

Research Article

Journal of Human Resource Sustainability and Organizational Studies

Strategic Business Management Practices and Organizational Sustainability: The Role of Human Capital Development in Kenyan Enterprises

Tonny Odhiambo*

Department of Business, Presbyterian University of East Africa, Nairobi, Kenya

***Corresponding Author**

Tonny Odhiambo, Department of Business, Presbyterian University of East Africa, Nairobi, Kenya.

Submitted: 2026, Aug 31; **Accepted:** 2026, Sep 22; **Published:** 2026, Oct 02

Citation: Odhiambo, T. (2026). Strategic Business Management Practices and Organizational Sustainability: The Role of Human Capital Development in Kenyan Enterprises. *J Hum Res Sus Org Stud*, 1(2), 01-10.

Abstract

Background: Kenyan enterprises operate in volatile, resource-constrained markets in which strategic business management practices are widely promoted, yet the mechanisms that convert strategic intent into durable, multidimensional organizational sustainability remain under-specified.

Purpose: This article examines whether, and through which mechanisms, human capital development (HCD) explains the relationship between strategic business management practices and organizational sustainability in Kenyan enterprises.

Methods: A theory-building integrative review was conducted, synthesizing landmark and recent scholarship from the resource-based view, strategic human capital and strategic human resource management research, dynamic-capabilities and knowledge-based theory, sustainable HRM, and Kenyan and wider African management studies.

Findings: The synthesis indicates that HCD is best conceptualized not as a stand-alone HR activity but as the transmission mechanism through which strategic management practices generate operational capability. Four mechanisms are identified: strategy-aligned skill and knowledge accumulation, the emergence of firm-specific human capital resources, dynamic-capability formation, and stakeholder-oriented (sustainable) HRM. These are integrated in a multilevel conceptual framework with seven testable propositions and four classes of boundary condition specific to the Kenyan context: firm size and formality, environmental dynamism, labour-market mobility and appropriation risk, and institutional context.

Conclusion: Kenyan enterprises are likely to realize sustainability benefits from strategic management only when HCD is deliberately aligned with strategy, protected against appropriation through retention-oriented architectures, and evaluated against economic, social and environmental outcomes. The paper offers measurement guidance and a research agenda for confirmatory, multi-source, longitudinal testing.

Keywords: Dynamic Capabilities, Resource-Based View, Sustainable HRM, Workforce Training, Small and Medium Enterprises, Sub-Saharan Africa

1. Introduction

1.1. Background and Problem Statement

Organizational sustainability, understood as the capacity of an enterprise to create and preserve economic value while maintaining the social and ecological systems on which its operations depend,

has moved from the periphery of management scholarship to its centre [1-3]. For enterprises in sub-Saharan Africa the challenge is acute. Firms must compete in liberalized markets, absorb macroeconomic and climatic shocks, satisfy growing stakeholder expectations, and contribute to national and global development

agendas such as Kenya Vision 2030 and the Sustainable Development Goals [4,5].

In this setting, strategic business management practices (SBMPs), namely environmental scanning, strategy formulation, strategy implementation, and monitoring and evaluation, are widely advocated as the route to durable performance. Kenyan evidence is consistent with this advocacy: a study of family-owned manufacturing firms in Nairobi reported that the four practices were positively and significantly associated with organizational performance [6]. Yet the process through which strategic intent becomes sustained, multidimensional outcomes is seldom specified. Strategies are enacted by people. Unless the workforce possesses, and continually renews, the knowledge, skills and dispositions that a chosen strategy demands, plans remain aspirations. This article argues that human capital development (HCD) is the missing transmission mechanism and develops the theoretical case for that claim.

1.2. Theoretical Foundations

- **Human Capital Theory:** Human capital theory treats expenditure on education, training and health as investment that raises individual productivity and earnings [7,8]. At the firm level, the theory motivates the question of whether, and under what conditions, employer-funded development yields returns to the organization rather than only to the worker.
- **Resource-Based View (RBV):** The RBV explains heterogeneous performance by differences in firm resources [9]. Resources that are valuable, rare, inimitable and non-substitutable can underpin sustained competitive advantage [10]. Wright et al. (1994) applied this logic to human resources, arguing that the pool of human capital, rather than easily imitated HR practices, is the more plausible source of sustained advantage [11]. The distinction between human capital as an individual attribute and as a unit-level resource is formalized by Ployhart and Moliterno (2011), who show how individual knowledge, skills, abilities and other characteristics (KSAOs) emerge, through unit-level processes, into a collective human capital resource that can be strategically valuable [12].
- **Strategic HRM:** Strategic HRM research investigates how systems of HR practices shape organizational outcomes. Early tests distinguished universalistic, contingency and configurational perspectives [13]. Subsequent work showed that systems of high-performance work practices are associated with lower turnover, higher productivity and better financial performance, a result supported meta-analytically [14-16]. Lepak and Snell (1999) added that firms should not treat all workers alike: the value and uniqueness of different skill pools call for differentiated modes of employment and development, which they termed the HR architecture [17]. Integrative reviews have since sought to reconcile strategic human capital and strategic HRM streams [18,20].
- **Dynamic Capabilities and Knowledge:** Dynamic-capabilities theory holds that advantage in changing environments depends on the ability to integrate, build and reconfigure competences (Teece et al., 1997), disaggregated by Teece (2007) into

capacities to sense opportunities, seize them, and transform the organization. Eisenhardt and Martin (2000) characterized dynamic capabilities as identifiable processes, such as product development and strategic decision making, that firms use to reconfigure resources [20-22]. Because these processes are executed by people, the knowledge-based literature is directly relevant: knowledge creation depends on the conversion of tacit and explicit knowledge, and the ability to recognize, assimilate and apply external knowledge, absorptive capacity, is path dependent on prior related knowledge [23-25]. Integrative reviews of SHRM and dynamic-capabilities research confirm the conceptual proximity of the two fields [26].

- **Sustainable HRM:** Sustainable HRM extends SHRM by broadening the outcome set beyond financial performance to human and social outcomes, by attending to the negative as well as the positive effects of HRM on stakeholders, and by making the moral dimension of HR policy explicit [27]. Related work argues for a multi-stakeholder, multidimensional role for HRM in corporate sustainability and social responsibility and for an analytic framework that treats employee wellbeing as a distinct outcome rather than merely a means to performance [28,29]. These perspectives connect to the natural-resource-based view, to evidence on the organizational-level consequences of social responsibility, and to the triple-bottom-line conception of sustainability [2,30,31].

1.3. Evidence on Human Capital, HRM and Organizational Outcomes

Meta-analytic evidence supports the strategic relevance of human capital. Crook et al. (2011), synthesizing 66 studies, found that human capital relates strongly to firm performance, particularly where it is not readily tradable in labour markets (that is, firm-specific) and where performance is measured with operational rather than profit-based indicators subject to appropriation [32]. Jiang et al. (2012) demonstrated, using the ability-motivation-opportunity (AMO) logic, that skill-enhancing, motivation-enhancing and opportunity-enhancing HR systems affect financial outcomes both directly and indirectly through human capital, motivation, voluntary turnover and operational outcomes [33]. The effect of human capital is not necessarily uniform, studying professional service firms, found that the human capital-performance relationship depended on firm strategy [34].

Development activities are among the main levers through which human capital is built. Aguinis and Kraiger (2009) reviewed the training and development literature and concluded that it produces benefits for individuals, teams, organizations and society, provided that needs assessment, design, delivery, evaluation and transfer are managed. Arthur et al. (2003) in a meta-analysis of the design and evaluation features of organizational training, showed that effectiveness varies systematically with those features, so that training investment does not automatically translate into learning or behaviour change [35,36]. Knowledge-based HR practices have also been linked to intellectual capital and innovation, and different

components of intellectual capital relate differently to incremental and radical innovative capabilities [37,38].

1.4. The Kenyan and Wider African Context

Kamoche et al. (2012) documented a notable increase in publications on HRM in Africa and argued for new directions in the field [39]. Kenyan studies typically use cross-sectional survey designs with perceptual measures. Ochieng and Maweu (2024), reporting that small and medium-sized enterprises (SMEs) account for a substantial share of the Kenyan economy and employment, surveyed 405 SMEs and found that human resource planning and recruitment and selection were significant predictors of SME performance, whereas employee retention, although accounting for variance in performance, was not a statistically significant predictor [40]. Nderitu et al. (2019), in a single-bank case, examined the effect of human capital management on employee performance through skills, perceptions and engagement, and reports a positive relationship between well-implemented strategic HRM practices and employee performance in Kenya [41,42]. Rambeka and Odollo (2023) drew on 80 respondents from 20 family-owned manufacturing firms, which illustrates both the promise and the limited scale of the existing evidence [6]. Two features of the SME context matter. First, HR management in small organizations tends to be shaped by resource constraints and informality, which implies that models built on large-firm evidence cannot be transposed without qualification [43]. Second, systematic reviews of human resource development in SMEs highlight the importance of context-bound and often informal learning processes [44]. Both features condition how, and whether, formal SBMPs translate into HCD.

1.5. Research Gap

Four gaps are apparent. (i) *Construct fragmentation*: strategic management and HR research have largely developed in parallel, so studies of SBMPs seldom model the workforce, while studies of HRM seldom model strategy formulation and evaluation. (ii) *Mechanism*: Kenyan studies typically test direct effects of practices on performance and leave the intervening capability-building process unexamined. (iii) *Outcome scope*: performance is usually operationalized narrowly as financial or perceived performance, leaving the social and environmental dimensions of sustainability, and the long-term horizon implied by the term, largely unaddressed. (iv) *Context*: the boundary conditions that determine whether HCD pays off in Kenyan enterprises (firm size, labour-market mobility, institutional environment) are rarely theorized explicitly.

1.6. Objectives and Contribution

The study pursues four objectives: (RO1) to conceptualize SBMPs, HCD and organizational sustainability and to specify their relationships, (RO2) to identify the mechanisms through which HCD transmits the effect of SBMPs to sustainability, (RO3) to identify context-specific boundary conditions for Kenyan enterprises, and (RO4) to derive testable propositions and measurement guidance for future empirical work. The contribution is threefold. The article integrates strategic management, strategic human capital

and sustainable HRM in a single multilevel framework, it moves from asking *whether* HCD matters to specifying *how* and *when*, and it grounds the framework in the Kenyan enterprise context, which is under-represented in the international literature [39].

2. Methodology

2.1. Review Design

The study is a theory-building integrative review. Integrative reviews synthesize heterogeneous conceptual and empirical sources to generate new frameworks and are appropriate where the aim is to reconceptualize a topic rather than to aggregate effect sizes [45]. Because the aim is theory development, the article follows the four building blocks of a theoretical contribution: *what* (constructs), *how* (relationships), *why* (underlying dynamics) and *who, where, when* (boundary conditions) [46]. Systematic-review principles of transparency and evidence-informed synthesis informed source selection, but the article does not claim to be a systematic review and does not report a PRISMA-style flow of records [47].

2.2. Source Identification and Selection

Sources were identified purposively through iterative searching of major bibliographic and publisher platforms and through backward and forward citation chaining from landmark contributions and recent reviews [18,27,33]. Search themes were human capital and firm performance, strategic HRM and high-performance work systems, human capital resource emergence, training and development effectiveness, dynamic capabilities and absorptive capacity, sustainable HRM, HRM and management in Africa, and strategic management practices and human resource practices in Kenyan firms. Sources were retained if they were peer-reviewed (or an established scholarly book), conceptually or empirically relevant to at least one construct in the framework, and of demonstrable influence or recency. Priority was given to meta-analyses, authoritative reviews and Kenyan or African studies. Every retained reference was checked for bibliographic accuracy, and DOIs were verified against publisher or library records (see the Data Availability Statement for the residual verification recommendation).

2.3. Analytical Approach

Analysis proceeded in four steps. First, construct definitions were extracted and reconciled across sources. Second, the reviewed studies were coded thematically into candidate mechanisms linking strategic practices, human capital development and outcomes. Third, mechanisms were compared with Kenyan and African evidence to identify contextual boundary conditions. Fourth, propositions were derived by explicit causal reasoning from theory and evidence, and each was tagged with its principal theoretical anchor and the empirical evidence that supports or complicates it.

2.4. Trustworthiness and Ethical Considerations

Trustworthiness was pursued by triangulating across theoretical traditions, privileging meta-analytic and review evidence over single studies, and stating evidentiary limits explicitly, for example where Kenyan findings rest on small, cross-sectional or perceptual

samples. No human participants were involved and only published literature was analysed, ethical approval was therefore not required.

3. Results / Findings
3.1. Construct Definitions

Strategic business management practices (SBMPs) are the recurring managerial activities through which an enterprise scans its environment, formulates strategy, implements it through structures, systems and resource allocation, and monitors and evaluates results to adjust course. This operationalization follows the four dimensions used in Kenyan empirical work [6]. **Human capital development (HCD)** is the deliberate, strategy-aligned set of investments and systems that build, deploy and retain the knowledge, skills and abilities of the workforce, including

formal training, on-the-job and informal learning, career and talent systems, and knowledge-sharing routines [17,35]. It is distinguished from the **human capital resource**, the unit-level resource that emerges from individual KSAOs through unit processes [12]. **Organizational sustainability** is the capacity to generate economic value over the long term while sustaining employees, communities and natural systems, it is treated as multidimensional, with economic, social and environmental or learning components [2,27].

Table 1 maps each SBMP to the HCD mechanism through which it is expected to operate and to the sustainability dimension it most directly affects.

SBMP	HCD mechanism (expected)	Sustainability dimension	Principal anchors
Environmental scanning and strategic planning	Identifies future skill and competency requirements, directs development investment toward strategic priorities	Economic (adaptive fit), learning	Teece (2007), Ochieng & Maweu (2024), Rambeka & Odollo (2023)
Strategy formulation and goal cascading	Aligns HR architecture with the value and uniqueness of roles, builds talent pools for pivotal positions	Economic, social	Lepak & Snell (1999), Collings & Mellahi (2009)
Strategy implementation (structures, systems, incentives)	Skill-, motivation- and opportunity-enhancing HR practices, training with design and transfer support	Economic, social (engagement, wellbeing)	Huselid (1995), Jiang et al. (2012), Arthur et al. (2003)
Monitoring, evaluation and learning loops	Training evaluation, knowledge codification and sharing, development of absorptive capacity	Economic, environmental and learning	Cohen & Levinthal (1990), Zahra & George (2002), Eisenhardt & Martin (2000)
Stakeholder-oriented and ethical management	Sustainable HRM: broader outcome criteria, wellbeing, inclusion, skills for sustainability	Social, environmental	Kramar (2014), Stahl et al. (2020), Guest (2017), Aguinis & Glavas (2012)

Table 1: Mapping strategic business management practices to human capital development mechanisms and sustainability dimensions (author’s synthesis) [15,17,22,24,25,27-30,33,35,40,48]

3.2. Mechanism 1: Strategy-Aligned Skill and Knowledge Accumulation

The first and most proximal mechanism is the accumulation of skills and knowledge that a strategy requires. Strategic planning and environmental scanning generate information about the competencies that future competitive positions will demand, without that information, training tends to be reactive, generic and weakly linked to performance. Meta-analytic evidence shows that training effectiveness depends on needs analysis, design and evaluation characteristics and reviews conclude that benefits extend from individuals and teams to the organization and society when needs assessment, delivery and transfer are managed coherently [35,36]. SBMPs therefore matter not because they replace HR activity but because they supply its direction, priority and evaluative criteria. Skill accumulation is necessary but not sufficient. Knowledge creation requires the interplay of tacit and explicit knowledge, and the capacity to exploit new knowledge depends on prior related knowledge and on routines that support assimilation and application [23-25]. Enterprises whose evaluation practices feed lessons back into development choices are therefore expected to build cumulative advantage in learning, a relationship

represented by the feedback loop in Figure 1.

3.3. Mechanism 2: Emergence of Firm-Specific Human Capital Resources

The second mechanism concerns the transformation of individual skills into a collective, strategically valuable resource. Ployhart and Moliterno (2011) argue that the human capital resource emerges through unit-level processes, including interaction, coordination and shared routines, that convert individual KSAOs into unit-level capacity [12]. This has three implications for Kenyan enterprises. First, HCD should be evaluated at the unit or firm level (for example, collective problem-solving capability) rather than only as individual course completion. Second, the value of the resource depends on its firm specificity: Crook et al. (2011) found that the human capital–performance link is stronger when human capital is not readily tradable in labour markets, which implies that development that builds transferable credentials only, without firm-specific elements, is more vulnerable to appropriation by competitors [32]. Third, the value of human capital is contingent on strategy, which underlines the role of SBMPs in specifying which capital is strategically relevant [34].

The HR architecture perspective supplies a practical device for allocating development effort [17]. Roles that are both highly valuable and unique warrant internal development and long-term employment relationships, roles that are valuable but common may be acquired through the market, roles of low strategic value may be contracted. In strategic talent management terms, this also implies identifying pivotal positions and building talent pools for them [48]. For resource-constrained Kenyan SMEs, differentiation is a way of concentrating scarce development budgets where the marginal strategic return is highest.

3.4. Mechanism 3: Dynamic-Capability Formation

The third mechanism links human capital to the enterprise's ability to change. Sensing opportunities and threats, seizing them, and transforming the organization all depend on managerial and employee cognition, skills and learning routines [20,22]. Reviews integrating SHRM and dynamic-capabilities research suggest that HR systems are a key source of the human and social foundations of these capabilities [26]. Kenyan enterprises face frequent shocks in input costs, exchange rates, regulation and climate, so the capacity to reconfigure is central to durability, this is the feature that distinguishes *sustained* from *momentary* performance. The mechanism is also a route through which HCD influences innovation: knowledge-based HR practices are associated with intellectual capital and innovation, and different forms of intellectual capital contribute differently to incremental and radical innovative capability [37,38].

3.5. Mechanism 4: Stakeholder-Oriented (sustainable) HRM

The fourth mechanism broadens the outcome side of the chain. Where HCD is designed only to maximize short-term output, its effects on employee wellbeing, retention and inclusion may be neutral or negative, thereby eroding the workforce base on which long-run performance depends. Sustainable HRM addresses this by widening the outcome criteria, examining positive and negative effects on stakeholders, and making moral choices explicit [27]. It positions HRM as a contributor to corporate sustainability and social responsibility through a multi-stakeholder lens, and treats wellbeing as an outcome in its own right [28,29]. Evidence on corporate social responsibility indicates that its effects are observable at the individual, organizational and institutional levels [30]. For environmental sustainability, HCD is the principal means by which firms develop the skills to implement resource-efficiency and cleaner-production practices, consistent with the argument that environmental capabilities are built through organizational learning and that firms' sustainable development trajectories are shaped by managerial commitment and learning over time [1,31].

3.6. Kenyan Evidence and Boundary Conditions

Kenyan evidence is broadly supportive but methodologically limited. Strategic management practices are reported to be positively associated with performance among Nairobi manufacturing firms [6]. In a large SME survey, human resource planning and recruitment and selection were significant predictors of performance, while retention was not [40]. Studies of human capital management and SHRM report positive associations with employee performance [41,42]. However, samples are frequently small or single-organization, measures are perceptual, and designs are cross-sectional, so causal claims and mechanism tests remain out of reach. The following boundary conditions emerge from combining this evidence with the theoretical literature.

Firm size and formality. Small firms manage people through more informal practices and tighter resource constraints, and HRD in SMEs is often informal and context-bound [43,44]. Formal SBMPs may therefore be a necessary organizing device that converts informal learning into strategically directed development, conversely, excessive formalization may crowd out beneficial informal learning.

Environmental dynamism. Dynamic-capability theory implies that the value of sensing and reconfiguring rises with environmental change [20]. Where Kenyan markets are more volatile, HCD that builds adaptive capacity should have a higher marginal return than HCD that only reinforces existing routines.

Labour-market mobility and appropriation risk. Developed workers may leave, and the returns to development are then captured by other firms. Crook et al. (2011) show that firm-specific human capital is more strongly related to performance, and the non-significant retention effect in a large Kenyan SME sample is consistent with the interpretation that retention practices that are not linked to firm-specific development do not translate into performance [32,40]. This interpretation is inferential and needs direct testing.

Institutional context. Kamoche et al. (2012) emphasize the need for research that attends to the institutional and cultural contexts of African management [39]. In Kenya, this includes national skills and training policy, the quality of technical and vocational education, and labour regulation. These factors shape both the supply of skills and the costs of developing them internally.

3.7. Integrative Framework and Propositions

Figure 1 integrates the mechanisms into a multilevel framework. SBMPs shape the content and direction of HCD, HCD builds the human capital resource and dynamic capabilities, these in turn produce economic, social and environmental sustainability outcomes, and boundary conditions moderate the links. Evaluation and learning loops feed the results back into subsequent HCD decisions.

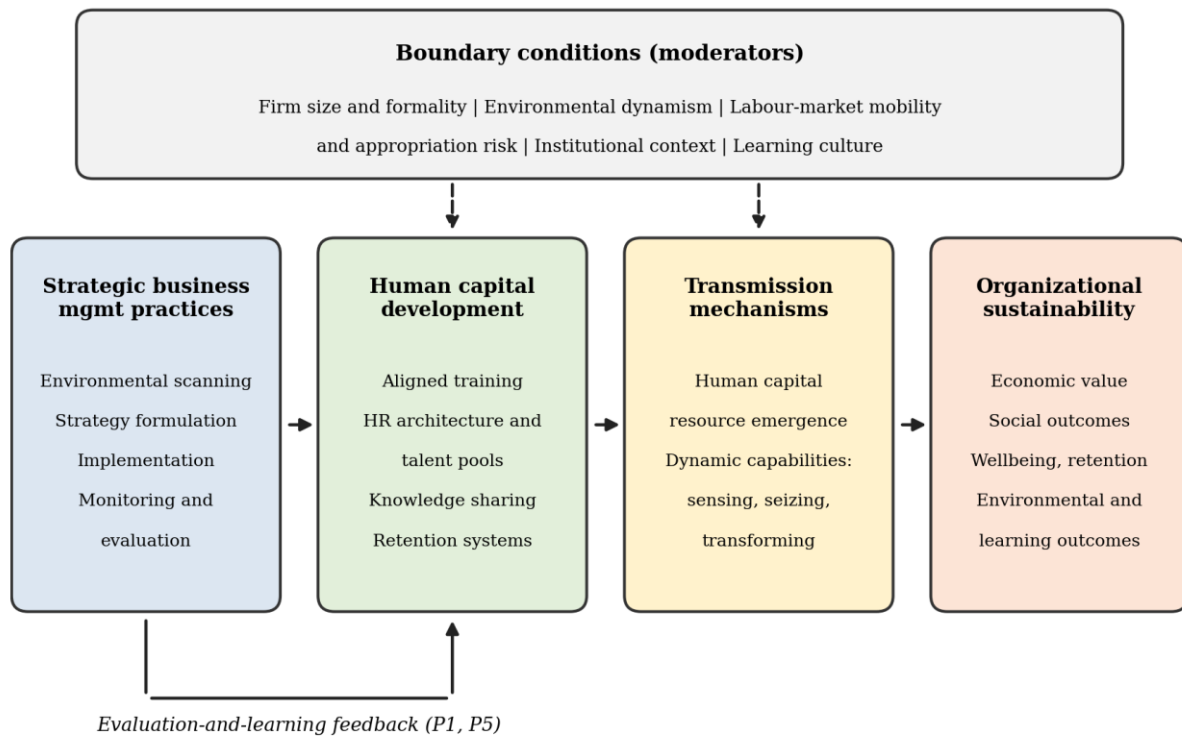


Figure 1: Conceptual framework linking strategic business management practices, human capital development, transmission mechanisms and organizational sustainability (author’s synthesis). P1 and P5 denote the propositions concerned with evaluation-driven learning

The reasoning above yields seven propositions, presented in Table 2. They are formulated as directional, testable statements and each is tied to the theoretical anchor and the evidence base that motivates it.

No.	Proposition	Anchors and evidence base
P1	The intensity and formality of strategic business management practices, especially environmental scanning and evaluation, are positively related to the strategic alignment of human capital development investments.	Teece (2007), Aguinis & Kraiger (2009), Arthur et al. (2003)
P2	Human capital development mediates the relationship between strategic business management practices and organizational sustainability (economic, social and environmental).	Jiang et al. (2012), Crook et al. (2011), Rambeka & Odollo (2023)
P3	Development that builds firm-specific human capital has a stronger positive effect on sustainability than development that builds only transferable human capital.	Crook et al. (2011), Wright et al. (1994), Lepak & Snell (1999)
P4	Dynamic capabilities (sensing, seizing, transforming) and human capital resource emergence sequentially mediate the effect of human capital development on organizational sustainability.	Ployhart & Moliterno (2011), Teece (2007), Apascaritei & Elvira (2022)
P5	The effect of human capital development on capability formation is stronger where absorptive capacity, learning culture and transfer support are high.	Cohen & Levinthal (1990), Zahra & George (2002), Arthur et al. (2003)
P6	Firm size and formality moderate the relationship in P2: formal strategic practices strengthen the effect of human capital development in small enterprises more than in large enterprises, up to a threshold beyond which formalization yields diminishing returns.	Cardon & Stevens (2004), Nolan & Garavan (2016)
P7	Environmental dynamism strengthens, and labour-market appropriation risk weakens, the effect of human capital development on sustainability, retention systems linked to firm-specific development attenuate appropriation risk.	Teece (2007), Crook et al. (2011), Ochieng & Maweu (2024), Kramar (2014)

Table 2: Propositions derived from the integrative review [6,11,12,17,21,24-27,32,33,35,36,40,43,44].

4. Discussion

4.1. Interpretation

The synthesis supports a reframing in which SBMPs and HCD are not competing explanations of enterprise performance but sequential elements of a single value-creation chain. Strategic practices determine *what* capabilities are required, HCD determines whether the workforce can supply them, and dynamic capabilities determine whether the enterprise can keep supplying them as conditions change. This chain is consistent with meta-analytic evidence that HR systems influence financial outcomes through human capital and related proximal outcomes and that the human capital–performance relationship is contingent on strategy and on firm specificity [32-34].

4.2. Comparison with Previous Studies

The framework is consistent with Kenyan studies that report positive links between strategic practices, HR practices and performance but it adds a specification of mechanism and a broader outcome set [6,41,42]. It also offers a way of reading an apparent anomaly Ochieng and Maweu (2024) found that planning and recruitment predicted SME performance but retention did not [40]. If retention is pursued without linking it to firm-specific development and strategic role differentiation (P3, P7), it may retain workers without building the resource that drives performance. Alternatively, the result may reflect measurement issues in a perceptual survey. The framework thus generates a clear test: interactions between retention and firm-specific development should predict performance where retention alone does not. The framework also qualifies universal claims. The evidence that HR systems raise performance is strong in aggregate (Combs et al., 2011,), but contingency and configurational perspectives and the HR architecture argument imply that the same investment yields different returns in different roles and contexts [13,15,17]. For Kenyan SMEs this argues against a uniform training-for-all approach.

4.3. Theoretical Contributions

The article makes three contributions. It integrates strategic management practices into the strategic human capital and SHRM discussion, a link that Boon et al. (2018) identify as a promising area for integration but that has rarely been operationalized in African enterprise research [18]. It extends the strategic human capital literature to sustainability outcomes by combining the human capital resource emergence model with sustainable HRM [12,27,28]. And it responds to calls for context-sensitive African management theory by identifying explicit boundary conditions for Kenyan enterprises [39].

4.4. Implications for Practice and Policy

- **Managers:** Enterprises can sequence action as follows: derive a capability profile from the strategic plan, segment roles by strategic value and uniqueness, concentrate development on pivotal, firm-specific competencies, design retention mechanisms that are linked to development pathways, and evaluate HCD against a balanced set of economic, social and environmental indicators. Training design and transfer support matter as much as expenditure [36].
- **Policy Makers and Support Institutions:** Because small firms face resource constraints and rely on informal learning, skills policy may be more effective where it supports firm-specific and work-based learning, shared training infrastructure and management-capability building, in line with the human-development priorities of Kenya Vision 2030 and the skills and decent-work dimensions of the Sustainable Development Goals [4,5,43,44].

4.5. Research Agenda and Measurement Guidance

Empirical testing should move beyond single-source cross-sectional surveys. Table 3 summarizes recommended operationalization and designs. Common-method bias should be addressed through procedural and statistical remedies and, where possible, through multi-source data [49].

Construct	Suggested measurement	Design notes
SBMPs	Multi-item scales for environmental scanning, formulation, implementation and evaluation, separate respondents for strategy and HR	Senior managers plus HR lead, pilot and validate scales in Kenyan samples
HCD	Training coverage and intensity, needs-analysis and transfer-support indicators, share of firm-specific development, HR architecture classification	Combine HR records with employee reports
Human capital resource	Unit-level composition of KSAOs, collective problem-solving capability	Multilevel data (employees nested in units or firms)
Dynamic capabilities	Sensing, seizing and transforming scales	Time-lagged measurement
Sustainability	Economic (productivity, sales growth, return measures), social (turnover, engagement, wellbeing), environmental (resource-efficiency indicators)	Objective indicators where available, longitudinal panels
Moderators	Firm size and age, formality index, sector dynamism, local labour-market mobility	Multigroup or interaction analysis, sufficient power for moderation

Table 3: Recommended operationalization and design guidance for testing the propositions.

Analytic strategies that suit the framework include partial least squares or covariance-based structural equation modelling for serial mediation, multilevel modelling for human capital emergence, and cross-lagged or latent growth designs for long-run sustainability outcomes. Qualitative comparative case studies would be valuable for exploring configurations of practices in family-owned firms and SMEs.

4.6. Limitations

The article has four limitations. First, it is conceptual: the propositions are derived from theory and secondary evidence, and no primary data were collected, so the framework has not yet been empirically validated. Second, the source base was assembled purposively rather than through an exhaustive systematic protocol, so relevant studies may have been omitted, and the review should not be read as a systematic review. Third, Kenyan evidence is limited in scale and design, which constrains the strength of context-specific inference, several boundary conditions are inferential. Fourth, the framework is specified at a general level and may need adaptation by sector (for example, manufacturing versus services) and by ownership form.

5. Conclusion

This article has argued that human capital development is the principal mechanism through which strategic business management practices generate organizational sustainability in Kenyan enterprises. Drawing on the resource-based view, strategic human capital and SHRM research, dynamic-capabilities theory and sustainable HRM, it identified four mechanisms and integrated them in a multilevel framework with seven propositions and context-specific boundary conditions. The central message for practice is that sustainability benefits depend on the quality of alignment between strategy and workforce development, on the firm specificity and retention of the resulting capabilities, and on the breadth of the outcomes against which they are judged. Future research should test the propositions using multi-source, multilevel and longitudinal designs in Kenyan manufacturing and service enterprises of different sizes and ownership forms, and should report both direct and mediated effects on economic, social and environmental outcomes.

Declarations

Funding

This research received no specific grant from any funding agency.

Conflict of Interest

The author declares no conflict of interest.

Ethical Approval

Not applicable. The study is a review of published literature and involved no human participants, personal data or animals.

Author Contributions

Tonny Odhiambo: conceptualization, methodology, literature synthesis, framework development, writing (original draft, review and editing), and final approval of the manuscript.

Data Availability Statement

No new datasets were generated or analysed. All sources are cited in the reference list. DOIs were checked against publisher or library records during preparation, the author recommends a final automated check of the reference list (for example, through the Crossref Simple Text Query or metadata search) immediately before submission.

AI Usage Statement

Generative AI (Claude, Anthropic) was not used to assist with drafting, structuring and language editing of this manuscript. The author is responsible for the content and verified the cited sources.

References

1. Bansal, P. (2005). Evolving sustainably: A longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26(3), 197–218.
2. Elkington, J. (1997). *Cannibals with forks: The triple bottom line of 21st century business*. Capstone.
3. Wced, S. W. S. (1987). World commission on environment and development. *Our common future*, 17(1), 1-91.
4. Government of Kenya. (2007). *Kenya Vision 2030: The popular version*. Ministry of Planning and National Development.
5. Assembly, G. (2015). Resolution adopted by the General Assembly on 11 September 2015. *New York: United Nations*, 14.
6. Rambeka, Z. K., & Odollo, L. (2023). Strategic management practices on performance of family-owned firms in the manufacturing sector in Kenya. *European Journal of Business and Strategic Management*, 8(3), 65–92.
7. Becker, G. S. (1964). *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*, by Gary S. Becker.. (Vol. 1). London.
8. Schultz, T. W. (1961). Investment in human capital: reply. *The american economic review*, 51(5), 1035-1039.
9. Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171–180.
10. Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
11. Wright, P. M., McMahan, G. C., & McWilliams, A. (1994). Human resources and sustained competitive advantage: A resource-based perspective. *The International Journal of Human Resource Management*, 5(2), 301–326.
12. Ployhart, R. E., & Moliterno, T. P. (2011). Emergence of the human capital resource: A multilevel model. *Academy of Management Review*, 36(1), 127–150.
13. Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802–835.
14. Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover. *Academy of Management Journal*, 37(3), 670–687.
15. Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*,

16. Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*, 59(3), 501–528.
17. Lepak, D. P., & Snell, S. A. (1999). The human resource architecture: Toward a theory of human capital allocation and development. *Academy of Management Review*, 24(1), 31–48.
18. Boon, C., Eckardt, R., Lepak, D. P., & Boselie, P. (2018). Integrating strategic human capital and strategic human resource management. *The International Journal of Human Resource Management*, 29(1), 34–67.
19. Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *Academy of Management Annals*, 8(1), 1–56.
20. Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533.
21. Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350.
22. Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: What are they? *Strategic Management Journal*, 21(10–11), 1105–1121.
23. Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science*, 5(1), 14–37.
24. Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, 35(1), 128–152.
25. Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of Management Review*, 27(2), 185–203.
26. Apascaritei, P., & Elvira, M. M. (2022). Dynamizing human resources: An integrative review of SHRM and dynamic capabilities research. *Human Resource Management Review*, 32(4), Article 100878.
27. Kramar, R. (2014). Beyond strategic human resource management: Is sustainable human resource management the next approach? *The International Journal of Human Resource Management*, 25(8), 1069–1089.
28. Stahl, G. K., Brewster, C. J., Collings, D. G., & Hajro, A. (2020). Enhancing the role of human resource management in corporate sustainability and social responsibility: A multi-stakeholder, multidimensional approach to HRM. *Human Resource Management Review*, 30(3), Article 100708.
29. Guest, D. E. (2017). Human resource management and employee well-being: Towards a new analytic framework. *Human Resource Management Journal*, 27(1), 22–38.
30. Aguinis, H., & Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management*, 38(4), 932–968.
31. Hart, S. L. (1995). A natural-resource-based view of the firm. *Academy of Management Review*, 20(4), 986–1014.
32. Crook, T. R., Todd, S. Y., Combs, J. G., Woehr, D. J., & Ketchen, D. J., Jr. (2011). Does human capital matter? A meta-analysis of the relationship between human capital and firm performance. *Journal of Applied Psychology*, 96(3), 443–456.
33. Jiang, K., Lepak, D. P., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55(6), 1264–1294.
34. Hitt, M. A., Bierman, L., Shimizu, K., & Kochhar, R. (2001). Direct and moderating effects of human capital on strategy and performance in professional service firms: A resource-based perspective. *Academy of Management Journal*, 44(1), 13–28.
35. Aguinis, H., & Kraiger, K. (2009). Benefits of training and development for individuals and teams, organizations, and society. *Annual Review of Psychology*, 60, 451–474.
36. Arthur, W., Jr., Bennett, W., Jr., Edens, P. S., & Bell, S. T. (2003). Effectiveness of training in organizations: A meta-analysis of design and evaluation features. *Journal of Applied Psychology*, 88(2), 234–245.
37. Kianto, A., Sáenz, J., & Aramburu, N. (2017). Knowledge-based human resource management practices, intellectual capital and innovation. *Journal of Business Research*, 81, 11–20.
38. Subramaniam, M., & Youndt, M. A. (2005). The influence of intellectual capital on the types of innovative capabilities. *Academy of Management Journal*, 48(3), 450–463.
39. Kamoche, K., Chizema, A., Mellahi, K., & Newenham-Kahindi, A. (2012). New directions in the management of human resources in Africa. *The International Journal of Human Resource Management*, 23(14), 2825–2834.
40. Ochieng, F., & Maweu, E. M. (2024). Influence of strategic human resources management on performance of small and medium-sized enterprises in Kenya. *African Journal of Business and Development Studies*, 1(1), 26–38.
41. Nderitu, M. W., Gakobo, D. T. W., & Ochieng, P. I. (2019). Effect of human capital management on employee performance at Co-operative Bank of Kenya. *Human Resource and Leadership Journal*, 4(2), 21–40.
42. Lorot, N. (2024). Strategic HRM practices and employee performance in Kenya. *Journal of Strategic Management*, 9(3), 13–23.
43. Cardon, M. S., & Stevens, C. E. (2004). Managing human resources in small organizations: What do we know? *Human Resource Management Review*, 14(3), 295–323.
44. Nolan, C. T., & Garavan, T. N. (2016). Human resource development in SMEs: A systematic review of the literature. *International Journal of Management Reviews*, 18(1), 85–107.
45. Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*, 104, 333–339.
46. Whetten, D. A. (1989). What constitutes a theoretical contribution? *Academy of Management Review*, 14(4), 490–495.
47. Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management

-
- knowledge by means of systematic review. *British Journal of Management*, 14(3), 207–222.
48. Collings, D. G., & Mellahi, K. (2009). Strategic talent management: A review and research agenda. *Human Resource Management Review*, 19(4), 304–313.
49. Podsakoff, P. M., MacKenzie, S. B., & Podsakoff, N. P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology*, 63, 539–569.

Copyright: ©2026 Tonny Odhiambo. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.