

Jordanian Telecommunication Companies Success through Human Capital and Social Capital

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Abstract

Nowadays, organizational success is dominantly variable that posits vast chances and defiances to the decision making and staff of telecommunications. This current study aimed to uncover the effect of human and social capital on organization success in Jordan. The data proportionally collected from 234 managers of Telecommunication companies. This study used PLS-SEM.3 software in analyzing the data. The results concluded that human capital had a positive impact on organization success; however, the norms of social capital had a positive impact on organization success. The managerial implications indicated from results that the managers in telecommunications companies that the social capital has a substantial impact on organization success. Therefore, they need to fetch fundamental changes in human and social capital for comprehensive development and organization success in Jordan.

Keywords:Organizational Success, Human Capital, Social Capital, Telecommunication, Jordan

1. Introduction

In this current viable global business ecology, the competition is spread, and every company or institution facing such a challenge. Competition is rampant, and every company is exposed to it. Almost all the companies in the world today operate in an unsafe and uncertain competitive environment. These changes may be attributed to many factors including the highly intense global competition, minimal lead-time, and product life-expectancy, demand diversification, and modern technologies [1].

In general, the incitement of performance has dependably been the best need in any organization in order to the immediate organization with esteem creation. Even though organizations are continually endeavouring to create unrivalled outcomes, impact, and competitive advantage, some are attempting to prevail in these targets, and this might be ascribed to the off-base evaluation of the performances of their organizational performance. Likewise, the absence of a single measure/scale that estimates organizational performance might be identified with the portrayal of organizational performance as the capacity of organizations to fulfil the needs of its stakeholders' in order to remain survival and congruity. Relying on this foundation, the performance has three angles namely, budgetary performance, organizational adequacy, and operational performance [2].

Furthermore, as a result of the scientific and technological progress, and rapid prompt of economic growth, the level of rivalry and defiances nowadays have increased among institutions at both levels: domestic and global [3]. the necessities of the recent era concerning excellence and quality have driven institutions to obtain a distinguished kind of human capital that is highly competent, endowed, and skilful [4]. indicated that such a kind of capital provides warranty for the variant institutions for their sustainability and viability, and to compete world-wide since the human capital has the capacity of masterly, superiority and renewal [5].

stated that the majority of institutions intended to expand globally, the lack of providing professional and experienced human capital is a huge problem and impasse. This concern has attracted the domestic institution's attention to develop their staff within their institution and present them to engage in any position soon [6].

Several eminent researchers and experienced HR have realized the significance of skilful administration for recent institutions instead of depending on foreign experts or emigrates to run their human capital efficiently for sustaining adequately and contending universally [7].

In reference to what has been mentioned, human resources development and investment have become a significant part of institutions planning so that it could compete universally. Accordingly, it is essential to consider the talented human capital in modern institutions since it considers as the main element of success and supremacy [8], the prompt changes and rapid development in various disciplines particularly technology and economy produced novel issues in human resources discipline since institutions by themselves do not have the capacity to confront these defiances without investing in skilful and talented human resources

Besides, in Jordan, the success in the organizations faces several problems. An empirical study conducted by Shehadeh [9], mentioned that the Jordanian organizations suffer from some difficulties and challenges in administration, especially with regards to the administrative, organizational success process, which it reflects on achieving and realizing the aims of the firms [10].

In the social capital context resulted that the social capital may be suitable predictor to organization success and had effect to improve the success in the organizations [11], therefore this study aims to investigate the effect of Human Capital and Social Capital on organization success

Litreture review

The RBV theory grounded in this study through applying the capability resources to improve the performance, which reflected in this study variabelsvia activating the social capital and human capital to raising up and achieve the success in the organizations

2. Organization Success

Institutions success is usually measured by the extent it accomplishes the present business market. Nevertheless, upon completion of efficient performance, the institution is considered as successful for-profit-making. It worth mentioning that the process of human administration is essential for the institution itself as well as the employee's stimulus can be raised and enhanced as a result of the correct choice of human resources [12]. As previously mentioned concerning the elevated expectations for success, human resources are considered as the origin and essence of everything. However, [13] indicated that this is an inadequate condition for efficient performance. This system is considered as the essential concern of the directors and staff of any organizational accomplishment administration system.

According to [14], focusing on the success and the entire process of achievement administration, the Jordanian telecommunications can allege that the organizational success is associated with integrity, development, harmonization, progress and knowledge in respect to technology and competitive merit to show and realize the value of customer as well as to generate and construct the economic value. Nevertheless, in referring to the industry point of view, the range of success is clearly expansive which is considered as the cause beyond the existence of a system of observable performance administration of an institution [15].

Concerning to the industry, it describes success as an efficient administration and strong realization of the state of the effect of other institutions which may interpret as understanding the responsibilities and duties and the description of their job with the institution [16].

[17] stated that the capacity of the institution to design a center of development, progress, consideration, improvement, and growth is an essential and significant side of the institution's role. Accordingly, the success of any institution must concentrate on the administration of human resources to accomplish its objectives..

Human Capital

There are three different types of human capital that this study will be used to measure. These can be explained in the following sub-section.

3.1 Knowledge

Knowledge is considered as a personal recognition or comprehension for something, for example, actualities, data, portrayals or abilities, which person gained it through training or understanding, or finding or information. Knowledge has for quite some time been perceived as an essential resource by financial analysts and has been a focal point of enormous considerations in the human capital writing, precisely the issues of the knowledge age, use, exchange and mix [18]. Knowledge has been conceptualized and described in various courses in the writing; however, a noteworthy purpose of shared trait has been the refinement between inferred knowledge (and know-how) portrayed by its incommunicability, and explicit knowledge, which is fit for codification [19].

Moreover, the skills and knowledge of the workforce increment the organization's efficiency, which makes human capital profitable resources [20] and [21]. Knowledge is useful for getting other utilitarian resources, for example, monetary and physical capital. HC is essential for further knowledge and aids the gathering of new knowledge and abilities [22]. Human capital, with the possibility to gather and to share knowledge, could be a resource to make a manageable competitive advantage in the worldwide situation [23]. A few scientists viewed knowledge as the critical fixing in increasing competitive advantage since knowledge was the matchless principle resource. Knowledge is an essential resource that organizations can depend on to create development. Additionally knowledge can increase the value of organizations through immaterial resources, for example, client connections, altruism, mark acknowledgement and skills of employees. Knowledge sharing independent from anyone else is not viewed as adequate to enhance success [24].

3.2 Skills

Firms looking to improve their employees through extensive "human capital" advancement programs not exclusively to achieve business aims yet most imperative of survival and manageability for long-term. To achieve this endeavour, organizations should use their resources in changing and complex environment in order to guarantee that employees have their needs to perform adequately. Winterton, recommended that firm explicit human capital model which comprises of skills and knowledge that are important for an exact firm may give an advantage for authoritative and business accomplishment over its competitors [25]. As indicated by Van Toorn, innovative human capital alludes to a person's knowledge, skills, and encounters identified with the enterprising movement [26]. Higher functional and professional abilities upgrade the aggressiveness of economies and add to social consideration, not too bad work and neediness decrease. Skills are focal not exclusively to make work and capital progressively beneficial; however, organization and grow new items. Abilities, be that as it may, are required to deliver the item/benefit at aggressive costs. Shortages of their human resources skills place firms at a significant competitive disadvantage.

3.3 Competencies

Competencies are particular features of employees determine by companies recruiters, which are desirable for employees to have them, where these features using during the process of assessment and interview of employees. So, competencies can use as a measurement way for evaluating the candidate for the job. Competence is the ability characteristic of employees to carry out tasks and work activities were revealed of motives, trait, self-concept, knowledge, and skills. Boyatzis, stated that the competence of individuals in certain occupations based on the characteristics of the individual (such as motive, nature/ character, skills and aspects related to social roles, or science) which resulted in a practical or superior success in the works [27].

Similarly, competency models have become a major accepted element of HR practices, such as recruitment and contemporary, where it considers as the central part of assessment procedures for most employers. In general, modern employers depend on competency frameworks for two main reasons; the first reason is for measuring future effectiveness for a candidate's, and the second reason is about to review the success and capability of employee's. A core competency is considered as "collective learning operation in an organization, through teaching employees the skills to coordinate various production and mix many types of technologies. Teece, saw the resource as (firm-specific resources that are difficult, that if it might not be emulated, where competence results from the integration of specific resources of the firm) [28]. Competence is the ability and knowledge of the firm that became

the basis of problems solving every day [29]. Usually, competencies divided into two types: behavioural competencies and technical competencies, where the behavioural competencies represent a set of softer skills which affect the employee's success in an organization, while the technical competencies represent the practical technical skills which are necessary for employees to their job role.

4. social capital

the social capital forms a particular type of obtainable resources to persons [30]. She confirmed the idea that the resources of social capital exemplify the traits that describe the network of connections individual has with his institutional peers and colleagues, inferiors and superiors. Such a kind of relations and connections are of great significance since they may be useful and valuable for obtaining institutional rewards, and it may lead to the advancement of the employer on the functional level. In this context, Ubramony declared that employees whose connections are not distinguished and described by these traits are likely at disadvantage and prejudice [31].

Since it considers as one the prominent components of both social capital and social network, possessing distinguished connection in these networks produces and generates intrinsic traits for individuals having them. According to [26], the institutionally related literature affirms the strong unofficial relations of trust and loyalty that guarantee reliability under circumstances of uncertainty. The strength and nearness of a relationship decides the tendency to communicate in order to transfer a benefit to a specific individual, not to someone else [32]; [33]; [34]; [31].

The research hypotheses of this study are:

H₁: There is a positive impact of human capital on institutional success in Jordan.

H₂: There is a positive impact of social capital on institutional success in Jordan.

5. Methodology

The current study has two research objectives, data collection, the questionnaire is employed as an instrument of the study. Concerning the model of this study, the collected data related to human capital, social capital on organizational success in Jordanian Telecommunication companies. In this study, the researcher distributed the 300 questionnaires included 31 items for three variables used *ten Likert scales*. Also, the chosen target population consists of managers of the telecommunication companies in Jordan. The managers as respondents were picked because they could have extensive experience about their institutions and that they would refer to their knowledge and practices to fill up all the

questionnaire items [35], Accordingly, the total number of three (3) companies were utilized, and a set of questionnaires are made available and then distributed to the managers of these companies.

Table 1: Number of Managers in Jordanian Telecommunication

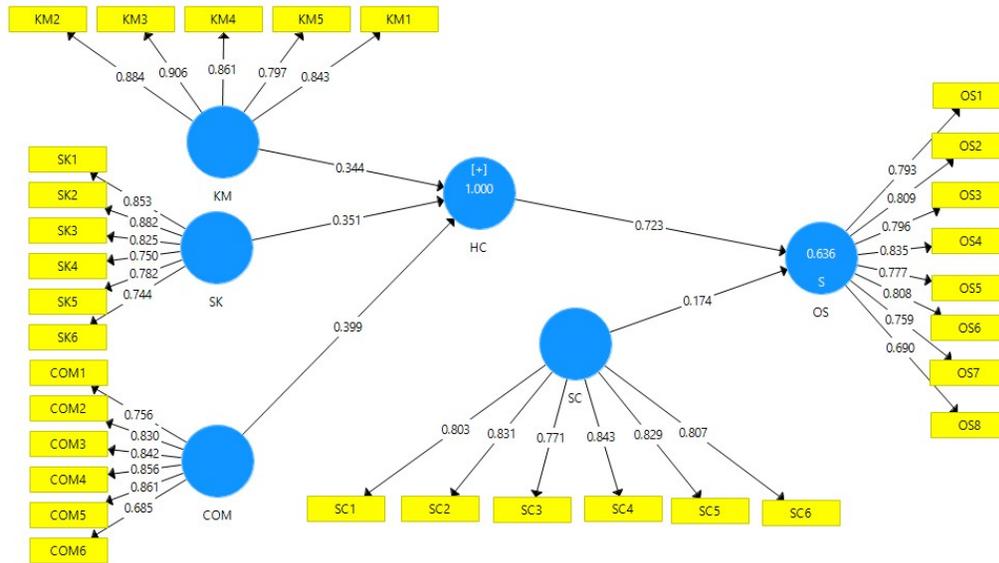
No.	Companies	No. of Managers	Percentage	Distributed	Collected
1	Zain	220	36.7%	100	87
2	Orange	200	33.3%	100	77
3	Umniah	180	30.0%	100	70
Total		600	100%	300	234

This current study involves the whole number of managers in Jordanian companies, which is 600. Accordingly, the sample size is computed and calculated, and the sampling is made. Regarding sampling, it can be defined as a method utilized in the sample size choice and the consequent management of the survey tool [36]. This study, therefore, selected the proportionate stratified random sampling strategy as a method for choosing the appropriate number of target population in all the selected managers in Jordanian companies (Zain, Orange, and Umniah). Sekaran indicate that the whole number of a particular sample size of 234 is valid and correct and distributed [37].

6. Results

Over 192 collected questionnaires, 152 useful responses were received from the male (79.2%) and 40 from the female (20.8%). Therefore, the sample of this study is dominated by male. The respondents were asked for their Age. As a result, 52% of them had less than 25 years old, 5.7% had 26- 30 years old, 0 % had 31-35 years old and 12 % had 36-40 years old, 16.7 had 41- 45 years old, 13.6 had more than 45 years old Responders were also asked to specify their Education. As the result, 63 % of the respondents stated that they have a high Bachelor's degree and 29 % had Master's degree and 8% they had PhD. Finally, the respondents were asked to specify their working experience the result were 16 % had less than 5 years, 26 % had 6-10 years, 34 % had 11-15 years, and 24% had more than 15 years.

6.1 Model for Overall model



The

current study has a total of 31 items divided into three primary constructs a total of 17 items were for the human capital including three variables and were composited to first order and organization success was first order finally the social capital first order as shown in figure 1.

Figure 1: Model with p-value

Table 2: Result for the Model

	AVE	CR
OS	0.615	0.927
OS1	0.793	
OS2	0.809	
OS3	0.796	
OS4	0.835	
OS5	0.777	
OS6	0.808	
OS7	0.759	
OS8	0.690	

SC	0.664	0.922
SC1	0.803	
SC2	0.831	
SC3	0.771	
SC4	0.843	
SC5	0.829	
SC6	0.807	
KM	0.738	0.934
KM1	0.843	
KM2	0.722	
KM3	0.884	
KM4	0.783	
KM5	0.906	
SK	0.653	0.918
SK1	0.808	
SK2	0.882	
SK3	0.825	
SK4	0.750	
SK5	0.782	
SK6	0.744	
COM	0.652	0.918
COM1	0.756	
COM2	0.830	
COM3	0.842	
COM4	0.856	
COM5	0.861	
COM6	0.685	

Table 2 shows the results of the evaluation of standardized factor loadings of the model’s items signified that the initially standardized factor loadings were all above 0.6. As shown in table 2, the results of assessing the standardized factor loadings of the model’s items indicated that the initially standardised factor loadings were all above 0.6, ranged from 0.685 to 0.906, except COM7 was below 0.6 hence deleted, also shows that the AVE values were all above the cut-off 0.5 as presented by Hair et al., 2006, ranging from 0.615 to 0.738. The composite reliability values surpassed the recommended value of 0.7 for all constructs as recommended by [38], ranged from 0.918 to 0.934.

6.2 Discriminant validity :

The Discriminant validity can be measured through HTMT [39], hence Table.3 referred

Table 3:HTMT Discriminate Validity

	COM	HC	KM	OS	SC	SK
COM						
HC	0.976					
KM	0.769	0.972				
OS	0.619	0.383	0.737			
SC	0.314	0.349	0.394	0.721		
SK	0.583	0.654	0.449	0.696	0.711	

Table 3 shows that all the HTMT values of the latent constructs in the overall CFA model were below 0.90, ranged from 0.314 to 0.976. Thus, it affirms that every implicit construct measurement was wholly distinguished to each other [39]. Upon investigating convergent and discriminate validity of the standardized model, one can be inferred that the measurement gauge to evaluate the constructs and their respective items in the whole CFA model was completely valid and reliable.

6.3 Direct effect between research variables

Table4: Results of Direct Relationships

	Path	S. BETA	S. D	T-value	P Values	VIF	F2	R2	Decision
H1	HC -> OS	0.723	0.021	14.651	0	1.123	0.160	0.636	Supported
H2	SC -> OS	0.174	0.035	2.472	0	1.123	0.048		Supported

Concerning to table 4, the values of R^2 for OS was 0.636. It shows, for instance, 78 percent of variations in OS is interpreted by its four predictors (HC, SC). The entire results indicated that the R^2 values meet the demand for the 0.19 cut off value as recommended by [40]. Also, the values of f^2 were 0.160, 0.048 respectively represented how (HC, and SC) explained the OS., the model presents acceptable appropriateness and high predictive relation, while the VIF values ranged from (1,123 to 1,123) which were less than 5. [39].

As shown in Table 2-4, all paths from (HC, SC) on OS, which is, the hypotheses H1 and H2 was supported because the p-value was less than 0.05 and the path coefficient positive.

7. Conclusion

This study has contributed by examining the effect of HC and OC on OS in Jordan telecommunications companies also contributed by using RBV theory to cover the capability resource to improve the organization's performance through organization successes. PLS-SEM software used to analyze the study framework the results for the effect of (HC, SC) on OS, as follows which is the HC and SC had a positive significant on OS, however, This study proved that there are positive relationships between human capital and organizational success, and this result supports the previous results of [25][23].

regared to social capital the this study agreed with [32] [33] results about that the social capital, the financial and social capital in which normal societies are concentrated; the interchanges are identified by correspondence, trust, and cooperation. In the same context, the employees of the market and the institutions produce and make merchandises not basically for themselves, but the benefit and favour of all.

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