European Journal of Business and Management
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.14, No.13, 2022

The Mediation Role of Employee Engagement on the Relationship between Aspects of Human Capital Management and Employee Job Performance

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Abstract
This study examined the mediation role of employee engagement on the relationship between the aspects of human capital management and employee job performance in the Ethiopian banking sector. This study reports the responses of 426 respondents from twelve banking institutions in Addis Ababa, Ethiopia, drawing on the social exchange theory and the resource-based view theory. This study is structured on a quantitative approach, with stratified and simple random sampling techniques. Exploratory and confirmatory factor analyses were applied to test the factors and verify the factor structure of a set of observed variables. The scales were tested for reliability and validity. Structural equation modeling (SEM) with AMOS was used to test the hypothesized relationships. The results revealed that the aspects of human capital management, namely knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement, positively relate to employee job performance. Moreover, the results of bias-corrected bootstrapping iteration revealed that employee engagement partially mediates this relationship between aspects of human capital management and employee job performance. Finally, the limitations and future research implications are discussed.
Keywords: human capital management, employee engagement, employee job performance
DOI: 10.7176/EJBM/14-13-02
Publication date: July 31st 2022

1. Introduction

For an enterprise, human capital is a key source of long-term competitive advantage (e.g., Wright, 2011). This is especially useful for companies that compete in complex and dynamic contexts where being able to quickly acquire and adopt new technology and market capabilities are essential to maintaining an edge over rivals (Elias & Scarbrough, 2004). It is believed that in a competitive business environment, human capital might be crucial in fostering true competition. As the business setting becomes more competitive, managing the human capital of the enterprise becomes more vital to its success (Delery & Roumpi, 2017). Managing HC through acquiring and retaining the best employees is only half the battle (Hatch & Dyer, 2004). The acquisition and alteration of new knowledge in organizations is an inherently human process (Khan & Chaudhry, 2019), making it imperative to understand the contribution that human capital management (HCM) practices make to the aspect of employee job performance.

Despite the eminent literature revolving around human resource management and outcome variables in the management discourse, there is a lack of research examining the relationship between human capital management and their outcome variables. With this precept in mind, this study was designed to examine the mediation role of employee engagement on the relationship between the aspects of human capital management and employee job performance.

To increase and maintain business profitability, leaders of business organizations need to work hard to engage employees (Anitha, 2013). Employee engagement (EYE) is a typical construct in work relations and it has received great attention among the academic community and business consultants in recent years (Bhatnagar & Biswas, 2013). Researchers define EYE as a positive, fulfilling, job-related state of mind characterized by vigor, dedication, and absorption (Chhetri, 2017; Sundaray, 2011). This article proposes that EYE plays a

positive mediating role in the relationship between the selected aspects of HCM and employee job performance (EMJP). It is contended that HCM practices are the critical antecedents of employee engagement, which means employees that are engaged care about their jobs, believe that their efforts matter, and work on enhancing their performance (Gruman & Saks, 2011).

HCM is mainly a planned and strategic approach to managing the most vital of the organization's employees (Kuchar et al., 2015; Hatch & Dyer, 2004). It deals with obtaining, developing, and retaining employees in a strategic people management approach (Wright et al., 2014). It is argued that when an organization develops a better HCM in a way that aligns with their larger system, the better they will be able to harness engagement and performance for competitive advantage (Khan & Chaudhry, 2019; Jacobson & Sowa, 2015).

Of more than 1.2 billion people in Africa, around 43% are below the age of 15, but the Human Capital Index score is 0.40, which puts the region at 40% of its potential (GHCR, 2019). According to the report, HCM and development in Africa is a structural challenge that deserves serious attention. In academia, despite the strategic importance of the aspects of HCM and their outcome variables, little work has tried to incorporate these streams (Boon et al., 2018; Wright et al., 2014). The lack of a well-defined HCM framework and issues with aligning desired HCM with business strategy and performance, particularly in the Ethiopian banking sector (Boon et al., 2018; Schleicher et al., 2017), is what calls for further research. This is so in the Ethiopian banking industry, which is being stripped of incompetent HCMP, and less engaged employees, leaving it ill-arranged to face competition with the globalized world.

Over the years, researchers have focused on the direct effect of HC or HCM on performance (Abualoush, Bataineh, & Branch, 2018, Cania et a., 2016, Nderitu, et al., 2019); the interaction of human capital management practices on employee job performance; and employee engagement constructs have been overlooked. To this end, SET and RBVT were used as a basis for this research (Dai & Qin, 2016; Wilson & Tizikara, 2017; Wright et al., 2014). Namazi & Namazi (2016) argued the nature of multifarious business organizational problems, without specifying these intervening variables, business frameworks are not complete and thus are not able to solve real business difficulties. Therefore, this research is an effort toward providing an insight into the study of HC and HCM on job employee performance and employee engagement in the Ethiopian banking sector.

Our work makes the following primary contributions: First, it highlights the importance of focusing on the intangible assets of an organization (i.e., human capital). Second, this study contributes to the creation of a new theoretical framework for the relationship between aspects of HCM, employee engagement, and employee job performance by integrating crucial factors that have not been previously connected. Third, from the practical point of view, today's leaner business organizations need to be more responsible for creating engaged employees to accomplish their desired goals.

2. Literature review

2.1. Employee Engagement

Employee engagement (EYE) has emerged as a potentially critical theme of organizational performance and management (Bhatnagar & Biswas, 2013; Tripathi, 2016). According to Nasomboon (2014), the concept of EYE has emerged from recent years of burnout literature and started to grab the attention of scholars around two decades ago. "EYE refers to the cognitive, emotional, and interactive energy of an employee directed toward positive organizational results (Wollard & Shuck, 2011). Gottman et al. (2016) believe that EYE is about the employees' psychological presence during work roles and includes critical components of attention and absorption. Numerous studies have pointed out that EYE has three dimensions: vigor, dedication, and absorption (Christian, 2011; Mishra et al., 2014; Schaufeli et al., 2006). According to these authors, vigor indicates power, mental resilience, spending constant effort, and determination on the job. Vigor also implies high levels of energy and mental elasticity while working and high levels of persistence even when faced with difficulties. Dedication concerns being enthusiastic, inspired, and highly concerned about your job. An individual can obtain a sense of meaning from work, the sentiment of passion, pride, and challenge. While absorption refers to a sense of detachment from your surroundings, a high level of attentiveness on the job, and a lack of conscious awareness of the time spent on the job.

2.2. Human Capital Management (HCM)

HCM is the planned and strategic approach to managing the most vital of the organization's employees (Odden, 2011). It is a way of evaluating people as assets whose current value can be evaluated and whose future value can be enhanced through investment (Wright et al., 2014). HCM deal with obtaining, developing, and retaining employees in a strategic people management approach (Baron & Armstrong, 2007). It is also stated that HCM is a system for increasing performance with the biggest impact on corporate core competencies (Boon et al., 2018; Hossain & Roy, 2016). Delery and Roumpi (2017) stated that HCM is the total development of human potential expressed as an organizational value. Simply put, it is the holistic, strategic, organization-wide, and systems-

based approach of an organization towards employees. In identifying the practice of HCM for high employee engagement and employee job performance in the Ethiopian banking sector, this study is focused on aspects of HCM such as knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement, a model tested by some scholars (e.g., Bassi & Mcmurrer, 2008; Kuchar et al., 2015; Tüzin & Özge, 2013).

2.3. Employee Job Performance

Employee job performance specifies the general financial or non-financial result of the employee that has a direct relationship with the organization's performance and success (Armstrong, 2010). According to Chang and Chen (2011), in an organizational context, performance is typically defined as the degree to which an organizational member (employee) contributes to achieving the goals of the organization. Employee performance is the outcome of executing defined responsibilities, meeting deadlines, employee competency, and effectiveness and efficiency in doing work (Pradhan & Jena, 2017). Researchers point out that employee performance has three dimensions: task performance, contextual performance, and adaptive performance (e.g., Koopmans, 2014; Pradhan & Jena, 2017; Ramdani, 2019). Task performance is about the basic job responsibilities of workers and is mostly called "in-role prescribed behavior" (Koopmans, 2014). Adaptive performance, on the other hand, is the extent to which an individual employee adapts to changes in the job role or work environment (Koopmans, 2014; Pradhan & Jena, 2017).

Along with task and adaptive performance, efforts have been made to determine the importance of non-job performance components to create a better workplace. Scholars defined this as contextual performance, which refers to employee voluntary actions that benefit businesses intangibly (Crook et al., 2011; Pradhan & Jena, 2017). According to Koopmans (2014), contextual performance signifies "discretionary extra-role behavior." It is reflected in actions such as coaching colleagues, consolidating social networks within an organization, and going into and working extra jobs for the specified organization. It is noted that employee job performance can be seen in terms of in-role and extra-role job performance, where extra-role performance is the practice that is essential for organizational effectiveness but is discretionary, and role performance behavior is related to formal duties and responsibilities of an organization.

2.4. Theoretical Foundations

Resource-Based View Theory (RBVT): RBVT has become the predominant theoretical underpinning used by scholars studying knowledge-based views of the firm (Bhatnagar & Biswas, 2013; Wilson & Tizikara, 2017). For instance, strategic HRM, strategic management, human capital, strategic management, leadership, vigorous capabilities, employee engagement, business strategy, and firm performance (Colbert, 2004; Crook et al., 2011; Jamal & Saif, 2011; Newbert, 2007). The crucial tenets of RBVT as advocated by researchers are those that resources that are vital, rare, unique, and non-substitutable lead to competitive advantage (Crook et al., 2011; Wright et al., 2014). With this in mined, this research proposes that the use of aspects of HCM could improve the organization's human capital pool, which in turn leads to better engagement and performance.

Social Exchange Theory (SET): is among the most influential theoretical paradigms for the conceptualization of workplace behavior (Cropanzano & Mitchell, 2005). According to Cropanzano et al. (2017), social exchange relationships involve the exchange of resources between both parties in the relationship, which may comprise extrinsic benefits, psychosocial support, advice, and information. It is stated that the SET is invoked wherein the employees, for tangible benefits of the organization, view employment as a trade-off between effort and faithfulness. Though the exact focus of SETs varies, a common theme is that the perceived balance between organizational inducements, individual employee contributions, and interdependence has performance implications.

2.5. The relationship between aspects of HCM and Employee job performance

In this study, we argued that aspects of HCM, namely knowledge accessibility, learning capacity, workforce optimization, leadership practices, and career advancement, enhance employee job performance. Prior empirical and theoretical studies have related aspects of HCM to diverse kinds of organizational positive work outcomes. In this regard, Jamal and Saif (2011) found that leveraging the human capital of the organization has a positive impact on performance. A study by Vij and Sharma (2014) showed that HCM practices, for instance, leadership practice, knowledge accessibility, and learning capability, have a positive effect on employee positive behavioral outcomes. Iwamoto and Suzuki (2020) analyzed the relationship between traits of HCM practices and quality administration on overall performance. They found that human capital indicators, such as learning capacity, accessibility of knowledge, and career development, had a positive impact on performance. Findings of a study by Dekoulou and Trivellas (2015) have brought to light that learning-oriented employees are a crucial predictor of both employee job satisfaction and individual performance, while job satisfaction is shown to be a partial mediator of the association between learning and job performance.

According to Tüzin and Özge (2013), accessibility to knowledge is correlated to the new firm's performance and sustainability. A study by Kashif (2018) also found that both knowledge management practices and dynamic capabilities have a positive, significant impact on employee performance in the banking sector. The author further claimed that banking managers need to manage knowledge properly and systematically to make the company more knowledge-based, which leads to improved performance. Besides, prior research has focused on the importance of HCMPs in providing sustainable advantages and competitiveness (Minbaeva & Shell, 2018). Birasnav et al. (2010) have shown that efficient leadership helps employees realize and improve their contributions to the success of the organization. Likewise, Schleicher et al. (2017) found that strategic human resource functions are positively related to the firm's performance in a business context

According to Subramony et al. (2018) learning capacity has a significant positive effect on improving the quality and quantity of the organization's production; and enhancing profitability. With better employee learning, they bring unique and innovative ideas to the table because of their knowledge, which increases the performance of the staff (Luthans & Youssef, 2004). According to Sturman and Tews (2007), for new employees, the general mental ability was a better predictor of performance, while conscientiousness was an improved predictor of performance for experienced workers. Serengil and Ozpinar (2017) conclude that workforce optimization through employee utilization, employee satisfaction, acknowledgment of accomplishments, and work/life balance for bank operations is a vital mechanism for enhancing engagement and boosting performance.

Buil et al. (2019) found that leadership behaviors are positively related to employee performance. Further, studies (e.g., Anitha, 2013; Saul et al., 2015) contend that employee job performance occurs when leaders are inspiring and when leaders are in charge of communicating that the employees' efforts play a key role in the whole business's success. Put another way, when an employee's job role is considered crucial and meaningful, it sparks their interest and enhances their engagement. Better leadership practices, as one driver of HCM, have a positive impact on employee performance (Buil et al., 2019).

Research conducted by Hamid et al. (2017) found that the career development prospects of HCM are positively linked to employee well-being and negatively related to employee deviant behavior. Career advancement as part of HCM practice within the organization is one of the significant motivational tools to absorb employees in positive job-related activities (Briggs et al., 2011).

From the Ethiopian business organization's perspective, research conducted by Tessema (2014) has shown that having better human capital management and investment in the company leads to improved performance. In contrast, some argue that the relationship between HCM and employee performance is influenced by context and that HCM practices (e.g., leadership practices such as communication, inclusiveness, influence, workforce optimization, and learning capacity) do not always result in better employee performance that benefits the organization (Parker & Griffin, 2011). Maditinos et al. (2011) stated that HC competence was not found to have a statistically significant association with positive behavioral and work-related outcomes.

Based on the empirical findings and the underpinning theories discussed above, we, therefore, expect that the influence of these aspects of HCM on employee job performance in the banking sector will be positive. Hence, the following hypotheses are forwarded:

H1a. There is a positive direct effect of knowledge accessibility practices on employee performance.
H1b. There is a positive effect of learning capacity on employee performance.
H1c. There is a direct positive effect of workforce optimization on employee performance.
H1d. There is a direct positive effect of leadership practice on employee performance.
H1e. There is a direct positive effect of career advancement on employee performance.

2.6. The Mediating Role of Employee Engagement

Song et al. (2014) confirmed that employee engagement mediated the association between high-performance work practices and employee performance. Witasari and Gustomo (2020) conducted research intended to examine the mediating role of employee engagement in human capital management, such as employee training, accessibility of knowledge, leadership practices, learning capacity, and performance. The findings revealed that employee engagement positively mediates the relationship between HCM practices and performance. Moreover, the finding of Kerdpitak and Jermsittiparsert (2020) documents that employee engagement positively mediates the association among the practices of HCM, such as employee learning practices, employee career growth, and competitive advantage. These results suggest to the managers that they enhance the best practices of HC so that they engage the employees at work and improve their productivity and competitive advantage. Employee engagement has been discovered to be a mediator between the organizational working environment, learning and development, and performance (Chaudhry et al., 2017).

Research work by Sattar et al. (2015) found that EYE partially mediates the association between human resource management practices and both employees' levels of satisfaction and performance outcomes. Similarly, Ngwenya and Pelser (2018) show that EYE significantly and positively affects employee performance and mediates the effect of human capital on employee performance. A study by Jiang et al. (2012) found that career

advancement, continuous feedback, and job security are associated with employee inspiration and involvement functions, which in turn affect employees' employee performance. Wollard and Shuck (2011) argued that HCM is a major antecedent of employee commitment and employee engagement.

Arsalan et al. (2013) researched to find the impact of human capital on firm performance with mediating effects of employee satisfaction in the telecom sector. The authors found that there is a strong relationship between human capital and firm performance and found that employee satisfaction has a strong mediating effect between both variables. Buil et al. (2019) determined that employee engagement mediates the relationship between leadership and employee performance. Employees' work engagement mediates the positive relationship between leadership practice, helping behavior, and employee job performance (Lai et al., 2020). Furthermore, research by Wei et al. (2018) found that followers' work engagement mediates the main effect of leadership and the collaborating effect of leadership on followers' task performance and organizational citizenship behavior. Thus, leaders are more likely to engage followers in being dedicated to these goals, enthusiastic about making individual sacrifices for the interest of collective goals, and eventually execute their performance beyond the call of duty.

Gruman and Saks (2011) claimed that enhancing employee engagement improves employee performance. According to Ruck et al. (2017), employee engagement, commitment, self-efficacy, passion, and task resources have a beneficial impact on performance and overall organizational effectiveness. Previous research has found that good leadership increases employee engagement, task performance, and organizational citizenship behavior (Ruck et al., 2017; Sattar et al., 2015).

A systematic review of previous studies by Bailey et al. (2017) studied the meaning, antecedents, and results of employee engagement (Bailey et al., 2017). Career advancement and leadership activities are found to be antecedents of employee engagement and are in turn positively related to work-related aspects like individual morale, individual task performance, firm performance, and contextual performance. According to Hari (2020), human capital has a positive impact on performance through employee engagement. Specifically, the findings also showed that employee engagement partially mediates the relationship between the study constructs. Although the majority of studies focus on the effects of some HR practices on EYE and its mediating role (Gruman & Saks, 2011), scholars call for future researchers to include employee engagement as a mediator variable between HCM and performance relationships in a business organizational context (Truss et al., 2013; Shantz & Alfes, 2014). In any case, eye-catching academics identify that the HCM–employee engagement–performance equation is hazy and needs further examination (Boon et al., 2018; Truss et al., 2013). Taking into account the above discussions and based on the stated underpinning theories, the following hypotheses are predicted:

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

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

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

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

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

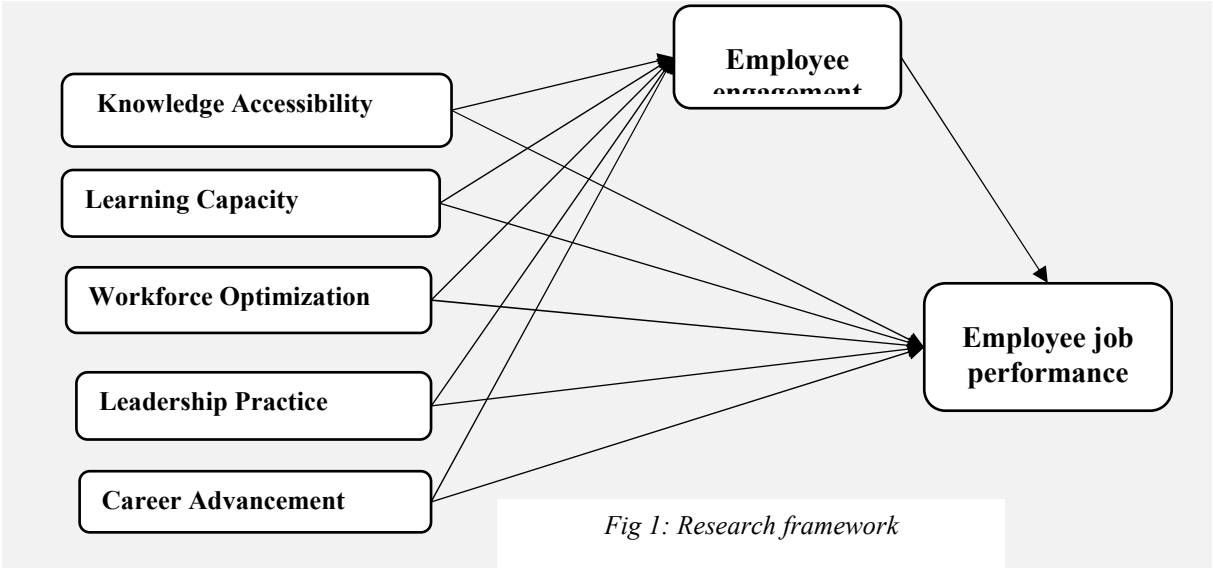


Fig 1: Research framework

3. Methodology

3.1. Method and Participants

The quantitative cross-sectional survey research approach was applied to this study. This comprises the systematic collection of measurable data, the statistical study of the data, and the establishment of an analytical framework that needs statistical confirmation of the framework (Creswell, 2014). Cross-sectional designs are a good strategy if there is an inclusion of control variables to rule out spurious relationships (Spector, 2019).

By the end of the 2010/21 fiscal year, Ethiopia had 18 banks (16 private and 2 public). However, the accessible population for this study was managerial and non-managerial employees of 12 banks operating in Addis Ababa, Ethiopia. This study makes use of a stratified and simple random sampling method. The stratified probability sampling technique is supposed to be appropriate because it eliminates the bias in selecting respondents for the study (Creswell, 2018; Quick & Hall, 2015). During the distribution of questionnaires, respondents were informed about the agreement, confidentiality, anonymity, and the right to withdraw from participation. Furthermore, respondents were provided with a self-addressed envelope into which the completed questionnaire was inserted.

Out of the 601 paper questionnaire surveys distributed, 461 were returned. This signifies an overall response rate of 78.3%. After eliminating missing values and outlier cases, 426 responses remained for the data analysis, with a response rate of 70.89%, which can be considered a very good rate (Corbetta, 2013). In doing so, multivariate outliers were detected through running Mahalanobis Distance using IBM SPSS v.25. A large Mahalanobis distance value signifies the case as having extreme values for one or more variables. It is suggested that a very statistical test of significance at 0.001 is the threshold rule (Morgan & Rubin, 2017). Accordingly, a total of 21 of the response items were cleared because their Mahalanobis distance measure was less than the accepted threshold probability of p a = 0.001 (Morgan & Rubin, 2017).

3.2. Measures

The 75 questionnaire items used in this study were drawn and modified from previous studies. A six-point Likert scale was used to measure all the items, where 1 showed strongly disagree and 6 specified strongly agree. To measure knowledge accessibility as an aspects of HCM, eight-item scale items were adapted from Bassi and Mcmurrer (2008). The sample of the item: "Employees have the necessary information they need to do their jobs" and "best practices are shared across the departments". Nine items measuring learning capacity were adapted from Bassi and Mcmurrer (2008). The scale encompassed statements such as "Employees are encouraged to find new ways to do work" and "Employees' input is sought in solving problems". Besides, ten items measure workforce optimization adapted from Bassi and Mcmurrer (2008). Examples of items include "Employees have access to the technologies they need to be effective" and "Working conditions contribute to good performance."

To measure leadership practice as a component of HCM, twelve items were adapted from Bassi and Mcmurrer (2008). A sample item includes "*managers are open in their communication*" and "*managers provide constructive feedback*." While five items measuring the level of career advancement were adapted from Gong and Chang (2008) and Marineau (2017), examples of the items include: "*Individual employees in this job have a clear career path within this institution*" and "*Employees' career aspirations within the company are known by*

their immediate supervisors".

Employee engagement was assessed with 9-item scales adapted from Schaufeli et al. (2006). The sample measurement items are: "At my work, I feel bursting with energy" and "When I get up in the morning, I feel like going to work." Finally, twenty-four items were measured as employee job performance, adapted from Koopmans (2014) and Pradhan and Jena (2017). Sample questions were phrased as: "*I usually maintain a high standard of work,*" "*I perform well to mobilize collective intelligence for effective teamwork*," and "*I extend help to my co-workers when needed*."

4. Results

The data were analyzed using SPSS (25th version) and Amos (23rd version). To test common method bias (CMB), both procedural and statistical remedies proposed by Mackenzie and Podsakoff (2012) were applied. From procedural remedies, techniques that include temporal separation, a time lag, and random ordering of respective scales were used. Thus, questions related to the predictor and moderator variables were handled first, proceeding with the criterion and mediating variable after two weeks. Moreover, Podsakoff et al. (2003) and Mackenzie and Podsakoff (2012) recommended Harman's single-factor test as a statistical remedy for CMB.

Table 1: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Factor	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	21.016	5.320	25.320	20.553	24.762	24.762
2	6.554	.897	33.217			
3	3.806	.586	37.803			
4	3.091	.724	41.527			
5	2.803	.377	44.904			
6	2.589	.119	48.023			
7	2.224	.679	50.702			
8	2.048	.467	53.169			

Extraction Method: Principal Axis Factoring.

With Harman's single-factor test, principal component factor analysis with an un-rotated solution. The factor of multiple eigenvalues explains 24.72 percent of the variance. A single factor extracted 24.762% of the total variance. Thus, it is far less than 50% (Podsakoff et al., 2003), so it is concluded the common method of variance is unlikely to be a serious problem.

Correlation analysis specifies that there is a positive and significant relationship among factor variables. This shows that study variables correlate with each other sufficiently and they can be reviewed adequately. Besides, multicollinearity does not exist in the study variables because correlation levels are less than 0.7 (Hair et al., 2010).

Table 2. Means, Standard Deviations, Correlations, and Reliabilities Variables

	1.	2.	3.	4.	5.	6.	7.	Mean	Std. dev.
1. Knowledge accessibility	(0.811)							3.92	1.113
Learning Capacity	.0.456**	(0.819)						3.42	1.080
3. Workforce optimization	.0.586**	0.489**	(0.921)					4.25	1.230
4. Leadership practice	.0.667**	0.503**	0.661**	(0.730)				3.83	1.168
5. Career advancement	0.421**	0.476**	0.592**	0.539**	(825)			3.32	1.101
6. Employee engagement	0.662**	0.701**	0.232**	0.426**	0.228**	(0.821)		4.33	.996
7. Employee job per.	0.407**	0.296**	0.551**	0.584**	0.392**	0.332	(0.791)	4.62	.945

**p < .05. Scale reliabilities (coefficient alpha) are on the main diagonal.

Control Variables: the researcher aims at controlling demographic characteristics (gender, age, education, and experience). A control variable was aimed at examining the relationships in the model while controlling for the influence of demographic variables (Collier, 2020). After putting the control variables in the structural model using AMOS, the results are found and stated in table 4.

Regression Weights: (Group number 1 - Default model)

Table 3: Results of Control Variables

			Estimate	S.E.	C.R.	P	Label
EMJP	<---	Gender	1304	.1429	.9128	.3614	
EMJP	<---	Age	-.0248	.0546	-.4548	.6493	

Table 3: Results of Control Variables

			Estimate	S.E.	C.R.	P	Label
EMJP	<---	Educ.	.0855	.1123	.7612	.4465	
EMJP	<---	Expr.	-.0111	.0453	-.2459	.8058	
EMJP	<---	Gender	-.0659	.1209	-.5454	.5855	
EMJP	<---	Age	.0000	.0462	.0004	.9997	
EMJP	<---	Educ.	.0279	.0951	.2930	.7696	
EMJP	<---	Expr.	-.0139	.0383	-.3640	.7159	

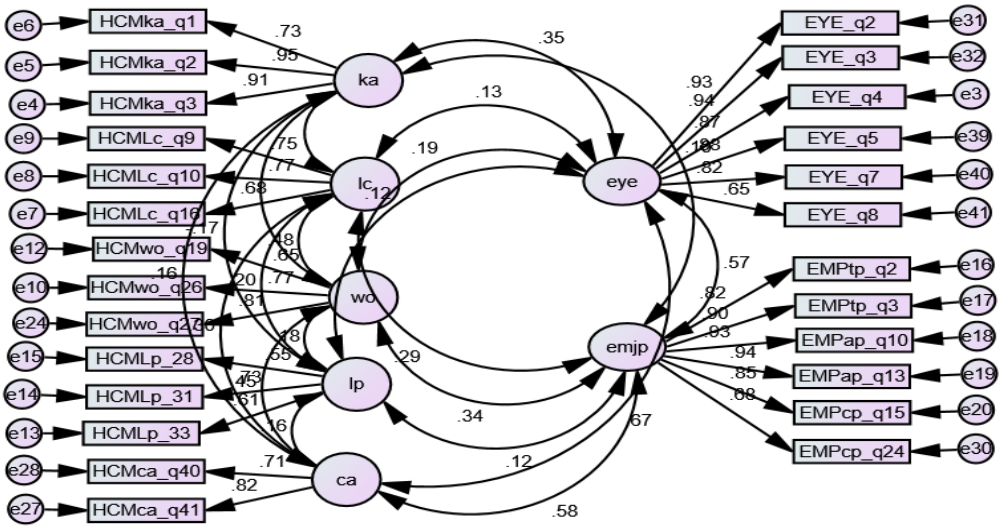
Source: Own computation-using SPSS and Amos, (2022).

As we can see in table 4 the P-value of the demographic characteristics (i.e. gender, age, education, and experience) are above 0.05 and they found to be are non-significant (Kline, 2011). This means these variables do not confound the relationship that is specified in the full structural model. Thus, these variables are excluded from the subsequent analysis.

Exploratory Factor Analysis (EFA) is applied to explore data and offers information about how many factors are needed to best represent the data (Hair et al., 2010). EFA was conducted using the principal component analysis extraction approach and Promax rotation. Before extracting the variables, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity were applied. The result of the KMO index was .92, and Bartlett's test was significant at the.05 levels, indicating that the data can be used for factor analysis (Williams et al., 2010).

In EFA, commonalities have been used to show the amount of variance in each variable that is accounted for (Hair et al., 2010). Communalities above 0.3 have been suggested as suitable cutoff values, with ideal communalities being 0.6 (Collier, 2020). Factor loadings of.50 or above were considered significant (Hair et al., 2010). Accordingly, items were deleted, either because of low loading or unfavorable cross-loading on their intended construct and the other constructs. Moreover, confirmatory factor analysis (CFA) was performed for each construct, and then an overall CFA was assessed by examining standardized factor loadings and modification indices. In doing so, the standard loading of less than 0.5 has been excluded, and an overall of 26 items has been retained. The overall CFA measurement model included knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement as aspects of human capital management, employee engagement, and employee job performance.

Fig. 1. Test of the last overall measurement model



Overall Measurnment Model

In the test of the measurement model, the chi-square (CMIN/DF) value is 2.471, which is less than the generally suggested value of 3 (Hair et al., 2014), which strongly indicates a good fit for the model. The GFI, CFI, and TLI values are 0.910, 0.945, and 0.914, which are above the universal cutoff for the goodness of fit (0.90) (Kline, 2011; Hair et al., 2014). Further, the RMSEA is 0.0516, indicating an acceptable model fit (Kline, 2011). Hence, the measurement model looks to represent the data quite well.

Then, after achieving a good measurement model fit, it is then proceeded to assess the reliability and validity of measures. The convergent validity was tested by assessing the degree of factor loadings of observed variables on the proposed latent constructs. In convergent validity, the average variance extracted (AVE) was

used and evaluated with a threshold of above 0.5 and above 0.5 (Kline, 2011). Table 3 revealed the AVE exceeded 0.5 and the factor loadings for all the items were above 0.5, as recommended by Hair et al. (2010). The degree of factor loadings of observed variables on the suggested latent variables or constructs was used to examine convergent validity. In convergent validity, the average variance extracted (AVE) must be greater than 0.5 and above 0.5 (Hair et al., 2010). Table 3 revealed that the Average Variance Extracted (AVE) exceeded 0.5 and the factor loadings for all the items were above 0.5, as recommended by Hair et al. (2010). The square root of each variable's average variance should be larger than the correlations between latent constructs, indicating sufficient discriminant validity (Byrne, 2010). The square root of AVE is depicted in table 3. It is checked that values are larger than correlations between latent constructs, confirming the discriminant validity of the model (Kline, 2011).

Table 3. Convergent and discriminate validity test

Indicators		Latent Variables	Standard loadings	Square of SL	The Sum of the STL	No. Ind.	AVE	The square root of AVE
HCMka_q3	<---	Knowledge accessibility	0.909	0.825				
HCMka_q2	<---	Knowledge accessibility	0.954	0.910				
HCMka_q1	<---	Knowledge accessibility	0.734	0.539	2.275	3	0.758	0.871
HCMLc_q16	<---	Learning capacity	0.688	0.473				
HCMLc_q10	<---	Learning capacity	0.774	0.599				
HCMLc_q9	<---	Learning capacity	0.754	0.569	1.642	3	0.547	0.740
HCMwo_q26	<---	Workforce optimization	0.772	0.595				
HCMwo_q19	<---	Workforce optimization	0.652	0.425				
HCMwo_q27	<---	Workforce optimization	0.815	0.664	1.684	3	0.561	0.749
HCMLp_33	<---	Leadership practice	0.814	0.662				
HCMLp_31	<---	Leadership practice	0.833	0.693				
HCMLp_28	<---	Leadership practice	0.691	0.478	1.833	3	0.611	0.782
HCMca_q41	<---	Career advancement	0.821	0.674				
HCMca_q40	<---	Career advancement	0.713	0.508	1.182	2	0.591	0.769
EYE_q2	<---	Employee engagement	0.926	0.858				
EYE_q3	<---	Employee engagement	0.936	0.876				
EYE_q4	<---	Employee engagement	0.866	0.750				
EYE_q5	<---	Employee engagement	0.882	0.777				
EYE_q7	<---	Employee engagement	0.842	0.709				
EYE_q8	<---	Employee engagement	0.646	0.417	4.387	6	0.731	0.855
EMJPtp_q2	<---	Employee job performance	0.816	0.666				
EMJPtp_q3	<---	Employee job performance	0.895	0.802				
EMJPap_q10	<---	Employee job performance	0.927	0.860				
EMJPap_q13	<---	Employee job performance	0.936	0.876				
EMJPcp_q15	<---	Employee job performance	0.848	0.719				
EMJPcp_q24	<---	Employee job performance	0.681	0.464	4.386	6	0.731	0.855

Hypothesis Testing

The square multiple correlation coefficient was 0.32 for employee engagement. This shows that the aspects of HCM practices account for 31% of the variance in employee engagement. Moreover, the square multiple correlations were 0.52 for employee job performance, which means the model accounts for 56% of the variance in employee job performance. The first hypothesis posits that there is a positive direct effect of the perceived system of knowledge accessibility practices on employee job performance. The structural model shows that the effect of knowledge accessibility on employee performance was significant (standardized path coefficient =.1377, $t = 5.3715$, $P < 0.001$). Hence, this H1a was supported.

Hypothesis 2 suggests a positive direct effect of learning capacity on employee performance. The results confirmed that learning capacity has a marginally significant positive effect on employee job performance (standardized path coefficient =.1124, t =3.0820, P =.059). Collier (2020) suggested that if a p-value is a little larger than 0.05, it is possible to report the result as "marginally significant", signifying that there could still be some kind of real effect going on. This leads to the acceptance of hypothesis H1b as almost significant.

Hypothesis 1c posits that the practice of workforce optimization positively affects employee job performance. The results demonstrated that workforce optimization has a significant positive effect on employee job performance (standardized path coefficient $\beta = .1736$, $t = 3.0820$, $P = .0014$), hence providing support for the hypothesis.

Hypothesis 1d proposed the positive direct effect of the perceived system leadership practices on employee job performance, and hypothesis 5 predicted the positive effect of employee career advancement on employee job performance. The model demonstrated that the level of leadership practices has a significant positive effect on employee job performance (standardized path coefficient $\beta = .0907$; $t = 9.2237$, $p < 0.001$); and career advancement has a significant positive effect on employee performance (standardized path coefficient $\beta = .0849$; $t = 11.4237$, $p < 0.001$), providing support for Hypotheses 1d and 1e.

Overall, the results from this section are shown in table 4 below, and they reveal that, as predicted, all of the five proposed hypotheses are supported.

Table 4: Summary of Hypotheses on the direct effect

				Standardized Estimate	t-Value	P	Decision
Employee Performance	Job	<--	Knowledge Accessibility	.1377	10.4517	***	Accepted
Employee Performance	Job	<--	Learning Capacity	.1124	3.0820	. 061	Accepted
Employee Performance	Job	<--	Workforce Optimization	.1736	3.0820	.0014	Accepted
Employee Performance	Job	<--	Leadership Practice	.0907	9.2237	***	Accepted
Employee Performance	Job	<--	Career Advancement	.0849	11.4237	***	Accepted

**** p <.000

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

Further, this study assessed the mediating role of employee engagement in the relationship between knowledge accessibility and employee job performance. The results from the bias-corrected percentile method show that the lower bound confidence interval via the bootstrap is .0243 and the upper bound is .0692. According to Collier (2020), if the range for the upper and lower bound estimates does not cross over zero, then the indirect effect is considered significant (p. 176). Thus, we have a significant indirect effect. Furthermore, from the findings, the indirect effect of knowledge accessibility on employee job performance was positive and significant, supporting H2a, and the direct effect of knowledge accessibility on employee engagement in the presence of the mediator was also significant.

Furthermore, the hypotheses on the mediating role of employee engagement in the relationship between the dependent variables (learning capacity, workforce optimization, leadership practice, and career advancement) and employee job performance were found to be supported. The mediation analysis summary is presented in table 5 below.

Table 5: Summary of Hypotheses on the mediation effects

Relationship	Direct effect		Indirect effect	Confidence Interval		P-value	Conclusion
				Lower Bound	Upper bound		
KA→ EYE → EMJP	.1004	(5.372)	.0442	.0243	.0692	< .001 ***	Partial Mediation
LC→ EYE → EMJP	.1019	(5.363)	.0451	.0233	.1039	< .001 ***	Partial Mediation
WO→ EYE→ EMJP	.1526	(3.4385)	.0681	.1431	.1992	< .001 ***	Partial Mediation
LP→ EYE → EMJP	.0919	(5.269)	.0406	.0232	.3711	< .001 ***	Partial Mediation
CA→ EYE → EMJP	.1029	(5.371)	.0432	.0749	.1872	< .001 ***	Partial Mediation

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

5. Discussion and conclusions

Findings show that there is a positive relationship between knowledge of accessibility and employee job performance, stating that where knowledge of accessibility practices is good, their performance will be more likely to be enhanced. Hence, it is clear that if an organization makes information more accessible, "collaborative," and capable of making knowledge and ideas widely available to employees, their performance would likely be enhanced. This result supports the findings of previous empirical studies, which discovered knowledge accessibility to be a critical predictor of job performance (Tüzin & Özge, 2013). Further, this study is in congruence with previous research findings (e.g., Salau et al., 2016; Wright et al., 2014) that show the workers' ability to adapt to new ideas, expansion, training, development, making learning a priority, and the overall ability to learn and innovate (learning capacity) have a direct positive effect on employee job performance. This shows that investments in the training and development of human capital positively affect the

performance of employees and the organization at large.

The study findings revealed a significant positive relationship between workforce optimization and employee job performance in a sample of banking sector employees in Ethiopia. This suggests the more banking institutions work to optimize their workforce through establishing key processes for getting work done, establishing accountability, providing acceptable working conditions, and making good hiring decisions, the better the employee performance. This finding is in line with that of Delery and Roumpi (2017), who found that the business's success in maximizing employee performance is determined by optimizing and retaining talent (skills, competencies, abilities, and so on), as well as leading and managing its application on the job. In this regard, social exchange theory proposes that individuals who receive favorable treatment from others are expected to pay back the other party's favor based on the norm of reciprocity.

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

Further, the study revealed that employee engagement partially mediates the relationship between the selected aspects of human capital management (knowledge accessibility, learning capacity, workforce optimization, leadership practice, and career advancement) and employee job performance. This suggests not only a significant relationship between employee engagement and job performance but also a direct relationship between HCM and job performance. In other words, the better the employee engagement level, the greater the relationship between the aspects of HCM practices and employee job performance.

6. Limitations and Future Research

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

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