive and significant indirect effect of learning capacity on employee job performance ($\beta = .04$, $t = 5.36$, $p = .02$). Hence, hypothesis 7 is supported and concludes that employee engagement is positively mediated by the relationship between learning capacity and employee performance.

As per the above methods and procedures, the hypotheses on the mediating role of employee engagement in the relationship between the dependent variables (workforce optimization, leadership practice, and career advancement) and employee job performance were supported. Table 6 provides the summary of the mediation analysis.

Table 6

Summary of Hypotheses on the Mediation Effects

Relationship	Direct effect	Indirect effect	Confidence Interval		<i>p</i>	Conclusion
			Lower Bound	Upper bound		
Knowledge Accessibility → Employee Engagement → Employee Performance	.10 (5.37)	.04	.02	.06	***< .001	Partial Mediation
Learning Capacity → Employee Engagement → Employee Performance	.10 (5.36)	.04	.02	.10		Partial Mediation
Workforce optimization .→ Employee Engagement → Employee Performance	.15 (3.43)	.06	.14	.19	***< .001	Partial Mediation
Leadership Practice .→ Employee Engagement → Employee Performance	.09 (5.26)	.04	.02	.37	***< .001	Partial Mediation
Career Advancement .→ Employee Engagement → Employee Performance	.10 (5.37)	.04	.07	.18	***< .001	Partial Mediation

Note. Unstandardized coefficients reported. Values in parentheses are t-values. Bootstrap sample = 5,000 with replacement.

In testing for moderation using interaction, the following procedures, as recommended by Collier (2020) and Dawson (2014) have been followed. First, it needs to form a product term independent and moderator variable to assess this interaction. Thus, mean-centering the variables in the data is one of the most vital techniques to circumnavigate this problem (Dawson, 2014). Once the new centered variable is created, it needs to produce a product term (i.e., multiply the two centered variables). Moreover, we build an SEM Model, including the

path from the moderator and interaction variable to the dependent variable. Therefore, the paths contain independent variables, moderator variables, and mean-centered interactions.

Concerning moderation testing, this paper examined the moderating role of Perceived Organizational Support (POS) on the relationship between the aspects of Human capital management (summation effect) and Employee Job Performance (EMJP). As demonstrated in Table 7, the results revealed that positive and significant moderating effect of POS on the relationship between HCM practices and EMJP ($\beta = .09, t = 2.84, p = .004$) to lend support for Hypothesis 2. The moderation analysis summary is presented in Table 7. The slope analysis results are displayed in Figure 3 to understand the nature of the moderating effects better. As represented in Figure 4, the line is much steeper for high POS; this shows that at the high level of POS, the impact of HCMP on EMP is much stronger than for low POS. As the level of POS increased, the relationship between HCMP and EMP strengthened.

Table 7

Moderation Analysis Summary

Relationship	β	S.E.	C.R.	<i>p</i>	Label
Ave_EMP <--- Hcmps_aver	.37	.04	7.68	***	
Ave_EMP <--- Pos_aver	.17	.03	5.29	***	
Ave_EMP <--- Int_HCMPXPOS	.09	.03	2.84	.00	

Note. Aver EMP- summed and an average of aspects of human capital management; Pos_aver - a summed average of perceived organizational support; and int- the interaction effect of both HCM and POS

Figure 3

Interaction Effect Model

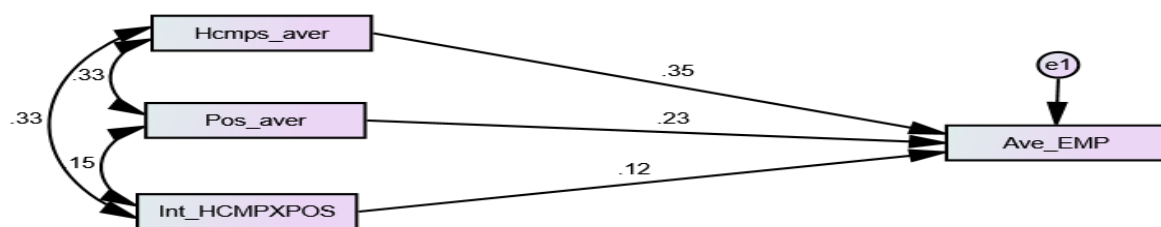
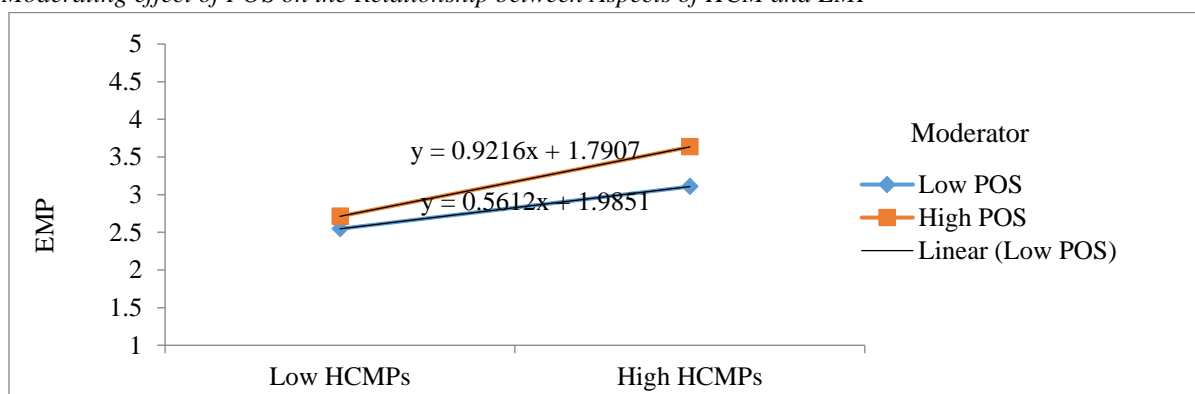


Figure 4

Moderating effect of POS on the Relationship between Aspects of HCM and EMP



Note. POS strengthens the positive relationship between HCMPs and EMP.

Discussion

The results demonstrate a positive association between employee work performance and knowledge of accessibility practices, indicating that where knowledge of accessibility practices

is strong, performance is more likely to be improved. An organization's ability to make information more transparent, "collaborative," and capable of making knowledge and ideas widely available to employees will likely improve those employees' performance. This result supports the findings of previous empirical studies, which discovered knowledge accessibility to be a critical predictor of job performance (Tüzin & Özge, 2013). Besides, the results of this study are consistent with those of earlier studies, which demonstrate that employees' capacity for learning and innovation (learning capacity) and their ability to adapt to new ideas have a direct positive impact on how well they perform on the job (Salau et al., 2016; Wright et al., 2014). This demonstrates how investing in the training and development of human capital has a favorable impact on both employee and organizational performance. The study's findings revealed a significant link between employee job performance and workforce optimization in a sample of Ethiopian bank employees. This shows that employee performance improves as banking institutions try to optimize their personnel by building crucial work processes, establishing responsibility, offering suitable working circumstances, and making smart recruiting decisions. This conclusion is consistent with that of Delery and Roumpi (2017), who discovered that maximizing talent (knowledge, skills, competencies, abilities, and so forth) and directing and managing its application on the job are key factors in a company's ability to maximize employee performance. According to social exchange theory, those who get favorable treatment from others are expected to return the favor.

In line with previous literature (Vij & Sharma, 2014; Walumbwa et al., 2011; Wright et al., 2014), it is found that managers' and leaders' communication, inclusivity, performance feedback, supervisory abilities, presentation of core organizational principles, and capacity to build confidence (leadership practice) have a significant positive effect on employee job performance. Leaders do not create performance; rather, they facilitate it by influencing others positively (Armstrong, 2010). Moreover, the perception of career advancement opportunities was found to have a significant positive effect on employee performance. This finding suggests that organizations that provide employees with opportunities to extend their potential and build up their capabilities, which help meet employees' needs for personal advancement, are likely to be regarded as the best and lead to better employee job performance. This result is related to Bal et al. (2013), who conclude that an opportunity for career advancement is positively related to employee well-being and negatively related to unacceptable employee behavior. Similarly, Briggs et al. (2011) found that career advancement as an aspect of HCM within the organization is one important motivational strategy to engage employees in positive job-related activities and better performance.

Further, the paper revealed that employee engagement partially mediates the relationship between the selected aspects of human capital management (knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement) and employee job performance. This denotes that aspects of HCM directly affect employee engagement, which in turn influences employee job performance. In other words, aspects of HCM affect employee job performance through employee engagement.

The findings of this paper show that POS moderates the relationship between HCM practices and employee job performance in a positive way. This demonstrates that the influence of knowledge accessibility, learning capacity, leadership practice, and career development on employee work performance is significantly larger at high levels of POS than at low POS. Put

another way, the link between knowledge accessibility, learning capacity, leadership practice, and career development with EMJP became stronger as POS rose. This result is in line with some previous scholars (e.g., Conway & Coyle, 2012; Hur, 2014), who stated that POS significantly moderated the relationship between knowledge sharing, learning and leadership style, and job performance. Moreover, inconsistent with previous findings (e.g., Conway & Coyle, 2012; Hur, 2014), the study findings showed that POS does not significantly moderate the relationship between workforce optimization and employee job performance.

Conclusions

This study aimed to empirically examine the relationship between aspects of HCM and employee job performance, with the mediating role of employee engagement. Moreover, as part of the model, it analyses perceived organizational support as a moderating role. The findings show a positive relationship between the aspects of HCM, namely knowledge of accessibility, learning capacity, workforce optimization, leadership practice, and career advancement with employee job performance. The more the aspects of HCM are good, the more employee performance will be likely to be enhanced. Moreover, it has been shown that employee engagement positively mediates the relationship between aspects of HCM and employee engagement. It is proven that aspects of HCM directly affect employee job performance and indirectly through employee engagement. Results also substantiated the positive moderation role of POS in the relationship between aspects of HCM (*except* workforce optimization) and employee job performance. From the findings of this paper, it is clear that organizations that provide employees with opportunities to share knowledge, learning experiences, better leadership practices, improved career opportunities, EYE and POS, which enable them to extend their potential and build up their capabilities, are likely to be regarded as the best and lead to better employee job performance.

Theoretical and Practical Implications

This research advances the body of knowledge in the field in many ways. First, it emphasizes how crucial it is to concentrate on an organization's intangible asset—its human capital—because academic research only treats it at a contemporary level. Second, a new theoretical framework on the relationship between HCM practices (knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement), POS, employee engagement, and employee job performance is developed in this study by integrating seven significant factors that have not previously been linked. Third, this study highlights the specific HCM practices toward employee job performance and proposes the mediating influence of employee engagement and POS as a moderating role. Finally, the results of this study also provide evidence for using the resource-based view, social exchange theory, and human capital theory to understand the relationship between the HCM, EYE, POS, and EMJP. In short, this paper tried to fill the knowledge gaps uncovered by previous studies or the contradicting issues of prior research, uncover the overlooked issues, and be input for academicians who want to pursue related construct variables.

From a practical point of view, it contributes to increasing the concern of administrators or business unit managers about the significance of a proper HCM so that the organization can have better EMJP and the role of EYE and POS to create value for the company. Today's leaner

business organizations must have more responsible and engaged employees to accomplish their desired goals. Technology development, deregulation, and globalization make it difficult for managers to enhance their subordinate's performance. In addition, practitioners should consider the tenet of human capital management, which signifies that people in an organization need to be seen as intangible assets creating a part of an organization's value, not as a cost item. Managers, by encouraging employee engagement, may focus more on performance facilitation. As only change is permanent, the manager should develop strategies to facilitate employees' dealing with the ever-changing environment through better HCM practices, POS, and engagement strategies.

Limitations and Future Research

Despite contributing to the existing literature on human capital, human capital management, employee engagement, and employee job performance, our study is not free from limitations. First, the data for this study were gathered in two rounds at a single point in time, which might limit the implications of the causality. As a result, future researchers are encouraged to conduct a longitudinal study. Second, the results of this study are limited to the Ethiopian banking sector; future studies should replicate the model in other industries. Finally, future researchers could extend the model by taking other aspects of HCM, like knowledge management, talent management, and compensation, and incorporating variables like organizational identification and firm performance.

Declarations

Acknowledgements

Not applicable.

Disclosure Statement

No potential conflict of interest was reported by the authors.

Ethics Approval

Not applicable.

Funding Acknowledgements

Not applicable.

Citation to this article

Desta, A. G., Tadesse, W. M., & Mulusew, W. B. (2022). Examining the relationship between aspects of human capital management and employee job performance: Mediating role of employee engagement and moderating role of perceived organizational support. *International Journal of Organizational Leadership*, 11(Special Issue), 64-86. <https://doi.org/10.33844/ijol.2022.60340>

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