

Influence of Organizational Culture, Sustainable Competitive Advantages, and Employees' Commitment on Strategic Human Resources Management in the Banking Sector of Saudi Arabia

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Abstract

The rising trend of “strategic human resource management practices” is significantly leading the way to enhance the performance and competitive advantages of the banking sector. Thus, the banking sector in developing countries still using traditional HRM practices to sustain the competitive advantages and to achieve the business goals. The current study investigates the influence of organizational culture, employees’ commitment, and sustainable competitive advantages on the strategic human resource management practices in the banking sector of Saudi Arabia. We applied a resource-based view to achieve the research objectives. “Structural equation modelling-partial least square” (SEM-PLS) technique were applied to investigate the relationship among constructs under study. A cross-sectional method was applied to collect data from 181 employees working in different banks in Saudi Arabia. We found organizational culture significantly influence employees’ commitment and sustainable competitive advantages. Hence, employees’ commitment does not influence strategic human resource management practices; merely, sustaining competitive advantages significantly influence strategic human resource management practices. Additionally, employees’ commitment not mediates the relationship between organizational culture and strategic

human resource practices. Thereby, sustainable competitive advantages mediate the relationship between organizational culture and strategic human resource management practices. Finally, the present study will help the banking sector to unearth the best implication of strategic human resource management practices as they can sustain the competitive advantages and achieve the business goals.

Keywords: organizational culture, employees' commitment, sustainable competitive advantages, strategic human resource management, Saudi Arabia

1. Introduction

Strategic human resource management (HRM) educates the organizations on developing dynamic human resource strategies, potentially leading to competitive advantage by emerging valuable and unique employee-based resources (Andersen et al., 2007; Ratna and Singh, 2013). Prior studies identified that strategic HRM policies significantly motivate the employees towards the work environment, which ultimately influence the overall productivity and performance of an organization (Elorza et al., 2011; Sourchi and Liao, 2015; Abu, 2016; Para-González et al., 2019; Hamadamin and Atan, 2019). According to Hamadamin and Atan (2019), strong employees' commitment ensures the strong performance of an organization and sustain competitive advantages for the long term. Thus, organizations worldwide adopting strategic HRM practices could maximize productivity and performance (Collings et al., 2021).

However, strategic HRM practices develop an exclusive climate that direct employees to learn particular abilities and skills toward a precise work environment (Dimba and K'Obonyo, 2009; Zehir et al., 2016). Thereby, Hamadamin and Atan (2019) suggested organizations should develop unique strategic HRM policies as could lead to the emergence of different employee-based resources considering the characteristics of organizational culture. The philosophy of organizational culture is to understand the organizational climate under the leadership of top management, for example; develop shared values and beliefs and then reinforced and communicated through numerous methods, ultimately shaping employee behaviors, observations, and knowledge (Ayanda and Sani, 2011; Tawfig and Kamarudin, 2021). Thus, effective strategic HRM practices support leaders to identify an effective way to monitor the employees and make them responsible for the sustainability of competitive advantages (Sourchi and Liao, 2015).

Additionally, strategic HRM practices support to manage the "employer-employee relationship", focuses on human resource planning and policies that invest in the development of employees' knowledge and skills (Lamba and Choudhary, 2013; Kerdpitak and Jermstiparsert, 2020), bridge close attachment with the work environment, and enable complete involvement of employees (App et al., 2012). When such effective policies are consistently implemented across employees, the strategic HRM results in maximum collective attachment of employees and motivate to create social and human capital resources that could deliver and ensure the competitive advantages for the potential growth of an organization in the international business market (Kerdpitak and Jermstiparsert, 2020;

Tawfig and Kamarudin, 2021). Recently several studies highlighted that strategic HRM practices are significantly influenced by organizational culture (Al-Bahussin and El-Garaihy, 2013; Kramar, 2014; Vu and Nwachukwu, 2020), employees' commitment, and sustainable competitive advantages (Hamadamin and Atan, 2019).

Meanwhile, several critical issues are highlighted while adopting strategic HRM practices; therefore, researchers must address these issues to acknowledge the key factors helping in adopting SHRM practices, particularly in the financial sector (Dele et al., 2015; Mitsakis, 2021). Considering the empirical gap, this study proposed investigating the association between organizational culture, employees' commitment, and sustainable competitive advantages on adopting strategic HRM practices in the banking sector of Saudi Arabia. Thus, employees' commitment and competitive advantages also mediate organizational culture and adopting strategic HRM practices in the banking sector. Theoretically, several studies applied different theories in different contexts to investigate the appropriate way to adopt strategic HRM practices. For instance, a number of recent studies suggested that resource-based view theory is the most appropriate theory to develop a strategic HRM model. According to Tawfig and Kamarudin (2021), the resource-based view unifying the effective model for strategic HRM, acknowledging the rational and progressive approaches of the theory.

The present study is organized into four sections, presented as follows: Section (1) discusses the background of the strategic HRM practices. Section (2) presents the literature review, theoretical and hypotheses development. Section (3) development of measurement items, research methodology and data analysis techniques are discussed. Finally, the discussion on the overall findings, study limitations, and future study suggestions are stated.

2. Theory and Literature

2.1 Resource-Based View

The essential models of strategic HRM have been investigated using various perceptions drawn from resource-based views (Mahoney and Pandian, 1992; Boxall, 1996; Priem and Butler, 2001; Raduan et al., 2009). Empirically, several scholars applied resource-based views frequently to investigate the relationship between organizational culture (Progoulaki and Theotokas, 2010), employees' commitment, competitive advantages (Hamadamin and Atan, 2019) and strategic HRM practices (Ismail and Omar, 2010). From them, most scholars found resource-based views play an important role in developing an effective strategic HRM model. Thus, Tawfig and Kamarudin (2021) stated that the resource-based view is a unique theory that acknowledges the organization resources and guides how to utilize these resources to achieve sustainable competitive advantages and goals.

Consequently, the resource-based view significantly helped scholars to develop an effective theoretical bridge between the fields of strategy and HRM practices (Barney et al., 2001), and its uniqueness assumed as a backdrop (Colbert, 2004) or combining ground against which much of strategic HRM theory (Rhodes et al., 2009). The resource-based view reported that an organization develops a sustainable competitive advantage by not only obtaining but also

integrating and effectively deploying its “*physical, human, and organizational* resources” in ways that add potential values and as it could be difficult for the competitors to imitate (Barney, 1991 Ferreira et al., 2016). Hence, most resource-based view arguments are rooted in the utilization of resources, development of strategic human resources, knowledge, skills, and behavior of employees.

Additionally, employees' standard learning mechanisms help them produce an effective work environment that ensures a higher level of performance (Ratna and Singh, 2013). Thus, it also helps employees understand the complex work environment by building critical skills (Para-González et al., 2019). The evident and strong connection to the resource-based view serves the strategic HRM field in two ways: (1) “it foregrounds the role of human resources in questions of strategy, raising the importance of research and practice in SHRM”, and (2) “it encourages a more relevant focus for HRM, away from the HR practices themselves and toward their effect on firm resources” (Colbert, 2004 p.343).

Thus, the present study develops a strategic SHRM practices framework by utilizing a resource-based view. The aim of using a resource-based view is to obtain this study objective by knowing the influence of strategic HRM practices on the banking sector of Saudi Arabia.

3. Hypotheses Development

3.1 Organizational Culture, Sustainable Competitive Advantages, and Employees' Commitment

Empirically, organizational culture monitors the employees' performance (Mohelska and Sokolova, 2015; Abu, 2016). Some view organizational culture as an intangible resource that is deliberated to be more productive than any other organizational asset (Kerdpitak and Jermstittiparsert, 2020), which comprises the leadership strength, ability, and knowledge to monitor the employees' working strength in an organization (Lok, 1997). Another characteristic highlighted is how organizational culture could ensure top management's capability, strength, and knowledge (leaders) through formal experience or education (Owolabi, 2015). Furthermore, a unique organizational culture empowers the employees to be committed to their job and sustain competitive advantages (Anning-Dorson, 2016). The decisive engagement of employees with the organization enhances their performance by determining experience and knowledge through strategic leadership (Owolabi, 2015).

In this regard, organizational culture could be assumed as an organization's investment that will enhance the employees' competence to achieve competitive advantages (Lok and Crawford, 2004). This practice indicates that any organization aims to achieve sustainable competitive advantages (Mohelska and Sokolova, 2015). According to Akanji et al. (2019), the dynamic organizational culture helps top management to understand the work environment and provide training to the employees accordingly. Thus, organizational culture plays an essential role in sustaining competitive advantages in the internal business market (Owolabi, 2015). Therefore, employees with modern skills and knowledge play a dominant role in the achievement of competitive advantages.

Theoretically, the resource-based view perspective provides the basic understanding for the utilization of sources in an effective manner. It could achieve competitive advantages and motivate employees to be committed to their job through a robust control system of top management (leaders) (Wilderom and Van, 2000). This process bridges the strong relationship between the employees and the organization (Owolabi, 2015). “Employee commitment is when an employee has a passion for what he/she is doing and feels secure and ready to invest him/herself intending to contribute to the success of the organization” (Hamadamin and Atan, 2019).

Several studies tested the relationship between organizational culture, employees’ commitment, and competitive advantages (Hamadamin and Atan, 2019). From them, most researchers found positive relationships among these constructs. Which significantly contribute to adopting strategic HRM practices in an organization. And some found organizational culture did not affect employees’ commitment and competitive advantages (Ibrahim and Perez, 2014). In the view of above discussion and argument, we developed the following hypotheses:

H1: organizational culture positively impacts sustainable competitive advantages of the banking sector

H2: organizational culture positively impacts employees’ commitment to the banking sector

3.2 Sustainable Competitive Advantages and Strategic Human Resource Management

Sustainable competitive advantage is based on the four main characteristics, i.e., “innovation, culture, customer affinity and predictive analytics” (Hamadamin and Atan, 2019). It’s all about developing modern business ideas into novel services, product, or experience that delivers value to the customers (Ibrahim and Perez, 2014). Most organizations focus on sustaining the competitive advantages as they could be the market leader for the long term (Hu, 2007). The idea in their narrative of strategic HRM defines the ability of an organization to impacts its overall performance with the management of its competitive advantages and also integrate with other business activities to develop a system, rather than short term business plans and achievements (Delery and Roumpi, 2017; Hamadamin and Atan, 2019).

Several studies attempted to investigate the relationship between sustainable competitive advantages and strategic HRM practices; from them, most found a strong relationship (Mahdi and Almsafir, 2014; Emeagwal and Ogbonmwan, 2018), and some found a negative association (Toor and Ofori, 2010). Thus, these studies were investigating in a different context with the implementation of various factors. Merely, Mitsakis (2017) emphasized that very few scholars shed light on the influence of sustainable competitive advantages on strategic HRM practices in the financial sector. According to Tawfig and Kamarudin (2021), most empirical studies were carried out in developed countries, and limited studies were carried out in developing countries by investigating the link between sustainable competitive advantages and strategic HRM practices.

For instance, dearth of literature on sustainable competitive advantage, particularly in the banking sector (Palladan et al., 2016; Kahiga, 2017). Mainly, Subramaniam and Youndt (2005) identified some main factors such as a “company’s dynamic capabilities, innovation, intellectual capital, and human capital” are significantly ensured by the sustainable competitive advantages. Moreover, Kahiga (2017) established an argument that some critical factors are likely to moderate the sustainable competitive advantages or cause them to disappear over time. Hence, Toor and Ofori (2010) mentioned that immaterial competitive advantages enforce the unmaturing strategic HRM practices in an organization. In this regard, Mahdi and Almsafir (2014) suggested that organizations should introduce a new line to trait knowledge, training programs, skill and knowledge development activities for the employees as they could fully participate in the achievement of sustainable competitive advantages, in result to implement the strategic HRM practices in the organization. After all, modern strategic HRM practices enable the organization to obtain its short- and long-term goals. Meanwhile, there is still a need to bridge the gap by investigating the relationship between sustainable competitive advantages and strategic HRM practices in the banking sector. Thus, to address the following problem, this study formed the following hypothesis:

H3: sustainable competitive advantages positively impact strategic human resource management of the banking sector

3.3 Employees’ Commitment and Strategic Human Resource Management

Employees’ commitment is an emotional appeal of an individual towards their job or social life (Almutawa et al., 2016). The dynamism and complexity of the current business world have made the employees’ commitment significant by having identified it has a great impact on sustainable competitive advantages (Faupel and Helpap, 2021). Thus, the importance of employees’ commitment as a framework in human capital leads to a “sustainable competitive advantage” (Alsafadi and Altahtat, 2021). Ngoc et al. (2021) highlighted that the attitude, behavior, and skills of employee’s define their level of job commitment. Consequently, an individual employee with a clear objective efficiently enhances organisational performance and achieves the goals (Almutawa et al., 2016). Thus, strategic HRM practices play an essential role in managing and training the employees to gain the competitive advantages of an organization.

Several research studies highlighted that the employees’ commitment significantly impacts the competitive advantages of an organization (Hamadamin and Atan (2019). Although Elorza et al. (2011) emphasized that employees’ commitment is significant for all kinds of organizations, it strongly influences the overall performance of an organization and supports in achievements of competitive advantages. Some empirical studies show a negative relationship between employees’ commitment and sustainable competitive advantages (Saks, 2021). Furthermore, Fesharaki and Sehhat (2018) revealed that holistic training of employees enhances their level of competency, knowledge, and capacity. Elorza et al. (2011) added that employees with a greater level of skills and learning about the business market enormously increase the employee's competency and usefulness.

Considering the above discussion and arguments, maximum empirical studies confirmed that employee commitment to sustain competitive advantages is linked to adopting strategic HRM practices. Accordingly, Almutawa et al. (2016) reported that organizations still use traditional methods to build employees' knowledge and skills to achieve sustainable competitive advantages in developing countries. Thus, this study aimed to shed light on the crucial role of employees' commitment to achieving sustainable competitive advantages of an organization, particularly in the banking sector. Therefore, we formed the following hypothesis to investigate the relationship between employees' commitment and strategic human resources management of the banking sector. Therefore, we formed the following hypothesis:

H4: Employees' commitment positively impacts strategic human resource management of the banking sector

3.4 Mediating role of Sustainable Competitive Advantages and Employees' Commitment

Strategic HRM consists of several components, such as “staffing, training, appraisal, participation, and compensation”, which is aimed to determine the effective employees' knowledge, skills, and behavior that could significantly enable them to contribute to the competitive advantages of an organization (Fesharaki and Sehhat, 2018). However, organizational culture should adopt advanced practices that can help adopt strategic HRM practices (Almutawa et al., 2016). The traditional training and development technique of employees will not allow them to work efficiently (Elorza et al., 2011). It will also not participate in achieving competitive advantages (Emeagwal and Ogbonmwan, 2018). In sum, the adoption of strategic HRM practices will not be possible without the employees' strong commitment and modern competitive advantages.

Nevertheless, modern organizational culture also ensures the maximum level of productivity and performance (Abu, 2016). The uniqueness of strategic HRM can only be achieved through a top level of performance from its employees (Dimba and K'Obonyo, 2009). Another concept also highlighted that organizational performance could be obtained via strategic HRM practices when the “employees are committed with their jobs” (Sourchi and Liao, 2015). Prior studies confirmed that employees' commitment plays a vital role in the adoption of strategic HRM practices. Hence, organizational culture through employees' commitment also impacts the strategic HRM practices. Adding further, Hamadamin and Atan (2019) found that employees' commitment plays a mediating role between organizational culture and strategic HRM practices, and accordingly, competitive advantages also mediate their relationship. Some empirical studies investigated the negative mediating role of employees' commitment (Nayak and Sahoo, 2018) and competitive advantages (Saleem, 2015) between organizational culture and strategic HRM practices.

Theoretically, the resource-based view applied to investigates the mediating role of employees' commitment and sustainable competitive advantages in between organizational culture and strategic HRM practices. As discussed earlier, this study aims to develop a strategic HRM model by investigating the mediating role of employees' commitment and

sustainable competitive advantages. In addition, Hamadamin and Atan (2019) emphasized that employees' attitudes and behavior are the dominant factors of "employee commitment." Similarly, Hu (2007) noted that sustainable competitive advantages are the main predictor of strategic HRM practices of an organization.

The rationale of choosing employees' commitment and competitive advantages as mediator variables as according to Hamadamin and Atan (2019) and Tawfig and Kamarudin (20210) these two constructs are the best predictor of the relationship between organizational culture and strategic HRM practices. Empirically, several authors applied a resource-based view to acknowledges the mediating role of employees' commitment and strategic leaders within the adoption of strategic HRM practices of an organization. Thus, a resource-based view also educates the top management on how and when to arrange the training and development programs for the employees and monitor them (Fesharaki and Sehhat, 2018); this process ensures a higher level of performance in the near future. Referring to the above discussion, this study formed the following hypothesis:

H5: Employees' commitment mediates the relationship between organizational culture and strategic human resource management of the banking sector

H6: Sustainable competitive advantages mediate the relationship between organizational culture and strategic human resource management of the banking sector

4. Methodology Data collection

A "cross-sectional study" was designed to collect the primary data for this study. The data was collected from employees working in different banks in Jeddah, Saudi Arabia, using a closed-ended questionnaire. Thus, we approached 300 respondents; unfortunately, 181 respondents were returned to the filled questionnaire. Due to the COVID-19 pandemic, most of the employees are working from home, and following the recent COVID-19 SOPs, that's why most of the employees refused to meet and fill the questionnaire physically. Considering the current challenging pandemic, we collected data via an online portal. However, we attached a cover letter to all respondents by ensuring them that their response will be confident, will not discuss anywhere in this study or any other forums. Finally, we designed all the questionnaires considering Likert scale point-5 "1=strongly disagree to 5=strongly agree". Moreover, Tables 1-2 presents the demographic information of all respondents and descriptive statistics of all dimensions and constructs under the study.

Table 1. Demographic information

	Indicators	Frequency	Percent
Gender	Male	124	68.5
	Female	57	31.5
Age Range	18 – 28 years	21	11.6
	29 – 39 years	66	36.5
	40 – 50 years	74	40.9
	more than 50 years	20	11
Education	Undergraduate	58	32
	Graduate	102	56.3
Job Position	Diploma in Banking	21	11.6
	Officers from operation department	79	43.6
	Commercial loan officers	26	14.4
	Financial planning officers	17	9.4
	Relationship managers	14	7.7
	Investment and credit consultants	3	1.7
	Senior financial analyst	1	.6
	Branch managers	6	3.3
	Senior staff from HRM department	35	19.3
Experience	1 to 5 years	37	20.4
	6 to 10 years	68	37.6
	11 to 15 years	69	38.1
	more than 15 years	7	3.9

Table 2. Descriptive Statistics

	Mean	Std. Deviation
Employees' commitment	3.0321	.76127
Organizational Culture	3.4315	.73102
Strategic Human Resource Management	3.0182	.70481
Sustainable competitive advantages	3.3250	.73810

5. Data Analysis

According to Ringle et al. (2015), “Structural Equation Modelling” (SEM) is a practical approach to analyze the data for a quantitative study. Thus, the current study applied SEM to investigate the hypothetical relationship between “organizational culture, employees’ commitment, sustainable competitive advantages, and strategic human resource management”. Therefore, the current study aims to investigate the influence of organizational culture on strategic human resource management practices. Another recent survey by Saleem et al. (2021) discussed that that “SEM approaches” strongly evaluate the study’s model and “the structural coefficient path estimation”.

Consequently, several authors illustrated that most social and business sciences studies widely use the SEM approach (Sarstedt and Cheah, 2019). It presents the model's reliability and validity (Saleem et al., 2021). Therefore, we also applied SEM approaches via “Smart PLS software” and obtained “covariance-based (CB-SEM) and partial least squares (PLS-SEM).” Additionally, Ramayah et al. (2017) emphasized that PLS-SEM approaches critically justified the “direct and indirect” path coefficient between the constructs, following the theoretical and methodological approaches within the study context.

6. Measurements Model

Measurements of the model discussed all the measures used in the current study using “multiple constructs and their measurement items” adapted from previous research studies. All measurement items were presented using a “Likert scale five-point” from the range of “1=strongly disagree to 5=strongly agree”. Thus a “confirmatory factor analysis” (CFA) was applied to confirm the factor structure of observed constructs (Sarstedt and Cheah, 2019). Thereby, the range of all items was reordered under 0.60 range. According to Saleem et al. (2021), if any item factor loading value is less than 0.06, it will not be considered significant for the study. Thus, the current study modified the measurement items according to the Saudi Arabia banking sector context requirement.

Total nine measurement items for two dimensions of organizational culture (adaptability and mission) were adapted from recent studies by Turner (2020) and Samimi et al. (2020). The reliability of organizational culture was 0.733, and its two dimensions mission was 0.88 and 0.806 for adaptability. “Sustainable competitive advantage” total four items were adapted from Emeagwal and Ogbonmwan (2018) and Hamadamin and Atan (2019). The “reliability of sustainable competitive advantage” was 0.931. Another construct, called employees’ commitment, four items were adapted from Hamadamin and Atan (2019) to investigate employees' commitment's direct and indirect role. The reliability of employees’ commitment was 0.941. Finally, “Strategic human resource management practices” and its five dimensions, i.e., “staffing, training, participation, performance appraisal, and compensation”, a total of fifteen measurement items were adapted from Turner (2020) and Sánchez et al. (2015). Therefore, the reliability of SHRM was 0.949 and its dimensions, staffing 0.940, training 0.892, participation 0.903, performance appraisal 0.888, and compensation 0.903. Additionally, Tables 3 and 4 present the overall statistical scores of all measurement items and constructs.

Table 3. Measurement Items loading and Constructs Reliability

Constructs	Loading	Alpha	CR	AVE
Organizational Culture		0.733	0.901	0.531
MISSION		0.830	0.880	0.596
MIS1	0.753			
MSI2	0.772			
MIS3	0.774			
MIS4	0.775			
MIS5	0.784			
Adaptability		0.680	0.806	0.513
ADP1	0.661			
ADP2	0.81			
ADP3	0.753			
ADP4	0.624			
Sustainable competitive advantages		0.889	0.931	0.817
SCA1	0.882			
SCA2	0.899			
SCA3	0.93			
SCA4				
Employees' commitment		0.918	0.941	0.798
EC1	0.836			
EC2	0.895			
EC3	0.943			
EC4	0.897			
Strategic Human Resource Management		0.943	0.949	0.557
Staffing		0.904	0.940	0.84
STA1	0.901			
STA2	0.944			
STA3	0.903			
Training		0.819	0.892	0.735
TRA1	0.867			
TRA2	0.904			
TRA3	0.798			
Performance Appraisal		0.810	0.888	0.726
PERA1	0.898			
PERA2	0.811			
PERA3	0.844			
PERA4				
Participation		0.840	0.903	0.757
PAR1	0.842			
PAR2	0.876			
PAR3	0.892			

Table 4. Discriminant Validity

	1	2	3	4
1 Employees' commitment	1.000			
2 Organizational Culture	0.173	0.926		
3 Strategic Human Resource Management	0.149	0.785	0.849	
4 Sustainable competitive advantages	0.138	0.634	0.625	1.000

7. Structural Model

As discussed earlier, this study applied PLS-SEM to examine the hypotheses developed for the current study via “Smart PLS version 3.2.9.” To obtain the path relationship, we calculate the data using the “Bootstrapping procedure with subsamples 5000” and t-statistic. “Path coefficients determination (R^2) coefficients” were also obtained to the structural model presented in Figure 1 and Table 5.

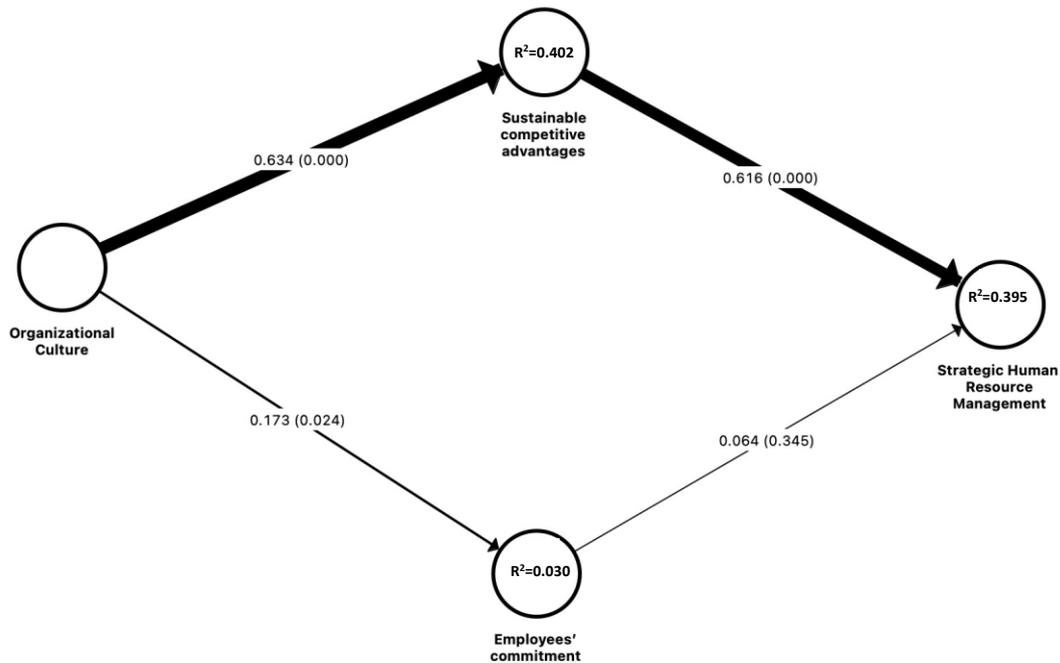


Figure 1. Research Model for “Sustainable Human Resource Management”

Table 5. Path coefficient

	Original Sample (O)	T Statistics	P Values	Hypotheses
Organizational Culture → Sustainable competitive advantages	0.634	10.895	0.000	H1
Organizational Culture → Employees' commitment	0.173	2.257	0.024	H2
Sustainable competitive advantages → Strategic Human Resource Management	0.616	10.41	0.000	H3
Employees' commitment → Strategic Human Resource Management	0.064	0.945	0.345	H4

8. Hypothesis Testing

We extracted the statistical values via “Smart PLS software”, addressing the hypothetical link among the constructs under this study, the variance illustrated (R^2) for the research model, and the significance level (Wong, 019; Saleem et al., 2021). Tables 6-8 present the direct and indirect association between “organizational culture, employees' commitment, sustainable competitive advantages, and strategic human resource management practices.

The sustainable competitive advantages variance explained $R^2=0.402$, employees' commitment $R^2=0.030$, and strategic human resource management $R^2=0.395$, respectively. As a statistical interpretation, organizational culture, sustainable competitive advantages, and employees' commitment explained the variance of strategic human resource management 39.5%. The direct hypothetical links are presented in H1 to H4. For indirect or mediating links, H5 and H6. Overall, H4 “influence of employees' commitment on strategic human resource management practices” and H5 “mediating role of employees' commitment between organizational culture and strategic human resource management” shows insignificant results. The rest of the hypotheses, H1, H2, H3, and H6 was showing significant results.

Table 6. Specific Indirect effect

	Original Sample (O)	T Statistics	P Values	Hypotheses
Organizational Culture → Employees' commitment → Strategic Human Resource Management	0.011	0.664	0.507	H5
Organizational Culture → Sustainable competitive advantages → Strategic Human Resource Management	0.391	5.841	0.000	H6

Table 7. Total indirect effect

	Original Sample (O)	T Statistics	P Values
Organizational Culture → Strategic Human Resource Management	0.402	6.042	0.000

9. Discussion

The present study investigates the relationship between “organizational culture, employees’ commitment, sustainable competitive advantages, and strategic human resource management practices” in the banking sector of Saudi Arabia; at the same time, employees’ commitment and sustainable competitive advantages play mediating role between organizational culture and strategic human resource management practices. To obtain the aim of this study, we applied a resource-based view to developing the conceptual framework of this study. Considering the research model, we developed six hypotheses from them; two hypotheses show insignificant results, i.e., H4 “influence of employees’ commitment on strategic human resource management practices” and H5 “mediating role of employees’ commitment between organizational culture and strategic human resource management” shows insignificant results. The rest of the hypotheses, H1, H2, H3, and H6 was showing significant results.

However, the main objective of this study is to educate the banking sector on the “adoption of strategic human resource management practices through the organizational culture, employees’ commitment, sustainable competitive advantages.” According to Emeagwal and Ogbonmwan (2018), strategic human resource management is an essential factor that significantly enhances the performance of all employees working in the banking sector. Thus, this also strongly sustain the competitive advantages of the banking sector in international and domestic business market (Tawfig and Kamarudin, 2021). Worldwide, several other industries, i.e., telecommunication, aviation, clothing etc. already implemented strategic human resource management practices (Raduan et al., 2009; Ismail et al., 2010; Kramar, 2014).

Recently, Mitsakis (2021) suggested that banks consider strategic human resource management practices for more reliable and effective performance and sustainable competitive advantages. Additionally, Tawfig and Kamarudin (2021) highlighted that the banking sector in the developing countries are lacking to adopt strategic human resource management practices, due to that lacking it’s hard for them to sustain for the long term in the international business market. Furthermore, the uniqueness of strategic human resource management practice would be more effective to attract maximum business opportunities (Colbert, 2004). It also educates the organization on how to provide training and development programs to all employees as they can perform well (Kahiga, 2017). As empirical evidence, relevant training and development programs enhance the skills and knowledge of employees towards the performance of a specific job in the banking sector.

10. Conclusions

The contribution of the present study was to recognize the effectiveness of organizational culture, employees’ commitment, and sustainable competitive advantages strategic human resource management practices in the banking sector of Saudi Arabia. Theoretically, we developed a research model by extending the resource-based view. The current study developed a novel research model by highlighting the role of organizational culture in

adopting strategic human resource management practices in the banking sector of Saudi Arabia. Thus, employees' commitment and sustainable competitive advantages mediate organizational culture and strategic human resource management practices. We collected primary data from 181 employees working in different banks in Jeddah, Saudi Arabia, to obtain this study objective. Empirically, this study confirmed that organizational culture and sustainable competitive advantages significantly influence strategic human resource management practices; thus, employees' commitment did not influence strategic human resource management practices. Plus, employees' commitment also not mediates the relationship between organizational culture and strategic human resource management practices, while sustainable competitive advantages mediate the relationship between organizational culture and strategic HRM. Finally, the present study enhanced new information to the strategic human resource management literature by understanding the effectiveness of organizational culture, sustainable competitive advantages, and employees' commitment. Further, findings enrich the banking sector to know how strategic human resource management enhances the overall performance in the business market.

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