



The Mediating Role Of Human Resource Capabilities In The Relationship Between Human Resource Strategies And Organizational Performance: An Evidence From Iraq Higher Education Institutions

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ABSTRACT

Higher educational institutions played an important role development of any country. If the performance of these institutions declined, then social and economic contribution could be declined. The reviewed literature shown that human resource strategies (HRS) and human resource capabilities played an important role to boost the organizational performance (OP). Therefore, the current study objective to examine the mediating effect of HRC between the relationship of HRS and OP of higher education in Iraq. The data was being collected from 215 employees which shows 53.75 response rate. Using cross sectional research design and quantitative research approach. The Structural Equation Modeling (SEM) results shown that HRS positively and significantly effect to HRC and OP. The findings also shown that HRC also significantly and positively effect to OP. The indirect effect also shown that HRC significantly mediates between the relationship of HRS and OP. This indirect effect shown that this mediating effect is an important contribution of the study. These findings could also help to researchers and academicians for their future research. The research could also help to the HR policy makers and educational institutions for boost their performance and gain competitive advantage.

Keywords: human resource strategies, human resource capabilities, organizational performance, Iraq.

Introduction

In the modern age, knowledge-based competitiveness and fast evolving markets need that businesses should employ efficient ways to invest in and make the most of their employees' knowledgeable. Businesses are always trying to find new ways to put its employees to use for the benefit of the company by enhancing their performance (Dickmann & Müller-Camen, 2006). Human Resource strategies (HRS) refers to a set of practices designed to increase an organizational performance (OP) by fostering the personal and professional growth of their employees (Gberevbie, 2012). Enhancing HRS may help OP. There are a number of studies that back up the idea that HRS may have an impact on an OP (Brockbank, 1999; Clardy, 2008). Therefore, HRS is linked to improved OP (McCracken & Wallace, 2000; F. N. K. Otoo & M. Mishra, 2018). This is a reason, HRS is crucial because it helps keep and grow businesses' human resources in step with their evolving needs (T. Garavan, McCarthy, & Carbery, 2017). This shows that HRS is an important indicator to boost the performance. In addition, the above discussion, the HRS is also played an important role to enhance the human resource capability that could lead to enhance the OP (Rose & Kumar, 2006). The HRC is an important tool which has the capacity to integrate, construct, and restructure available resources in response to environmental shifts determine its level of effectiveness. By detecting external variables, learning response patterns, and rearranging operational procedures, an organization with dynamic capabilities may adapt to new circumstances and thrive (Teece, Pisano, & Shuen, 1997b). Besides that, the previous discussion also further contended by various numerous researchers (A. A. Lado & M. C. Wilson, 1994; Lepak & Snell, 1999) that HRC, when fostered alongside supplementary HRS could boost and maintain an OP.

Despite previous discussion and relationship among HRS, HRC and OP, there is still knowledge gap concerning the role that HRC is an important mediator between the relationship of HRS and OP. Numerous previous findings (Wang, Hwang, & Lin, 2011; Wilhelm, Schlömer, & Maurer, 2015) have examined the ways in which human resources might be used to foster the growth of adaptive capacities. To the authors knowledge, no studies have explored the alternative relationships except for Lopez-Cabrales, Bornay-Barrachina, and Diaz-Fernandez (2017). In addition, the previous studies also have major concern on the direct impact of HRS on OP (Fu-Jin, Shieh, & Tang, 2010; Rose & Kumar, 2006) and impact of HRS on HRC (Saa-Perez & García-Falcón, 2002). In addition, also have HRC impact on OP (Trujillo-Gallego, Sarache, & de Sousa Jabbour, 2022) while have little attention on indirect effect of HRC between the HRS and OP. Previous studies was conducted in Iran in which HRC was used a mediator on the relationship of HRS and organizational effectiveness (Kareem & Mijbas, 2019) while ignored the OP. On the other hand previous studies have major focused on developed economies (Pereira-Moliner, Molina-Azorín, Tarí, López-Gamero, & Pertursa-Ortega, 2021) while have little attention on developing economies especially Iraq higher educational institutions. The higher educational institutions played a role in the social and economic benefits because they have more contribution from the employment perspectives. The previous studies also suggested that Iraq educational institutions should develop a proper human resource management strategies to boost their performance (Kareem, 2019b). Therefore, the importance of HRS and HRC could not be ignored.

Keeping in view previous discussion, this study has filled the gap by using three indicators of HRS namely sensing strategy (SS), transfer strategy (TS) and motivating strategy (MS). IN addition, HRC three indicators like sensing capabilities (SC), learning capabilities (LC), and reconfirmation capabilities (RC) as a mediating variable between HRS and OP. Furthermore, this research is innovative in that it seeks to address a gap in the literature through catering research especially on Iraq higher educational institutions which played an important role in social and economic development. Along with previous gaps, the current study objective is to check the mediating effect of HRC between the relationship of HRS and OP in higher universities institutions of Iraq. The study was divided into five sections, introduction, literature review, research methodology, data analysis and interpretation, discussion and conclusion. Lastly, research limitations and future direction were also discussed at the end of the study.

Literature review and hypotheses development

Human resource strategies, human resource capabilities and organization performance

Dyer and Holder (1988) argue that human resource strategies (HRS) is best understood as a collection of approaches to managing people inside an organization. If implemented properly, this method has the potential to improve how businesses utilize their workforce to accomplish their goals. Several researchers have made attempts to classify the several HRM approaches that exist. These include the accumulation, facilitation, and usage techniques, as well as the enticement, investment, and involvement tactics given by Dyer and Holder (1988). Northouse (2011) identified four dimensions of an HRM strategy: training and development, reinforcement and motivation, and training and transfer. The Strategic Human Resource Management Theory is a framework for understanding HRM tactics and policies (SHRM). Research by Wezel et al. (2009) has found that when an HRM strategy is put into place, it has a significant impact on employee motivation, company culture, and productivity. In his book "The Art of HRM: Strategic Management," (Klein, 2009) likewise establishes a connection between HRM strategy implementation and results. Organizational success is fundamental to human resource management, according to (Nordby, 2014). According to the aforementioned theories, the following are the backers of the empirical evaluation that underpins the investigation into the impact of HRM strategy on employee motivation, culture, and performance on the job. To begin, an effective HRM strategy can have a major impact on employee morale. (Jiang, Lepak, Hu, & Baer, 2012). Secondly, a well-planned HRM strategy can have a noticeable and beneficial effect on the company's internal atmosphere. Third, HRM strategy has a favorable and substantial effect on business results. Evidence for this can be found in works by authors such as Vanhala and Stavrou (2013) study which indicated that HRM strategy had no substantial effect on organizational performance, left open a number of questions.

In addition, research contends how HRS affect organizational success in a direct way, independent of external factors. Numerous authors have addressed this topic in their work (Alagaraja, Cumberland, & Choi, 2015; Mohammed, 2006). Mohammed (2006) contends that an organization's development and growth depend on its HRS, which allow it to identify and cultivate employees' strengths and potentials. According to Vandenberg, Riordan, and Richardson (2005), a company's efficiency may be boosted by investing in its workers' growth and development through training and education programs and other career-oriented program. Similarly, Adhikari (2010) argues that HRS helps to increase performance and competitive advantage by enhancing an organization's human capital foundation via the development of employees' knowledge, capabilities, and talents. Training, career progression, and performance management are all examples of HRS activities that, according to Potnuru and Sahoo (2016), contribute to the development of staff competences that, in effect, boost the efficiency of the business. HRS is a professional development, organizational development, as well as career development, are advocated by Agqu and Ogiriki (2014) as a means to increase organizational performance through the enhancement of individuals' and teams' knowledge, abilities, attitudes, and actions.

Human resource development techniques, like performance assessment, career development, as well as education and training, are said to significantly affect organization performance by their impact on employee performance by (F. Otoo & M. Mishra, 2018). It is important to note that Knowles, Holton III, and Swanson (2014) place equal emphasis on the positive feedback loop between HRS and the improvement of organizational performance. According to Alagaraja et al. (2015), there seem to be five major methods for studying the connection between HRS and organizational performance and development. To begin, there is the best-fit method, which places a focus on how HRS methods should be tailored to the specifics of the business. As a second point, the best-practice approach indicates HRS techniques positively affect performance and may be used by other businesses to boost performance. Third, it is suggested that HRS helps to the performance of the company by integrating the best-fit strategy with the best-practice approach. Consideration of stakeholder perspectives on the effect of human resources development for organizational performance is, fourth, an important avenue for study. In addition, fifth, concentrate your efforts on the methods already outlined. However, in today's ever-evolving world, businesses must adapt to survive by building what are known as "dynamic capabilities." HRS approaches are found to have a substantial effect on the development of adaptable competencies.

However, research into the connection between HRS and adaptable skills is ongoing (Wright & McMahan, 1992). Learning, sensing, incorporating, and reconfiguring skills of an entity seem to be strongly kept lying on employees' understanding, abilities, expertise, and experiences; those were the result of human resources development practices; however, only a small literature has explored the relationship between HRS as well as dynamic abilities (Eisenhardt & Martin, 2000; Teece, Pisano, & Shuen, 1997a; Zahra & George, 2002). It has been argued by T. Garavan, Shanahan, Carbery, and Watson (2016) that HRS aid workers in adapting to varying work environments by enhancing employees' knowledge, skills, behaviors, and attitudes.

HRS that focus on building and using human capital may help businesses reap the benefits of synergies and collaboration, allowing them to create more flexible and responsive operations (Grant, 1996; Kareem & Mijbas, 2019). HRS techniques like professional development performance assessment as well as compensation systems may help businesses improve their agility and keep them ahead of the competition (Gao & Gao, 2016). Human resource development strategies may improve an organization's adaptability, learning, resource integration, and awareness of its surroundings when faced with uncertain external situations (Chengcheng, 2010). According to Teece et al. (1997a), a company's dynamic capabilities are its skills to integrate, create, and reconfigure internal and external competences in response to dynamic settings. HRS is vital to creating and retaining a competitive edge over the long term, as per (T. N. Garavan, 2007). The research presented here posits that HRS procedures have an obvious effect on adaptability.

This study examined sensing, learning, and reconfiguring capacities to investigate the connection between HRS as well as dynamic capabilities comprehensively. The capacity of a business to detect, investigate, and understand new opportunities in its surroundings is known as its "sensing capability" (Pavlou & El Sawy, 2011). Human resource development, thus, aids businesses in comprehending environmental changes, planning for the future, and capitalizing on present possibilities (T. Garavan et al., 2016). In order to capitalize on newly discovered possibilities, businesses need what Eisenhardt and Martin (2000) call "learning competence." HRS techniques enhance learning processes including experience collection, knowledge generation, and information sharing, all of which are essential to the development of learning ability (Zollo & Winter, 2002).

A company's capacity to reconfigure its resources in response to shifting market demands is referred to as its "reconfiguration capability" (Teece, 2007). Human resource development aids in adapting to shifting market conditions and technological developments by fostering innovation in service delivery and asset configuration. By analyzing the association within HRS and organizational performance and dynamic capacities, this study makes a significant contribution to the literature on HRS role in fostering effective and adaptable organizations. This study makes hypotheses founded on the aforementioned findings.

H1: Human resource strategies positively and significantly effect to organizational performance.

H2: Human resource strategies positively and significantly effect to human resource capabilities.

Human resource capabilities and organizational performance

Alterations in both the environment and the market have led to the development of a new idea: human resource capabilities (HRC). According to academic research (Hammer, 2001; Zott, 2003), in order to maintain a competitive edge in a dynamic market, businesses must have flexible capacities for strengthening their core competencies and increasing their overall efficiency. The research suggests such HRC may have far-reaching effects on the efficiency of organizations. However, the link between HRC and the efficiency and productivity of businesses is not well understood (Zhou, Zhou, Feng, & Jiang, 2019). Some researchers, however (Eisenhardt & Martin, 2000; López, 2005; Teece et al., 1997b), contend that organizations performance can be improved through the adoption of HRC that allow them to better align their resource base with changes in the external environment, instigate new markets, and improve their ability to gain and develop new resources. According to Teece (2007), a corporation may gain an edge in a volatile market by honing its focus on the development of core competencies and skill sets that boost efficiency and productivity. It has been argued by Fainshmidt, Pezeshkan, Lance Frazier, Nair, and Markowski (2016) that dynamic competences are strongly correlated with

organizational performance. Scholars (Rehman & Saeed, 2015; Takahashi, Bulgacov, Sempredon, & Giacomini, 2017) stress the importance of HRC as a mediator between the growth of operational capabilities and the success of the organization. Considering the foregoing, the third hypothesis is as follows:

H3: Human resource capabilities positively and significantly effect to organizational performance.

Human resource capabilities as a mediator

According to the previous research, HRS have a major impact on organizational performance. However, in dynamic contexts, HRS is not always sufficient to ensure an organization's success (Aminu & Mahmood, 2015; Teece et al., 1997b). In light of these complexities, this research contends that HRS can have a knock-on effect on organizational performance in a dynamic setting by way of the mediation of HRC. In addition, because of the quick pace of environmental change, businesses must make changes in order to adapt to new circumstances in the marketplace. An organizations performance can be improved via the development of capabilities that enable it to integrate, develop, and reconfiguring in response to quickly shifting surroundings (Eisenhardt & Martin, 2000; Teece, 2007). HRS is a crucial because it helps keep and grow businesses' human resources in step with their evolving needs (Shanahan et al. 2012). HRS helps organizations adapt to changing surroundings by developing new competencies and retooling old ones (Zollo & Winter, 2002).

However, there's some mystery around the connection between HRS and organizational performance, and how exactly HRC mediate that connection. Though few scholars (A. Lado & M. Wilson, 1994; Tseng & Lee, 2014) have looked at this, it is still an important topic. Additionally, (A. Lado & M. Wilson, 1994; Wright, Dunford, & Snell, 2001) claim such HRC when cultivated by HRS can guarantee the long-term viability of an organization's performance. HRS structures, and procedures can create unique dynamic skills that boost the organizational performance in the turbulence of the environmental context (T. Garavan et al., 2016)." In addition, Weng and McElroy (2012) further suggest that in order for businesses to keep up with the pace of change, they must invest in training and education that will help them build a workforce that can adapt quickly to new circumstances. Based on previous discussion, this research shown the effect of HRS organizational performance through the medium of HRC. This is a presentation of the hypothesis:

H4: Human resource strategies and organizational performance significantly and positively mediated by human resource capabilities.

Based on previous discussion, the following research framework of the study had been formulated below which consists of three types of variables. Human resource strategies which is being used an independent variable, human resource capabilities which is being used a mediating variable while organizational performance is being used a dependent variable. These variables are being selected based on previous literature gaps. All of these variables are also predicted in the following Figure.1 below.

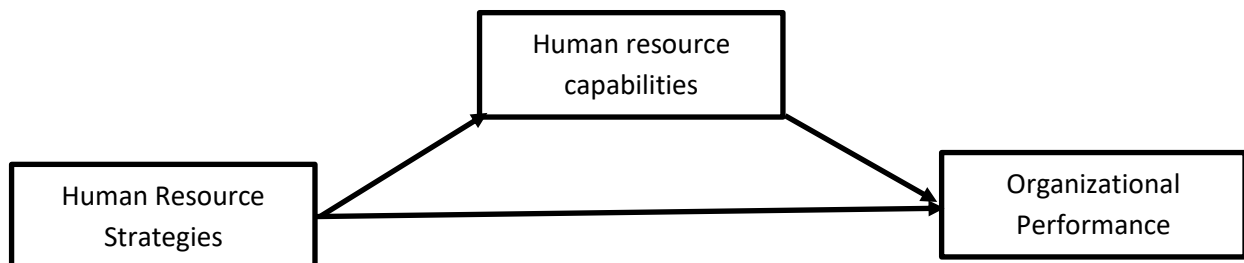


Figure.1: Research Framework

Research methodology

This study had been used quantitative method based on deduction to test the proposed model. Through this quantitative strategy, we hope to better understand the mediating effect of human resource capabilities (HRC) within the relationship of human resource strategies (HRS) and organizational performance (OP). Testing hypotheses involving the interplay between independent and dependent variables calls for a quantitative approach (Sekaran & Bougie, 2016). Research was conducted at the best higher education institutions in Iraq. With the goal of generalizing findings to a larger population, this study used a survey as its major data collection technique because it is widely accepted as both cost-effective and efficient. An online survey was used to compile information from the study's participants. The primary data was gathered through the use of a literature-based online questionnaire. Google Forms, an online application frequently used by scientists to compile questionnaires, was utilized to design the survey. As a means of gathering primary data from the chosen institutions, online surveys were sent out via email. The sample appears to give a suitable sample for carrying out data collection and analysis which were the faculty members, deans etc. The questionnaire was distributed among 400 employees of universities, out of those there were 215 questionnaires were returned back which shows a 53.75 response rate. The demographic analysis was done by using SPSS. From the demographic perspective it shows that among of 215 respondents there were 76.74% were males while remaining were females. Among the male respondents there were 44.65 percent respondents were within the

age of 31-40 years old and mostly respondents 61.86 percent were on the position of non-executive designation while 38.13 percent were on the position of executives. The most of selected respondent's approximately 47.44 earned the PHD degree while 40.46 percent were master's degree holders and remaining 12.93 were bachelor degree holders

Research Instrument

The questionnaire was formulated based on literature review pertaining to the issue of the study. There were two sections in the survey questionnaire. The first section of the questionnaire collects respondent and institution background information, including "age, gender, position, educational attainment, job experience, and organization size." The second section consists of questions meant to test the variables of the study using a seven-point Likert-type scale ranging from 1 to 5, where 1 = strongly disagree and 5= strongly agree. The variables employed in this study were evaluated using several items from a variety of prior studies.

In the present study, the HRM approach is split into "transfer strategy, reinforcement strategy, and motivating strategy." This instrument offered by Weng and McElroy (2012), which was built from many references based on pertinent literature, is a questionnaire on HRM strategy. On the other hand, human resource capabilities were operationalized in terms of three dimensions: "sensing capability, learning capability, and integrating capability." Utilizing five items for each construct, a total of 15 items are constructed to test the human resource capabilities of structures. The survey was adapted from (Teece et al., 1997b), (Eisenhardt & Martin, 2000), and (Pleatsikas & Teece, 2001) and (Nieves & Haller, 2014). Lastly, the university performance was evaluated by using ten items. For this purpose, the questionnaire was adopted from the study of (Alsughayir, 2014).

Data analysis procedure

The data was analyzed by using a two software's "SPSS and Smart PLS." SPSS has been used for the descriptive statistics and Smart-PLS has been used for the inferential statistics. Before the data analysis, the preparation of the data was being done after completing the data collection procedure by data entering, coding and cleaning of the data.

Measurement model

The measurement model was measured from two specific criteria's which are "convergent validity and discriminant validity" which are discussed below. The "Partial Least Square (PLS)-Structural Equation Modeling (SEM)" was being used for the measurement model."

Convergent validity

All of the things that are measured must be inspected for concept unwavering quality, person unwavering quality, merged and discriminant reliability. The convergent validity was measured based on four criteria's namely, factor loadings, Cronbach alpha, composite reliability and average variance extracted. The value of Cronbach's alpha esteem of each development ought to be at slightest 0.70 or more prominent for this reason. Moreover, the extricated esteem for the normal fluctuation (AVE) must be at the slightest 0.50, demonstrating that the build accounts for more than half of the fluctuation of the indicators (Joe F Hair, Sarstedt, Ringle, & Mena, 2012). Convergent validity was determined by examining the composite reliability (CR) and AVE (Joe F Hair Jr, Sarstedt, Hopkins, & Kuppelwieser, 2014). On point 0.70, the CR value might be considered satisfactory (J. Hair, Hollingsworth, Randolph, & Chong, 2017; Joe F Hair Jr et al., 2014; Yaseen, Dajani, & Hasan, 2016). In this regards, the Table.1 anticipated the reliability and convergent validity values, the data shows that all of the metrics are vital in terms of internal consistency. The Table.1 predicted values have shown that construct fulfill the criteria for the convergent validity.

Table.1 Reliability and Validity Results

| Constructs | Items | Loadings | Alpha | CR | AVE |
|------------------------|-------|----------|-------|-------|-------|
| Sensing capability | SC1 | 0.572 | 0.807 | 0.863 | 0.561 |
| | SC2 | 0.687 | | | |
| | SC3 | 0.81 | | | |
| | SC4 | 0.826 | | | |
| Learning capability | LC1 | 0.73 | 0.798 | 0.865 | 0.683 |
| | LC2 | 0.879 | | | |
| | LC3 | 0.862 | | | |
| | LC4 | 0.783 | | | |
| Integrating capability | IC1 | 0.737 | 0.897 | 0.921 | 0.659 |
| | IC2 | 0.822 | | | |
| | IC3 | 0.837 | | | |

| | | | | | |
|----------------------------|-----|-------|-------|-------|-------|
| | IC4 | 0.797 | | | |
| Transfer Strategy | TS1 | 0.835 | 0.863 | 0.906 | 0.708 |
| | TS2 | 0.869 | | | |
| Reinforcement Strategy | RS1 | 0.861 | 0.805 | 0.885 | 0.719 |
| | RS2 | 0.870 | | | |
| | RS3 | 0.789 | | | |
| Motivating strategy | MS1 | 0.645 | 0.815 | 0.863 | 0.516 |
| | MS2 | 0.605 | | | |
| | MS3 | 0.801 | | | |
| | OP1 | 0.845 | | | |
| | OP2 | 0.745 | | | |
| | OP3 | 0.945 | | | |
| Organizational Performance | OP4 | 0.645 | | | |
| | OP5 | 0.795 | | | |
| | OP6 | 0.835 | | | |
| | OP7 | 0.795 | | | |
| | OP8 | 0.905 | | | |
| | OP9 | 0.895 | | | |

Note: SC-sensing strategy; TS-transfer strategy; IC-integrating capability; LC-learning capability; RS-reinforcement strategy; MS-motivating strategy; OP-organizational performance

Discriminant validity

The discriminant demonstrated that there is a substantial link between the reflective construct and its indicators in the path model (Joseph F Hair Jr, Hult, Ringle, & Sarstedt, 2021). As show in Table.2 anticipated the Fornell-Larcker criterion value, which assured that AVE squared root (as represented by the values in the calculated diagonal) should always be substantial from each of the construct correlations (signified through the values in off-diagonal) (Ahmad, Bin Mohammad, & Nordin, 2019). Also, if the Heterotrait-Monotrait ratio of correlations (HTMT) of criterion results is less than 0.90, then discriminant validity across reflective constructs is acknowledged (Joseph F Hair, Hult, Ringle, Sarstedt, & Thiele, 2017). Table.2 and Table.3 show the values of fornell-Lacker and HTMT which shows that construct has the discriminant validity.

Table.2 Fornell-larcker

| Constructs | TS | LC | IC | TS | RS | MS | OP |
|------------|-------|-------|-------|-------|-------|-------|------|
| TS | 0.841 | | | | | | |
| LC | 0.748 | 0.812 | | | | | |
| IC | 0.379 | 0.422 | 0.749 | | | | |
| TS | 0.032 | 0.103 | 0.099 | 0.826 | | | |
| RS | 0.626 | 0.612 | 0.441 | 0.051 | 0.848 | | |
| MS | 0.257 | 0.327 | 0.317 | 0.119 | 0.31 | 0.718 | |
| OP | 0.503 | 0.723 | 0.44 | 0.12 | 0.509 | 0.207 | 0.87 |

Note: SC-sensing strategy; TS-transfer strategy; IC-integrating capability; LC-learning capability; RS-reinforcement strategy; MS-motivating strategy; OP-organizational performance.

Table.3: Heterotrait-Monotrait Correlation

| Constructs | TS | LC | IC | TS | RS | OP |
|------------|-------|-------|-------|-------|-------|----|
| TS | | | | | | |
| LC | 0.841 | | | | | |
| IC | 0.449 | 0.467 | | | | |
| TS | 0.054 | 0.105 | 0.12 | | | |
| RS | 0.752 | 0.719 | 0.526 | 0.071 | | |
| MS | 0.293 | 0.364 | 0.368 | 0.136 | 0.355 | |

Note: SC-sensing strategy; TS-transfer strategy; IC-integrating capability; LC-learning capability; RS-reinforcement strategy; MS-motivating strategy; OP-organizational performance

Structural Model

After evaluation of measurement model we did assessment of structural model's which use measure through the coefficient of determination (R^2) of the endogenous construct (Chin, 2010), Moreover, we moreover evaluated structural model through influence size (f^2) (Cohen, 2013). We did it on Smart PLS and mark the results in below tables 4 and 5 respectively.

Table.4: R-square of Endogenous Latent Constructs

| Constructs | R square | Result |
|------------|----------|-------------|
| OP | 56.2% | Substantial |
| HRC | 47.5% | Substantial |

Note: OP-organizational performance; HRC-human resource capability.

To evaluate the results of R², The rule of thumb given by Cohen (2013) that R² values of 0.26, 0.13, or 0.02 for endogenous latent constructs were classified as significant, direct, and powerless, individually. So as the result is 0.562 which appears substantial.

Table.5: Effect Size (f²)

| Constructs | Effect Size | Results |
|------------|-------------|--------------|
| HRC | 0.019 | Small effect |
| HRS | 0.452 | Large effect |

Note: HRC-human resource capability; HRS-human resource strategy

In the given table of 4.10 all the f² results are shown. According to Cohen (2013) clarified that f² values between 0.35, 0.15, and 0.02 are considered large, medium, and small, respectively. And if the result will be lower than 0.007 indicates no effect. So according to the results HRC is considered as small effect, while HRS is considered as large effect.

After assessing the measurement model, bootstrapping with a resample of 500 was performed to obtain the t-value in order to determine whether the direct associations in the data were significant or insignificant. The T-value is considered as 1.96 with P<0.05 and 1.645 with P<0.10 as shown support or not support the hypothesis respectively. According to the results of Structural Equation Modelling (SEM) shown in Table.6 predicted values shown that human resource strategies have positive and significant effect on organizational performance that supports to proposed hypothesis. In addition, human resource strategies also has positive and significant effect on human resource capability that also supports to proposed hypothesis. In the same vein, the human resource capability also have a positive and significant association with organizational performance. The indirect mediating effect also shown that human resource capability positively and significantly mediates on the relationship of human resource strategies and organization performance that supports to proposed hypothesis. All of the above results are predicted in the following Table.6 below.

Table.6: Direct and Indirect effect results

| | Original Sample | Sample Mean | Standard Deviation | T Statistics | P Values | Decision |
|-----------------|-----------------|-------------|--------------------|--------------|----------|-----------|
| HRC -> OP | 0.091 | 0.094 | 0.046 | 1.996 | 0.046 | Supported |
| HRS -> HRC | 0.37 | 0.374 | 0.051 | 7.323 | 0.000 | Supported |
| HRS -> OP | 0.598 | 0.6 | 0.043 | 13.85 | 0.000 | Supported |
| HRS -> HRC-> OP | 0.374 | 0.379 | 0.052 | 7.147 | 0.000 | Supported |

Note: SC-sensing strategy; TS-transfer strategy; IC-integrating capability; LC-learning capability; RS-reinforcement strategy; MS-motivating strategy; OP-organizational performance

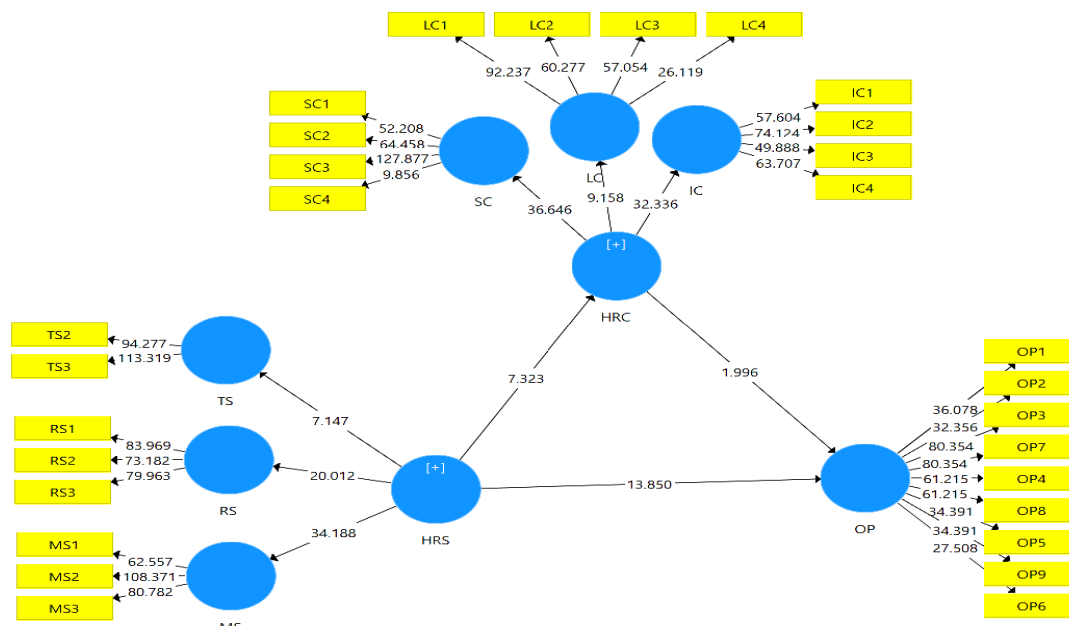


Figure.2: Structural Model

Discussion and Conclusions

Due to a lack of research in this area, there is still some mystery about the mechanisms through which Human resource strategies (HRS) to affect organizational performance (OP). In addition, the previous studies were related to direct effect of HRS on OP while there was little attention on indirect of HRS through human resource capability (HRC) on OP. Therefore, the current study objective is to examine the function of HRC as a mediator between the relationship of HRS and OP in the context of a sample of educational institutions in Iraq. Through the lens of HRC, this research provided a causal model to explain the connection between HRS and OP. There were four major discussions from this study. To begin with, HRS have a sizeable impact on the OP (Alagaraja et al., 2015; Mohammed, 2006). Second, HRS have a substantial effect on HRC, which is in accord with the views of (Gao & Gao, 2016; T. Garavan et al., 2016). As a third point, the extent to which an organization is successful is heavily dependent on its HRC, which is in line with (Fainshmidt et al., 2016; Zhou et al., 2019). Fourth, in agreement with the viewpoints of the previous three sections, HRC greatly mediate the connection between HRS and OP (Aminu & Mahmood, 2015; Zollo & Winter, 2002). Pertaining to previous discussion, it has been found that HRS has positive and significant relationship with OP and HRC which are consistent with previous studies (Alaraqi, 2017; Kareem, 2019a). The HRC also has a positive and significant relationship with OP which is in line with previous studies (Al-Frijawy, Militaru, & Tonoiu, 2019; Sadq, Othman, & Mohammed, 2020). On the other hand, the indirect effect also shown that HRC positively and significantly mediates between the relationship of HRS and OP. This shows that dynamic skills play a mediating role between HRS and OP in dynamic business situations. Business settings are constantly changing, and as a result, successful companies need to cultivate not only human resources, but also dynamic skills for sensing environmental conditions, learning reaction patterns, and reconfiguring operating routines.

Implications

Theoretically, this study contributes by providing a framework for future studies to build upon when examining the relationships between decentralized human resources, adaptive organizational structures, and enhanced productivity. The purpose of this study was to analyze the mediating influence of HRC on the relationship between HRS and OP, as well as to directly investigate the relationship between HRS and OP. All proposed hypothesis were supported. Therefore, the outcomes demonstrate the significance of HRS on OP and HRC. The results of the study indicate that dynamic talents contribute to better business outcomes. The research also provides hard evidence that HRC play a mediating role in the connection between HRS and OP. Although HRS, HRC, and OP have all received extensive study in the literature, the mediating role of HRC in the linkages between HRS and OP has received far less attention. There is a void in the literature that this study may help to fill with its empirical findings. In addition to its theoretical significance, this research has extremely important implications for university administration because it sheds light on the state of HRS, HRC, and OP at a subset of Iraq educational universities. It is possible that the outcomes of this study will provide guidance to policymakers as they design HRS initiatives to help boost OP. To thrive in such a setting, university administrations must devise not only HRS policies but also employ HRC methods to boost their institutions' productivity.

Research Limitations and Future Directions

There are several gaps in this research that should be filled in further investigations that could become a new area of research in future. First, this research is limited to the higher education institutions in Iraq and its findings may not apply beyond that. As a result, this phenomena might be studied in a broader range of commercial and economic settings in the future. Second, the study had a small sample size because, due to the unstable security situation in Iraq, the researchers were unable to recruit a representative sample of the population. In contrast, a larger, more representative sample may be used in studies to come. Third, the cross-sectional design of the study precludes any investigation into the potential causality of the connections between the variables. Consequently, longitudinal data which can provide further explanation for the highlighted correlations, should be a focus of future studies. It is possible that other potential dimensions of HRS will be explored in future studies. The results of this study can only be applied to a specific set of higher education universities in Iraq and cannot be extrapolated to a broader corporate or international setting. Therefore, a future research could be done on other corporations etc. The study was limited on mediating effect, there are various other variables that could moderate between the relations of HRS and OP.

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