

Strategic Human Resource Management and Organizational Performance Through Employee Engagement and Organizational Commitment

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الإدارة الاستراتيجية للموارد البشرية والأداء التنظيمي من خلال مشاركة الموظفين والتزامهم التنظيمي

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Abstract:

The strategic human resource management (SHRM) approach is increasingly considered an instrument that can improve organizational performance via capabilities provided by employees; nevertheless, there is not much empirical evidence regarding SHRM effect from conflict-affected and emerging countries like Libya. This research examined the influence of SHRM practices on organizational performance and the mediating roles of employee engagement and organizational commitment within Libyan organizations. A cross-sectional survey quantitative research methodology was used, gathering data from 287 employees from libyan organizations in such industries as oil and gas, telecommunications, construction, and the public sector. The proposed model was empirically tested with the use of partial least squares structural equation modeling (PLS-SEM). It was found that SHRM practices have a significant effect on organizational performance, employee engagement, and organizational commitment. Moreover, employee engagement and organizational commitment affect organizational performance positively and partially mediate the SHRM-performance relationship.

Keywords: : SHRM-performance relationship; Employee engagement; Organizational commitment; Libyan organizations

المخلص

يُعتبر نهج إدارة الموارد البشرية الاستراتيجية أداةً متزايدة الأهمية لتحسين أداء المؤسسات من خلال القدرات التي يوفرها الموظفون أداةً متزايدة الأهمية لتحسين أداء المؤسسات من خلال القدرات التي يوفرها الموظفون؛ ومع ذلك، لا توجد أدلة تجريبية كافية حول تأثير إدارة الموارد البشرية الاستراتيجية في الدول المتأثرة بالنزاعات والناشئة مثل ليبيا. بحثت هذه الدراسة تأثير ممارسات إدارة الموارد البشرية الاستراتيجية على أداء المؤسسات، ودور مشاركة الموظفين والتزامهم التنظيمي كوسيط في المؤسسات الليبية. استخدمت الدراسة منهجية بحثية كمية تعتمد على المسح المقطعي، حيث جمعت البيانات من 287 موظفًا من مؤسسات وشركات في قطاعات متنوعة كالنفط والغاز، والاتصالات، والبناء، والقطاع العام. أظهرت النتائج أن لممارسات إدارة الموارد البشرية الاستراتيجية تأثيرًا كبيرًا على أداء المؤسسات، ومشاركة الموظفين، والتزامهم التنظيمي. علاوة على ذلك، تؤثر مشاركة الموظفين والتزامهم التنظيمي إيجابًا على أداء المؤسسات، ويتوسطان جزئيًا العلاقة بين إدارة الموارد البشرية الاستراتيجية والأداء.

الكلمات المفتاحية: العلاقة بين إدارة الموارد البشرية الاستراتيجية والأداء؛ مشاركة الموظفين؛ الالتزام التنظيمي؛ المؤسسات الليبية

1. Introduction

In modern-day firms, human resources have transformed from an administrative activity into a strategic tool for improving the competitiveness of organizations. The changes in environment, technology and uncertainty in the global environment have motivated organizations to link their

HR practices strategically. SHRM systematically integrates human resource practices with organizational strategy, enabling organizations to cultivate high-quality human capital and attain superior performance outcomes (Delery & Doty, 1996; Harrell-Cook, 2001; Shafter & Ghnaem, 2016). While prior research has shown a positive correlation between SHRM practices and organizational performance, the exact behavioral mechanism by which HR practices boost performance remains unclear (Combs et al., 2006; Jiang et al., 2012).

Employees constitute an important part of organization competence, as their expertise, motivation, and commitment determine productivity, creativity, and overall efficiency. Organizational practices, like training and development, pay-for-performance, career management, empowerment, and talent management, enable organizations to improve employee attitudes and behaviors leading to better results. But the efficiency of SHRM practices does not depend only on implementation of these practices, but also on the process of how employees react to investments in them. Knowledge about this process is necessary to explain the reasons for different performance consequences of similar HR practices in different institutions (Shafter & Ghnaem, 2016), whereas employee engagement focuses on an employee's psychological immersion, vigor, and devotion to his or her job (Kahn, 1990; Schaufeli et al., 2003). (Meyer & Allen, 2002).

The Libyan organizational context becomes significant in this respect (Abdi et al., 2024; Shafter & Ruth, 2020). In fact, being a transitional economy, characterized by conflict and institutional instability, Libya can be regarded as a difficult case for assessing the appropriateness of SHRM theories, which were mostly designed within the context of stable Western economies. Since the revolution of 2011, businesses in Libya have been suffering from economic instability, institutional fragmentation, difficulties with hiring and retaining skilled personnel, as well as many other organizational problems. First of all, the national economy has stayed very dependent on oil and gas extraction, and public organizations continue experiencing problems with bureaucracy, over-staffing, and low productivity. On the other hand, private companies experience difficulties in attracting talent because of labour market limitations. All these circumstances create a proper context for assessing the role of employee engagement and organizational commitment in linking SHRM with organizational effectiveness (Shafter & Ruth, 2020).

While there is much significance to having successful human resource management strategies in Libya, empirical evidence concerning the theory of SHRM and the behavioral mechanisms behind it is not plentiful. While some research has been conducted regarding particular HRM outcomes such as performance, organizational commitment, and human resources management in different sectors (Shafter & Ghnaem, 2016), an overarching model regarding the role of SHRM practices in determining the organizational performance as a result of the joint effect of both employee engagement and organizational commitment is lacking.

This study, founded in the resource-based view (RBV), social exchange theory, and the ability-motivation-opportunity (AMO) framework, proposes and empirically substantiates a dual mediation model regarding the impact of SHRM on organizational performance within Libyan organizations (Abdi et al., 2024). The Resource-Based View (RBV) theory elucidates the development of an organization's capabilities through the strategic management of human resources. Social exchange theory asserts that employees exhibit positive behavior and attitudes in response to organizational initiatives (Shafter & Ghnaem, 2016).

Thus, this study seeks to address the subsequent research inquiries: (1) Do SHRM practices significantly influence the organizational performance of Libyan entities? (2) Does the effect of SHRM practices on organizational performance of Libyan organizations get mediated by employees' engagement and organizational commitment? and (3) Which SHRM practices are more effective for improving engagement and organizational commitment among Libyan organizations?

From a theoretical perspective, this study adds value to SHRM literature by providing empirical evidence outside of the conventional Western framework and illustrating how HR practices impact organizational performance through behavioural mechanisms in an emerging economy. In terms of practice, this study provides insights for designing effective HR strategy for Libyan organizations aiming at increasing engagement and organizational commitment (Shafter & Ghnaem, 2016; Shafter & Ruth, 2020).

2. Literature Review and Hypothesis Development

2.1 Theoretical Foundations

This study will be based on three different theories: RBV, Social Exchange Theory, and AMO (Wright & McMahan, 1992). According to RBV theory, a company can maintain a competitive edge over the long term by securing resources that are valuable, rare, unique, and difficult to replace (Barney, 1991). Human resources are one of those capabilities that can be obtained through good management. According to Social Exchange Theory, employees engage in reciprocal actions by showing positive attitude and behaviour towards the organization in return for its investment (Cropanzano & Mitchell, 2005). Ability-Motivation-Opportunity Model explains how performance of employees is related to their ability, motivation, and opportunity and can be increased by using SHRM (Appelbaum et al., 2000). This theory is highly relevant in the case of Libya because of institutional uncertainties and problems in its labour market.

2.2 SHRM Practices and Organizational Performance

Staffing planning, career development, empowerment, performance evaluation, training, and recruitment are all parts of SHRM's framework for building human capital and improving organizational performance. Previous studies indicate that organizations with the implementation of coherent HR systems are more successful than other organizations using fragmented HR systems (Combs et al., 2006; Jiang et al., 2012).

According to evidence gathered from Libya, the performance appraisal, compensation, reward, and HR planning practices have a great impact on improvement of organizational performance; however, other practices may be hindered by institutional barriers and skill barriers. Evidence from research conducted in oil and gas companies in Libya suggests the importance of career development, training, and reward for good performance of employees.

H1: SHRM practices positively influence organizational performance in Libyan organizations.

2.3 SHRM Practices and Employee Engagement

Employee engagement is viewed as a psychological construct involving feelings of energy, dedication, and absorption (Schaufeli et al., 2003). Practices of SHRM increase engagement through offering developmental chances, compensation, environment, and participation for the employees. In terms of Social Exchange Theory, organizational support results in increased involvement and commitment from employees (Cropanzano & Mitchell, 2005). Similarly, in the AMO model, training boost's ability, reward increases motivation, and empowerment provides the opportunity to contribute.

In Libya, considering that organizational uncertainty can influence psychological safety of employees, HR practices that reflect organizational support will increase engagement of the employees. Hence:

H2: SHRM practices positively influence employee engagement in Libyan organizations.

2.4 SHRM Practices and Organizational Commitment

Affective commitment refers to the feelings that employees have for their company, continuance commitment to ensure that they stay with the company, and normative commitment to uphold organizational values (Meyer & Allen, 2002). Training, career development, and performance reward are all SHRM practices that can boost commitment by making organizations more appealing to potential employees.

Research done in Libyan organizations especially in the oil and gas industry has found out that practices such as internal career paths, training, and performance reward are significant predictors of commitment among the employees.

H3: SHRM practices positively influence organizational commitment in Libyan organizations.

2.5 Staff Participation and Business Outcomes

Employee engagement has been known to be a key factor in the efficiency of an organization. Engaging employees will help in increasing their productivity, innovation, and service quality as they contribute through organizational citizenship behaviors (Harter et al., 2002). Employee engagement could be very critical in labor market environments like that of Libya. Consequently:

H4: Employee engagement positively influences organizational performance in Libyan organizations.

2.6 Organizational Commitment and Performance Outcomes

Organizational commitment helps to improve performance because it decreases turnover intention, maintains organizational knowledge, and facilitates discretionary behavior (Allen et al., 2010; Organ et al., 2006). Although affective commitment is more likely to have positive performance results, continuance commitment could be more concerned with retention issues. In this case, because of the significance of retention for the Libyan context, organizational commitment can positively impact performance.

H5: Organizational commitment positively influences organizational performance in Libyan organizations.

2.7 Mediating Effects

The hypothesis for this research is that engagement of employees and their organizational commitment will be the behavioral mechanism through which there is an interaction between SHRM practices and organizational performance. The SHRM practices are designed to provide conditions favorable for developing psychological attachment and motivation of the employees, which leads to better performance results.

Accordingly:

H6: In Libyan organizations, employee engagement acts as a mediator between SHRM practices and organizational performance.

H7: Among Libyan businesses, organizational commitment acts as a mediator between SHRM practices and performance.

Table 1. Research Hypotheses Summary

Hypothesis	Proposed Relationship
H1	SHRM practices positively influence organizational performance.
H2	SHRM practices positively influence employee engagement.
H3	SHRM practices positively influence organizational commitment.
H4	Employee engagement positively influences organizational performance.
H5	Organizational commitment positively influences organizational performance.
H6	In Libyan organizations, employee engagement acts as a mediator between SHRM practices and organizational performance.
H7	Among Libyan businesses, organizational commitment acts as a mediator between SHRM practices and performance.

Note: SHRM = Strategic Human Resource Management.

2.8 Conceptual Framework

Building upon the theoretical assumptions and hypotheses proposed above, the conceptual framework of this study identifies that SHRM practices affect the organizational performance via two parallel mediation pathways: engagement and organizational commitment of employees. As shown in Figure 1 below, the conceptual framework of this study makes use of three theoretical frameworks including RBV, Social Exchange Theory, and the AMO framework for explaining the mechanism by which SHRM practices create value for organizations. According to the RBV, employees are considered as valuable resources in the

organization while Social Exchange Theory describes how such organizational resources will repay their investments in the form of engagement and organizational commitment. Further, the AMO framework explains how SHRM practices contribute towards better ability, motivation, and opportunities for the employees. However, it should be noted here that the effectiveness of SHRM practices may depend on contextual factors and institutional environment.

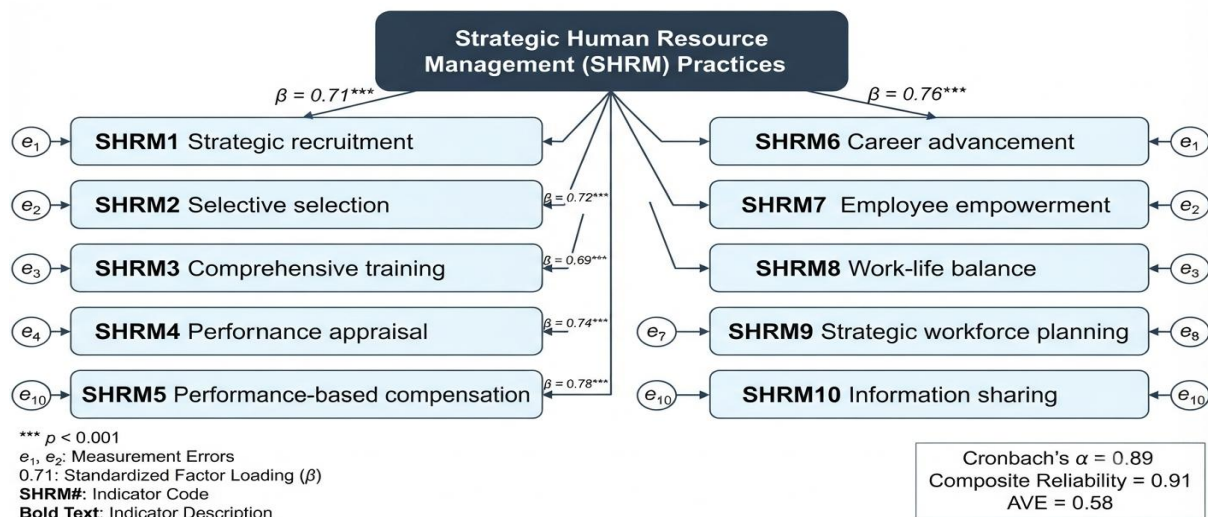


Figure 1: Framework for the current research concepts

3. Research Methodology

3.1 Research Design

The research employed a quantitative cross-sectional design to empirically examine the direct and indirect connections among SHRM practices, engagement, organizational commitment, and organizational performance. This layout was thought to be appropriate for evaluating the theoretical model that was being considered in the context of Libyan organizations.

3.2 Population and Sample

The research was conducted among employees working for large Libyan organizations in the fields of oil and gas industry, telecommunication industry, construction, and public sector such as National Oil Corporation (NOC), Akakus Oil Operations, Libyana Mobile Phone, and Almadar Aljadid. The aforementioned sectors were chosen because of their importance in the development of the Libyan economy and application of HRM practices in these sectors.

Stratified random sampling technique was used to have sector representation in the sample. According to the SEM sampling guidelines suggested by Hair et al. (2017), the minimum sample size needed should comprise 280 people based on 28 indicators. 450 employees were surveyed in 52 organizations and 287 valid questionnaires were received (response rate is 63.8%). Employees were supposed to work full-time for at least one year in the organizations to make sure that they have enough knowledge about HRM practices.

The final sample included respondents from the oil and gas sector (38.3%), telecommunication sector (22.0%), construction sector (19.9%) and public sector organizations (19.9%).

3.3 Measurement Instruments

Measurement scales that were validated for use in the Libyan context were used in the study. **SHRM** was assessed through a 10-item scale which is an adaptation of Delery and Doty (1996) and Al Adresi and Darun (2017). A 9-item scale developed by Schaufeli et al. (2003) called the Utrecht Work Engagement Scale (UWES-9) was used to gauge employee engagement. This gauges the level of energy, commitment, and focus displayed by the staff. The 18-item, three-dimensional scale created by Meyer and Allen was used to measure organizational commitment (2002). A seven-item scale derived from Huselid (1995) and Delery & Doty (1996) was used to assess the performance of the organization. A five-point Likert scale was used to measure

responses for all variables. Back translation was used to convert the survey instrument from English to Arabic. Before collecting data, a pilot study with 30 employees was conducted to make sure the items were clear.

3.4 Data Collection

Structured questionnaires were distributed through organizational channels, email, and networking in order to gather data from January to May 2025. Participants were assured of their confidentiality and anonymity, and their participation was entirely voluntary. We followed all protocols for obtaining informed consent and obtaining ethical approval before we began collecting data.

3.5 Data Analysis

In order to analyze the data for this study, SPSS 26 and SmartPLS 4 were utilized. While PLS-SEM analysis was utilized to evaluate the proposed model, descriptive statistics and preliminary analysis were conducted using SPSS 26. According to Hair et al. (2017), the proposed model's complexity in terms of prediction justifies the choice of PLS-SEM. There were two steps to the process. To analyze the measurement model, reliability, convergent validity, and discriminant validity were utilized. With respect to the structural model, we evaluated path coefficients, significance, R^2 , Q^2 , predictive relevance, and model fit.

4. Results

4.1 Sample demographic profile

Table 2 below displays the sample's demographic information. The sample consisted of 287 people; men made up 62.4% of the total and women 37.6%. Respondents' ages varied widely, with 41.5% falling within the 31–40 age bracket and 26.8% between the 41–50 age bracket. Near the top end of the educational spectrum, 48.4% of respondents held a bachelor's degree, 29.3% a master's, and 12.2% a doctorate. On average, people had been with the company for 8.7 years, with 34.5 percent having 6–10 years of experience.

Table 2: Respondent Demographic Profile

Demographic Variable	Category	n	%
Gender	Male	179	62.4%
	Female	108	37.6%
Age (Years)	20 to 30	52	18.1%
	31 to 40	119	41.5%
	41 to 50	77	26.8%
	Over 50 y	39	13.6%
Education	Diploma	29	10.1%
	Bachelor's	139	48.4%
	Master's	84	29.3%
	Doctorate	35	12.2%
Organizational Tenure (Years)	≤3	38	13.2%
	3 to 5	67	23.3%
	6 to 10	99	34.5%
	≥10	83	28.9%
Sector	Oil and Gas	110	38.3%
	Telecommunications	63	22.0%
	Construction	57	19.9%
	Public Sector	57	19.9%
Position	Managerial	92	32.1%
	Non-managerial	195	67.9%

Note: Total N = 287 respondents. All percentages are calculated based on valid responses. This demographic profile matches the attributes of the Libyan workforce in the selected industries. It is in line with the leading industry being the oil and gas industry since it is the

major economic contributor to the Libyan economy. The educational levels are high due to the selected sample that consists of professionals.

4.2 Common Method Bias

The common method bias was examined using Harman's one-factor test, taking into account the cross-sectional research design and data from a single source. The first component accounted for less than half of the variation (28.7%) in the data, as shown by exploratory factor analysis. So, typical method bias was not a problem, according to Podsakoff et al. (2003).

4.3 Measurement Model Assessment

Tests for reliability, convergent validity, and discriminant validity of the measurement model were conducted to confirm the validity of the proposed research models. The outcomes of these tests are displayed in Table 3. By exceeding the recommended minimum value of 0.70, all constructs demonstrated sufficient reliability in terms of internal consistency, as shown in Table 3, with Cronbach- α values ranging from 0.82 to 0.91. Correspondingly, all CR values ranged from 0.86 to 0.93, thereby demonstrating reliable measurement constructs.

AVE values, as presented in Table 3, were utilized to assess the convergent validity of measurement constructs. All constructs demonstrated sufficient convergent validity, as their AVE values exceeded the minimum threshold of 0.50, ranging from 0.54 to 0.68. All factor loadings exceeded 0.60 and were statistically significant at $p < 0.001$.

The Fornell–Larcker criteria and Heterotrait-Monotrait (HTMT) ratio were employed to assess the discriminant validity of measurement constructs. Table 3 demonstrates that the square roots of the AVE values exceeded the inter-construct correlations, thereby confirming discriminant validity. Furthermore, HTMT values ranged from 0.62 to 0.78, remaining beneath the advised threshold of 0.85.

Table 3. Measurement Model Assessment

Construct	Items	Outer Loadings	Cronbach's α	ρ_A	Composite Reliability	AVE	HTMT	Fornell–Larcker Criterion
SHRM Practices	10	0.64–0.86	0.89	0.90	0.91	0.58	—	0.76
Employee Engagement	9	0.68–0.88	0.91	0.92	0.93	0.62	0.74	0.79
Organizational Commitment	18	0.63–0.82	0.87	0.88	0.89	0.54	0.78	0.73
Organizational Performance	7	0.66–0.84	0.82	0.83	0.86	0.56	0.71	0.75

The measurement model was evaluated through reliability testing of indicators, internal consistency reliability, convergent validity, and discriminant validity. Table 3 indicates that all constructs demonstrated satisfactory reliability and validity. The outer loadings exceeded the requisite threshold, while Cronbach- α , ρ_A , composite reliability, and AVE demonstrated the reliability of the measures. Figure 2 illustrates the measurement model for HRM practices along with the corresponding indicators.

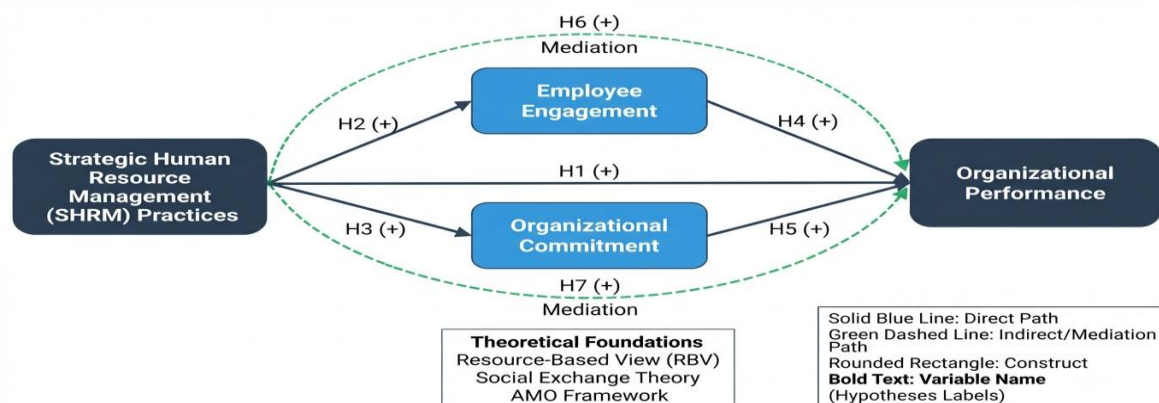


Figure 2: Measurement model assessment of study constructs

Results from the measurement model showed that all observed variables made significant contributions to their associated latent variables, thus confirming the adequacy of the measurement model prior to testing the hypothesized relationships.

4.4 Structural Model Valuation

The structural model underwent evaluation for explanatory capacity, and predictive significance. The variance inflation factors (VIFs) for all predictors were below 3.0, indicating no substantial collinearity concerns. The coefficient of determination (R^2) for organizational performance was 0.48, indicating that the structural model accounts for 48% of the variance in organizational performance. The R^2 values for employee engagement and organizational commitment were determined to be 0.41 and 0.45, respectively. The Stone-Geisser Q^2 values for all endogenous constructs were positive, ranging from 0.29 to 0.38, indicating adequate predictive relevance of the structural model. The fit of the structural model was assessed using the Standardised Root Mean Square Residual (SRMR), yielding a value of 0.067, which is below the acceptable threshold of 0.08, signifying an adequate model fit.

4.5 Hypothesis Testing

Table 4 displays the outcomes of hypothesis testing. The results substantiate all seven hypotheses.

Table 4. Structural model assessment and hypothesis testing results

Hypothesis	Relationship	β	t-value	p-value	95% CI	f ² Effect Size	Decision
H1	SHRM → Organizational Performance	0.31	4.82	<0.001	[0.18, 0.44]	0.15	Supported
H2	SHRM → Employee Engagement	0.45	7.34	<0.001	[0.33, 0.57]	0.21	Supported
H3	SHRM → Organizational Commitment	0.48	8.01	<0.001	[0.36, 0.60]	0.23	Supported
H4	Employee Engagement → Organizational Performance	0.27	4.15	<0.001	[0.14, 0.40]	0.12	Supported
H5	Organizational Commitment → Organizational Performance	0.29	4.48	<0.001	[0.16, 0.42]	0.13	Supported

Model Fit: SRMR = 0.067

Note: The values for the effect size (f^2) were analyzed in line with Cohen's recommendations where values of 0.02, 0.15, and 0.35 reflect small, medium, and large effects, respectively. The structural model is considered to have predictive relevance if Q^2 values are positive.

The structural model (Figure 3) was examined using various parameters such as path coefficient, statistical significance, effect sizes (f^2), explanatory power (R^2), predictive relevance (Q^2), and predictive capability via PLSpredict. As can be seen from Table 4, all the hypotheses proposed in the research were found to be statistically significant. The structural model is able to explain 41%, 45%, and 48% of variance in the dependent variables – employee engagement, organizational commitment, and organizational performance, respectively, reflecting acceptable explanatory power.

H1 indicated that SHRM practices positively influence organizational performance. The analysis results indicated a substantial positive effect ($\beta = 0.31$, $t = 4.82$, $p < 0.001$), thereby confirming H1. This discovery aligns with the broader literature on Strategic Human Resource Management and empirical research conducted on Libyan organizations.

H2 asserted that SHRM practices positively influence employee engagement. The analysis revealed a substantial positive effect ($\beta = 0.45$, $t = 7.34$, $p < 0.001$), thereby corroborating H2. Libyan organizations that adopt SHRM practices will observe an enhancement in employee engagement.

H3 stated that there is a positive effect of SHRM practices on organizational commitment. The analysis results showed a significant positive effect ($\beta = 0.48$, $t = 8.01$, $p < 0.001$), which validated H3. It aligns with the findings from empirical studies conducted among Libyan oil and gas companies.

H4 stated that the engagement of employees affects organizational performance positively. There was found a positive and significant correlation ($\beta = 0.27$, $t = 4.15$, $p < 0.001$).
H5 stated that organizational commitment has a positive impact on organizational performance. There was found a positive and significant correlation ($\beta = 0.29$, $t = 4.48$, $p < 0.001$).

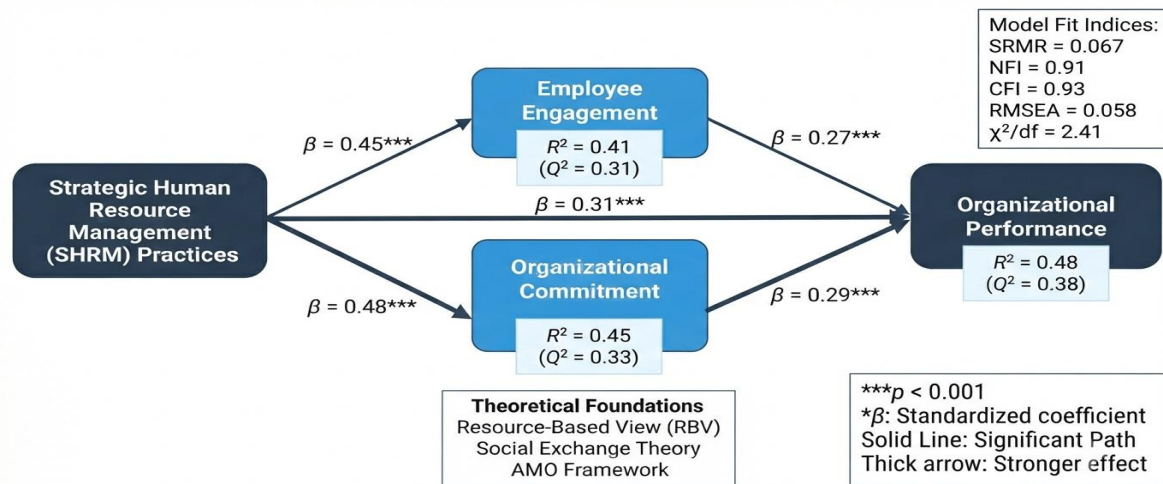


Figure 3: Structural model results with path coefficients, R^2 values, and significance levels

4.6 Mediation Analysis

Table 5 presents the outcomes of the mediation analysis. A bootstrapping procedure with 5,000 resamples was employed to examine the mediating role of employee engagement and organizational commitment.

H6 indicated that the indirect impact of SHRM practices on organizational performance via employee engagement is substantial. The indirect effect was determined to be significant ($\beta = 0.12$, $t = 3.45$, $p < 0.001$, 95% CI [0.06, 0.19]). The variance accounted for (VAF) is 27.9 percent. Consequently, partial mediation is present. Consequently, H6 was determined to be valid.

H7 posited that the indirect influence of SHRM practices on organizational performance via organizational commitment is substantial. The indirect effect is significant ($\beta = 0.14$, $t = 3.89$, $p < 0.001$, 95% CI [0.08, 0.21]). The VAF stands at 31.1%. This indicates partial mediation. Consequently, H7 was determined to be valid.

It has been found that the total indirect effect through both mediators was significant ($\beta = 0.26$, $t = 5.12$, $p < 0.001$). The total effect of SHRM practices on organizational performance is $\beta = 0.57$ ($t = 8.45$, $p < 0.001$).

Table 5: Mediation Analysis Results

Hypothesis	Indirect Effect	β	t-value	p-value	95% CI	VAF	Decision
H6	SHRM $\rightarrow$ EE $\rightarrow$ OP	0.12	3.45	<0.001	[0.06, 0.19]	27.9%	Supported (Partial)
H7	SHRM $\rightarrow$ OC $\rightarrow$ OP	0.14	3.89	<0.001	[0.08, 0.21]	31.1%	Supported (Partial)
	Total Indirect Effect	0.26	5.12	<0.001	[0.16, 0.36]	59.0%	
	Total Effect (SHRM $\rightarrow$ OP)	0.57	8.45	<0.001	[0.43, 0.71]		
	Direct Effect (SHRM $\rightarrow$ OP)	0.31	4.82	<0.001	[0.18, 0.44]		

Note: EE = Employee Engagement; OC = Organizational Commitment; OP = Organizational Performance; VAF = indirect effect / total effect $\times$ 100%; CI = Confidence Interval.

5. Discussion

The findings support the hypothesized framework, revealing that SHRM significantly improves organizational performance in Libyan organizations through the behavioral responses of

employees, mediated by employee engagement and organizational commitment. The findings add to the current body of literature on SHRM by illustrating how HR practices lead to performance through employee behaviors in a transitioning economy setting.

5.1 SHRM practices and organizational performance

Positive correlation between SHRM practices and organizational performance (H1) reiterates the existing knowledge on how strategically designed HR systems enhance the performance of an organization by way of building capabilities and increasing motivation within the workforce. Nonetheless, the effect size measured by β coefficient (0.31) appears to be rather low relative to what has been documented in the literature on advanced economies, suggesting that background plays a significant role in decisive the efficiency of HR systems.

This finding concurs with previous research done in Gulf states and emerging markets, which shows that performance-based HR practices, employee development, and career management play a crucial role in organizational success. Research undertaken in countries such as Saudi Arabia, United Arab Emirates, and other developing nations shows that SHRM leads to performance where there is successful conversion of HR efforts to motivation and competence building among employees. Nevertheless, the case of Libya shows that HR practices must be modified in accordance with the context, especially in situations of institutional weakness and difficult staffing.

These results additionally demonstrate that employee benefit related practices such as career development, remuneration schemes and performance appraisal might be more effective behaviorally compared to those involving long-term institutional maturity requirements. This is consistent with the notion that HR effectiveness is determined not only by the presence of HR practices but also by their value and execution.

5.2 Employee Engagement as a Mediating Mechanism

Employee engagement (H6), serving as a mediator between SHRM practices and performance, illustrates how SHRM practices impact performance through improving the psychological attachment of employees to their work. This result confirms the assumptions of the Social Exchange Theory, according to which employees pay back for organizational investments by becoming more engaged, active, and committed. It corresponds to the AMO model, whereby HR practices increase the motivation and readiness to participate in organizational activities of employees.

In particular, the significance of engagement is relevant to the Libyan case since the level of uncertainty in organizations in this country might be linked to employee motivation and psychological security. The successful implementation of HR practices based on fairness, recognition, development, and supportive leadership is crucial for creating higher levels of engagement, thus contributing to organizational performance.

The mediation is partial, meaning that there are several ways in which SHRM influences performance apart from employee engagement. Thus, it supports contemporary views on SHRM, implying complex behavioral mechanisms of its functioning.

5.3 Organizational Commitment as a Mediating Mechanism

The verdicts specify that commitment acts as a intermediary between SHRM practices and organizational performance (H7). These results concur with earlier studies showing that individuals feel more attached when they have perceptions about the organization's investment and thus are prone to behave in an efficient manner.

The issue of commitment becomes particularly important for the country of Libya, where retaining skilled employees is difficult. SHRM practices like career development, training and reward practices might increase affective commitment by generating perceptions of organizational support. These results are consistent with the results from the Gulf region and developing countries, which have shown that commitment of employees has served as an important mechanism for HR practices to enhance retention, organizational citizenship behaviour, and performance.

These results extend the existing body of Libyan research on HRM by combining the concepts of commitment and employee engagement into one framework. Instead of studying HR outcomes in isolation, the current study shows how employees' psychological reactions explain the value generation from SHRM practices.

5.4 Contribution to Emerging Economy SHRM Research

This research adds to existing literature on HRM practices in developing and transitional economies by showing that the principles of SHRM can be applicable in organizational situations beyond the Western world. Although the impact of the institution will affect the efficacy of implementation, the basic process will remain constant, which is that organizations that make wise investments in their employees will have more psychologically strong bonds and better outcomes.

The results of this research also add to the applicability of Social Exchange Theory in non-Western countries. Although there were many difficult external factors, employees would positively react to the organizational efforts that helped them and treated them fairly.

5.5 Contextual Factors and Boundary Conditions

Influencing factors of the effectiveness of SHRM in Libya include institutional, cultural, and sectoral determinants. Culture, leadership, and working environment could play roles in defining the efficiency of HRM practices for creating employee engagement and commitment. Favorable leadership and management styles will contribute to improved SHRM results, but strict organizational structure might impair them.

Public vs. Private Sector Boundary Condition

Public organizations are restricted by bureaucracy and weak incentives for productivity, while private organizations are troubled with issues of talent retention and uncertain employment. Consequently, the approach of SHRM should vary depending on the sector of organization activity.

6. Implications

6.1 Theoretical Implications

The current research extends SHRM research in relation to HR-performance linkages in a transitional economy. This is achieved through providing empirical proof of how behavioural mechanism is utilized to generate organizational value through HR practices.

The results have further enhanced the AMO theory through providing a different pathway through which SHRM impacts performance. The pathways relate to the influence of capability, motivation, and opportunity of employees on performance.

6.2 Managerial Implications

SHRM practices that create value for the employees must be prioritized by managers in Libyan organizations, including career development, reward system based on performance, training, and empowerment programs. Employee engagement needs good leadership, good work design, and psychological safety. Likewise, organizational commitment needs clear career structure, good compensation package, and organizational support.

The organization must refrain from using standard human resource management practices but adapt them according to sector features and conditions.

6.3 Policy Implications

Public sector policymakers should support policies that develop workers, improve professional training, and undertake labour market reform to promote **SHRM** practices. Increased competitiveness among private sector organizations and bridging gaps between public and private sector employment systems may help to achieve human capital development nationally.

7. Limitations

A number of shortcomings exist within this study. First, the use of cross-sectional methodology limits the extent to which causal relationship between SHRM practice, employee attitudes and

organizational performance can be established. In future research, longitudinal methodology should be adopted to explore HR practices' effect on performance.

Secondly, self-reported questionnaires were used in collecting data which could result into common method bias and perceptual response biases. Future researchers should adopt multi-source data gathering including performance measures from supervisors.

Thirdly, the study was carried out in only one national setting thus its generalizability is limited. Future comparative studies in the Gulf Countries as well as developing nations should be carried out to have more insight into differences in SHRM effectiveness in different contexts.

Fourthly, the study has utilized organizational access and availability of employees in collecting the data hence having some form of sampling issues. In future researches, probability sampling methods should be adopted. Finally, cultural response bias may affect employee perception.

7. Conclusions and Future Research

This research explored the impact of SHRM practices on organizational performance with focus on the mediator effect of employee engagement and organizational commitment among the Libyan organizations. These results confirmed the conceptual framework of this study since it is shown that SHRM practices impact positively and significantly on organizational performance, and this effect is partly mediated through employee engagement and organizational commitment. The internal career ladder, job training, and performance-based compensation proved to be the most impactful SHRM practices in creating organizational commitment among employees in Libya.

The research has several practical and theoretical implications. On a theoretical front, this study contributes to the SHRM literature by studying behavioural mediating mechanisms in the non-Western, conflict-ridden environment and providing empirical support for the validity of applying Social Exchange Theory and the AMO approach in the Libyan environment. On a practical front, the study helps the HR managers, organizational leaders and policymakers develop effective strategic HR practices that will help in improving employee engagement, organizational commitment and performance. The future research on SHRM is advised to start off with adopting longitudinal research designs to study the long-term impacts of SHRM practices on employee engagement, organizational commitment and performance. Comparative research among other emerging economies, Gulf countries and transitional environments is also suggested to study the impact of various institutional, cultural and industry specific factors on the influence of SHRM practices and mechanisms.

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Appendix A. Survey Questionnaire

Title: Strategic Human Resource Management Practices, Employee Engagement, Organizational Commitment, and Organizational Performance

Instructions: Please indicate the extent to which you agree with each statement using the following scale:

- 1 = *Strongly Disagree*
- 2 = *Disagree*
- 3 = *Neutral*
- 4 = *Agree*
- 5 = *Strongly Agree*

Section A: Strategic Human Resource Management Practices (SHRM)

(Adapted from Delery & Doty, 1996; Al Adresi & Darun, 2017)

1. Our organization implements systematic recruitment and selection practices.
2. Employees receive adequate training and development opportunities.
3. Performance appraisal systems are effectively implemented.
4. Compensation and reward systems are linked with employee performance.
5. The organization provides opportunities for career advancement.
6. Employees are encouraged to participate in decision-making processes.
7. The organization supports employee empowerment and autonomy.
8. HR practices are aligned with organizational strategic objectives.
9. Workforce planning is used to support future organizational needs.
10. HR policies contribute to improving employee capabilities and performance.

Section B: Employee Engagement

(Adapted from Utrecht Work Engagement Scale – UWES-9; Schaufeli & Bakker, 2003)

1. I feel energetic and enthusiastic when performing my work.
2. I feel strong and motivated in my job.
3. I am willing to put extra effort into my work.
4. I find my work meaningful and valuable.
5. I am proud of the work I do in this organization.
6. I become fully absorbed when performing my job.
7. Time passes quickly when I am working.
8. I am mentally focused on my work activities.
9. I feel highly involved in my job responsibilities.

Section C: Organizational Commitment

(Adapted from Meyer & Allen, 1997)

1. I feel emotionally attached to my organization.
2. I feel a strong sense of belonging to this organization.
3. I am willing to make efforts for the success of this organization.
4. I would be happy to continue my career with this organization.
5. I believe staying with this organization is important for my career.
6. Leaving this organization would create difficulties for me.
7. I feel an obligation to remain with this organization.
8. I believe loyalty toward this organization is important.

Section D: Organizational Performance

(Adapted from Delery & Doty, 1996; Harrell-Cook, 2001)

1. Our organization achieves high levels of operational effectiveness.

2. Our organization continuously improves service and product quality.
3. Our organization demonstrates strong productivity performance.
4. Our organization encourages innovation and improvement.
5. Our organization achieves high customer satisfaction.
6. Our organization effectively retains skilled employees.
7. Overall, our organization performs successfully compared with competitors.

Compliance with ethical standards

Disclosure of conflict of interest

The authors declare that they have no conflict of interest.

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