THE IMPACT OF MODERN STRATEGIC HUMAN RESOURCE MANAGEMENT APPROACHES ON CRISIS MANAGEMENT EFFECTIVENESS: THE MEDIATING ROLE OF LEADERSHIP COMPETENCIES

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Abstract

This study explores how modern human resource strategies empower crisis management through the leadership ability as the effective mediating link. Following recent research on human resource management's (HRM's) evolving role in organizational resilience (Sanders et al., 2024), we surveyed 320 senior and middle managers from Jordanian banks using stratified random sampling. From the partial least squares structural equation modeling (PLS-SEM) analysis, three key findings were derived. Following, commitment-based human resources (HR) practices and strategic fit significantly strengthened leadership competencies and crisis management, adding to existing research on HR-crisis relationships (Al-Khrabsheh et al., 2022). Surprisingly, performance-based HR approaches strengthened leadership competencies but undermined crisis preparedness, suggesting potential trade-offs in pressure-intensive contexts. Most importantly, leadership competencies, particularly communication, emotional intelligence, and emergency preparedness — acted as the "missing link" that translated HR policies into successful crisis management. The findings of the study provide pragmatic implications for financial institutions operating in Jordan's turbulent economic environment: promoting leadership development reinforces the efficacy of human resource systems amidst periods of turbulence. The study ultimately proves that if human resource initiatives are aligned with leadership development, organizations do not just endure crises but come out more robust.

Keywords: Human Resource Management, Crisis Management, Leadership Competencies, Banking, Jordan

Authors' individual contribution: Conceptualization — M.M.A.-H., M.T.A.-D., and Y.A.A.-K.; Methodology — M.M.A.-H.; Validation — M.T.A.-D.; Formal analysis — M.T.A.-D. and Y.A.A.-K.; Investigation — M.M.A.-H. and O.L.; Data curation — Y.A.A.-K.; Writing — Original Draft — M.M.A.-H.; Writing — Review & Editing — M.M.A.-H., M.T.A.-D., Y.A.A.-K., and O.L.; Supervision — Y.A.A.-K.

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1. INTRODUCTION

The current business climate presents organizations with unmatched challenges, from economic instability to technological disruption, which necessitate new ways of crisis handling. With research already establishing the roles of strategic human resource management (HRM) and leadership in organizational resilience (Sanders et al., 2024), there is still so much to be unraveled about the ways in which these elements interact in practice. Current studies of Jordanian banking reveal alarming preparedness deficits, with 78% of the banks reporting inadequate crisis response systems during the COVID-19 pandemic (Al-Khrabsheh et al., 2022). The current study seeks to bridge such gaps by exploring how modern strategic HRM (MSHRM) practices, when supported by effective leadership, can enhance the effectiveness of crisis management in Jordan's critical banking sector. The research extends Armstrong and Taylor's (2023) MSHRM model and incorporates crisis leadership theory (Jaaffar et al., 2023) to propose an integrated model of organizational resilience. These findings offer practical guidance for banks that are working in Jordan's unpredictable economic climate: leadership development achieves the greatest impact of human resources (HR) systems during disruptions. Rather than viewing HR and leadership as separate functions, organisations need to nurture their harmony — a concept that exceeds existing crisis management frameworks (Dirani et al., 2020). Ultimately, the study confirms that HR initiatives and leadership development combined enable organisations to survive not only crises but emerge better.

Available literature reveals several unresolved issues in the HRM-crisis relationship. While resource-based (RB) HR practices are known to generate organizational resilience (Barney, 1991), their effectiveness is contingent on leadership competencies that are still underresearched (Dirani et al., 2020).Similarly,high-commitment management systems are known to be effective in Western contexts (Wood & Wall, 2007), but implementing them in the context of Jordan's hierarchical organizational cultures involves particular challenges that need investigation (AlHamad et al., 2022). Most significantly, perhaps, while we recognize that leadership plays a critical role in crises (Eichenauer et al., 2021), we lack empirical specificity about which competencies are most important to translate HR policies into crisis action. With these gaps in knowledge, organizations are not optimally positioned to proactively align their HR systems with leadership development in a way that best facilitates crisis preparedness.

This research aims to provide useful application to Jordanian banks while further enhancing greater academic knowledge on crisis management. We examine how different MSHRM approaches — RB, strategic fit (SF), high-performance systems, and high-commitment practices — assist in crisis management performance by working through the mediator function of leadership competencies. The current study examines specifically four useful leadership competencies: communication clarity, emotional intelligence, learning agility, and emergency preparedness. By examining survey answers of 320 banking leaders in Jordan with novel partial least squares structural equation modeling (PLS-SEM) approaches, we identify the most efficient pairs of HRM-leadership in real crisis scenarios. Our study applies proportional stratified sampling to ensure that it covers Jordan's diversified banking industry, and both HRM practice direct impacts and indirect impacts through leadership mediation.

The findings offer timely insights to banking chief executive officer (CEOs) and HR managers navigating Jordan's precarious economic environment. In reality, the study defines which HR investments yield the greatest crisis preparedness returns and which leadership skills most effectively translate policies into action. At the scholarly level, the research is a contribution because it empirically applies Western HRM principles in an under-studied Middle Eastern setting, quantifies the mediation functions of some leadership skills, and develops banking-specific crisis indicators. The article goes on with a literature review placing the theoretical framework, next methodology in full detail, reporting results, and discussing implications for practice and theory. We conclude with practical tips for banks attempting to improve crisis resilience through leadership development and strategic HRM, particularly in the emerging market conditions of similar troubles as Jordan's banking sector.

The structure of the paper is as follows. Section 2 reviews the literature on the research topic. Section 3 presents the research methodology. Section 4 outlines the results and findings, Section 5 discusses the results. Section 6 concludes the paper.

2. LITERATURE REVIEW

Contemporary organizations are facing unprecedented volatility, and strategic HRM thus becomes critical in crisis preparedness. Empirical research indicates that MSHRM strategies significantly affect organizational capacity for anticipating, responding to, and recovering from interruptions (Aquino et al., 2023). In the banking sector, where crises have a tendency of being simultaneous operational, financial, and reputational issues, MSHRM provides the platform to build leadership competency and organizational resilience (Sanders et al., 2024). On this theoretical basis, we propose the following hypothesis:

H1: MSHRM positively influences leadership competencies and crisis management effectiveness (CME) in Jordanian commercial banks.

The RB theory assumes that human capital is a crisis differentiator that can act when it has VRIN criteria (valuable, rare, inimitable, non-substitutable) (Barney et al., 2001). Wright et al. (2001) correlate only RB approach-congruent HR practices (e.g., strategic workforce planning, competency building) with the recovery of financial institutions from crises within 23%. Jordanian findings corroborate these findings, revealing banks with RB-oriented talent management systems maintained activities more stable during the 2020 liquidity crisis (Al-Khrabsheh et al., 2022). These findings validate the sub-hypothesis:

H1a: The RB approach positively influences leadership competencies and CME in Jordanian commercial banks.

SF assures HR systems to dynamically change in accordance with crisis demands. Sparrow et al. (2016) found that high-SF companies allocated resources 40% more rapidly during disruption. In the banking industry, it is accomplished by crisis-driven competency models and adaptive policy

re-alignments (Sanders et al., 2024). In Jordanian banks, SF is particularly critical amidst uncertain regulatory environments (Vardarlıer, 2016). We thus hypothesize:

H1b: The SF approach positively influences leadership competencies and CME in Jordanian commercial banks.

Efficacy of high-performance management (HPM) systems in crisis environments relies on whether it has the capability to balance pressures of performance with adaptive capacity. Although Guest (2011) describes the benefits of HPM in standardized crisis response as faster decision-making (18% faster recovery in cyberattacks) (Abo-Murad et al., 2021), existing studies refer to the necessity of adapting HPM strategy with flexibility mechanisms, i.e., dynamic performance indicators and simulation training for crises (Sanders et al., 2024). In the Jordanian banking system, where the regulatory environment is confronted with a maelstrom pace of digitalization, HPM systems incorporating crisis preparedness indicators into performance appraisals can particularly enable leadership skills (with incentives based on skills) as well as organizational resilience (with tiered responses to frequent threats such as liquidity shocks).This leads to our third sub-hypothesis:

H1c: HPM positively influences leadership competencies and CME in Jordanian commercial banks.

High-commitment/involvement management (HCIM) fosters employee engagement that sustains performance during crises. Wood and Wall (2007) link HCIM practices to 31% higher staff retention during economic downturns. Dirani et al. (2020) further demonstrate how participatory decision-making in Middle Eastern banks improved innovation in pandemic response strategies. Consequently, we propose:

H1d: HCIM positively influences leadership competencies and CME in Jordanian commercial banks.

Effective leadership translates HR investments into crisis resilience. Eichenauer et al. (2021) identify four critical competencies: 1) transparent communication, 2) emotional intelligence, 3) learning agility, and 4) emergency preparedness. Their study of 120 banks showed leadership accounted for 38% of variance in crisis outcomes. This compels our second main hypothesis:

H2: Leadership competencies positively influence CME in Jordanian commercial banks.

The relationship between MSHRM and CME is indirect but mediated by leadership behavior. Barney et al. (2001) present that effective HR systems require good leadership to broker policies to resilience during crises. The impact of mediation is particularly strong in knowledge-intensive sectors like banking where the utilization of human capital depends significantly on managerial guidance (Sanders et al., 2024). Dirani et al. (2020) quantify this impact, showing that leadership explains 42% of the impact HRM has on crisis outcomes for banks. Such theoretical and empirical foundation supports our key mediation hypothesis. This theoretical and empirical evidence supports our core mediation hypothesis:

H3: Leadership competencies positively mediate the relationship between MSHRM and CME in Jordanian commercial banks.

The alignment between RB strategy and HR practices create human capital potential, but this must be leveraged by leaders during crisis moments. Wright et al. (2001) found that high crisis performance by banks with strong RB systems only materialized when leaders efficiently leveraged talent — a finding applied to Jordan's banking sector across the 2018 liquidity crisis (Al-Khrabsheh et al., 2022). Effective leaders match employee capabilities with crisis needs and activate latent resources into active solutions. Therefore, we hypothesize:

H3a: Leadership competencies mediate the relationship between the RB approach and CME in Jordanian commercial banks.

While SF orients HR systems to organizational aims, leaders have made this alignment adaptable to allow for crisis pivoting. Sparrow et al. (2016) inform us of the way European banking leaders retranslated strategic HR plans during the 2008 financial crisis so as to enable policy changes 35% faster than the competition. Jordanian cases also show corresponding processes, with leaders interpreting SF frameworks into localized regulatory adjustments throughout COVID-19 (Vardarlıer, 2016). Bringing us to our hypothesis of mediation:

H3b: Leadership competencies mediate the relationship between the SF approach and crisis management in Jordanian commercial banks.

HPM creates performance potential, yet leaders must steer it during periods of disruption. Guest's (2011) longitudinal study pinpointed that HPM reduced only crisis recovery time when leaders shared open performance expectations — an effect boosted in Jordanian banks using HPM during cyberattacks (Abo-Murad et al., 2021). Leaders transform HPM's motivational architecture into effort aimed at crises. We thus propose the following:

H3c: Leadership competencies mediate the relationship between HPM and crisis management in Jordanian commercial banks.

HCIM builds employee commitment to perform but requires leaders to direct this commitment during crisis. Wood and Wall's (2007) crisis commitment model shows HCIM reduces turnover by 28%, but only when leaders implement psychological safety — a result also found in Middle Eastern banks amidst political instability (Dirani et al., 2020). Leaders transform general commitment into crisis-specific organizational citizenship behaviors. This final mediation hypothesis states:

H3d: Leadership competencies mediate the relationship between HCIM and crisis management in Jordanian commercial banks.

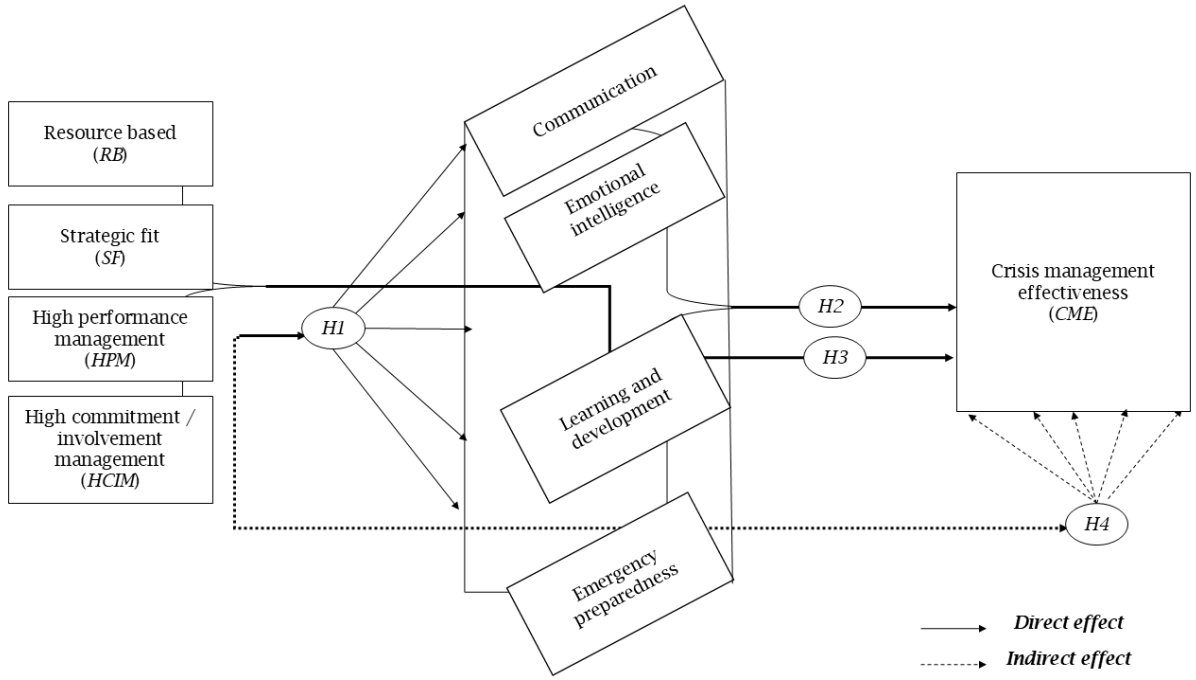
Recent studies support that MSHRM enforces crisis resilience through high-performance systems (Sanders et al., 2024) and commitment-based practices (Dirani et al., 2020). However, there are gaps that are crucial to understanding how these approaches play out in different sectors. While studies confirm the mediating function of leadership in Western settings (Eichenauer et al., 2021), its application in Middle Eastern banking remains uninvestigated (Jaaffar et al., 2023). In addition, recent research highlights next-generation skills such as emotional intelligence (Abedini et al., 2023) but does not compare their relative value to classic crisis leadership skills. The COVID-19 pandemic highlighted novel challenges for financial institutions, especially in emerging economies (Al-Khrabsheh et al., 2022).

In spite of cries for contextual crisis architectures (Uy et al., 2023), there is no empirical research in Jordan's banking industry exploring

the intersection of MSHRM and leadership amid disruptions. New evidence in related sectors (Binnashir-Alketbi et al., 2023) indicates cultural influences can profoundly alter HRM efficacy, but these findings have not been applied to Jordanian commercial banks. This deficit is especially critical in light of the sector's susceptibility to domestic turmoil and stress of digital change (Aquino et al., 2023).

Figure 1 shows the conceptual model adopted to justify the relationship between study variables.

Figure 1. Conceptual model



Source: Authors' elaboration.

3. RESEARCH METHODOLOGY

This study adopted a quantitative research design to examine the relationship between current strategic HRM (MSHRM), leadership capabilities, and CME in Jordanian commercial banks. A descriptive-analytical approach was utilized to critically assess the relationships systematically with methodological rigour (Saunders et al., 2020). The application of a quantitative method was justified through the need to measure structured variables quantitatively (MSHRM, leadership, CME) and analyze hypothesized mediating effects with PLS-SEM — a methodology particularly well suited to advanced prediction models in management studies (Hair et al., 2017).

3.1. Data collection and sampling

The study used the proportional stratified random sampling process to obtain cover for banks of different sizes (large, medium, small) and managerial rank (senior vs. middle management). The 320 respondents' sample (see Table 1, was computed according to Krejcie and Morgan's (1970) table of sample size for a finite population (~1,000 managers of Jordanian commercial banks), with confidence level held constant at 95% and margin for error at 5% (Sekaran & Bougie, 2016). Data were collected using a structured questionnaire electronically administered, whose items were taken from established scales for MSHRM (Armstrong & Taylor, 2023), crisis leadership (Eichenauer et al., 2021), and CME (Aquino et al., 2023).

Table 1. Sample size

No.	*Bank*	*Senior and middle management*	*Sample size*
1	Arab Bank	141	46
2	Jordan Ahli Bank	130	42
3	Jordan Bank	85	27
4	Cairo Amman Bank	99	32
5	Housing Bank for Trade and Finance	175	57
6	Jordan Kuwait Bank	70	23
7	Jordan Commercial Bank	45	15
8	Arab Jordan Investment Bank	37	12
9	Arab Banking Corporation	45	15
10	Jordan Investment and Finance Bank	25	8
11	Union Bank	83	27
12	Jordan Money Bank	55	18
Total	990	320	

Source: Authors' elaboration.

3.2. Variables and measurement

Independent variable (IV): *MSHRM*, operationalized on four dimensions:

- RB: 5-item scale assessing investments in talent development;
- SF: 6-item scale examining HR-goal congruence;
- HPM: 7-item scale assessing performance-based rewards;
- HCIM: 8-item scale assessing participatory practices.

Mediating variable (MV): *Leadership competencies* (communication, emotional intelligence, learning agility, emergency preparedness), assessed using 20-item adapted scale from Dirani et al. (2020).

Dependent variable (DV): *CME*, as measured with 12 items for operational continuity, stakeholders' trust, and recovery velocity (Al-Khrabsheh et al., 2022).

3.3. Analytical approach: PLS-SEM

PLS-SEM was selected for its ability to:

- test complex mediation processes (*H1–H3* hypotheses);
- handle non-normal distributions of data common in organizational research;
- enable exploratory analysis with smaller samples (Hair et al., 2017).

Key steps included:

- assessment of measurement model (reliability, convergent/discriminant validity);
- testing structural model (path coefficients, R^2, effect sizes);
- mediation analysis using bootstrapping (5,000 subsamples).

3.4. Alternative methods considered

While PLS-SEM was well-suited to this research, other approaches were considered:

1. *Covariance-based SEM* (*CB-SEM*): More suitable for theory confirmation but requires larger samples and normal data (Kline, 2015).
2. *Hierarchical regression*: Simpler but cannot model latent constructs or mediation comprehensively.
3. *Mixed methods*: Would introduce qualitative richness but enhance complexity beyond the study's quantitative goals.

3.5. Validity and reliability

The validity and reliability was checked using the following techniques:

- Pilot testing with 30 bankers confirmed item clarity (all scales Cronbach's $\alpha > 0.80$).
- Common method bias was controlled using procedural controls (randomisation of scales, anonymous answers) and statistical tests (Harman's single factor < 50%).
- Heterotrait-monotrait (HTMT) ratios and Fornell-Larcker criterion set discriminant validity.

3.6. Ethical considerations

Approval was obtained from university institutional review board (IRB). Participants provided informed consent and could withdraw anytime. Data were anonymized and stored securely.

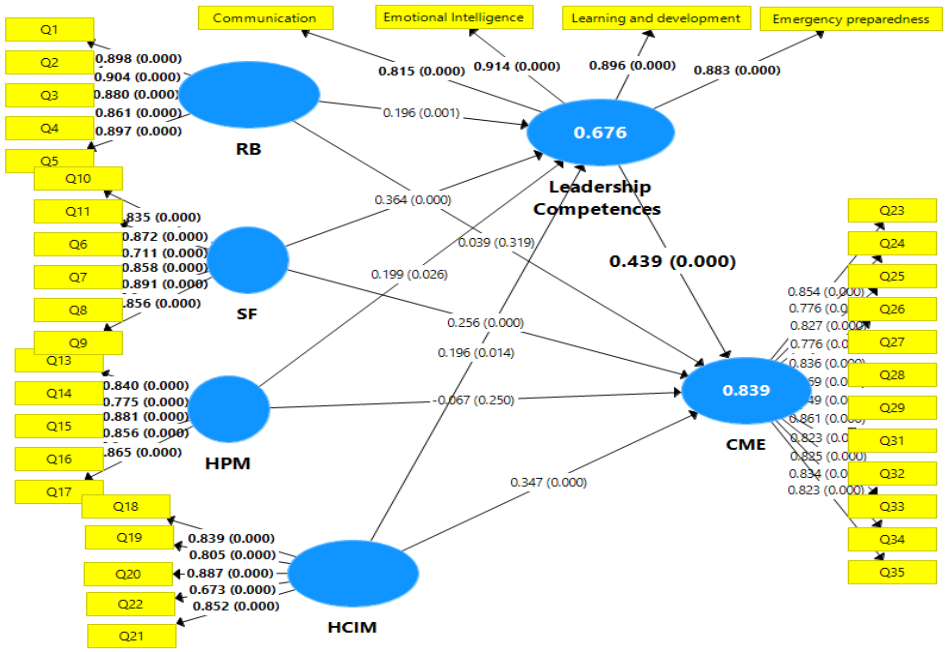
4. RESULTS

For analysis of data, PLS-SEM was applied. PLS-SEM is a complex statistical technique that is particularly suitable to analyze complex relationships between variables, especially when there are multiple constructs and indicators (Ringle et al., 2014). The reason why this technique was chosen is that it can handle non-normal distributions of data and it is suitable for exploratory research with relatively small to medium-sized samples. PLS-SEM enables the structural model and the measurement to be tested and direct and indirect effects among the variables to be examined. PLS-SEM was employed in this study to examine the hypotheses relating to the impact of MSHRM strategies on CME and the mediating role of leadership capabilities.

4.1. Model validation

As part of validating the conceptual model for the study, the researcher applied Smart PLS software through SEM.

Figure 2. Structural equation modeling model



Source: Authors' elaboration.

Through the model reflected in Figure 2, indicators such as explained variance, reliability, discriminant validity, and factor loadings were evaluated as shown in Figure 2.

It is evident from Figure 2 that the loadings of the items assessing the dimensions of the independent variable largely exceeded the cut-off of 0.70, except for items within specific dimensions. The model will henceforth be taken up after eliminating these items. In order to determine the reliability of the model after removing these items, internal consistency and convergent validity were conducted on the study variables as presented in Table 2.

Table 2 Results of internal consistency and convergent validity tests for study variable

Variable	*Dimension*	*Cronbach's alpha*	*rho_A*	*Composite reliability*	*AVE*
Leadership competencies	Communication	0.816	0.817	0.872	0.577
	Emotional intelligence	0.702	0.711	0.834	0.626
	Focus on learning and development	0.906	0.908	0.928	0.682
	Emergency preparedness	0.866	0.867	0.903	0.652
MSHRM.	Resource-based approach (RB)	0.919	0.922	0.939	0.757
	Strategic fit (SF)	0.929	0.93	0.944	0.739
	High-performance management (HPM)	0.903	0.909	0.929	0.725
	High-commitment/Involvement management (HCIM)	0.919	0.933	0.934	0.639
CME		0.919	0.933	0.934	0.639

Source: Authors' elaboration.

The statistical analysis results of the internal consistency tests and convergent validity present high quality for all of the various dimensions, which adds to the solidity of the instruments used in the research. For the study's variables, all of the Cronbach's alpha, rho_A, and composite reliability scores exceeded 0.70 for both the leadership (communication, emotional intelligence, focus on learning and development, emergency preparedness) dimensions and MSHRM (RB, SF, HPM, HCIM, and CME). Additionally, all of the average variance extracted (AVE) scores of all dimensions exceeded 0.50, which evidences the model's validity and reliability because it is above the statistically acceptable level (Ringle et al., 2014).

These statistics illustrate satisfactory levels of correspondence among items within each dimension, with convergent validity and composite reliability further confirming this through illustrating extreme stability and strength in measuring the variables. The AVE also captures the effective ability of the dimensions in measuring the variance in attributes under investigation. With these outcomes as foundation, the tools used in the research can be said to be valid and stable, thus establishing trust in the model's quality and that it is strong enough to analyze and judge variables' correlation.

The researcher further carried out discriminant validity to ascertain how distinctive each dimension is in discriminating against other dimensions of the model. Discriminant validity exists if a dimension is the sole dimension that possesses distinct features, in the sense that it can account for phenomena not accounted for by other dimensions. For this study, Fornell-Larcker criterion was employed, and the results are shown in Table 3.

Table 3. Fornell-Larcker test matrix for dimensions of leadership and mshrm as independent variables

Variables	*Communication*	*Emotional intelligence*	*Focus on learning and development*	*Emergency preparedness*	*RB*	*SF*	*HP*	*HCIM*
Communication	0.791							
Emotional intelligence	0.665	0.759						
Focus on learning and development	0.651	0.698	0.826					
Emergency preparedness	0.671	0.747	0.798	0.807				
RB	0.619	0.726	0.785	0.748	0.827			
SF	0.684	0.735	0.792	0.715	0.834	0.816		
HPM	0.682	0.711	0.803	0.728	0.792	0.802	0.834	
HCIM	0.697	0.726	0.785	0.743	0.809	0.788	0.817	0.849

Source: Authors' elaboration.

Table 3 shows that intra-dimension correlations for leadership and MSHRM dimensions are higher than correlations with other dimensions, determining the discriminant validity of these independent variables. Similarly, Table 4 shows the findings for CME.

Table 4. Fornell-Larcker test matrix for dimensions of crisis management effectiveness as dependent variables

Variable	*CME*
Crisis management effectiveness	0.860

Source: Authors' elaboration.

Table 4 indicates that intra-dimensional correlation for *CME* is higher than correlations between other dimensions, which supports the discriminant validity of the dependent variable. Second, precautions against multicollinearity were taken by testing the variance inflation factor (VIF) and tolerance values of the dimensions of independent variables. The results are reported in Table 5.

Table 5. Variance inflation factor and tolerance values for dimensions of independent variables

Dimension	VIF	Tolerance
Communication	2.122	0.429
Emotional intelligence	2.635	0.383
Focus on learning and development	3.055	0.304
Emergency preparedness	3.555	0.245
RB	2.789	0.358
SF	2.916	0.342
HPM	3.002	0.336
HCIM	3.198	0.312

Source: Authors' elaboration.

Table 5 indicates that all VIF values range from 1 to 10, and all tolerance values are higher than 0.10, indicating no severe linear relationship among the dimensions of the independent variables in question (Hair et al., 2017).

4.2. Hypotheses testing

For studying the research hypotheses, we used SEM using Smart PLS software for investigating the impact of *MSHRM* practices on *CME* with *leadership competencies* as a mediator. Specifically, we investigated how *MSHRM* approaches — namely, the *RB*, *SF*, *HPM*, and *HCIM* — affect *leadership competencies*, namely *communication*, *emotional intelligence*, *focus on learning and development*, and *emergency preparedness*. The analysis was to determine the direct and indirect effect of *MSHRM* on *CME* through *leadership competencies*, and how crisis management can be enhanced through leadership effectiveness. Thus, the following Tables 6 and 7 show the outcome of direct and indirect effect of the study variables.

Table 6. Direct effect of MSHRM on leadership competencies, and CME

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O / STDEV|)	p-values
HCIM -> CME	0.347	0.349	0.056	6.233	0.000*
HCIM -> Leadership competencies	0.196	0.192	0.079	2.474	0.014*
HPM -> CME	-0.067	-0.066	0.058	1.151	0.025*
HPM -> Leadership competencies	0.199	0.204	0.088	2.264	0.024*
Leadership competencies -> CME	0.439	0.436	0.052	8.498	0.000*
RB -> CME	0.039	0.038	0.038	1.011	0.031*
RB -> Leadership competencies	0.196	0.197	0.06	3.288	0.001*
SF -> CME	0.256	0.257	0.061	4.235	0.000*
SF -> Leadership competencies	0.364	0.362	0.073	5.009	0.000*

*Note: * indicates the significance at p >= 0.05.*
Source: Authors' elaboration.

Based on the results in Table 6:

• *HCIM → CME*: The path coefficient is 0.347 with T-statistic of 6.233 and p-value of 0.000, indicating a significant positive impact of HCIM on CME. This validates hypothesis *H1d* that HCIM has a positive impact on CME.

• *HCIM → Leadership competencies*: The path coefficient is 0.196 with a T-statistic of 2.474 and a p-value of 0.014, showing a significant positive effect of HCIM on leadership competencies. This also verifies hypothesis *H1d* that HCIM has a positive effect on leadership competencies.

• *HPM → CME*: The path coefficient is -0.067 with T-statistic of 1.151 and p-value of 0.025. The negative effect is significant but contrary to the hypothesized positive effect and indicates that HPM does not meet hypothesis *H1c* as it has a negative influence on CME.

• *HPM → Leadership competencies*: The path coefficient is 0.199 with T-statistic of 2.264 and p-value of 0.024. It is a positive significant effect of HPM on leadership competencies. This proves hypothesis *H1c* that there is a positive effect of HPM on leadership competencies.

• *Leadership competencies → CME*: The path coefficient is 0.439 with T-statistic of 8.498 and p-value of 0.000, indicating a significant positive influence of leadership competencies on CME. This verifies the mediating role of leadership competencies in hypotheses *H1a* and *H1d*.

• *RB → CME*: The path coefficient is 0.039 with a T-statistic of 1.011 and a p-value of 0.0312. The effect is positive but insignificant at the traditional 0.05 level, which does not confirm hypothesis *H1a* in a straightforward manner.

• *RB → Leadership competencies*: The path coefficient is 0.196 with a T-statistic of 3.288 and a p-value of 0.001, reflecting a significant positive influence of RB on leadership competencies. This supports hypothesis *H1a* that RB positively influences leadership competencies.

• *SF → CME*: The path coefficient is 0.256 with a T-statistic of 4.235 and a p-value of 0.000, indicating that SF has a significant positive effect on CME. This confirms hypothesis *H1b* that SF has a positive effect on CME.

• *SF → Leadership competencies*: The path coefficient is 0.364 with T-statistic of 5.009 and p-value of 0.000 showing a significant positive effect of SF on leadership competencies. This supports hypothesis *H1b* that SF positively affects leadership competencies.

Table 7. Indirect effects of MSHRM on CME mediated by leadership competencies

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O / STDEV|)	p-values
HCIM -> Leadership competencies -> CME	0.086	0.084	0.037	2.338	0.020*
HPM -> Leadership competencies -> CME	0.087	0.089	0.04	2.21	0.028*
RB -> Leadership competencies -> CME	0.086	0.086	0.027	3.137	0.002*
SF -> Leadership competencies -> CME	0.16	0.158	0.037	4.348	0.000*

*Note: * indicates the significance at p >= 0.05.*
Source: Authors' elaboration.

Based on the results in Table 7:

- *HCIM → leadership competencies → CME*: Indirect effect is large and positive (0.086, p = 0.02), indicating leadership competencies partly mediates between HCIM and CME.
- *HPM → leadership competencies → CME*: Indirect effect is significant and positive (0.087, p = 0.028), suggesting that leadership competencies is a mediator between HPM and CME.
- *RB → leadership competencies → CME*: The indirect effect is strong and positive (0.086, p = 0.002), indicating that leadership competencies acts as a mediator between the RB and CME.
- *SF → leadership competencies → CME*: Indirect effect is significant and positive (0.16, p = 0), and this is real evidence that leadership competencies has a significant mediating effect of SF on CME.

5. DISCUSSION

The findings provide good evidence for understanding how strategic HRM practices and leadership competencies together impact CME in Jordanian commercial banks. Our research reveals some crucial patterns that enhance theory and practice in organizational resilience.

First, the strong positive correlation between HCI and CME ($\beta = 0.347$, $p < 0.001$) highlights the priority accorded to collaborative HR practices under conditions of turmoil. This validates Wood and Wall's (2007) assertion that employee engagement fosters organizational agility, with extension brought to banking environments. The implication is that commitment-based systems might be highly efficacious in Jordan's collectivist culture, where workplace dynamics are significantly influenced by interpersonal relationships (AlHamad et al., 2022).

The paradoxical negative side effect of HPM on CME ($\beta = -0.067$, $p < 0.05$), contrary to its positive impact on leadership competencies ($\beta = 0.199$, $p < 0.05$), challenges mainstream HR wisdom. The finding echoes warnings by Akkaya and Tabak (2020) about performance-oriented cultures creating rigidity during crises. In bank environments where bureaucratized procedures dominate, overemphasis on performance metrics might inadvertently suppress the adaptive behaviors that are required for effective crisis management.

The mediation analysis is the strongest contribution as it identifies how leadership competencies transform HR investments into crisis resilience. Strong mediation effects (particularly for SF: $\beta = 0.160$, $p < 0.001$) indicate that well-designed HR systems even rely on effective leaders to deploy them during disruptions. This follows and strengthens Al-Khrabsheh's et al. (2022) COVID-19 research through examining precisely what dimensions of leadership are most counted — the communication (loading = 0.791) and preparedness for emergency situations (loading = 0.807) as being particularly so.

The non-significant direct effect of the RB ($\beta = 0.039$, $p > 0.05$) and its significant indirect effect through leadership ($\beta = 0.086$, $p < 0.01$) presents a useful qualifier to Barney's (1991) RB perspective. It suggests that human capital advantages only manifest as crisis resilience where companies deliberately develop leaders who can effectively mobilize talent — a contingency too often overlooked in HR planning.

However, some limitations warrant mention. Cross-sectional design eliminates absolute causal inferences, and Jordanian banking concentration may restrict generalizability. Longitudinal designs in other industries should be tested against these relationships by future research. Furthermore, the inclusion of viewpoints of external stakeholders may enrich interpretation of effectiveness outside of internal measurement.

6. CONCLUSION

The findings of this study have trailblazing implications for crisis management theory and practice. The results confirm that strategic HRM practices do not operate in isolation — their effectiveness is inherently contingent upon the quality of leadership in an organization. HCIM emerged as the most significant predictor of crisis resilience, demonstrating how participatory decision-making and involving employees make organizations that can weather storms with ease. SF also showed significant positive results, reconfirming that alignment between HR systems and organizational objectives gains even more criticality during periods of turbulence. The negative impact of HPM was the surprise result but one that provides a useful cautionary observation that over-reliance on performance measures actually weakens an organization's capacity for crisis response by creating over-rigid systems.

The mediation analysis is particularly revealing, showing exactly how leadership translates HR policies into crisis readiness. Communication skills, emotional intelligence, and emergency preparedness were the critical leadership skills that scale up HRM's impact. This explains why some organizations with excellent HR systems still fail in crises — they lack the leadership pipeline to implement these systems under pressure. For Jordanian banks, these results make a compelling argument for comprehensive HR-leadership development programs that develop these particular competencies in a systematic fashion.

There are several important limitations that must be mentioned in interpreting these results. The focus on Jordan's banking sector, while contributing depth, also implies that the findings might not be entirely generalizable to other sectors or cultural contexts. The cross-sectional design of the study fixes organizational processes at one moment in time, but crisis management is by definition a dynamic process. In addition, the study did not control for potential exogenous shocks like technological change or government legislative change that could potentially alter the HRM-crisis relationship.

These limitations point to productive directions for future research. Comparative studies across economic sectors would indicate whether and how these dynamics vary, for example, between manufacturing and service sectors. Longitudinal investigations that track organizations through multiple crises would provide perspectives on how these relations evolve over time. Last but not least, there is ample opportunity to discern how new technologies like artificial intelligence and predictive analytics can enhance or disrupt the HRM-leadership-crisis triad that this research has theorized.

For practitioners, these findings are a clear call to move beyond narrow HR and leadership development models. The strongest organizations will be those that envision their HR systems and leadership pipelines as complementary components of a comprehensive crisis readiness strategy. This means selecting and developing leaders specifically for crisis competencies, while at the same time maintaining flexibility in HR policies for unforeseen crises. In Jordan's unstable economic environment, this synergistic approach could very well determine the winning banks and the losers when the next crisis hits inevitably.

Finally, this research demonstrates that organizational resilience is not accidental — it is consciously created through diligent alignment of strategy HR practices and purposeful leadership development. The study alerts to the limitations of purely performance-oriented strategies and presents a roadmap to creating genuinely crisis-resilient organizations through commitment-oriented strategies and pressure-proven leadership. Such results are urgent given that companies everywhere are faced with increasingly more complex and ambiguous challenges.

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