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The Effect of High-Performance Work Systems on Organizational Resilience: A Case Of Selected Commercial Banks In Tanzania

BY

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Abstract

There is a growing interest in high-performance work systems (HPWSs) and their impact on organizational resilience. However, little is known regarding the extent to which HPWS lead to enhanced organizational resilience. This study analyzes the links between HPWS and organizational resilience using a sample of 206 employees from commercial banks in Dar es Salaam and Mwanza cities. The study's specific objectives were to generate knowledge about the effect of HPWSs on organizational resilience: to identify factors influencing high-performance work systems to build organizational resilience, to identify the contribution of human capital value in organizational resilience, and to determine the role of human capital heterogeneity in organizational resilience. The questionnaire, key informant interviews, and focus group discussions were used to collect data for this study. Using Peason Correlation analysis, distriptive statistics, marginal effects, and content analysis, the findings reveal that job rotation, staff empowerment, and teamwork are HPWS characteristics that benefit organizational resilience. Staff regular training, firm-specific skills development, and job experience training are examples of how human capital influences organizational resilience. Objective performance, performance appraisal, and staff compensation are examples of how human capital diversity influences positive organizational resilience. This study found that HPWS has a beneficial influence on organizational resilience, which is critical in the banking sector due to the high risk of risks connected with global economic change and technological advancements.

Keywords: *High-performance work systems, Organizational, Resilience, Human Capital, Human Heterogeneity.*

1. Background of the Study

Numerous scholarly investigations have been conducted to comprehend the endurance of organizations under a progressively competitive milieu marked by technological disruptions, evolving consumer inclinations, and occurrences of natural calamities (Brueller et al., 2019). The development of an organization's resilience, which refers to its capacity to address unexpected risks as they arise effectively, has emerged as a vital internal competency that companies must cultivate to endure and prosper in a dynamic and evolving context (Hillmann & Guenther, 2021). Previous studies have demonstrated that organizations exhibiting greater resilience tend to enhance and adapt their resources and organizational processes (Linnenluecke, 2017). Additionally, they engage in expanding and modifying their existing products and services and identifying new customers and markets (Brueller et al., 2019). Furthermore, these organizations facilitate product innovation (Glgeci & Ponomarov, 2015). Resilient firms can promptly recuperate from disruptive and unfavorable occurrences while also exhibiting the capacity to effectively adjust to demanding company circumstances (Herrero & Kraemer, 2022). Simultaneously, in light of the growing recognition of HPWS as a strategic ally and its pivotal function in fostering internal strategy execution capabilities, some scholars contend that HPWS plays a crucial role in cultivating organizational resilience (Carvalho & Areal, 2016; Kuntz et al., 2016). Empirical research has supported the idea that HPWS might enhance organizational resilience. This support is primarily derived from case studies examining several aspects of HPWS, including job security, employment relations (Mitsakis, 2020), and staffing levels (Andersson et al., 2019). As demonstrated by the emergence of the global financial crisis in 2008, the stability and profitability of states and the global economy strongly depend on a robust and profitable banking industry. The implementation of growth strategies by banks and the escalating level of global competitiveness have increased the demand for bank

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employees to succeed, necessitating a robust strategy to meet performance goals (Hillmann & Guenther, 2021).In the modern workplace, interpersonal dynamics are becoming increasingly important, and customer satisfaction and care are being acknowledged as critical components of sustaining competitiveness in the banking sector. Therefore, employees must develop a wider range of skills and draw on various personal qualities to perform at their best (Succi &Canovi, 2020). There has been a noticeable shift in the competitive pressure from the company to its personnel due to the adoption of a performance-related compensation system in the banking industry(Hunter & Katz, 2012). According to Wang et al. (2021), employees must exhibit a high level of resilience and have a variety of skills to succeed.

There has been a noticeable interest in studying Tanzania's banking sector in recent years. It is important to note that this focus has tended to showcase the industry's resiliency. Despite this, there is still room for investigation into how the industry may continually work to raise its performance in terms of efficiency over the bounds provided by the predicted frontier. According to the research done by Andersson et al. (2019), Okeahalam (2008) carried out a comparative analysis to look at how having foreign banks in Tanzania affected things. The study focuses on the efficiency performance of Tanzanian and Namibian banks. It makes the case that Tanzanian commercial banks differ from their Namibian counterparts in terms of their level of internationalization and diverse ownership structure. It was hoped that completing the process for privatizing state banks would boost loan availability and the level of competition in Tanzania's banking industry. In a case study on the privatization project, Qin and Pastory (2012) found that lending to the private sector remained low despite the newly privatized bank's profitability improving. Despite the data, there is still a lack of knowledge on how HPWS can improve organizational resilience.

2. Problem Statement

HPWS within the organizational setting and its possible impact on organizational resilience are currently receiving more and more attention (Robertson et al., 2015). According to Mancini et al. (2015), resilience refers to an organization's ability to successfully respond and adjust in the face of substantial difficulties and setbacks (Rutter, 2023). Despite these efforts, there are two major limitations on the body of information that is currently available. Retrospective case studies have traditionally been used in earlier research to understand how resilience develops in specific situations or organizational settings and to identify key factors.

General Objectives

The general objective of this study was to examine how high-performance work systems (HPWSs) build organizational resilience and, ultimately, firm performance by cultivating relevant human capital in the commercial bank context.

Specific Objectives

The following are the specific objectives of the study.

To determine human resource factors influencing high-performance work systems to build organizational resilience

To identify the contribution of human capital value to organizational resilience

To determine the role of human capital heterogeneity in organizational resilience

Research Questions

What factors are necessary for HPWSs to build and demonstrate organizational resilience?

To what extent does human capital value have an effect on organizational resilience?

What is the role of human capital heterogeneity in organizational resilience?

3. LITERATURE REVIEW

1) Theory

Organizational Resilience

Before commencing a literature review, defining an unambiguous and all-encompassing definition of organizational resilience is crucial. The existing conceptualizations of resilience exhibit substantial variations, resulting in a shortage of consensus and a lack of a cohesive comprehension of the notion. According to the research conducted by Ma et al. (2018), resilience may be conceptualized as the aptitude to proficiently navigate and adjust to unanticipated adversities or difficulties, hence showcasing the capability to recuperate and restore equilibrium. From this viewpoint, resilience is linked to successfully overcoming of obstacles and adversities. The research undertaken by Williams et al. (2017) and Tasic et al. (2020) focused on crisis prevention, which they defined as the capacity to implement essential modifications before the necessity for change becomes conspicuously evident. Based on the findings of Kuntz et al. (2017), several scholars view the period following adversity as an opportunity to engage in transformative pursuits, aiming to capitalise on unexpected disruptions that may threaten an organization's existence. Nevertheless, current understandings of resilience have embraced a more inclusive viewpoint, outlining several stages and the appropriate abilities linked to each stage (Darkow, 2019). According to the study conducted by Williams et al. (2017), the authors have presented a thorough explanation of this viewpoint as the organized procedure by which an actor, whether it is an individual, organization, or community, builds and employs its capacity resources to interact with the surrounding environment in a way that successfully adjusts and maintains functionality before, during, and after periods of hardship.

Nevertheless, it is crucial to recognize that the mere capacity to overcome challenges is not a satisfactory measure of resilience. While it may appear convenient to view preemptive avoidance of an event as a successful manifestation of anticipation, it is crucial to acknowledge that such avoidance does not inherently signify resilient behaviour. According to Hillmann and Guenther (2021), the proactive avoidance of adversity is a key indicator of an organization's ability to achieve its objectives, particularly in crisis prevention. Fundamentally, an entity that demonstrates the capacity to foresee, effectively handle, and adapt to difficult

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situations can be deemed robust. Nevertheless, the organization must encounter a setback resulting from adversity to demonstrate its capacity for resilience aptly. The scholarly literature on resilience within the business and management domain has experienced significant expansion in recent times, as duly acknowledged by Xiao and Cao (2017). Extant literature reviews exist on resilience, each serving different aims or objectives

Challenges in the conceptualization of organizational resilience

The examined idea has faced scrutiny from scholars due to its intrinsic vagueness, leading to a shortage of a specific delineation. The absence of clarity in the subject matter reduces its practical and scientific importance, as emphasized by Linnenluecke (2017). The notion and definition of organizational resilience can be understood and described from several viewpoints, incorporating aspects such as capability, capacity, characteristic, consequence, process, behaviour, strategy, approach, performance, or a combination of these factors. Lengnick-Hall et al. (2011) assert that research on resilience primarily adopts a descriptive approach and emphasizes outcomes, focusing on identifying the antecedents or factors that contribute to achieving resilience. However, it has been maintained by researchers such as Akgün and Keskin (2014) that organizational resilience plays a crucial role in facilitating growth and can be predicted through measurement. Certain researchers have defined resilience as a dynamic process that ultimately results in achieving a resilient outcome (Hillmann, 2021). The concept of resilience, as defined within this framework, refers to a systematic process implemented by organizations to successfully navigate and surmount challenges, ultimately resulting in a resilient outcome (Hepfer & Lawrence, 2022). Furthermore, one might define it as a phenomenon that connects a set of adaptable talents and a positive trajectory of entrepreneurial performance following a crisis, disturbance, or difficulty (Linnenluecke, 2017). According to Herbane (2019), the ongoing nature of capture and governance operations is a defining characteristic of their implementation and administration.

Moreover, the concept of resilience has been thoroughly investigated in several settings, with its development being traced via historical occurrences (for a detailed examination, see Linnenluecke, 2017). The concept of resilience is closely linked to the phenomenon of change, as discussed by Koslowski et al. (2013), which enhances our comprehension of the inherent ambiguity related to this concept. Kendra et al. (2018) assert that when examining resilience, researchers must ascertain the specific context or circumstances in which resilience is being used. Therefore, it is well recognized that resilience displays flexibility depending on the specific change being examined, requiring a case-specific analysis or explanation. When contemplating this issue, it is imperative to formulate an all-encompassing definition of resilience that incorporates broad and context-specific elements. This methodology facilitates a more profound comprehension of the particular manifestation of resilience under investigation. Resilience has been linked to various change phenomena, including sudden ecological surprises, unanticipated catastrophes, disruptive events like terrorism, extreme weather occurrences, data loss, and fire. It is also associated with more overarching kinds of change, such as climate change and environmental transformation. Furthermore, a relationship between resilience and environmental characteristics can be observed, including dynamism, complexity, uncertainty, and turbulence.

There is apparent a variance in the amount of resilience among companies or industries. This variety may be attributed to the fact that resilience is an inherent attribute of an organization, which is dependent on its distinct combination of resources and capabilities. Furthermore, these resources and capabilities demonstrate diversity among different firms and across various industries. According to Williams et al. (2017), different businesses adopt unique tactics to achieve resilience, refuting the notion of a universally applicable 'magic ten-step formula'. The concept now being examined is not novel within academic research on organizational resilience. The examination of contingency techniques has been subject to substantial scrutiny within the realm of management study. Ortiz-de-Mandojana and Bansal (2016) argue that the resilience of an organization is dependent on its historical trajectory and exhibits distinct attributes. The authors of the study examined the equifinality of resilience-related capacities. They presented evidence indicating that small and medium-sized firms employ different methods than large corporations (Aleksi et al., 2013). Prior studies have examined the discrepancies in resilience levels between family-owned firms and non-family-owned enterprises, as evidenced by the research conducted by Amann and Jaussaud (2012). Prior research has sought to examine the notion of resilience across different organizations and sectors to discover common attributes (Burnard & Bhamra, 2019).

High-Performance Work Systems (HPWS)

The theoretical construct, often known as HPWS, also referred to as high involvement work systems, best practices in human resource management, and high commitment work systems, was originally developed by Huselid (1995). However, there is still a lack of consensus among experts about the exact definition of high-performance work systems (Takeuchi et al., 2007). The overarching notion of HPWS encompasses a set of human resource practices that aim to enhance personnel's competencies, commitment, and productivity. According to Pak and Kim (2016), firms can gain a sustainable competitive advantage by effectively leveraging their human resources. Prior studies have provided evidence supporting positive relationships between HPWS and organizational performance. As a result, a prevailing agreement among scholars exists, advocating for academics to conduct comprehensive inquiries to reveal the fundamental mechanisms via which High-success Work Systems (HPWS) influence corporate success (Way and Johnson, 2005; Wei and Lau, 2010).

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Theoretical Framework

The current research is based on examining the relationship between HPWS and organizational resilience, utilizing Bakker and Demerouti's (2007) Job demands and job resources model (JD-R model). According to the dominant theoretical framework, an augmentation in job demands in conjunction with a shortage of employment opportunities or favorable circumstances exacerbates stress and burnout. Conversely, a wide range of employment perks can mitigate the consequences of heightened job requirements. The JD-R model has been employed in academic research to provide a comprehensive understanding of the phenomenon of involvement (Bakker & Albrecht, 2018). Moreover, academic investigations have extended the JD-R paradigm by integrating personal resources, such as individual-specific emotions like self-efficacy and optimism, to serve a similar purpose as job resources in enhancing motivation. Therefore, in line with the research conducted by Bakker and Demerouti (2007), it can be contended that job-related and personal resources can positively impact work engagement. Sweetman and Luthans (2011)

2) **Empirical Literature Review**

Factors that is necessary for organizations to build and demonstrate resilience

The attribute of resilience holds significant importance for firms operating within the current dynamic business landscape. It is seen that certain entities not only manage to endure and overcome challenges but also flourish amidst adversity, whereas others succumb to unfavourable circumstances and cease to exist. Vakilzadeh and Haase (2021) comprehensively evaluated the empirical literature on the fundamental components of organizational resilience. This study involved a comprehensive literature analysis of empirical research on organizational resilience. The primary objective was to provide a concise summary of the varied findings from a total of 69 studies, with a specific emphasis on identifying the elements that contribute to resilience within organizations. The research findings demonstrate that numerous variables influence the ability of businesses to effectively predict, manage, and adjust to adverse circumstances. Anticipation encompasses conducting environmental scanning, developing resilience strategies, exhibiting certain leadership behaviour, and allocating appropriate resources. The ability to cope effectively requires the presence of specific leadership attributes, the cultivation of a distinct organizational culture, and a commitment to fostering innovation. The adaptation process necessitates an organization to acquire knowledge from encountering adversity and to commence change procedures, impacting its capacity to foresee and prepare for future adversities in an extended period. The present study examines the impact of environmental scanning, resilience strategies, and staff training on organizational resilience.

The recognition of employee resilience as a crucial aspect in facilitating organizational adaptability in volatile and unpredictable business environments has emerged recently. Nevertheless, the existing body of literature on cultivating employee resilience remains minimal. Tonkin et al. (2018) conducted a study to investigating the effects of a well-being intervention on two specific dimensions of human resilience: personal resilience, which pertains to employees' stress-coping abilities, and employee resilience, which refers to their resilient workplace behaviors. The research utilized a sample of 209 participants who were given an online questionnaire to evaluate their levels of well-being and resilience. Furthermore, a subset of 145 individuals participated in a workplace intervention aimed at enhancing well-being for one month. Subsequently, these individuals were asked to complete a survey as part of a follow-up assessment. The study's findings indicate an interconnection between personal and employee resilience, while also recognizing their distinct conceptual nature. Furthermore, following the implementation of the intervention aimed at enhancing well-being, there were no substantial alterations seen in personal resilience. However, moderate enhancements were noted in staff resilience and several aspects of wellbeing. This research aims to assess the influence of High-Performance Work Systems (HPWSs) on organizational resilience. To enhance knowledge acquisition in this specific area of investigation, the current study will utilize employee resilience as a crucial factor in determining organizational resilience.

Malimi (2017) conducted a study investigating the influence of capital adequacy, profitability, and loan growth on the prevalence of non-performing loans in the Tanzanian banking sector. The main objectives of this study were to evaluate compliance with capital adequacy and non-performing loan ratios as regulatory standards and to examine the influence of Capital Adequacy, Profitability, and Loan Growth on Non-Performing Loans. This study utilized the ratios provided by the supervisory authority, the Bank of Tanzania, about the banking industry. Based on an analysis of banking sector ratios, it is apparent that commercial banks operating in Tanzania have exhibited a strong capital adequacy ratio above the prescribed minimum threshold of 10% established by the Bank of Tanzania. However, the banking industry failed to meet the obligation of keeping non-performing loans below 5%, undermining its capacity to endure unfavourable circumstances. On the contrary, regression analysis demonstrated that certain variables, such as capital sufficiency and profitability, did not exhibit any significant influence on the occurrence of non-performing loans. In contrast, it has been found that the loan-to-asset ratio and interest margin have a significant impact on the resilience of banks. The work environment can be classified into two main categories: job demands and job resources. Based on the findings of Xanthopoulous et al. (2007), job demands refer to the various physical, social, and organizational attributes of a particular occupation that require ongoing physical and psychological effort and are associated with distinct physiological and psychological outcomes. Xanthopoulou et al. (citation) define job resources as a collection of physical, social, and organizational elements that functionally achieve work-related goals, mitigating job demands and their associated physiological and psychological strains, and promote personal growth and advancement.

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Moreover, academic literature has extended the JD-R paradigm by integrating personal resources, such as individual-specific affective states like self-efficacy and optimism, to serve a similar role as work-related resources in enhancing motivation. Therefore, in line with the research conducted by Bakker and Demerouti (2007), it can be contended that both resources connected to the job and personal resources possess the capacity to positively impact work engagement. Sweetman and Luthans (2011) examine the notion of organizational resilience as a valued asset inside a company. Conversely, HPWS can be perceived as a job-specific resource. The notion of HPWS is a distinctive and potentially innovative contribution to Human Resource Management (HRM) theory. The paper presents a novel conceptual framework called "job resources" that provides a unique viewpoint on the potential impact of HRM practices on the HR-performance relationship. This encompasses the capacity to influence employee attitudes and actions, broadening the extent of HRM's influence. Sweetman and Luthans (2011) propose that work engagement might be conceptualized as the outcome of effectively harnessing a pool of positive psychological resources. The resources above, which encompass resilience, are subject to the influence of both individual personality traits and job-related circumstances. Bakker et al. (2005) propose that resilience can be understood as a psychological asset and an individual attribute that protects against the negative outcomes associated with demanding work conditions.

High-Performance Work Systems and Human Capital

HPWS are organizational structures that foster a conducive environment for enhanced employee engagement and accountability (Boxall, 2012). Existing research has not adequately addressed the border effects of employee participation and human capital in the relationship between HPWS and organizational resilience. In their study, Zhou et al. (2019) sought to analyze the intricacies of organizational innovation in China. This was achieved by exploring the combined influence of high-performance work systems, employee participation, and human capital. The present study investigated the combined moderating influences of human capital and employee involvement, direct voice mechanism, and corporate governance participation on the relationship between HPWS and organizational innovation. The study utilized a three-way interaction model, incorporating a sample of 108 firms and 1,250 employees. The results suggest a positive association between HPWS and organizational innovation in contexts where employees have limited human capital and are given more chances to express their opinions directly or have less involvement in corporate decision-making processes. Contrarily, it has been observed that HPWS displays a negative correlation with organizational innovation under circumstances where workers possessing higher levels of human capital are coupled with more prominent direct voice methods. High-performance work systems (HPWSs) or human resources (HR) practices are intentionally formulated to maximize the utilization of employees' knowledge, skills, commitment, and behaviours, hence converting individuals into a valuable source of competitive advantage (Jiang & Liu, 2015). High-performance work systems (HPWSs) refer to a set of human resource methods that include the meticulous recruitment and selection of personnel, significant investments in training and development, performance-based reward schemes, employee involvement, cooperation, and job design. Implementing these techniques is driven by fostering flexible work arrangements and augmenting skill variety (Jiang and Liu, 2015). The current research proposes that adopting High-Performance Work Systems (HPWSs) holds the capacity to augment the worth of human capital in commercial banks. High-performance work systems (HPWSs) adopt a strategy of carefully selecting and training personnel to guarantee they possess the necessary knowledge and skills for meeting the current company demands. Reward and performance management techniques, such as adopting performance-related systems, function as motivational tools for employees to improve their skill set, hence maximizing their performance and achieving higher rewards.

Boxall and Macky (2007) conducted a study to explore the conception and significance of high-performance work systems (HPWSs) about the continuing discussion on promoting a knowledge-intensive or progressive economy. The primary objective of these systems is to adopt work reforms that seek to improve the involvement of workers in production or front-line service roles. Therefore, it is more suitable to designate them as "high-involvement work systems" (HIWSs). The present study aimed to elucidate the core attributes of High-Involvement Work Systems (HIWSs) while considering the imperative of customizing these practices to align with specific industry and occupational settings. Furthermore, the research investigated the wider managerial and governance procedures in which these systems are incorporated. This study provides additional insight into literature's significant role in the High-success Work Systems (HPWS) field. It helps us better understand the importance of management and employee variables in the success of various HR systems. It is crucial for any business that prioritizes the performance of its human resources to thoroughly analyze the interdependence among management intentions, management practices, employee reactions, and organizational results. According to Jiang and Liu (2015), the existing body of literature on high-performance work systems (HPWSs) predominantly examines the direct relationship between specific managerial practices and the consequent performance outcomes. However, there is a lack of investigation into the intermediate mechanisms that establish the connection between these two factors, often called the "black box." Recent scholarly investigations have examined the fundamental mechanism, mostly concentrating on analysing individual outcomes or their aggregation. In addition to the previously described individual approach, this conceptual study employs a group-level viewpoint to investigate the possible influence of HPWS on organizational effectiveness through its impact on the intra-organizational social capital of the enterprise.

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Human capital heterogeneity in organizational resilience

Human capital heterogeneity is a term used to describe the situation in which individuals do not leave the labour market because of family responsibilities or alter their planned investments in human capital in response to unexpected events (Porac et al., 2004). Zhou et al. (2022) undertook an integrated assessment of the extant corpus of literature about organizational resilience. The researchers synthesized existing literature to develop a comprehensive and effective theoretical framework that can guide future academic investigations in this particular study area. The study demonstrates that current academic inquiries tend to see the concept of organizational resilience as a homogeneous and indistinguishable construct. This work presents a novel conception of organizational resilience, proposing that it encompasses a range of distinct forms, including functional, operational, and strategic. Each of these kinds exhibits distinct foundations, mechanisms, and outcomes. The research developed a cycle framework for organizational resilience incorporating its diversity, facilitating more sophisticated and precise implementations in various environments and the face of different challenges. In their study, Brymer et al. (2019) investigated the correlation between pipelines and portfolios, specifically emphasizing the need to comprehend human capital's diversity by considering the recruitment of people throughout a whole organization. The present study usess the term "pipelines" to encompass the diverse techniques firms employ to get access to and attract potential sources of talent. The research questions posed were: What is the underlying justification for the presence of pipelines? What are the characteristics exhibited by the individual under consideration? What are the potential consequences of these issues for firms? The researchers did a thorough analysis of the extant literature to ascertain common attributes and essential aspects of pipelines. Following this, a typology was developed based on well-established theories, to facilitate a standardized understanding of the topic.

Conceptual Framework

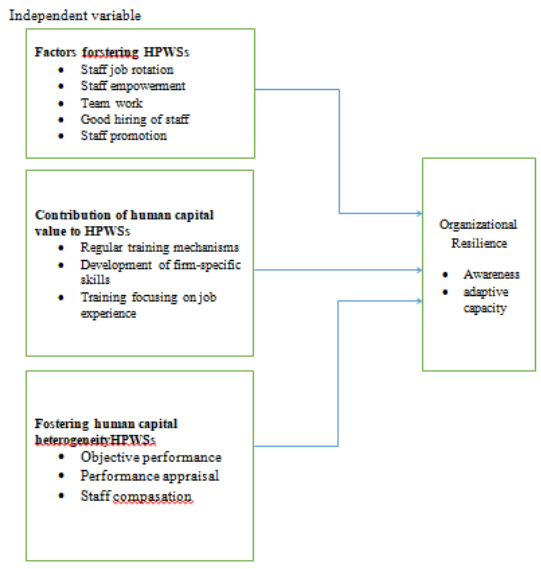

Figure 2.1: Conceptual Framework

4. RESEARCH METHODOLOGY

Research philosophy refers to existing views regarding the conduct of research. Philosophy represents a debate about the modality of conducting study, knowledge, and reality of study, categorized into two main directions: positivism and constructivism. The researchers opted for a cross-sectional research design in the execution of this investigation. The research was carried out in the urban areas of Dar es Salaam and Mwanza. The population for this stud consists of all employees within the banking sector in Tanzania. Data were gathered from primary and secondary sources. The data collection method employed in this study involved conducting key informant interviews with individuals occupying senior management and middle management positions. The study used data generated through the application of the Statistical Package for the Social Sciences (SPSS) to make inferences and obtain findings. The statistical software package SPSS was utilized to evaluate the reliability of the data, analyze the relationship between variables, and ascertain the strength of the association by regression analysis.

5. Findings and Discussion

High-Performance Work Systems (HPWSs) to the value of human capital and the role of HPWSs in promoting heterogeneity in human capital, exhibit values exceeding 0.601. This indicates that the reliability of these measures is excellent and comparable to the highest standards set by standardized tests. Hence, it may be inferred that all variables exhibit a robust level of internal consistency in the instruments employed for data collection.

Table 1: Reliability Statistics and Analysis

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Organizational resilience	0.701	0.761	4
Factors influencing organizational resilience,	0.732	0.755	4
Contribution of HPWSs to human capital value	0.723	0.743	4
Human capital heterogeneity	0.752	0.767	4

Source: Field data, 2023

As indicated in Table 1, the lowest Cronbach's Alpha Coefficient, which is excellent and indicates that the data gathering tools were designed to be dependable, was 0.701. The results also reveal that the reliability test statistics resulted in a greater correlation than r=0.7, which is reliable.

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Job Position

Figure 1: job position

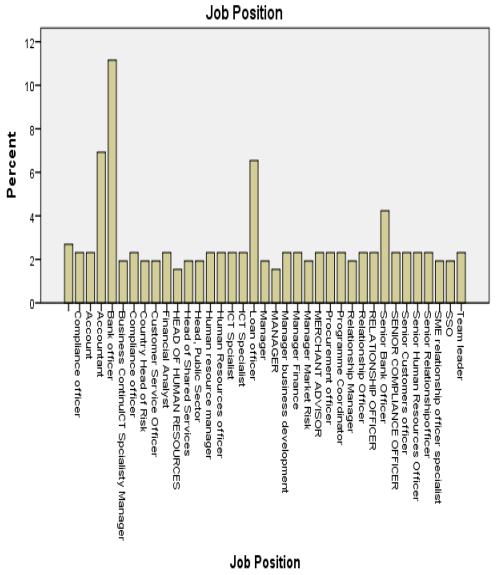

Figure 1 Job position

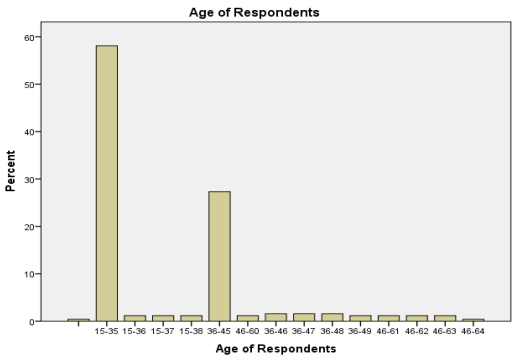

Figure 2: age of respondents

Gender

Another demographic component studied in this study was gender. According to the findings in Figure 3, men had a higher response rate (65 percent) than women. This implies that the gender composition of employees may have a significant influence since it is shown that talent is the primary predictor of job success for males, while opportunity emerges as the most influential predictor for girls. This study acknowledges the importance of cultural context in examining the gendered behaviors of employees.

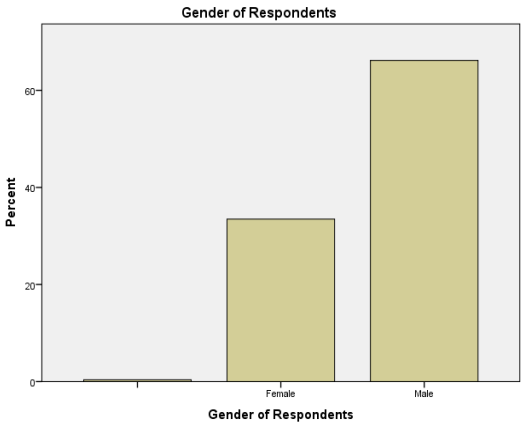

Figure 3: Gender of the Respondents

Education Level

Another demographic aspect of participants was their level of education. According to the data, 65 percent of the 206 participants had a Bachelor's Degree level of education, 25 percent had a Master's Degree level of education, and 5 percent had a diploma-level education. This signifies that the banking industry employs most people with a Bachelor's degree or higher.

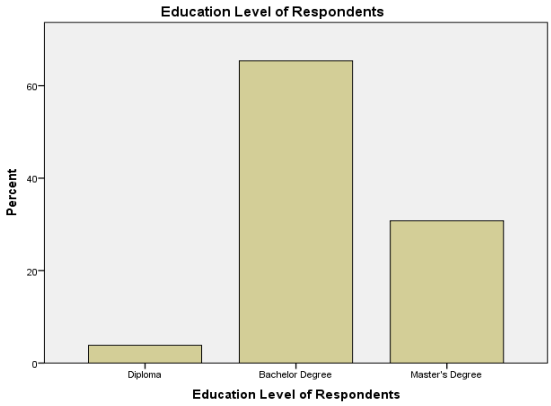

Figure 4: education level of respondents

Work Experience

In terms of work experience, the findings suggest that more than 17 percent of respondents had a suitable requirement of work experience of 10 years and above to have a solid work performance system for organizational resilience.

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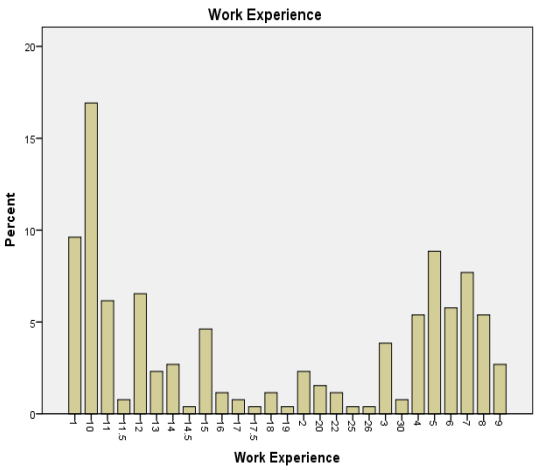

Figure 5 Staff's work experience

Table 2: Descriptive Statistics for Factors Influence HPWSs towards Fulfilling Organizational Resilience

	N	Mean	Std. Deviation
Job rotation	165	2.35	.721
Staff empowerment	191	2.54	.875
Teamwork	170	2.38	.754
Good governance	167	2.34	.675
Valid N (listwise)	121		

Table 2 shows that organizational resilience was influenced by job rotation with a mean score of 2.35 and standard deviation of 0.721, staff empowerment with a mean score of2.54 and standard deviation of 0.875, teamwork among staff with a mean score of 2.38 and a standard deviation of 0.754 and good governance with mean score 2.34 and standard deviation of 0.675. The calculated mean score was less than the neutral value of 3. This implies that most respondents report that job rotation, staff empowerment, teamwork, and good governance influence organizational resilience.

Human Capital Value and Organizational Resilience

Table 3: Descriptive statistics for human capital values and organizational resilience

	N	Mean	Std. Deviation
Training is regularly.	192	2.56	.835
Training programs are to develop firm-specific skills and knowledge	182	2.27	.535
The training programs emphasize on-the-job experiences	183	2.36	.621
Valid N (listwise)	170		

Table 3 shows that organizational resilience was influenced by human capital values (staff regular training, development of firm-specific skills, and training focusing on job experience) with an average mean score of mean score 2.39 and an average standard deviation of 0.664. The calculated mean score was less than the neutral value of 3. This implies that the majority of respondents report that human capital values influence organizational resilience.

Correlation between factors influencing HPWS in building organizational resilience

Table 4 presents the correlation matrices for the explanatory factors examined in the study. The statistical analysis conducted using Pearson correlation coefficients reveals a favorable link between the practice of staff job rotation and the level of organizational resilience (r=0.086). According to Afonja (1972),

Table 4: Correlation Matrix between factors of HPWS and Organizational resilience

Control Variables		JR	SE	TW	GG	OR
JR	Correlation					
	Significance (2-tailed)					
	Df	0				
SE	Correlation	.560				
	Significance (2-tailed)	.000				
	Df	113	0			
TW	Correlation	.207	.446			
	Significance (2-tailed)	.027	.000			
	Df	113	113	0		
GG	Correlation	.226	-.058	.089		
	Significance (2-tailed)	.015	.538	.347		

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	Df	113	113	113	0	
	Correlation	.086	.291	.116	.351	
OR	Significance (2-tailed)	.361	.002	.215	.000	
	Df	113	113	113	113	0

Source: Field data, 2023

Where JR = staff job rotation, SE=staff empowerment, TW=team work and GG= good governance and OP=Organizational resilience
Table 5 demonstrates a positive correlation (r=0.291) between employee empowerment and organizational resilience. The goal of employee empowerment is to allow employees to make independent decisions and act on them, including monetary and non-monetary benefits, to manage and inspire employee expectations. For commercial banks to cherish, organizational resilience must go hand in hand with employee empowerment. These results support those of Hanaysha (2016), who discovered that employees' empowerment are an efficient technique for increasing organizational resilience. With a positive correlation of r=0.351, Table 4.4 demonstrates that organizational resilience and good governance are positively correlated.

Table 5: Correlation Matrix between factors of HPWS and Organizational resilience

Control Variables		JR	SE	TW	GG	OR
	Correlation					
JR	Significance (2-tailed)					
	df	0				
	Correlation	.560				
SE	Significance (2-tailed)	.000				
	df	113	0			
	Correlation	.207	.446			
TW	Significance (2-tailed)	.027	.000			
	df	113	113	0		
	Correlation	.226	-.058	.089		
GG	Significance (2-tailed)	.015	.538	.347		
	df	113	113	113	0	
	Correlation	.086	.291	.116	.351	
	Significance (2-tailed)	.361	.002	.215	.000	
OR						
	df	113	113	113	113	0

Source: Field data, 2023

Where JR = staff job rotation, SE=staff empowerment, TW=team work and GG= good governance and OP=Organizational resilience

Correlation of Variables between Huma Capital Values and Organizational Resilience
Table 6 presents the correlation matrices for the explanatory factors examined in the study. The Pearson correlation statistics indicate significant positive correlations between staff regular training and organizational resilience (r=0.400**), development of firm-specific skills and knowledge and organizational resilience (r=0.164*), and training focusing on job experience and organizational resilience (r=0.314**). The results align with the research conducted by Jiang and Liu (2015)

their skill set to optimize their Performance-related systems, like as incentive programs, motivate individuals to enhance performance and remuneration.

This study delineated the fundamental attributes of HIWSs, along with the encompassing managerial and governance frameworks, while underscoring the need to customise activities within these systems to align with industry and occupational settings.

Table 6: Correlation Matrix between human capital values and organizational resilience

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		SRT	DFM	TFJ	OR
SRT	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	192			
DFM	Pearson Correlation	.216**	1		
	Sig. (2-tailed)	.004			
	N	178	182		
TFJ	Pearson Correlation	.417**	.266**	1	
	Sig. (2-tailed)	.000	.000		
	N	179	174	183	
OR.	Pearson Correlation	.400**	.164*	.314**	1
	Sig. (2-tailed)	.000	.034	.000	
	N	178	168	173	192

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Field data, 2023

Correlation of Variables between Human Capital Heterogeneity and Organizational Resilience

The correlation matrices for the explanatory variables in the study are displayed in Table 4.7. The Pearson correlation statistics show a positive correlation between performance based on objective, quantifiable results and organizational resilience (r=0.369**), a positive correlation between Performance appraisals and organizational resilience (r=0.244**), and a positive correlation between employee compensation and organizational resilience (r=0.315**). These findings are consistent with those of

Table 7: Correlation Matrix between human capital values and organizational resilience

		OP	PA	WC	OR.
OP	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	174			
PA	Pearson Correlation	.344**	1		.
	Sig. (2-tailed)	.000			.
	N	150	168		
WC	Pearson Correlation	.412**	.214**	1	
	Sig. (2-tailed)	.000	.008		
	N	159	154	186	
OR	Pearson Correlation	.369**	.244**	.315**	1
	Sig. (2-tailed)	.000	.002	.000	
	N	161	155	164	179

**. Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis

The regression analysis assumption posits that the dependent variable (Y) variances are constant across different levels of the independent variable (X). The conventional approach to examining the assumption of homoscedasticity in regression analysis involves creating a scatter plot that compares the predicted Y values with the corresponding residual values. Heteroscedasticity can be inferred when these values exhibit a spread or dispersion from the left to the right or the right to the left (Shifa, 2019).

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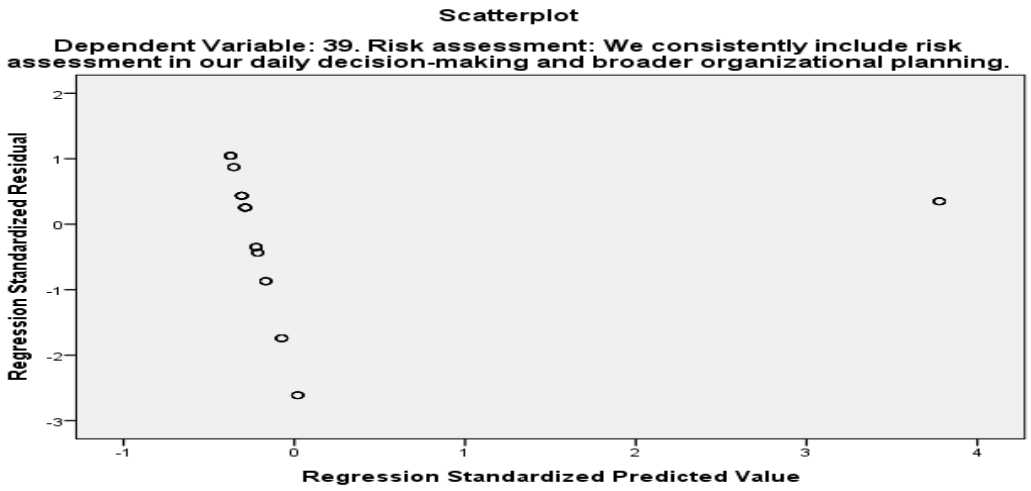

Figure 6: Scatter plot of Organizational Resilience

Table 4.8 presents the marginal influence of high-performance work systems and organizational resilience characteristics. The study employed regression analysis to demonstrate the extent to which the components of a high-performance work system are associated with organizational resilience.

Table 8 Marginal Effect between Factors of HPWS and Organizational Resilience

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.264	.454		2.787	.006
	Job rotation	.332	.118	.279	2.803	.006
	Staff empowerment	.524	.108	.537	4.860	.000
	Teamwork	.109	.133	.077	.816	.416
	Good governance	.457	.118	.321	3.866	.000

Source: Field data, 2023

Table 8 shows that a unit increase in job rotation decreases the probability of organizational resilience by 33.2 percent with a statistically significance level of $\rho \leq 0.006$. Job rotation is found to be highly significant. A unit increase in staff empowerment increases the probability of organizational resilience by 52.4 percent, and this relationship is highly significant ($\rho \leq 0.000$). Table 5 results further show that a unit increase in teamwork increases the probability of organizational resilience by 10.9 with a significance value of $\rho \leq 0.416$, and a unit increase in good governance increases the probability of organizational resilience by 45.7 percent, and this relation is highly significant at $\rho \leq 0.000$.

Table 9 Marginal Effect between Human Capital Value and Organizational Resilience

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.215	.312		-.690	.491
	Staff regular training	.557	.071	.475	7.845	.000
	Development of firm-specific skills	.205	.108	.120	1.905	.059
	Training focusing on job experiences	.867	.118	.459	7.333	.000

a. Dependent Variable: Organizational Resilience

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Source: Field data, 2023

Table 9 shows that a unit increase in staff regular training decreases the probability of organizational resilience by 55.7 percent with a statistically high significance level of ρ≤0.000. A unit increase in the development of firm-specific skills is highly significant as it increases organizational resilience by 20.5 percent with a significance levels of ρ≤0.059. A unit increase in training focusing on job experiences increases the probability of organizational resilience by 0.867, and this relationship is highly significant (ρ≤0.000).

Table 10: Marginal Effect between human capital heterogeneity and organizational resilience

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.963	.203		9.684	.000
	Performance-based on objective, quantifiable results	.251	.082	.324	3.085	.003
	Performance appraisals include feedback	.105	.087	.117	1.202	.232
	Employee compensation	.022	.051	.045	.429	.669

a. Dependent Variable: Organizational Resilience

Table 10 shows that a unit decreases by performance based on objective increases the probability of organizational resilience by 32.4 percent at a significant level of ρ≤0.003. A unit increase in performance appraisal increases the probability of organizational resilience by 11.7 percent at a significant level of ρ≤0.232, and a unit increase in employee compensation increases the probability of organizational resilience by 4,5 percent at a significant level of ρ≤0.429.

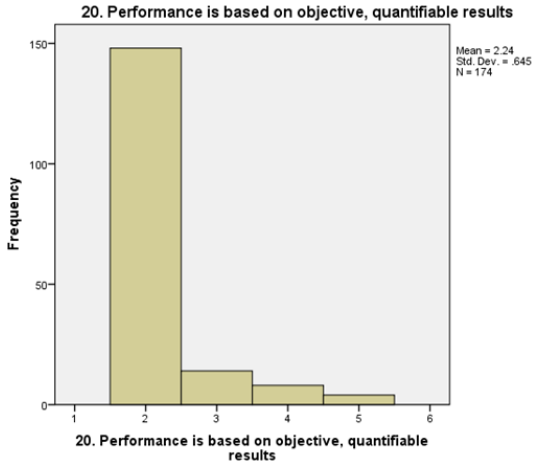

Figure 7: Performance appraisal and organizational resilience

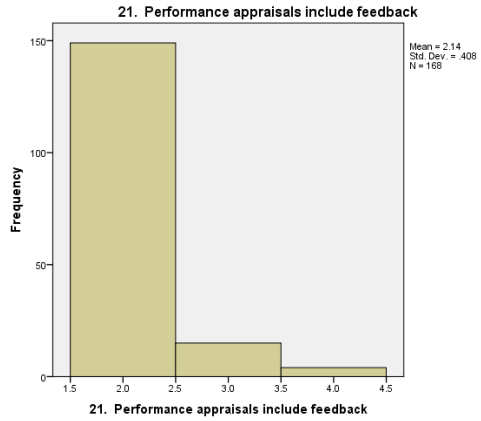

Figure 8: Performance Appraisal and Organization Resilience

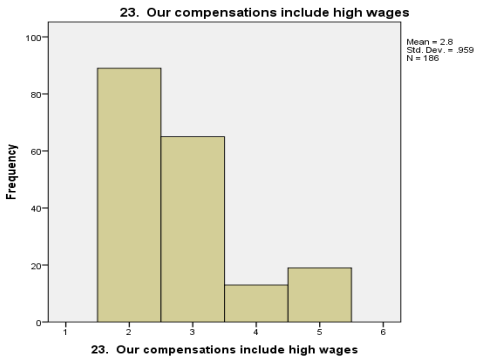

Figure 9: Staff compensation and Organizational resilience

1. Study Summary, Conclusion, and Recommendations

Summary

This study examined how high-performance work systems (HPWSs) build organizational resilience and, firm performance by cultivating relevant human capital in the commercial bank context. Specifically, the study has three objectives set to generate knowledge pertaining to the effect of HPWSs in organizational resilience: to determine factors influencing high-performance work systems to build organizational resilience, to identify the contribution of human capital value in organizational resilience, and to determine the role of human capital heterogeneity in organizational resilience. Findings show that job rotation, staff empowerment, and team working are the factors of HPWSs that positively impact organizational resilience. Staff regular training, development of firm-specific skills, and training focusing on job experience are the human capitals

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that influence organizational resilience and objective performance; performance appraisal and staff compensation are the human capital heterogeneity that influence positive organizational resilience.

Conclusion

This study aims to explore utilising Human Resource Management (HRM) as an internal capability builder from the perspective of the Job Demands and Job Resources model (JD-R model). Specifically, the research investigates how organizations can employ HRM systems, such as High-Performance Work Systems (HPWSs), to develop and mould human capital resources. The ultimate goal is to enhance organizational resilience capability, leading to improved firm performance. According to the study findings, factors influencing high-performance work systems to foster organizational resilience included job rotation, staff empowerment, teamwork, and good governance. High-performance work system can increase organizational resilience by investing in human capital value. The findings show that human capital values that are found to influence organizational resilience capabilities include but are not limited to staff regular training, development of firm-specific skills, and training focusing on job experiences. In turn, HPWSs are linked to human capital heterogeneity that can influence organizational resilience. These findings highlight the utility of HPWS through performance based on objective, quantifiable results; performance appraisals include feedback and employee compensation as an intervention technique that organizations like commercial banks can utilize to improve organizational resilience capacities for performance, as well as the relevance of focusing on both human capital value and heterogeneity.

Recommendations

Organizations are continually confronted with unanticipated disruptions and challenges in today's evolving and dynamic business environment. Commercial banks, for example, are more exposed to external shocks due to resource limits and limited capacity to plan for crises. Commercial banks must establish suitable types and levels of organizational resilience capabilities to counteract anticipated future disruptions. This study's result is that for organizations such as commercial banks to improve organizational resilience capacities, managers are advised to foster job rotation, staff empowerment, teamwork, and good governance. In order to alter the human capital value in commercial banks, managers are recommended to cherish staff regular training, development of firm-specific skills, and training focusing on job experiences. Inculcating the culture of staff performance appraisal is another mechanism of enhancing human capital heterogeneity. This finding demonstrates that High-Performance Work Systems (HPWSs) have the potential to serve as a viable managerial approach in the future, facilitating the enhancement of organizational preparedness and adaptability in the face of unforeseen emergencies. In light of the study's discoveries regarding the distinct antecedents and outcomes associated with bounce-back and bounce-forward resilience capabilities, organizations and their managers can utilize this differentiation to assess their existing levels of resilience capabilities and implement appropriate interventions.

Limitations and Areas for Further Research

This work exhibits several shortcomings that indicate potential avenues for future investigation. The study's model, which examines the effects of HPWS on organizational resilience capabilities through human capital value and heterogeneity, aligns with the perspective of human resource management (HRM) as an internal capability builder. However, the study's cross-sectional design limits the ability to establish causal relationships implied in the model clearly. This restriction can be addressed in future research using a longitudinal approach to determine the associations discovered in this study.

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