

The Role of Social Capital in Enhancing Competitive Advantage

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Abstract: *The present study aims to examine the impact of internal social capital on competitive advantage at Jordanian banks. The study's sample consists of (480) employees that will help answering the study's questions and hypotheses; besides, the researcher developed a questionnaire for the detection of social capital dimensions (relational social capital, cognitive social capital and structural social capital) and the level of competitive advantage. The most important findings and conclusions of the research are: The arithmetic mean of the estimates of employees at Jordanian banks towards social capital dimensions were high. The arithmetic mean of the estimates of employees at Jordanian banks towards competitive advantage were moderate. Regression results indicates that there is statistically significant effect for social capital on competitive advantage at Jordanian banks. Besides, Structural social dimension influence came first concerning the size of the effect.*

Keywords: *cognitive social capital, competitive advantage, Jordanian Banks, relational social capital, structural social capital.*

I. INTRODUCTION

Social capital is a modern concept playing essential role in organizations and societies. Nowadays, this concept is being used extensively in sociology and economics, and even recently in management. The concept of social capital indicates linkage and communication between members of a network and causes the goals of the members to be met creating norms and mutual trust. The concept of social capital begins to propose in the 1970s, which first appeared in the field of sociology, and gradually entered into the field of economics and management. With the understanding of social capital was deeper, it has been seen as a source of competitive advantage. In an increasingly competitive market environment, banks cannot seek its own living space and resources for future growth only by itself. The role of social capital on the firm plays pivotal role on firm competitiveness. Banking sector is one of important sectors in Jordan, during previous years Jordan's banking sector maintained its strength and register tangible developments. Assets of licensed banks went up to reach reaching JD 21.1 billion by the end of 2015 (Association of Banks in Jordan, 2015). Social capital impacts on various organizational performance outcomes, and establish connections and networking relationships with key stakeholders such as customers, suppliers, competitors, business partners and local communities. Social capital enables the reconfiguration of resources, integration of capabilities, and improvement of learning ability of enterprises. Social capital is the necessary condition of exchange and integration, it develops the intellectual capital. And it also encourages the innovation behavior.

This study adopts new approach which correlates dimensions of social dimensions with competitive advantage. Furthermore; managing social capital does not gain enough attention to strategic management in Jordan. Besides, there is lack of studies that attempt to explain the implications of social capital and its effect on banks competitive advantage.

1.1 Problem and Questions of the Study

Social capital as a sophisticated combination of occupational business network and personal networks has won great interest at the present time by researchers in Western societies within various social, political and administrative disciplines. However, Social capital does not get much attention among Arab researchers, therefore the present study will focus on social capital as a vital element that contributes in drawing the right image of social relations within business organization. The problem of the study can be stated in the following question :What is the effect of social capital on competitive advantage at Jordanian banks?. From this question, the following sub questions are derived:

- What is the level of social capital dimensions (relational social capital, structural social capital and cognitive social capital) in Jordanian banks?
- What is the level of competitive advantage in Jordanian banks?
- What is the effect of social capital on competitive advantage in Jordanian banks?

1.2 Study importance

The importance of this study is related to the topics it handles: social capital and competitive advantage, the significance of the current study can determine as follows:

- It is expected that the results of this study will benefit the decision-makers in Jordanian banks on how to build social capital so it can increase its competitive advantage. Also understanding forms and dimensions of social capital can help decision-makers decide where to concentrate when developing social capital.
- The study will help Jordanian banks which consider important sector in Jordan through its recommendations and conclusions that will help in managing social capital and competitive advantage.

1.3 Study objectives

The study seeks to achieve a main aim, which is related to exploring the effect of social capital on competitive advantage. Based on that main aim, this study aims at identifying:

- The level of social capital and the level of competitive advantage from the perspective of workers at Jordanian banks.
- The level of social capital dimensions (structural social capital, relational social capital and cognitive social capital).
- The impact of social capital on competitive advantage from the perspective of workers at Jordanian banks.

1.4 Study Hypothesis

- **The first main hypothesis:** Jordanian banks do not adopt social capital in their business.
- **The Second main hypothesis:** There is no interest in the competitive advantage of Jordanian banks.
- **The Third main hypothesis:** there is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) for social capital on competitive advantage at Jordanian banks.
- **The fourth main hypothesis:** there is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) for social capital dimensions on competitive advantage at Jordanian banks.

Sub hypothesis1: there is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) for relational social capital on competitive advantage at Jordanian banks.

Sub hypothesis2: there is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) for structural social capital on competitive advantage at Jordanian banks.

Sub hypothesis3: there is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) for cognitive social capital on competitive advantage at Jordanian banks.

1.5 Previous Studies

The study of (Pratono et al., 2016) aimed at exploring the direct impact of social capital and moderating impact of marketing capability on firms' competitive advantage. The study showed that there is significant statistical impact for social capital on competitive advantage. Furthermore, there is mediating role for marketing capability in the impact of social capital on competitive advantage. Also, the results indicated that social capital is a unique resource that enable organization to gain competitive advantage.

The study of (Kittikunchotiwt, 2015) aimed to investigate the influences of social capital dimensions (the structural dimension, the relational dimension and the cognitive dimension) in relation to absorptive capacity and organizational innovation. The results indicated that both the relational and cognitive dimensions have a significant positive impact on absorptive capacity. Absorptive capacity has a significant positive impact on organizational innovation.

The study of (Almahasneh & Hawajreh, 2015) aimed to measure and analyze the impact of human capital and social capital on the business performance (innovation processes, operations processes, social interaction) from the perspective of managers working in the pharmaceutical industry in Jordan. The results indicated that the importance level of human capital and social capital in the pharmaceutical industry in Jordan was high. The study also concluded that social capital was the most important, and finally human capital. The importance level of effectiveness of business performance within the Jordanian pharmaceutical industry was high. There was an impact of human capital, and social capital on all dimensions of business performance in the Jordanian pharmaceutical industry.

The study of (Odeh, 2014) aimed to identify the role of social capital in achieving competitive advantage at private banks in Iraq. The arithmetic mean of the estimates of employees towards social capital and advantage were high. The study showed that there is statistical significance relation between social capital dimensions and competitive advantage. Besides, there is statistically significant effect for social capital dimensions on competitive advantage.

The study of (Waleed, 2015) aimed to clarify the relation between continuous improvement and social capital, and to explore the effect of continuous improvement dimensions (managerial improvement and engineering improvement) on social capital. The results confirmed that there is positive correlation

between managerial improvement and engineering improvement and social capital. Besides, there is statistically significant effect for continuous improvement and on social capital .

The study of (Tuner, 2011) investigated the relationship between social capital dimensions (cognitive, structural, relational and intellectual) and three distinct measures of firm performance (innovation, profitability and cost improvement) and the role of the moderating variables (motivation and environmental turbulence) in these relation. The study concluded that motivation and environmental turbulence moderate the relationship between intellectual capital and performance. Besides, social capital has a significant positive impact on performance.

The study of (Gwan. 2010) aimed to explore the impact of social capital on entrepreneurship, innovation, and economic development in the knowledge economy. The empirical results indicated that there are positive relationships between social capital and entrepreneurship, between social capital and innovation, and between social capital and economic development. Specifically, there is a positive and statistically significant relationship between social capital and entrepreneurship among women with low levels of education attainment. The regression results also revealed that social capital has a positive influence on overall innovation at the country level, controlling for interaction between social capital and entrepreneurship.

The study of (Gang. 2010) aimed to analyze the direct effect of corporate social capital on entrepreneurial performance, and to analyze the indirect effect in presence of entrepreneurial innovation as an intermediary variable. The results show that corporate social capital, organizational innovation, entrepreneurial performance were a significant positive correlation; organizational innovation plays an intermediary role between corporate social capital and entrepreneurial performance; structure of social capital, relational social capital and cognitive social capital have positive effects on different levels to technological innovation and management innovation, organizational innovation and management innovation have a significant positive effect to each of the survival performance and growth performance.

The study of (Hasoni. 2016) aimed at exploring the impact of Intellectual capital on competitive advantage at general company for mechanistic industry. The results indicated that there is statistically significant effect for intellectual capital on competitive advantage. Besides, the dimensions of Intellectual capital(human capital, structural capital, and relational capital) have a significant positive impact on competitive advantage.

The study of (Xiang. 2009) aimed to measure and analyze the impact of social capital, dynamic capabilities, and innovation on competitive advantage in Chinese real estate industry. The results indicated that there is a positive correlation between sustainable competitive advantage with social capital, dynamic capabilities, and innovation. Besides, Social capital improves dynamic capabilities.

II. DEFINITIONS, FORMS AND DIMENSIONS OF SOCIAL CAPITAL

2.1 Definitions of Social Capital

There are numerous definitions related to the meaning of social capital, (Lawson et al., 2008) define social capital as a valuable asset that stems from access to resources made available through social relationships. whereas (Krause et al., 2007) define social capital as a valuable asset that stems from access to resources made available through social relationships. (Lin, 2002) Indicted that social capital is broadly seen as the resources, knowledge and information that accrue to an individual, organization or a collective as a result of a network of social relationships within and between organizations, institutions and communities. (Putnam ,1993) defined social capital as the characteristics of a social organization, such as trust, the norms and the networks that may make society more efficient by facilitating a coordinated form of action. Bourdieu (1986) defined social capital as the sum of resources, actual and virtual, that accrue to an individual or a group by virtue of possessing a durable network of institutionalized relationships of mutual acquaintance and recognition.

2.2 Forms of Social Capital

Social capital is divided into the two categories of internal social capital and external social capital based on where actors obtain their social capital resources. Internal social capital comes from social network structures and connections or ties among individual members of an organization, a community or a system (Acquaah, 2011). External social capital on the other hand derives from the social network structures and connections between an actor, organization, or a community and its important external stakeholders.

2.3 Dimensions of social capital

Recent administrative literature conceptualizes social capital as being comprised of three inter-related dimensions: the relational social dimension, the structural social dimension, and the cognitive social dimension. Each dimension of social capital serves as a separate construct and, while the characteristics used to describe the three dimensions of social capital are highly interrelated, each has a set of unique qualities.

2.3.1 Relational Dimension

The relational dimension concerns the kind of personal relationships people have developed with each other through a history of interactions (Nahapiet and Ghoshal 1998). This dimension encompasses the characteristics and qualities of individual relationships. Therefore, issues such as shared history, trust, respect, and friendship are important. The relational dimension is associated with the qualities of ongoing relationships. The relational dimension encompasses the character and qualities of the connection between individuals. This is often characterized through trust and cooperation and the identification that a particular individual has within a network of relationships. Relational social capital focuses on the quality of the relationship or interactions and the resources that are created or leveraged through the relationships. Its attributes include trust, trustworthiness, respect and friendship.

2.3.2 Structural Dimension

The structural dimension concerns the properties of the social system and of the network of relations as a whole (Nahapiet and Ghoshal, 1998). Structural social capital refers to what people do (associational links, networks) which could be objectively verified (by observation or records) (Harpham, 2008). Structural social capital thus refers to the structure or pattern of connections between actors – whom you reach, how you reach them, and how frequently you share resources and information (Nahapiet and Ghoshal, 1998).

The structural dimension encompasses network components and facets such as the presence or absence of ties between parties, the configuration of a network, and concepts such as denseness of relationships, structural holes in networks, the presence or absence of network ties between different people, formal and informal network configuration, and the density and connectivity of a network. The social networks and ties embedded in the structural and relational dimensions of social capital have been further classified based on the strength and diversity of the ties, the direction of the ties (horizontal and vertical) and the formality of the ties (formal and informal) (Burt, 2002).

2.3.3 Cognitive Dimension

The cognitive dimension refers to those resources providing shared representations, interpretations, and systems of meaning among parties (Nahapiet and Ghoshal 1998). Cognitive social capital refers to what people feel (values and perceptions) (Harpham 2008). It represents resources obtained from a common set of goals, a shared vision, and shared representations, interpretations, and systems of meaning among parties. This dimension encompasses the shared meanings and shared interpretations between parties in a relationship. The cognitive dimension captures the concepts of shared norms, systems of meanings and values, and, as such, we can expect the cognitive dimension to directly impact the development of social capital and the development of relationships (Nahapiet 2008, Krause et al. 2007).

III. COMPETITIVE ADVANTAGE

3.1 Definitions of Competitive advantage

Competitive advantage may be defined as the extent to which a firm is able to create a defensible position over its competitors (Tracey et al., 1998). (Ma, 1999) defines competitive advantage as the asymmetry or differential in any attribute or factor that allows a firm to serve its customers more effectively than others and hence to create better customer value and achieve superior performance. These attributes may include access to natural resources, highly skilled labor, geographic location, high entry barriers, etc. Access to new technology can also be considered as an attribute of competitive advantage, or a low-cost power source, highly skilled labor, geographic location, high entry barriers, etc (Wheelen & Hunger, 2010). Competitive advantage, as identified by (Passemar and Kleiner, 2000) is derived from five sources of innovation: new technologies; the modification of demand or the emergence of new demand; the emergence of a new segment; changes in costs or the availability of means of production; and changes in regulation. Competitive advantage is concerned with developing differences that will result in clients positively distinguishing the output from alternatives in the market (Porter, 1998).

3.2 Dimensions of Competitive advantage

Competitive advantage is the leverage that a business has over its competitors. This can be gained by offering clients better value. Advertising products or services with lower prices or higher quality interests consumers. Target markets recognize these unique products or services (Decastro & Chrisman, 1998). Creating competitive advantage requires a determination of the factors that may put a firm in a better position in relation to its competitors in the market place. Four strategic capabilities which can be considered as competitive priorities are low cost, quality, quick delivery and flexibility (Conner, 2003).

- **Low cost:** a bank sets out to become the low cost service provider within the industry and hence develops a range of banking services and products and serves many industry segments. The sources of cost advantage are varied in the banking industry considering the structure of the industry. To achieve a cost advantage in the banking services delivery requires significantly low overheads, abundant sources of cheap labour and efficient procedures for training staff. A low cost producer must find and exploit all sources of cost advantage. The sources of cost advantage which may be varied could include the pursuit of economies of scale, proprietary technology, preferential access to raw materials and other factors. The achievement and sustenance of overall cost leadership by a bank depends on pricing at or close to the industry average in order to achieve above-average industry performance(Wesulah, 2016).
- **Quality:** by adding unique characteristics to the products which gives it competitive attractiveness for customers benefits. Quality is achieved through design quality which means the appropriate characteristics of product design for the function. Besides, conformity quality which means the ability of organization to convert inputs into outputs consistent with design characteristic.
- **Flexibility:** the ability of processes to change from one product to another, and from one customer to another within less cost. Flexibility means the ability to adapt production capacity to changes that occur in the environment and demand processes. Also, flexibility includes product flexibility which means the ability to keep pace with changes in customers' tastes and needs through changes in product design as well as flexibility in scale, which means the organization's ability to respond to changes in demand levels(Conner, 2003).
- **Quick delivery:** the extent to which the organization has complied with the delivery dates agreed upon with the customer. Besides, speed in designing new products and offering them to customers as soon as possible. Three considerations for quick delivery are : delivery speed, punctual delivery and speed of development.

3.3 Generic competitive strategies

Michael Porter identified three strategies that businesses can use to tackle competition. These approaches can be applied to all businesses whether they are product-based or service-based. He called these approaches generic strategies. They include cost leadership, differentiation and focus. These strategies have been created to improve and gain competitive advantage over competitors(Porter, 1990).

Successfully implemented strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to outperform current or potential players .To gain competitive advantage, a business strategy of a firm manipulates the various resources over which it has direct control and these resources have the ability to generate competitive advantage (Rijamampianina ,2003). Superior performance outcomes and superiority in production resources reflect competitive advantage (Lau, 2002).

3.3.1 Cost leadership strategy

Cost leadership is a business ability to produce a product or service that will be at a lower cost than other competitors. If the business is able to produce the same quality product but sell it for less this gives them a competitive advantage over other businesses. Therefore, this provides a price value to the customers. If businesses are not making a large enough profit, Porter recommends finding a low-cost base such as labor, and facilities. This gives businesses a lower manufacturing cost over those of other competitors. The company can add value to the customer via transfer the cost benefit to them. A cost leadership strategy requires intense supervision of labour, tight cost control, frequent and detailed control reports and structured firm (Phusavat & Kanchana, 2007).

3.3.2 Differential strategy

A differential advantage is when a business' products or services are different to its competitors. The business will need strong research, development and design thinking to create innovative ideas. These improvements to the goods or service could include delivering high quality to customers. If customers see a product or service as being different from other products, consumers are willing to pay more to receive these benefits.(Evans & Collier, 2007). To be successful that is achieve and sustain differentiation, the firm's price premium must exceed the costs incurred in creating or attaining its unique position. The logic behind this strategy, according to (Porter, 1998), requires the firm to select the attributes in which to differentiate itself from the competition that is the firm must be truly unique at something or perceived to be as such if it expects a premium price.

3.3.3 Focus strategy

Focus strategy ideally tries to get businesses to aim at a few target markets rather than trying to target everyone. This strategy is often used for smaller businesses, as they may not have the appropriate resources and ability to target everyone. Businesses that use this method usually focus on the needs of the customer and how

their products or services could improve their daily lives. In this method, some firms may even let consumers give their inputs for their product or service. This strategy can also be called the segmentation strategy, which includes geographic, demographic, behavioral and physical segmentation. By narrowing the market down to smaller segments, businesses are able to meet the needs of the consumer (Wheelen & Hunger, 2010). In cost focus a firm seeks a cost advantage in its target segment, while in differentiation focus a firm seeks differentiation in its target segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry. The target segments must either have buyers with unusual needs or else the production and delivery system that best serves the target segment must differ from that of other industry segments. Cost focus exploits differences in cost behaviour in some segments, while differentiation focus exploits the special needs of buyers in certain segments (Awuah, 2011). Any bank that wants to focus must select a segment or group of segments within the banking industry and tailor its strategy to serving them to the exclusion of others. By optimizing its strategy, for the target segments, the focuser seeks to achieve a competitive advantage overall. In the banking system, there are two variants to the focus strategy. A cost focus bank is the type that seeks a cost advantage in its target customer segment, while a differentiation focusing bank seeks differentiation in its customer segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments within the industry (Czinkota et al, 1990).

IV. METHOD OF THE STUDY

4.1 Study Community and Sample: the community of the study consists all workers and managers who are employed in (16) Jordanian banks. A simple-random sample was chosen from the study community, the researcher distributed (500) questionnaires, with due regard to employees at all levels. (490) questionnaires were received with the rate of return (98%). Only (10) questionnaires were dismissed because of being unusable for statistical analysis.

4.2 Study instrument: the researcher reviewed the theoretical background and previous studies about social capital and competitive advantage. The researcher also reviewed many questionnaires that used in the previous studies, so he designed one that reflects social capital and competitive advantage. The parts of the questionnaire are:-

- **Part one-** background information: - In this part, respondents were asked to indicate their gender, age, level of education, job title, and experience.
- **Part two-** dimensions of the study:-This part covers dimensions:-

The first dimension –independent variable- social capital which contains (24) items. Social capital contain the secondary dimensions:- items from (H1 to H8) related to relational social capital, items from (H9 to H16) related to cognitive social capital, items from (H17 to H24) related to structural social capital.

- **The second dimension-** dependent variable- is competitive advantage which contains sixteen items from (H25 to H40). The participants were asked to identify the degree of their agreement with each item in the second and third sections of the study, using five point Likert scale (5= strongly agree, 4= agree, 3=neutral, 2= disagree, and 1= strongly disagree). The scale was calculated through the following formula: The highest point of the scale (5) – the lowest point of the scale (1)/ the number of required categories (3) = 1.33. Thus, 1.33 was added to the end of each category, so that the categories and the degree of agreement became as follows (from -1.00 to less than 2.33 = low) and (from 2.33 to 3.66 medium) and (from 3.67 to 5.00 = high).

4.3 Study Validity and Reliability

- **Face validity:** this is applied in the present study in two phases: First, the questionnaire sent to a pilot sample of (30) workers from different managerial level to assess the clarity of the questionnaire. Second, The questionnaire was reviewed by (10) referees from among the faculty members at Jordanian universities, and some items were adjusted based on their recommendations.

- **Instrument reliability:-** the current applied Cronbach's Alpha measures the reliability of measurement in similar research. Cronbach's Alpha coefficient value of all dimensions of the study is (95%).

4.4 Statistical methods used

In order to answer the questions of the study and test its hypotheses, the following statistics were employed: percentages, frequencies, simple regression, multiple regression, and (T- test).

4.5 Data Presentation and Analysis:

- **A profile of the sample:**the characteristics of the respondents are shown in table (1).

Table (1) Frequencies and Percentages of Demographics factors of the sample

Variable	Characteristics	Frequency	Percentage
Gender	Male	376	78.3%
	Female	104	22.7%
Age	20-less than 30 Years	122	25.4%
	30- less than 40 Years	80	16.7%
	40- less than 50 Years	132	27.5%
	50- less than 60 Years	102	21.3%
	60+	44	9.2%
Education	Diploma	116	24.1%
	Bachelor	260	54.1%
	Post Graduate	104	21.6%
Job Title	General Manger	15	3.1%
	Department Manager	25	5.2%
	Section Head	123	25.6%
	Worker	317	66.1%
Experience Years	Less Than 5 Years	69	14.4%
	6-10 Years	99	20.6%
	11-15 Years	208	43.3%
	More than 15 Years	104	21.7%

The results show that the majority of respondents (78.3%)are males and the remaining are females .Nearly (27.5%)of respondents are (40- less than 50 Years) years of age ,over (54%) hold bachelor degree.. Moreover, (66.1%) of the respondents are workers. Table (1) indicates that(43.3%) of respondents are (11- 15 Years) years' experience.

4.6 Analysis of the questions of the study:

- What is the level of social capital dimensions (relational social capital, structural social capital and cognitive social capital) in Jordanian banks?

Table 2: The means and standard deviations of the level of social capital dimensions

Rank	dimension	Mean*	Standard deviation	Degree of assessment
1	Structural dimension of social capital	3.80	.49	High
2	Relational dimension of social capital	3.54	.54	Moderate
3	Cognitive dimension of social capital	3.82	.49	High
	Social capital as a whole	3.72	.39	High

* (From1.00 to less than 2.33 = low), (from 2.33 to 3.66 medium) and (from 3.67 to 5.00 = high)

Table (2) shows that the level of social capital as a whole among members of study sample at Jordanian banks was high, with a mean of (3.72) and a standard deviation of (0.39), which suggests the similarity of the responses of the participants of the study concerning social capital as a whole. Table (2) shows also that the means of the responses of the participants of the study concerning social capital dimension ranged between (3.54- 3.82), the highest being for cognitive dimension of social capital, with a mean of (3.82) and a standard deviation of (0.49) and a high degree of assessment. Dimension structural social capital follows cognitive social capital with a mean of (3.80) and standard deviation of (0.49), and lastly came the dimension of relational dimension of social capital with a mean of (3.54) and a standard deviation of (0.54) and a moderate degree of assessment. The means and standard deviations of the assessments of the participants of the study, concerning the items related to the dimensions of social capital, which were as follows:

• **First dimension: Relational capital**

Table (3): The means and standard deviations of relational capital

Item No.	dimension	Mean*	S.D	Degree of assessment
1	The relationship between workers characterized by close, personal interaction at multiple levels.	3.85	.68	High
2	The relationship between workers characterized by mutual respect at multiple levels.	3.70	.73	High
3	The relationship between workers characterized by mutual trust at multiple levels.	3.43	.88	moderate
4	Our employees are skilled at collaborating with each other to diagnose and solve problems.	3.85	.68	High
5	Our employees share information and learn from one another.	3.60	.64	moderate
6	Our employees interact and exchange ideas with people from different areas of the company.	3.35	.61	moderate

7	Our employees apply knowledge from one area of the company to problems and opportunities that arise in another.	3.33	.47	moderate
8	I feel of social support when I face any difficulties at work.	3.26	.55	moderate

*(From 1.00 to less than 2.33 = low), (from 2.33 to 3.66 medium) and (from 3.67 to 5.00 = high)

Table (3) shows that the means and standard deviations for the items related to relational social capital. The means of the items ranged between (3.26-3.85) , the highest was the mean for items(1,4) (3.85) , and a standard deviation of(.68) and with a high assessment, while item (8) was ranked last with a mean of(3.26) and a standard deviation of (0.63) and a medium degree of assessment.

• **Second dimension: cognitive capital**

Table (4): The means and standard deviations of cognitive capital

Item No.	dimension	Mean*	S.D	Degree of assessment
9	All workers in our bank share the same business values	3.61	.87	moderate
10	All workers in our bank share the same business goals	4.04	.61	High
11	All workers in our bank recognize their roles in achieving goals	4.01	.63	High
12	Workers in our bank share the same organizational culture	4.11	.59	High
13	workers in our bank recognize their surrounding relations for work achievement	3.85	.74	High
14	workers in our bank recognize the necessary resources for work achievement	3.58	.84	moderate
15	There is similarity between employee personal vision and group vision about what is right	3.41	.69	moderate
16	Workers collaborate with each other to know new work methods	4.01	.63	High

*(from1.00 to less than 2.33 = low), (from 2.33 to 3.66 medium) and (from 3.67 to 5.00 = high)

Table (4) shows that the means and standard deviations for the items related to cognitive capital. The means of the items ranged between (3.41-4.11) , the highest was the mean for item(12) (4.11) , and a standard deviation of(.49), and with a high assessment, while item (15) was ranked last with a mean of(3.41) and a standard deviation of (0.69) and a medium degree of assessment.

• **Third dimension: structural capital**

Table (5): The means and standard deviations of structural capital

Item No.	dimension	Mean*	S.D	Degree of assessment
17	Network relations in our bank help in transfer knowledge	3.78	.87	moderate
18	Social ties between workers leverage communication efficiency	3.73	.61	High
19	We have very strong ties between networks	3.68	.63	High
20	I think that the degree of closeness between employees at network is high	3.35	.59	moderate
21	our network members have diverse attributes	4.01	.74	High
22	The relationships between individuals in our group is strong and inspire group commitment	4.04	.84	High
23	All members of our network are linked to each other by direct ties.	4.00	.69	High
24	The solidarity existing among workers who know one another is high.	3.85	.63	High

*(from 1.00 to less than 2.33 = low), (from 2.33 to 3.66 medium) and (from 3.67 to 5.00 = high)

table (5) shows that the means and standard deviations for the items related to structural capital. The means of the items ranged between (3.35-4.04) , the highest was the mean for item(22) (4.04) , and a standard deviation of(.84), and with a high assessment, while item (20) was ranked last with a mean of(3.35) and a standard deviation of (.59) and a medium degree of assessment.

• **What is the level of competitive advantage in Jordanian banks?**

Table (6) : The means and standard deviations of competitive advantage

Item No	dimension	Mean*	S.D	Degree of assessment
25	The Bank can design its services at the lowest possible cost without affecting customer requirements	3.70	.73	High
26	The Bank uses its economic, human and material resources in rational manner	3.58	.76	moderate

27	The Bank seeks to reduce the costs of its direct services in a manner that does not conflict with service quality	3.57	.74	moderate
28	The bank uses economic of scale to reduce costs	3.94	.76	High
29	The bank uses low cost initiative to customers	3.94	.76	High
30	The Bank uses local and international quality assurance standards	3.25	.64	moderate
31	The Bank uses a variety of methods to improve the quality and uses continuous development of its services	3.44	.66	moderate
32	The Bank uses various methods of quality control to maintain customer satisfaction	3.70	.70	High
33	The Bank is committed to exact dates of service completion	3.85	.68	High
34	The Bank offers a wide variety of services to satisfy customers' desires	3.70	.73	High
35	The Bank has the ability to provide new services	3.42	.65	moderate
36	The Bank can respond quickly to the required changes in its banking services	3.78	.69	High
37	The Bank can change branches activity to provide more services	3.48	.61	moderate
38	Bank employees have a variety of skills to do more services	3.85	.68	High
39	The Bank can diversify its services in response to changing demand levels	3.70	.73	High
40	The Bank can provide electronic services for customers continuously.	3.32	.69	moderate
competitive advantage as a whole		3.64	.49	moderate

*(from 1.00 to less than 2.33 = low), (from 2.33 to 3.66 medium) and (from 3.67 to 5.00 = high)

Table (6) shows that the mean for competitive advantage as a whole is(3.64) and standard deviation(.49) and with a moderate assessment. Table (6) shows the means and standard deviations for the items related to competitive advantage. The means of the items ranged between (3.32-3.94) , the highest was the mean for items(28 and 29) (3.94) , and a standard deviation of(.76), and with a high assessment, while item (30) was ranked last with a mean of(3.25) and a standard deviation of (.64) and a medium degree of assessment.

4.7 Study Hypothesis Testing

- **The first main hypothesis:** Jordanian banks do not adopt social capital in their business. To test the first hypothesis, we used one sample (T- test) to confirm the results in the tables(3,4 and 5).

Table(7):One sample (T- test)responses of study sample members toward social capital

Social capital dimensions	T	Df	Sig 2- tailed	Mean difference	95% confidence interval of difference	
					Upper	Lower
Relational dimension	32.967	471	.000	.546	.5786	.5135
Cognitive dimension	35.974	471	.000	.827	.8725	.7821
Structural dimension	35.043	471	.000	.805	.8511	.7607
Social capital	40.013	471	.000	.726	.7621	.6908

Table (7) indicates that the application level was found to exceed the approved average of (3), the value of (t) test for relational dimension was(32.967), the value of (t) test for cognitive dimension was(35.043), the value of (t) test for structural dimension was(35.043). Besides, the value of (t) test for social capital was(40.013). The value of (t) for all dimensions above their tabular value. Which means that Jordanian banks adopt social capital in their business.

- **The Second main hypothesis:** There is no interest in the competitive advantage of Jordanian banks.To test the second hypothesis, we used one sample (T- test) to confirm the results in the table(8) .

Table (8):One sample (T- test)responses of study sample members toward competitive advantage

	T	Df	Sig 2- tailed	Mean difference	95% confidence interval of difference	
					Upper	Lower
Competitive advantage	28.344	471	.000	.639	.5956	.6843

Table (8) indicates that the interest level was found to exceed the approved average of (3), the value of (t) test for competitive advantage was(28.344) and it is above tabular value. Which means that we accept the alternative hypotheses there is interest in the competitive advantage of Jordanian banks.

- **The Third main hypothesis:** there is no statistically significant effect ($\alpha \leq 0.05$) for social capital on competitive advantage at Jordanian banks. Simple linear regression was employed as illustrated in tables (9 and 10).

Table (9) : Results of simple linear regression for the third main hypothesis

model	Source of variance	Sum of squares	df	Mean of squares	R	R ²	Adjusted R	F value	significance
Simple regression	Regression	84.556	1	84.556	.864	.746	.746	1381.265	.000(a)
	Residual	28.772	470	.061					
	Total	113.328	471						

the table above shows that the value of (F) is (1381.265) , with a statistical significance of (0.000), which is less than ($\alpha \leq 0.05$), which indicates the interpretive and predictive power for using the simple linear regression model between the independent variable (social capital) and the dependent variable (competitive advantage) thus, the simple linear regression model is appropriate for the assessment of the causative relationship between the independent variable (social capital) and the dependent variable (competitive advantage). It is also shown that the value of the correlation coefficient between independent variable (social capital) and the dependent variable(competitive advantage) was (.864), and that the value of (R²) was (.746), and the value of adjusted (R²) was (.746). which indicates that the independent variable (social capital) was able to account for (74.6%) of the changes which occurred to the dependent variable(competitive advantage),and the rest is due to other factors.

Table (10)The significance of standardized and unstandardized simple linear regression coefficient of the third hypotheses

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.363	.108		3.352	.001
Social capital	1.074	.029	.864	37.165	.000

Table (10) shows that:-

- The presence of a statistical significance for the constant of the simple linear regression formula , (t) value was (3.352) and with a statistical significance of (0.000) which less than ($\alpha \leq 0.05$) which indicates the significance of the constant of the simple linear regression model whose value was (.363).
- The presence of a statistical significance for the standardized and unstandardized simple linear regression formula related to the independent variable (social capital) in which the value of (t), was (37.165), with a significance of (0.000) which is less than the significance level ($\alpha \leq 0.05$) which indicates the rejection of the null hypothesis and accepting the alternative hypothesis which states there is statistically significant effect at the level ($\alpha \leq 0.05$) for social capital on competitive advantage at Jordanian banks.

• **The fourth main hypothesis:** there is no statistically significant effect ($\alpha \leq 0.05$) for social capital dimensions on competitive advantage at Jordanian banks.

Sub hypothesis1: there is no statistically significant effect ($\alpha \leq 0.05$) for relational social capital on competitive advantage at Jordanian banks.

Sub hypothesis2: there is no statistically significant effect ($\alpha \leq 0.05$) for structural social capital on competitive advantage at Jordanian banks.

Sub hypothesis3: there is no statistically significant effect ($\alpha \leq 0.05$) for cognitive social capital on competitive advantage at Jordanian banks. multiple linear regression was used in exploring the presence of a statistically significant effect of the independent variables on the dependent variable at the significance level ($\alpha \leq 0.05$). Upon inserting the independent variables into the multiple linear regression analysis (relational social capital, structural social capital and cognitive social capital) through stepwise method. Table (11) shows that all social capital dimensions has a predictive power and is statistically significant.

Table (11) : Multiple linear regression for the fourth hypothesis

Independent variables	Source of variance	Sum of squares	df	Mean of squares	R	R ²	Adjusted R ²	F value	significance
Structural social dimension	Regression	71.397	1	71.397	.794	.630	.629	800.293	.000(a)
	Residual	41.931	470	.089					
	Total	113.328	471						
Relational Social dimension	Regression	84.544	2	42.272	.864	.746	.745	688.773	.000(b)
	Residual	28.784	469	.061					
	Total	113.328	471						
Cognitive social dimension	Regression	86.660	3	28.887	.874	.765	.763	506.949	.000(c)
	Residual	26.667	468	.057					
	Total	113.328	471						

table (11) shows that all independent variables had statistically significant effects on competitive advantage, structural social dimension influence came first concerning the size of the effect, and its multiple correlation coefficient value was (.794) and the (R²) was (.630) and the value of adjusted (R²) was (.629) which indicates that structural social dimension was capable of accounting for

(62.9%) of the changes in the dependent variable (competitive advantage). Relational social dimension came second in terms of the size of the effect, and its multiple correlation coefficient when added to the effect of structural social dimension was (.864), (R^2) was (.746) for both dimensions, and the value of their adjusted R^2 was (.745) which indicates that the dimensions of structural social dimension and relational social dimension together accounted for (74.5%) of the changes in the dependent variable (competitive advantage). Cognitive social capital came third in terms of the size of the effect, and its multiple correlation coefficient when added to the effect of structural social dimension and relational social dimension was (.874), (R^2) was (.765) for all dimensions, and the value of their Adjusted R^2 was (.763) which indicates that the dimensions of structural social dimension, relational social dimension and cognitive social dimension together accounted for (76.3%) of the changes in the dependent variable (competitive advantage).

Table (12): The significance of standardized and unstandardized multiple linear regression coefficient of the fourth hypotheses

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.519	.112		4.627	.000
Structural social capital	.418	.032	.426	13.096	.000
Relational social capital	.521	.041	.382	12.595	.000
Cognitive social capital	.188	.031	.192	6.094	.000

The table(12) shows:-

- The existence of a statistical significance for the constant of the multiple linear regression formula, in which the value of (t) was (4.627) with a statistical significance of (0.000) which is below the level ($\alpha \leq 0.05$), which indicates the significance of the constant.
- The presence of a statistical significance for the coefficient of the multiple linear regression formula related to the independent variable structural social dimension , which the value of (t) was (13.096) , with a statistical significance of (0.000) , which is below the significance level ($\alpha \leq 0.05$) , which suggests the rejection of the null hypothesis and accepting the alternative hypothesis which states that : there is a statistically significant effect ($\alpha \leq 0.05$) for structural social dimension on employees competitive advantage.
- The presence of a statistical significance for the coefficient of the multiple linear regression formula related to the independent variable relational social dimension, which the value of (t) was (12.595) , with a statistical significance of (0.000) , which is below the significance level ($\alpha \leq 0.05$) , which suggests the rejection of the null hypothesis and accepting the alternative hypothesis which states that : there is a statistically significant effect ($\alpha \leq 0.05$) for relational social dimension on employees competitive advantage.
- The presence of a statistical significance for the coefficient of the multiple linear regression formula related to the independent variable cognitive social dimension , for which the value of (t) was (6.094) , with a statistical significance of (0.000) , which is below the significance level ($\alpha \leq 0.05$) , which suggests the rejection of the null hypothesis and accepting the alternative hypothesis which states that : there is a statistically significant effect ($\alpha \leq 0.05$) for cognitive social dimension on employees competitive advantage.

V. CONCLUSION& RECOMMENDATIONS

5.1 Conclusion

1-The results related to the first hypothesis and first question shows that Jordanian banks adopt social capital in their business. The level of social capital as a whole at Jordanian banks is high with a mean of (3.72). Practicing the dimensions of social capital was as follows: The dimension cognitive social was ranked first, with a mean of (3.82) and a standard deviation of (0.49) and a high degree of assessment, and the dimension of structural social capital came next, with a mean of (3.80) and a standard deviation of (0.49) and a high degree of assessment, lastly came the dimension relational social capital with a mean of (3.54) and a standard deviation of (0.54) and a moderate degree of assessment. Based on this result, the researcher believes that Jordanian banks are aware of the importance social capital dimensions(structural, relational and cognitive)either independently or jointly because it is provide value to organizations in the form of increased profitability, sales growth, and increases in market share. This result is consistent with studies of(Odeh, 2014), study of (Almahasneh&Hawajreh. 2015), and study of (Gwan. 2010).

2-The results related to the second hypothesis indicated that Jordanian banks interest in their competitive advantage Table (6) shows that the mean for competitive advantage as a whole is(3.64) and standard deviation(.49) and with a moderate assessment. Based on this result, the researcher believes that Jordanian banks are aware of the importance competitive advantage .This result is consistent with studies (Pratono et al., 2016) and (Xiang. 2009).

3-The results related to the third hypothesis shows that there is statistically significant effect for social capital on competitive advantage at Jordanian banks. Through the results of simple linear regression, it was shown that

social capital account for (74.6%) of the changes which occurred to the dependent variable (competitive advantage), and the rest is due to other factors. Based on this result, the researcher believes that social capital can provide Jordanian banks with competitive advantage as a result of access to valuable resources, knowledge and information that are not easily traded. It provides value to businesses in the form improved performance, market opportunities innovation and new product development, and enhanced reputation. This result is consistent with studies of (Pratono et al., 2016), (Kittikunchotiwut, 2015), (Tuner, 2011) and the study of (Hasoni. 2016).

4-The results related to the fourth hypothesis shows that there is statistically significant effect for social capital dimensions (relational social capital, structural social capital and cognitive social capital) on competitive advantage at Jordanian banks. Through the results of multiple linear regression, it was shown that the dimensions of relational social capital, structural social capital and cognitive social capital together accounted for (76.3%) of the changes in the dependent variable (competitive advantage). Structural social dimension influence came first concerning the size of the effect, relational social dimension came second in terms of the size of the effect, cognitive social capital came third in terms of the size of the effect. Based on this result, the researcher believes that structural social capital have direct effect on competitive advantage through the pattern of the connections between workers, social network structure, position social participation, and social connections. Also relational social capital affects competitive advantage through the quality of the relationship or interactions and the resources that are created or leveraged through the relationships. include trust, trustworthiness, respect and friendship. Besides, cognitive social capital affects competitive advantage through resources that obtained from a common set of goals, a shared vision, and shared representations. This result is consistent with studies of study of (Pratono et al., 2016) and the study of (Odeh, 2014).

5.2 Recommendations

After data presentation and analysis and after answering the study's questions, the researcher provided the following recommendations:

- 1- Providing a suitable environment for social gathering and interaction; hence it supports trust, awareness, team work and cohesiveness.
- 2- Jordanian banks should focus on building their internal social capital such as providing an environment where norms and values are adhered to or encouraging networking relationships among employees, and develop the skills and capabilities of employees for knowledge sharing.
- 3- Increasing the effectiveness of relational social capital through social cohesion (social interaction and togetherness) and social networking and relationships, and on trust
- 4- Using local and international quality assurance standards and clarifying organization vision for all workers.

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