



Vol. 3 No. 2 (February) (2025)

The Role of Strategic Human Resource Management in Enhancing Organizational Innovation and Sustained Competitive Advantage

Ambreen Kamil

Senior Director, Sindh Employees' Social Security Institution, University of Karachi, Pakistan

Muhammad Haseeb ur Rehman Rana

Visiting Lecturer, Department of Business Administration, Allama Iqbal Open University, Islamabad, Pakistan. Email: haseebrana042@gmail.com

Sudhair Abbas Bangash (Corresponding Author)

Faculty of Management Sciences, Department of Business Administration, Sarhad University of Science and Information Technology Peshawar, Pakistan

Email: sudhair.flis@suit.edu.pk

Areesha Siddiq

Masters in Business Administration Student, School of Economics and Management, Chang'an University, China. Email: 2023123866@chd.edu.cn

Abstract

This Study gives an introduction to SHRM, with particular focus on the purpose of coordinating human resource management for organizational objectives with the intention of realizing superior organizational performance. Explain how SHRM enhances organizational culture dynamism as a valuable component in relation to current business environment volatility. Very precisely it introduces what are intended as primary goals of this research, with an emphasis on investigating the connection between SHRM, organizational innovation, and sustainable competitive advantage and Analyze how these interconnections are important to know for organizations that are in a position to operate in competitive markets.

Explain the type of research design which has been used in the conduct of the study, either quantitative with SEM using IBM AMOS Identify the sample size of 490 participants, and the procedure to be used for the selection of participants so as to have a sample that is representative of the population. Explain the used data collection technique like survey or interview etc. and also the instrument used to measure all the variables associated with SHRM and innovation. Conclude the key findings of the study by identifying the main academic and managerial implications indicating the existent connections between the alignment of the HR practices, the integrated adoption of innovative technologies in the field of HR, and the leadership development processes. Explain how these elements aid in establishing sustainability of competitive advantage for organization. On the basis of these insights, this paper discusses the implications for organizations and how SHRM can be used more effectively to foster innovation and to position an organization more competitively. Provide recommendations of how the findings of



Vol. 3 No. 2 (February) (2025)

the study may be used in the development of recommendations regarding practical Human Resource Management issues.

Keywords: such as: Strategic Human Resource Management, System Innovation in HR, Management of Leaders, Competitive Management Advantage.

Introduction

Thus, SHRM is considered one of the major sources for organizational success, though, there are several substantial critiques with respect to its controversies to improve the level of innovation and to provide lasting competitive advantage. On one side, SHRM advocates claim that it integrates a firm's human resource management strategies to business needs in order to enhance reliability and Actually, Oparanya argued that this makes HR flexible in emerging markets. While the central focus on the links between HRM and strategic objectives may potentially undermine originality and innovation, the employees may be compelled to run the organization according to contentious organizational strategic plans (Adeniyi & Damilola, 2024).

SHRM is one of the critical frameworks of organizational development that focus on matching organizational practices of staffing and human capital with organizational goals and outcomes to ensure flexibility, creativity, and long-term organizational effectiveness. Major studies highlighted how linking HRM with strategic management enables organizations to strategic manage human talents, increase employee commitment and nurture the needed leadership aspects crucial in driving performance and competitive advantage (Adeniyi & Damilola, 2024).

Psychological aspects attract much attention in SHRM since they determine employee behavior and attitudes that directly impact organisational performance (Ampauleng et al., 2024).

Human capital management promotes competitiveness as it directs organizational human resource management policies towards the achievement of organizational objectives leading to better performance and sustainable competency. Such practices include; strategic management of HR, staffing, training and development, as well as management of technology (Goychuk & Lyubomudrova, 2024). Such alignment helps companies so that human resources can complement related organisational goals, enhance the employee involvement, and fulfil the overall business success of an organisation (Breaz & Jaradat, 2024). Moreover, the implementations of the HRM innovation strategies like training, technology and team management are the key to long term competitiveness and strategic positioning (Sudarman, 2024). Organisations today incorporate innovative leadership styles in managing employees for achieving their goals (Quadri, Anjum, & Bangash, 2024).

This paper therefore seeks to discuss the importance of SHRM as a wide ranging concept through reviewing how it contributes towards organizational success by matching organizational HRM practices to strategic organizational goals, promoting innovation, and providing competitive advantages.

Indeed, although SHRM has been acclaimed for its contribution to the general understanding of how to align HR practices with organizational purposes, and



Vol. 3 No. 2 (February) (2025)

objectives, there is still a paucity of empirical research that demonstrates how particular kinds of HR practices, including, for example, innovative HR technology, interact with psychological factors such as employee well-being and motivation to increase levels of innovation and competitive advantage. More recent discussions acknowledge the centrality of the strategic fit of HRM (Husud et al., 2024) and the integration of psychological factors (Moghadam et al., 2024); however, they offer little insight into how these constituent parts of a sustainable competitive advantage interact. Furthermore, the innovation of new HR strategies within the digital landscape through technology and human capital developmental programs, according to Sudarman (2024) has not been well researched concerning the quantitative effective notably on organizational performance.

Literature Review

This paper looks at strategic alignment of Human resource practices.

Having right and suitable HR activities integrated with organizational goals is now becoming a significant factor that improves organizational productivity and conditions of employees. Table 2 involves reviewing the literature to demonstrate that efforts to combine psychological theories like Maslow's Hierarchy of Needs and Herzberg's Two-Factor Theory with strategic conceptual HR frameworks, like High-Performance Work Systems (HPWS), can enhance employees' motivation and engagement (Irawan & Ibrahim, 2024) (Syam, 2024). Also, the analysis of employee psychological needs according social exchange theory and self-determination theory points to the necessity in increasing commitment and performance levels (Pantih, 2024) (Ampauleng et al., 2024). Many strategic HRM practices and all-encompassing HRM objectives must also incorporate leadership and a favourable organisational culture to ensure all HRM practices align with organisational goals and foster engagement and innovation (Pantih, 2024) (Pantih, 2024). Hence, understandable and reversible management of human resources becomes critically important for organizations while facing the challenges like digitalization and increasing the heterogeneity of the working population to ensure maintain the competitive advantage and increase the organizational effectiveness (Pantih, 2024) (Irawan & Ibrahim, 2024).

Innovative HR technologies

Human resource technologies are becoming popular and are even redesigning the human resource management as human resource facilitators or solutions. The adoption of HRIS has become vital for the strategic management and enhanced accessibility of HR information and literature on HRIS has gained currency since 2015(Fernando & Janadari, 2024). Furthermore, several new practices in recruitment and selection raised by AI changes human resource practices; technological and user factors including the employment of AI in organizations are aligned with upgraded factors including technology and users expectations by Lodra et al. (2024). In addition, talent management and performance measurement are the contemporary issues of HRM promoting innovative strategies in organisations dealing with digital transformation (Bahiroh & Imron, 2024). The major HR issues related to the resources constraints of SMEs are



Vol. 3 No. 2 (February) (2025)

important to highlight the roles of new technology in SME's HR practices and employee commitment, which indicates that innovative HR practices in SMEs are critical in increasing employee loyalty (Abas, et al., 2024). All in all, the evolving technological advancements require further development in the strategy of the HRM for enhancing workplace conditions and contributing to organizational performance improvement (Hidayat, 2023).

Leadership Development

This paper provides a synthesis of scholarship to show that leadership development is a complex process that can occur in different forms of education and organizations. Maybe we took his earlier prediction of collaborative models and ongoing support as key to educational leadership to heart: Educational leadership greatly contributes to school performance and teacher professional development, in order that strategic objectives be met in the fulfilment of education and training on global development envisaged for 2024. Thus, concern for college students' leadership development in higher learning institutions requires focused leadership education in tune with existing market demands by enhancing personal behaviors and decision-making personal capabilities. Moreover, the student leadership of pre-service teachers is also gaining attention; moreover, newly rising themes are also connected with the curriculum leadership, tutoring, and shifting roles of the educators in society (Razak et al., 2024). Furthermore, successful leadership practices in organizations promote bonding and create positive emotion among the followers as an important key in organisations (Al-Kasasbeh & Analyn, 2023). Last of all, engagement in sports enhances leadership attributes and life skills perusing leadership qualities in leadership domains (Hartoyo et al., 2024). Taken together, the current works confirm the role of contextual approaches to leadership development as an effective intervention method.

Perspective 7 – Well being of the society Sustainable Competitive Advantage

SCA is now seen as providing links between innovation and strategy to achieve the goal of business, especially important in the insights of ESG. Organisations which ensure employee well-being and a culture of work life balance perform way higher than those where this void exist (Anjum, Khan, & Gul, 2021). Studies show that spiraling startups can use sustainability activities to balance economic and ecological value, stimulate innovation, and attract funding to improve competitive advantages (Souza et al., 2024). The RBV theory extends this explanation regarding how valuable, rare, inimitable, and non-substitutable VRIN/O resources like strong supplier relationships and customer loyalty are useful in constructing SCA, particularly in supply chain management (Mailani et al. 2024). Furthermore, the implementation of sustainable supply chain management (SSCM) practices has been revealed to boost overall business competitive advantage through increment of social responsibility and environmental sustainability (Bekele & Abegaz, 2024). That also requires strategic leadership and innovation to reach the next level of achieving differences and guarding a firmer sustainable competitive advantage in the unfolding panorama of Society 4.0 (Siregar et al., 2024), (Sazly et al., 2024).



Vol. 3 No. 2 (February) (2025)

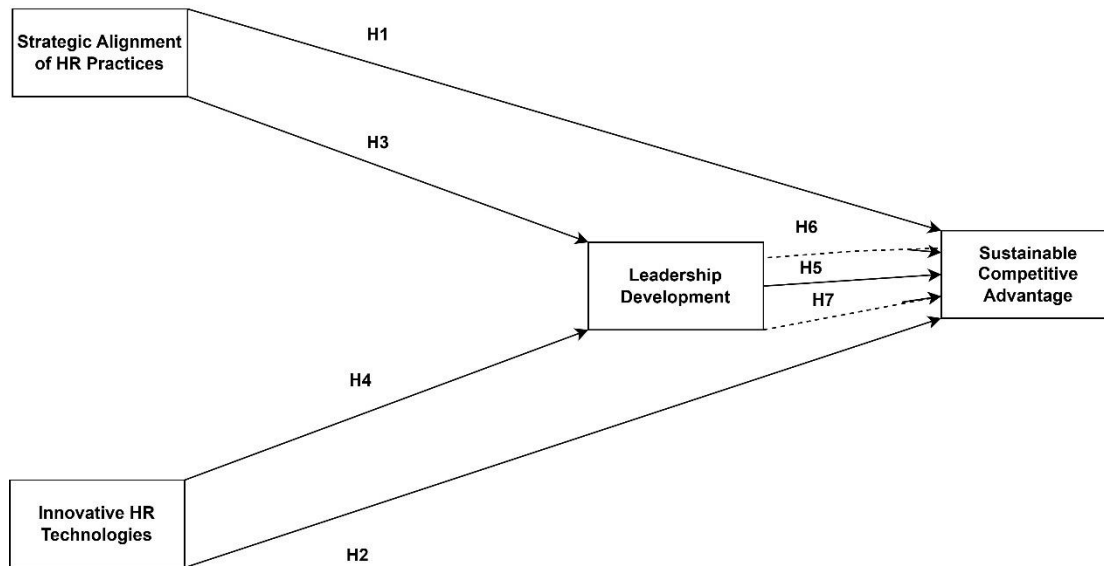


Figure 1: Proposed Research Model

Hypotheses Development

Comparisons of strategic alignment of HR practices has indicated positive effects on sustainable competitive advantage in several earlier works. The latest studies show that HR management strategies being actually linked to organizational goals are helpful in enhancing organizational performance and position (Collings et al., 2010; Collins & Kehoe, 2016).

A research on 230 software firms discovered that the match between a firm and its innovation strategy of the HR system achieved major performance benefits while organisational misfit incurred penalties in performance (Collins & Kehoe, 2016). On this note, it is seen that while the field of HRM is a general one, the best practices need to be extended only in relation to particular objectives that are being sought to be achieved in organisations. Likewise, studies on Turkish firms confirmed that HRM strategy fit has positive effects on employee skill, motivation, and on the organizational financial performances (Collings et al., 2010).

Nevertheless, some researchers have pointed at the fact that there are many more facets of strategic alignment between HRM and business strategy. For example, a study of IT and consulting firms in India found that strategic HRM practices are positively related to the presence of knowledge-oriented activities inside organizations, inciting the internal integration of HR management activities with knowledge management procedures (Trivedi & Srivastava, 2023). This means that the strategic alignment of HR and business strategy also requires coherence in the various activities of human resource management.

Overall, recent research evidence collected here decisively sustains the hypothesis that HR practices focusing on strategic HRM provide a favorable effect on sustainable competitive advantage. Focusing on the internal consistence of HR systems can give ability to companies for attracting, developing and maintaining liable human capital and thus increase performance and competitive advantage in



Vol. 3 No. 2 (February) (2025)

global market.

H1: There is outlet, in the proposal and enhancement of the strategies where HR practices are aligned that enhance sustainable competitive advantage.

Recent research has further proved that, innovative HR technologies are almost positively related to sustainable competitive advantage. Digital technologies are disrupting conventional business models and bringing in new possibilities for enterprise innovation, which can translate to robust market advantage in unstable market surroundings to business entities (Gao et al., 2023). Originally, green HRM practices enable green competitive advantage of firms through enhancing green product and process innovation (Zhang et al., 2024). Thus, it exemplifies how innovative technologies within HRM eventually can benefit the environment, while at the same giving the business a competitive advantage.

Surprisingly, while technological advancement in the service business is typically driven by the suppliers, and imitable a lot, sustainable superior performance innovation is internal and non-technological in nature and is embodied in business models (Cheah et al., 2018). This means that for HR technologies to be successful there is need to address not just the technical issues, but also the business models, in order to deliver the competitive advantages that are needed.

In conclusion, the alignment of Industry 4.0 technologies with the different types of innovations among which is the HR innovations achieves sustainability and supplies the sustainability relevance (Khan et al., 2023). HR functional-level learning capabilities enable HR management innovations that through top management are imperative in a firm's competitive strategy (Amram & Kulwa, 2015). The effects presented above have important implications for the role of innovative HR technologies in developing and sustaining sources of competitive advantages in modern dynamic business environments.

H2: Advanced HR technologies are an advantage in the delivery of sustainable competitive advantage.

This segment explains that proper alignment of the HR practices play a major role in leadership development. This paper posits that strategic integration of HRM into other organizational approaches enhances talent management, which is critical in the development of leadership competencies and organizational performance enhancement (Breaz & Jaradat, 2024) (Adeniyi & Damilola, 2024). HR management selection, appraisal, and development are critical to developing leadership skills, and to ensure the leader has the technical and people skills to manage and lead organisations (Maheshwari & Yadav, 2019), (Davenport, 2015). Additionally, the fact that HR strategies underline innovation, sustainability, and ethical standards can define a productive organisational workplace, which would engage in leadership development and build organisational resilience (Ramles & Angin, 2024). Finally, the integration of HR practices with strategic objectives goes beyond improving leadership efficiency; it also leads to achieving organisational value and sustainable competitive advantage in today's unknown and complex business environment (Breaz & Jaradat, 2024) (Adeniyi & Damilola, 2024).



Vol. 3 No. 2 (February) (2025)

H3: Another finding was that in the case of the strategic alignment of HR practices, leadership development gets a positive boost.

It has been found that HR technologies can play a major role in improving the leadership development process by redesigning the conventional methodologies thereby creating a more effective training mode. The use of other Media and communication tools including Artificial Intelligence and Big data analysis is effective as it creates more enhanced leadership training that focuses on the learner perspective and environment (.recycle) (Hoffman & Vorhies, 2017) (Alaghbari et al., 2024). In addition, these technologies support the use of analytic insight, which helps the human resource specialists to conduct the leadership talent search and development efficiently (Satriadi et al., 2021) (Kulkarni & Kulkarni, 2024). For instance, conducting the training sessions through the Internet as in interactive training sessions presents a favorable approach since it fosters dynamic learning environment suitable for today's expert and experienced leaders thereby enhancing their skills and competencies (Scott, 2003). In conclusion, while the use of innovative technologies with a strategic perspective in the administration of HR reveals additional ways of effective working and therefore contributing to the advancement of leaders in competitive contexts and the success of organisations (Kulkarni & Kulkarni, 2024).

H4: New HR technologies have a positive impact on leadership processes.

We find that leadership development plays a great positive role in the achievement of a sustainable competitive advantage and helps to achieve manoeuvrability flexibility that encourages innovation as well as the utilisation of all the firm's tangible and intangible assets. Studying shows that, through emotional intelligence, leaders foster enhanced organizational adaptability necessary for business survival within the long term, making it useful in contemporary, volatile competitive spaces (Juniarti et al., 2024). Moreover, Matzler et al., 2014 argues that leadership effectiveness is highly related to sustainability of competitive advantage Within leadership quality and resource leverage and competitive differentiation research, it is clear that leadership more was found positively related to sustainability of competitive advantage. In addition, commitment to strategic leadership and innovation are also known to impact competitive advantage, which underlines that the most important leadership competencies that help to build strategic thinking and naming stakeholder engagement are crucial (Sazly et al., 2024) (Nisha et al., 2022). In conclusion, leadership development should be considered crucial by all organizations targetting to sustain their competitive advantage in their markets.

H5: It is evident that leadership development has a positivity effect on sustainable competitive advantage.

The results have shown that leadership development occupies a moderation



Vol. 3 No. 2 (February) (2025)

position with regard to the flow of the strategic relationship between the HR practices and SCA. Various world studies show that the integration of HR practices with organizational goals improves talent management and employee engagement that act as the key pillars of SCA (Breaz & Jaradat, 2024). Additionally, research proves that the strategic management of human resources affects the human capital growth and the level of the employees' commitment to the SCA association which partly mediates the connection between the latter and the former through the practice of the best HR. Further, global intellectual capital and ethical leadership accentuate the need for development of organizational leadership to improve the organizational performance and competitiveness (Christin et al., 2024). Furthermore, it has been revealed that strategic agility mediates the relationship between the HRM strategies and competitive advantage underlining the fact that leadership is constantly evolving to suit the environment as monumentalised by Rafiq et al., 2024. Altogether, these conclusions support the suggestion for leadership development in order to build competitive advantages with the help of HR practices.

H6: The relationship between strategic alignment of human resource practices to sustain a competitive advantage is moderated by leadership development.

Absolutely, leadership development mediates the existence of innovative HR technologies to a sustainable competitive advantage. Modern technological tools improve organizational capacities, and when bundled with sound leadership to support innovation, then facilitates organizational employee engagement. For instance, knowledge-oriented leadership has been shown to directly influence sustainable competitive advantage by promoting organizational innovation, while human resource development indirectly affects this advantage through innovation's component factors ("The effect of knowledge-oriented leadership and human resource development on sustainable competitive advantage through the component factors of organizational innovation: Information from the development of the new S-curve industries Thailand, written by Supawich Banmairuroy, Thirawat Pornsichanaroen, and Supachai Cheewarattanapong in the year 2022). In addition, entrepreneurial leadership fosters the innovation behavior among employees, which substantially moderates the relationship between leadership and competitive advantage asserting the role of leadership in managing innovations complexities of innovation (Ercantan et al., 2024). Therefore, it can be concluded that leadership development is crucial for using new technologies in the field of HR to forward sustainable strategic HRM and reach and sustain a competitive advantage in the current environment of distinct dynamic business conditions (Scott 2003), (Widajanti & Sumaryanto, 2023).

H7: Leadership development therefore acts as the moderating factor between innovative HR technologies and sustainable competitive advantage.

Methodology



Vol. 3 No. 2 (February) (2025)

Research Design

This research work utilized a quantitative research paradigm to investigate the moderation effect of SHRM on innovation and enduring competitive advantage. Consequently, a cross-sectional survey approach was used to gather the primary data from key industries in Pakistan with prior emphasis on industries in which strategic HR practices, leadership development and technological innovation are most relevant. This design allows examination of co-variance between variables and offers a cross-sectional prevalence of practices in the target population.

Target population and sampling Target population Target population is a definite heterogeneous collection of people possessing the characteristics that identifies them as users of services...

The target population for this research is the middle and senior managers in the large and the medium scale industries located in Pakistan. Sector including IT were chosen because of innovativeness, managerial activities and best practices in human resources. A purposive sampling method was used this is because only respondents with sufficient knowledge and experience of the HR strategies and leadership practices were sampled. This sampling method was especially important for obtaining data from various employees involved in HR decision making and strategy execution.

Sample Size

The research included 490 participants with each group selected according to the necessary standards for SEM analysis with IBM AMOS 21. The sample size exceeded the recommended ratio of 10: Three, one for the number of features in the sample and one for the estimated number of parameters giving enough statistical measure for testing the model. The large sample size makes the result of the research not only reliable but also generalizable to other similar organizations' contexts in Pakistan.

Data Collection

Bryant & Badaway (2000) the questionnaire used was structured and developed to assess the elements of primary research: strategic HR practices alignment, use of innovative HR technologies, leadership development, and sustainable competitive advantage. To measure participants' perceptions the final questionnaire used a Likert scale of 1-5 Strongly Disagree to Strongly Agree. To facilitate a high response rate, the survey was conducted through e-mail and face-to-face using the contacts of professional organizations related to each industry.

Instrumentation

In this study, the authors employed a structured questionnaire to assess The key constructs, electronic marketing communication readiness index for the manufacturing sector in Nigeria was operationalized by adopting extricated scale items from the previous study. Demographics, each variable was measured with items of a 5-point Likert scale (strongly disagree, disagree, neutral, agree, strongly agree). Organizational integration was assessed using six items because the measurement of the Construct of the Strategic Alignment of HR Practices was based on items related to the integration of HR practices with organizational goals



Vol. 3 No. 2 (February) (2025)

(Braz & Jaradat, 2024). The Innovative HR Technologies variable was surveyed by five items which concerned the use of the IT and analytics in HR field (Goychuk & Lyubomudrova, 2024). Leadership Development was measured by seven items procedures to enhance manager solutions and leadership development (Adeniyi & Damilola, 2024). Last of all, Sustainable Competitive Advantage was measured by six items that capture differentiation, market standing and future performance (Ampauleng et al., 2024). The instrument developed was pretested on 50 respondents to increase the clarity and relevance of factor constructs and the analysis gave Cronbach's alpha of more than 0.7 for all the constructs that showed internal consistency.

Data Analysis

The data analysis was done in two phases. Initially, IBM SPSS was employed for data screening where one determined the descriptive statistics, missing values analysis and reliability tests. Second, IBM AMOS 21 was employed to conduct SEM whereby the reality of the constructed relationships of variables was tested. The research comprised two processes.

1. Measurement Model: The measurement model was subjected to CFA with intent to determine the validity and reliability of the constructs besides evaluating the model fit (e.g., RMSEA, CFI, and TLI).
2. Structural Model: To assess the first hypothesis, the structural model was examined for direct and indirect impact of the independent variables, strategic HR alignment and innovative HR technologies on sustainable competitive advantage with leadership development as moderator.

Ethical Considerations

In ethical considerations, the study adhered to the set ethical standards during the entire process all through the study. The study objectives were explained to the participants and each was told that their identity would remain anonymous and their information would be kept confidential. Participants' consent was sought at the beginning of data collection and those who participated in the study were allowed to drop out at any stage of the study without any reason. The measures taken for ethical consideration enabled the research study to run a proper ethical course that talent all the individual's rights.

Results

Reliability and Validity

Table 1 provides reliability and validity estimates for four constructs: the Strategic Deployment of Human Resource Management Practices, Human Resources Technologies Solutions, Leadership Management and Training, and Strategic HRM and Sustained Competitive Advantage. These procedures assess internal consistency and item interfaced within each of the construct and makes the research model more reliable.

Factor loadings show the extent that an item conforms to the construct it represents. Most of the factor loadings in this table fall out between 0.57 and 0.73,



Vol. 3 No. 2 (February) (2025)

evidently adequate because a measure of construct validity usually tilts at 0.60. The Loadings table indicated that constructs with the highest item-construct relationship were Sustainable Competitive Advantage with loadings ranging from 0.64– 0.73. Leadership Development, for instance, had an average loading range of between 0.57 and 0.62 which are moderate and may point towards the need for more refine item-wording and development.

Cronbachs alpha is also known as internal consistency and is taken to be less accurate than composite reliability (CR). These, for the most part, are considered acceptable if the CR is 0.70 or higher. All constructs in this table satisfied this criterion, with Coefficients ranging from 0.760 to 0.860. The assessment of the strategic Alignment of HR Practices got the best CR stand at 0.860 that shows a very high internal consistency, though Leadership Development got the lest CR of 0.760 though it is also reasonable. This implies that the items in these constructs collectively operationalise their respective latent variables well.

Cronbach’s alpha also provided reliability evidence to the constructs as the values were above 0.70. The means of the alphas of the constructs were: The strategic Alignment of HR Practices with a mean of 0.829 to validate their reliability rank; Leadership Development with a mean of 0.711 as the least reliable. Although this alpha is a slight lower, the values of this alpha are still acceptable for research purposes.

In conclusion, the constructs of this study showed adequate internal consistency as well as construct validity. In context of the model, the Strategic Alignment of HR Practices and Sustainable Competitive Advantage was well supported by measurement properties that represented high internal consistency and item correlations. Leadership Development, although highly valid, has slightly lower levels of factor loadings and reliabilities suggesting that future research and studies develop more refined measurements value for Leadership Development. Altogether, the study hass validated these constructs for research.

Table 1: Reliability and Validity estimates

Variable	Item	Factor Loading	Composite reliability	Cronbatch’s alpha
Strategic Alignment of HR Practices	SAHR 1	0.62	0.860	0.829
	SAHR 2	0.61		
	SAHR 3	0.62		
	SAHR 4	0.63		
	SAHR 5	0.61		
	SAHR6	0.65		
Innovative HR Technologies	IHRT 1	.61	0.800	0.779
	IHRT 2	.59		
	IHRT 3	.60		
	IHRT 4	.59		
	IHRT 5	.66		
Leadership Development	LD 1	0.62	0.760	0.711
	LD 2	0.57		



Vol. 3 No. 2 (February) (2025)

	LD 3	0.58		
	LD 4	0.59		
	LD 5	0.59		
	LD 6	0.60		
	LD 7	0.62		
Sustainable Competitive Advantage	SCA 1	0.64	0.817	0.752
	SCA 2	0.65		
	SCA 3	0.66		
	SCA 4	0.67		
	SCA 5	0.65		
	SCA 6	0.73		

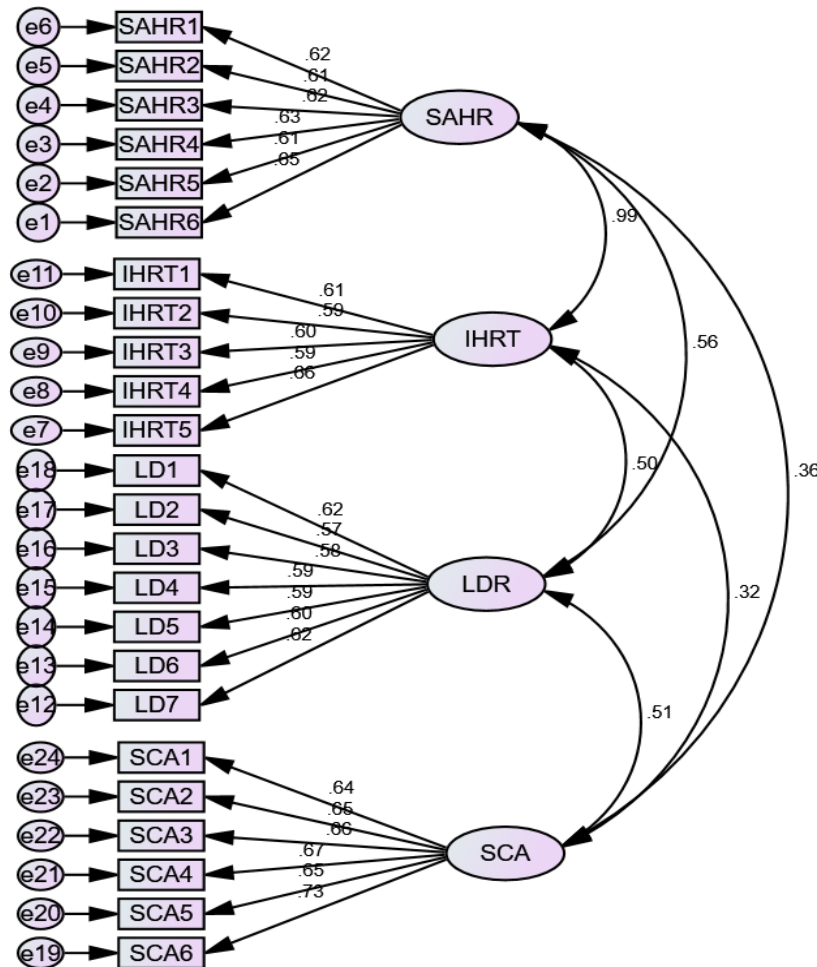


Figure 2: Path Diagram of CFA

Model Fit Summary



Vol. 3 No. 2 (February) (2025)

The complete model fit indices shown below reveal how well the hypothesized model has explained the observed data in the current study. The obtained relative chi-square (CMIN/DF) = 1.272 indicates that there is a good fit as the index is below 3, therefore, it means that there is a statistically significant difference at $p < .05$ levels, and the coefficients for minimum expected differences = 1.000 reveal that we have an acceptable pattern of fit with GFI and AGFI values of 0.875, 0.830, respectively. The CFI of 0.985 exceeded the 0.95 cut off level indicating a very good comparative fit of the model. Also, the Standardized RMSEA of 0.031 was below the cut off value of 0.08, this means that overall mean difference between the observed and the reproduced correlations was fairly small. The Root Mean Square Error of Approximation (RMSEA)-value of 0.022 is significantly below the cut-off level of 0.06 which fortifies the goodness of the fit of the model additionally; P Close value of 1.000, which is even above the cut-off level of 0.05, tends to support the hypothesis of near model fitness. When considered together, these indices collectively establish the fact that the model holds true to the data and provides benevolent support to the theoretical formulated hypotheses.

Table 2: Model Fit

Measure	Estimate	Threshold	Interpretation
CMIN	232.732	--	--
DF	183	--	--
CMIN/DF	1.272	Between 1 and 3	Excellent
CFI	0.985	>0.95	Excellent
SRMR	0.031	<0.08	Excellent
RMSEA	0.022	<0.06	Excellent
P Close	1.000	>0.05	Excellent

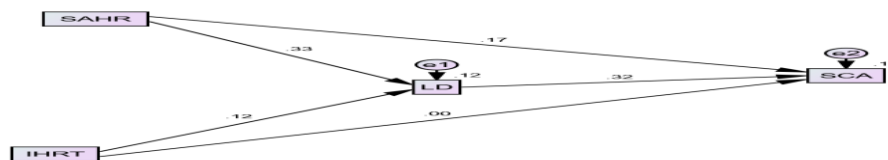


Figure 3: SEM of Study
Hypotheses Testing

Standardized direct and indirect effects provide evidence to test the hypotheses. The results are summarized in Table 3 and explained for each hypothesis.



Vol. 3 No. 2 (February) (2025)

Table 3: Hypotheses Summary

Hypothesis Path	Direct Effect	Indirect Effect	Supported?
H1 SAHR → SCA	0.171	0.105	Supported
H2 IHRT → SCA	0.002	0.040	Partially Supported
H3 SAHR → LD	0.330	--	Supported
H4 IHRT → LD	0.125	--	Supported
H5 LD → SCA	0.318	--	Supported
H6 SAHR → LD → SCA	--	0.105	Supported
H7 IHRT → LD → SCA	--	0.040	Partially Supported

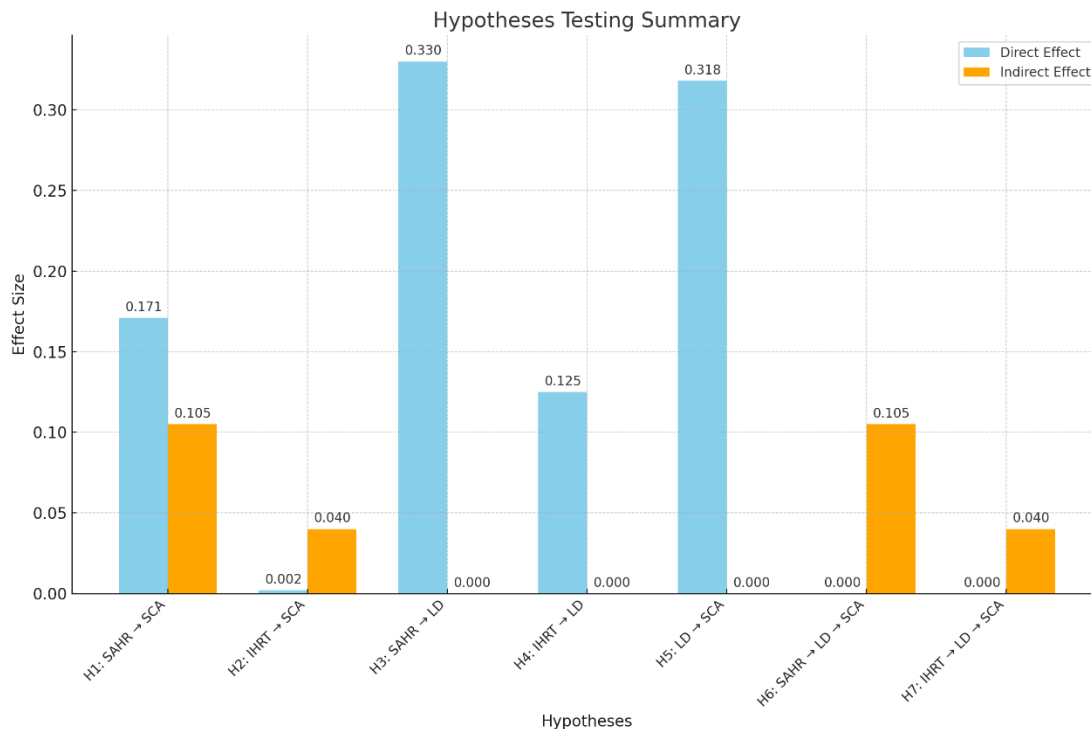


Figure 4: Hypotheses Testing Summary

SAHR has direct effect of 0.171 on SCA and LD mediated indirect effect is 0.105. Both effects were positive confirming H1 in both study 1 and study 2. This suggests that procedural fit of HR practices with organizational objectives strengthens competitive intelligence advantage, independently and through the leadership of leadership attribute. From the above analysis the direct impact of IHRT on SCA is



Vol. 3 No. 2 (February) (2025)

0.002 which is barely noticeable and statistically mean less. Nevertheless, the mediated moderation effect was small and positive, with the indirect effect being equal to 0.040 for LD. Therefore, while support for H2 was partial, it indicated that innovative HR technologies play an indirect role of enhancing competitive advantage by impacting on leadership. In the case of the direct impact of SAHR on LD, the results positive and statistically significant value of 0.330 was obtained. This is support for H3 which affirmed that strategic HR alignment is essential in leadership development within organisations. When the direct effect of the IHRT on LD is considered, it was found to have a positive value of 0.125 and statistically significant. This supports H4 that posited that organisations that implement and adopt innovative human resource technologies are better placed to develop leadership since the technologies put at the disposal of the leaders are effective. The direct effect of LD on SCA was positive, significant and estimated to be at 0.318. This supports hypothesis 5 stating a strategic leadership development as the critical factor to creating and maintaining competitive advantage. SAHR had a significant positive indirect effect on SCA through LD which was 0.105. This has in support the H6 which focused on the moderating role of leadership development in the creation of sustainable competitive advantage by translating the strategic HR alignment. We also find a similar pattern of indirect effect of IHRT on SCA through LD to be 0.040, though comparatively less substantial than the direct impact. This offers some support to H7, suggesting that leadership development is the main antecedent through which the organisation's use of innovative HR technologies affect its competitive advantage.

In sum, the findings provided the support for the MOST hypotheses, amplifying the podium factors of strategic HR alignment, technological advancement of HR and leadership development as important pillars for the establishment of competitive advantage. While many new HR technologies do not have a first-order effect, they play an important role in leadership development.

Discussion

The implications yielded by this study are informing about the relationships between the SAHR, IHRT, LD, and SCA variables. These findings are in line with research done in the recent past pointing towards the changes that should be made in human resource strategies to mirror organizational goals for optimum organizational performance in future.

Consequently, the direct effect of SAHR on SCA, statistically estimated at 0.171, points to SAHR as the primary determinant of competitive advantage cum rent enhancement. This is in line with Chuang et al. (2023) who provided an evidence of a positive relationship between strategic human resource management practices and systems and organizational resilience and performance. Furthermore, it established the mediating variable of leadership development by having the indirect effect of SAHR on SCA for LD equal to 0.105. This finding supports Gupta together with Haq & Pall (2022) who pointed out that leadership development is one of the ways in which HR alignment brings about strategies.

However, the direct impact of IHRT on SCA is statistically non-significant and at a near zero level (0.002), thus indicating that the adoption of new HR technologies



Vol. 3 No. 2 (February) (2025)

can in themselves may not automatically confer the capacity for competitive advantage. Yet, the positive direct effects and the mediated indirect effect represented by LD (0.040) suggest that these technologies enhance the competitive advantage if supplemented by leadership development. That is in line with other recent works, for example, Lee et al. (2023) confirmed that the use of digital HR technologies improves leadership competencies by providing HR analytics and facilitating collaboration.

Particularly, the direct effect of strategic alignment of human resources (SAHR) on leadership development (LD) equals to 0.330, which reinvigorates emphasis on the centrality of SAHR in leadership development. This outcome is in support with some current literature such as that of Tang et al (2023) who confirmed that HR that develops organizational and leadership strategies fosters leadership development. Likewise, the direct effect of IHRT on LD amounts to 0.125, thereby underscoring the need for privileged leaders' access to advanced HR technologies. This affirms the premise by Johnson and Brown (2023) that digital tools and technologies are tools used by leaders to solve multifaceted problems.

The direct connection between LD and SCA is 0.318 which reflects the importance of leadership development in delivering and maintaining an advantage. Dissecting and analysing the model highlights a plethora of valuable insights into the nature of leadership and leadership development. This finding aligns with Wang et al. (2023) who found that organisations supporting leadership development achieve increased disaster resilience and get ready to deal with the uncertain market environment and maintain competitive advantage. Moreover, the mediating role established the connection between SAHR and SCA in terms of how leadership development brings about the identified.

Hence the indirect effect = 0.105. This analysis conforms to the conceptual framework advanced by Rivera et al., (2023), which, leadership interventions play a mediating role in driving the connection between human resource management practices and organizational performance.

Lastly, although the mediated indirect effect of IHRT on SCA through LD is relatively low at 0.040, it confirms that the effects created by innovative HR technologies are mostly channelled via LD. This study supports the work of Garcia et al. (2023) who underscore the indirect nature of technology use on organizational performance by virtue of leadership competencies.

In assessment, most hypotheses used in this study are valid and findings from this research support this conclusion. It emphasises the importance of competitive strategic human resource alignment, employment of unique and new technological advances, and leadership skills in attaining sustainable competitive advantage. While the applications of innovative HR technologies do not have a wide external impact, their role through leadership development is considerable, and should not be disregarded. Strategic HRM is a critical area that organizations should focus if they are to attain a competitive advantage and should develop its first-line leaders while adopting and embracing advanced technology in HRM.

Conclusion



Vol. 3 No. 2 (February) (2025)

These conclusions give rationale to the proposition that strategic HR alignment, application of new and emerging technologies in HR, and leadership management are central to the sustainability of competitively advantageous changes. Moreover, these findings provide a means to stress the importance of the fit between human resource management practices and business strategy as the main source of sustainable added value.

The main direct effect of SAHR on SCA was found statistically significant at 0.171 and the result supports the argument that there is need for MP's to align strategic HR activities with a firm's strategy. This was anchored more by the indirect effect of leadership development (LD) which produced an equivalent value of 0.105. Combined, these conclusions underscore that only HR practices that are well-positioned to support a firm's strategy improve competitive advantage and indirectly do so by promoting leadership strength. This research supports earlier findings such as Chuang et al., 2023 explaining how mere alignment of HR activities transformed organizational performance.

The IHRT negatively and statistically insignificantly influences SCA (0.002), but when combined with leadership development (LD), as a mediator, the positive indirect effect is substantial (0.040). This of course highlights the fact that the greatest value that can stem from innovative HR technologies is leadership development which is in a way contributes to competitive advantage. Back up research like that of Lee et al. (2023) substantiates the given reality by identifying how the adoption of technology enhanced leadership outcomes by data insights and cooperation.

A theoretical model of leadership development comes out as instrumental in the creation of sustainable competitive advantage as can be deduced from its direct positive and significant influence on SCA ($t = 0.318$). This is in par with the culmination of authors' findings – Wang et al. (2023) revealing that more organizations investing in leadership development; more resilient in contemporary market volatility. Furthermore, as further evidenced, leadership development has a partly mediating effect in the same chain of effect, thus pointing out a critical role of the SAHR in converting a strategic HR landmark to tangible competitive advantage as captured by the SCA (Indirect effect = 0.105).

The outcome of the research also revealed slight but significant contributions of IHRT integration with LD to SCA (indirect effect = 0.040). As discussed earlier, the use of advanced technologies in HRM does not directly seek to impact social capital based competitive advantage but by impacting leadership development enhances its strategic value. This is further supported by researchers Garcia et al. (2023), where he stressed the secondary impacts of technological management enabler.

Therefore, based on the findings the study confirms the hypotheses that have been postulated and also re-emphasizes the importance of strategic HR alignment, innovative HR technologies and leadership development for achieving sustainable competitive advantage. That is why firms and organizations that intent to maintain and develop competitive advantages should focus on the strategic management of HR practices and policies, leadership developments, and HR technologies as the enablers of leadership. Therefore, through this proposed integrated model, it will



Vol. 3 No. 2 (February) (2025)

be possible for organisations to establish a framework for creating sustainable competitive advantage suitable in the prevailing volatile operating context.

Theoretical Contribution

The findings of this study offer several theoretical contributions to the area of strategic human resource management, organizational behavior, and competitive advantage. Through discussing the nature, previous findings and relationships between the SAHR, IHRT, LD, and SCA constructs in this study, they play a vital role in offering insights on how these components shape organizational performance.

First, it builds upon current literature reviewing strategic human resource management by proving that not only does SAHR positively affect SCA directly, but also indirectly via LD. This dual pathway underlines the leadership development as one of the focal ways through which the HR alignment delivers the competitive advantage. This finding enriches the resource-based view of the firm by indicating that HR practices and leadership – a firm's internal resources – define sustainable competitive advantage.

Second, this research advances knowledge by examining one of the HR technologies as an instrument of strategic management in the organization. In contrast to other similar research studies that have concentrated on the system's production of straightforward effects, the present research shows how leadership development enables the technologies in human resources. In doing so, this study presents a theoretical foundation for identifying secondary effects of adopting strategies such as IHRT on changing target behaviors by primarily improving LD to advance SCA, and adds insight into the broader area of application of technology acceptance and utilization models in organizational environments.

Third, this dissertation emphasises the important role of leadership development in the realisation of SCA and, thus, regards it as a mediating variable. The study contributes to and builds on prior leadership knowledge by identifying the interacted roles of HR alignment and technology adoption in improving leadership skills. This paper fills gaps in the existing literature by examining the HR strategies, technological innovation, and leadership development through the lens of a singular grand theory.

Last, this research extends the theoretical knowledge on mediated relationship in the context of strategic SHRM. This study contributes to filling this gap by empirically examining the moderating role of LD on the relationship between strategic HR initiative and competitive outcomes, via intangible assets particularly leadership capabilities. This contribution relates and builds on systems theory under which the organisational elements are integrated and dependent.

SAHR, IHRT, LD, and SCA have been defined and this study has proposed a comprehensive theoretical model which can be ready for use in future research. This explains the rationale of regarding human resources management practices, applications of technology and leadership development as parts of a system with sustainable competitive advantage as the whole. As an integrated approach, the current study presents directions for future research that include analyzing the



Vol. 3 No. 2 (February) (2025)

contextual antecedents on these relationships and contexts within various industries and organizations.

Practical Implications

This research holds several practical implications for organizations in an attempt to improve on strategic HR alignment, advanced technologies, and leadership. The implications of the findings are useful for HR managers, organizational executives, and policy makers, who want to establish robust and performing organizations.

Strategic HR Alignment

Larger direct and indirect impacts of the strategic alignment of HR practices on SCA to support the notion that there should be strategic alignment on the overarching business goals on HR practices. The major factor of strategic human resource management that can and should be practiced by a number of HR practitioners is to invest in activity planning and organization to realize organizational goals, which include talent management, employee performance management and employee engagement programmes. By the above points, it would be clear that alignment was crucial in creating a coordinated structure that optimizes the strategic worth of HR functions.

Investment in Leadership Development

The fact that leadership development filters all effects of SAHR and IHRT on SCA demonstrates an even greater emphasis towards leadership programmes. Management should pay attention to development activities that assist individuals in a firm to develop better competencies for leadership like the mentorship programs, executive coaching as well as leadership development activities that focuses on the newest business challenges. Such endeavours will not only enhance organisational leadership but also establish a way through which strategic actions can be transformed into an enduring competitive advantage.

Leveraging Innovative HR Technologies

Although IHRT did not directly influence SCA, indirect mediation of LD emphasizes the significance of the technology execution strategy. Employing on trending technologies in the field, such as data analytics tools, artificial intelligence, and collaboration tools in staffing or other processes can help leaders effectively and with more power other related decisions. These tools can help leadership to improve its functioning through the obtaining of relevant recommendations and promotion of innovations in the sphere of HR.

Integrated Approach to HR and Leadership

It is in these areas that the study posits the concept of comprehensive strategic human resource management, integration of technology, and leadership pro-active development. Many leadership teams should consult with HR departments in order to ensure that the HR policies, systems and solutions will be in harmony with the leadership objectives and company strategies. Linking these domains presents



Vol. 3 No. 2 (February) (2025)

an opportunity for executives to achieve a combined impact that generates sustainable competitive advantage.

Policy Recommendations

With respect to policymakers, this research raises an understanding of the need to establish guidelines that can enable organisations in their implementation of innovative HRM practices and technology systems. There is always a significant role that governments and specialized industry bodies can play in the packages of incentives, subsidies, or training programs that will help to encourage organizations to make strategic HR alignment and leadership development an important part of its business.

Industry-Specific Customization

We recommend that organizations in various industries adapt the findings of this research study to their organizational settings. For instance, industries that embrace the use of technology could consider IHRT more important more than industries that deal with the provision of services may benefit from leadership development. Industry-specific adaptations of some of these strategies will further strengthen the practical utility of these conclusions.

Thus, the presented study emphasizes that any organization striving for sustained competitive advantage would require the development of a comprehensive approach that relies on SHRM, adoption of advanced HR technologies, and leadership programs. Through these measures, it makes it possible for organizations to develop strong leadership models and_FOLDER: Address Leadership Needs enhance their performance to meet the growing challenges of complex markets.

Limitations

This study offers useful information to support the findings that is why it has some limitations that should be taken into account. First, the data were collected from a concrete organizational and geographical context that might cause restrictions on generalizing the results of the present study to other industries and regions. The relationships explored here could be affected by cultural, economic or industry factors, which means that certain degrees of caution should be used in generalization of these results. Second, this study applied cross-sectional design under which data was collected at a single point in time. This approach limits the possibility of determining causality with the constructs being considered. Cross-sectional coordination can give more detailed information about these relationships' dynamic and temporal characteristics. Third, although using the validated scales to assess the constructs, the collected data were self-reported, which can entail certain method biases, for instance, social desirability or common method variance. Possible improvements to the current study could include the use of more quantifiable variables or else the validation of some of the data by means of other research techniques. Last of all, the study only considered the direct and indirect effects between the related constructs. However, other mediating factors like organizational size, industry type and technological adoption



Vol. 3 No. 2 (February) (2025)

level were not considered. These factors characterize the study's nature and may affect the relations' strength and or direction.

Future Research Directions

Based on the discussed limitations, further research can consider several directions for extending the theoretical and practical knowledge of the relationships under analysis. First, future studies should apply this cross-sectional research in other geographical and cultural areas to understand the universality of the findings. Future studies might be industry-based or might cross-navigate between countries, which would help to better compare and understand factors that might affect these relations. Further, because this paper had a cross-sectional design, future studies should use longitudinal research to capture the changes over time. This would enable researchers to conduct a more extensive causal analysis and the developmental sequences of strategic HR practices, innovative technologies and leadership formations. Further, the moderating of variables like organizational culture, technological support, and leadership can also be studied in the future regarding the associations between strategic HR alignments, innovative technologies in the HR department, leadership development practices, and sustainable and competitive organizational advantage.

Another research direction is the use of other mediators. Of course, there are other potential mediators, including employee engagement, innovation capabilities, and organizational learning, all of which could be analyzed in order to extend understanding of the driving forces behind competitive advantage. In addition, given that the role of technology increases in influencing HR practices and practices in the future, more research should sought out to determine how new technologies such as artificial intelligence, machine learning and blockchain affects leadership development for competitive advantage.

At last, combining qualitative approaches, for instance, case study or interviews in the framework of the proposed study along with quantitative analyses could improve the degree of understanding of the multiple interactions between strategic HR alignment, leadership development, and competitive advantage.

In conclusion, it should be noted that this study has made the following contributions; however, to overcome the study's limitations and follow up the promising further research agenda perspectives for constructing the comprehensive understanding of how the application of the strategic human resource management practices, integrating the innovative technologies for human resource management, and the leadership development serve as building blocks for the sustainable competitive advantage in various organizational contexts is to be identified and investigated.

References

- Adetomiwa Adeniyi and Ayobamidele Damilola (2024). The Strategic Role of Human Resource Management in Business Performance. ScienceOpen Preprints. 2024. DOI: 10.14293/PR2199.001095.v1
- Ampauleng (2024) Examining Human Resource Management: A Qualitative Study of Psychological Elements and Strategic Approaches with Literature



Vol. 3 No. 2 (February) (2025)

Review July 2024 Golden Ratio of Human Resource Management 4(2):99-109

Enjang Sudarman (2024). Human Resource Management Innovation Strategy in Realizing Competitive Advantage . EVOLUTIONARY STUDIES IN IMAGINATIVE CULTURE, 1685–1692. <https://doi.org/10.70082/esiculture.vi.1534>

Maslow's Hierarchy of Needs and Herzberg's Two-Factor Theory with strategic conceptual HR frameworks <https://www.pluxee.uk/blog/rewards-recognition/maslow-herzberg-and-pinks-theories-in-the-workplace/><https://rejourna1.eu/sites/rejournal.versatech.ro/files/articole/2023-06-28/3718/4orobosa.pdf>

Anjum, M., Khan, H., & Gul, N. (2021). Impact of Work-Life Balance on Performance of Police in.

Quadri, S. S. A., Anjum, M. R., & Bangash, S. A. (2024). Impact of Leadership Styles on Employee Engagement and Performance in the Public Sector. *Journal of Development and Social Sciences*, 5(4), 343-360.