“Organizational competitiveness in NGOs: An empirical study of Jordan”

AUTHORS
Khalid M. Alomari
Jihad Farajat
Hamza Alaodat

ARTICLE INFO

DOI
http://dx.doi.org/10.21511/ppm.21(2).2023.69

RELEASED ON
Monday, 03 July 2023

RECEIVED ON
Saturday, 28 January 2023

ACCEPTED ON
Thursday, 22 June 2023

LICENSE
This work is licensed under a Creative Commons Attribution 4.0 International License

JOURNAL
"Problems and Perspectives in Management"

ISSN PRINT
1727-7051

ISSN ONLINE
1810-5467

PUBLISHER
LLC “Consulting Publishing Company “Business Perspectives”

FOUNDER
LLC “Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES
71

NUMBER OF FIGURES
2

NUMBER OF TABLES
6

© The author(s) 2023. This publication is an open access article.
Abstract

Non-governmental organizations form a vital part of the social fabric in contemporary societies. They provide services and support to marginalized groups, enhance advocacy and awareness of social and environmental issues, and influence public policies. Given the lack of studies on non-governmental organizations operating in Jordan, it is crucial to understand their situations and shed light on their methods to gain a competitive advantage. This study aims to analyze the mediation and sequential moderation linking the advantages of dynamic capabilities, differentiated strategies, social capital, common goals, and organization learning to produce competitive advantage from the perspective of strategy and organizational capacity. The study sample consisted of 100 employees working in non-governmental organizations in Jordan, who were selected in a simple random way.

The findings reveal the factors that can influence business competitiveness by developing dynamic capabilities, differential strategic effects, and accumulating social capital. The study supports the organizational idea of learning to compete by emphasizing internal management practices (e.g., common goals, purposes, and social capital) and external attributes (e.g., differential strategies and dynamic capabilities). Finally, Jordanian companies should improve the links between their social capital, common goals, and dynamic capabilities to become competitive.

Keywords

dynamic capabilities, differential strategies, social capital, organizational competitiveness, NGOs, Jordan

JEL Classification

L31, D41

INTRODUCTION

Organizations are constantly engaged in competition with one another. An organization can achieve a sustainable advantage by recruiting and retaining employees. Suppose a company possesses a pool of human resources that cannot be replicated or replaced by any other entity. In that case, that company can operate using this model. The utilization of the resource-based view reveals the one-of-a-kind benefit of using the value resource bundle offered by a company. A company needs to find the primary prospective resources in order to find these essential resources. These primary future resources must have high demand, scarcity, unattractiveness, and a lack of competition in the market. Taking into account a variety of different industrial settings is one of the most essential steps one can take to advance this new line of investigation.

As a rule, changing an entire resource base is not feasible due to external factors. But at the same time, companies cannot ignore the changes in the outside world. Because of the decline in the company’s available resource base, senior management must launch the problem-
atic process of dynamic capacity generation. The uniqueness of a strategic resource, referred to as a “high-performance work system,” is bolstered by its track dependence and causal ambiguity. The gradual amassing of resources over time paves the way for expanding one’s knowledge and expertise. The challenges that non-governmental organizations (NGOs) face have improved somewhat in recent years, but the best operational and strategic management approaches have yet to be implemented. It is agreed that leadership and management tactics for NGOs are beneficial.

On the other hand, NGOs are distinguished by their ability to fill gaps not covered by governments and companies, and their role is to provide services and support to marginalized and disadvantaged groups in society, including those who suffer from poverty, discrimination, and disease. In addition, NGOs play a pivotal role in advocating for and raising awareness of social and environmental issues and influencing public policies. Through these efforts, NGOs contribute to improving many people’s lives and promoting sustainable development in communities around the world.

The study of competitiveness in non-governmental organizations plays a crucial role in directing them toward success and achieving their goals, as understanding competitive factors helps organizations improve their performance and efficiency and provide better services to the communities they serve. In addition, competitiveness can attract more funding. As organizations can bid effectively on limited resources from donors and governments, the ability to compete effectively is essential to ensuring long-term sustainability and impact, as organizations can achieve their goals and promote social change. Thus, competitiveness is a vital part of the strategy and planning of any NGO looking to make a positive impact.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Although small, the Hashemite Kingdom of Jordan is very peaceful and quiet. The fledgling nation quickly met the first of several refugee crises in 1946 when the Hashemite Kingdom of Jordan earned its independence from British domination. The battle of 1948 led to more than 700,000 Palestinian refugees, about 500,000 of whom landed in Jordan. The League of American Red Cross and Red Crescent Societies, the International Red Cross Committee, and the American Friends Service Committee addressed these issues.

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established in December 1949, and operations started in 1950. Following the Six-Day War in 1967, a second wave of Palestinian refugees occurred. In 2003, the invasion of Iraq prompted a significant surge in population. Consequently, more than 750,000 to one million Iraqis emigrated to Jordan in the next four years. Instead, the Palestinians were mainly wealthy families in that situation, so the Iraqis needed less support. In general, an estimated number of people live, rent, or even buy property in Baghdad. In a 2007 poll, 23% of Iraqi families invested in Jordan. The 35% who elected to register with the UN Refugee Agency make sense (around 15% of the highest wealth group and more than 50% of the lowest wealth group) (United Nations, 2007).

Jordan was the most recent Arab Spring country, following in the footsteps of other Middle Eastern and North African countries. Despite the wave of protests not producing an exceptionally violent conflict or civil war, the Kingdom faced the migration of millions of inhabitants from many Arab Spring countries. As of March 2018, around 1.3 million refugees were registered with the UN organization, of which 654,000 were Syrian refugees. About 80% of Syrian refugees dwell in the cities and towns of Jordan, while the remaining 20% live in refugee camps. Zaatari and Azraq are the two largest refugee camps in Jordan, managed by the UN High Commissioner for Refugees (UNHCR). In Syria, 90% of urban refugees live in poverty. Rapid population expansion considerably impacted Jordan’s economy and services, including education, health, and waste collection. Immigrants
were not welcomed because unemployment was already high, and the rise in rent costs did not help. The Clives claim they believe they have the right to the same humanitarian aid as Syrian refugees since many host communities are economically troubled (Francis, 2015). International groups helped a second wave of refugees in 2013 by helping Christian Iraqis escape Mosul, 80,000 Libyans who came to Jordan for treatment but were denied, and about 8,500 Yemenis (United Nations, 2022).

In 2014, 58 international NGOs founded the “Jordan INGO Forum” network to help destitute Jordanian, Palestinian, Syrian, and Iraqi refugees. Jordan’s Ministry of Planning and International Corporation, other ministries, the UN, and other local NGOs work closely with the Jordan International NGO Forum, which is represented by numerical reaction taskforces under the Jordan Response Plan. The Directorate-General for European Civil Protection and Humanitarian Aid Operations (DOO) sponsors and finances this forum. The Norwegian Refugee Council is a non-profit organization that supports refugees in Norway. These operations include information communication and exchange, coordinating forum activities, advocacy on behalf of members, and liaison with the government and other external stakeholders. Each coordinating group has its own forum for members to debate policy objectives, collaborations, personnel, livelihoods, and security.

Any time a company is uniquely capable of protecting and sheltering its clients from external influences, it has a competitive advantage (Thompson & Strickland, 1998). A firm possesses a lasting competitive advantage based on core competencies that support the business long-term. According to Hamel and Prahalad (1989), integrating technological and labor-related streams is required to obtain a body of core knowledge. Companies should provide a high-quality product, offer excellent customer service, and use cost-cutting methods when competing. Competitive strategy is based on an up-to-date understanding of current market conditions, client needs, and service types. Some business strategies intend to gain a long-term market advantage. When given the same benefits at a lower cost, a firm has a competitive advantage (differentiation advantage). In a moving market and with rapidly evolving technology, the extent to which a competitive advantage may be sustained has been challenged. New TQM, benchmarking, and reengineering tactics have been employed to enhance productivity, quality, and speed under high-pressure situations (Shapiro, 1989).

The inclusion of the wishes, attitudes, and ambitions of an individual is known as a competitive strategy. The strategies focus on the purpose of the company, look for new prospects, assess if its efforts are in line with the strategic direction of the organization, identify success measures, and track multiple ways of seeing how it works (Gaynor, 2002). Competitive tactics require abrupt and progressive changes in strategy, technique, or delivery of services (McAdam & McClelland, 2002). “New,” whether in the arts, economics, industry, or politics, is anything different from what currently exists. The move to a new economic model will bring new value to the product, the customer, and the producer. In a competitive strategy, the company’s goal is to give its consumers value. Growing productivity is the main source of economic gains from competitive strategies. The competition plan forms organizational direction and strategy. As the development of strategies, the definition of competing strategies inside businesses and how technology can be implemented are management aspects; the final management portion increases performance using relevant performance indicators. Oke (2002) proposes that a business or area of concern should be examined in the context of a competitive strategy to identify what competitive strategies entail. A corporation can foster competitive areas by comprehensively understanding the drivers of competing tactics.

The term “competition” is most typically referred to as “pure” or “perfect” competition, “monopoly” or “imperfect” competition, “competition under oligopolies and monopolies,” and “competition under oligopolies and monopolies” (Reynolds, 2005). Real-life competition and monopolies are rare (Reynolds, 2005). A monopoly occurs if one company has all of the supply and prevents other companies from joining the market (Reynolds, 2005). Competition exists if multiple merchants produce a similar but separate product or service (Afuah, 2009). There are low entry barriers.
for new enterprises on the market, and they enter or leave the industry. Since a market structure exists in these extreme rivalry scenarios, no additional analysis has been performed on these cases (Clayton et al., 2010). Therefore, imperfectly competitive kinds, especially oligopolistic and monopolistic, dominate society.

A new product or service plan led the process of innovation (Afuah, 1998). The strategy for innovation specifies where all company operations should lead and serves as a north star to guide all actions toward a common innovation objective. The initial stages of innovation strategy creation examine the relevance of innovation to the company or the components of innovation on which the company prioritizes. If a company wishes to identify the drivers of innovation, its innovation target areas might be used as a benchmark. Kuczmarski (1994) states that more successful organizations have more genuine and visible proof of their leadership commitment than less successful companies. This is especially true in terms of sufficient finance and resources. According to a study by Mercer Management Consulting (1994), successful company management is evident and palpable in innovation development and planning.

Competitive advantage is essential in the non-profit sector because it allows non-governmental organizations (NGOs) to distinguish themselves from rivals and acquire more financing, support, and resources. NGOs with a competitive edge are better positioned to fulfill their objectives, affect more people, and have a global effect.

Non-governmental organizations are legally established law-enabled businesses without any government link. The identity of non-governmental organizations is retained when substantial or all of the government’s money is provided by a particular NGO. Non-profit organizations in the United States are common. Usually, the concept refers to social and political groups, such as political parties, with a broader profile (Frandsen & Lawry, 2009).

NGOs work together to achieve common objectives (D’Aveni & Bowman, 1995). Only around one-third of NGO operations offer real assistance to those in need. Globalization and integration have brought about tremendous changes with many effects, including environmental degradation and food shortages worldwide. Governments and non-state actors, including NGOs, must examine policies and tactics that continue to be relevant to worldwide issues and crises as such concerns expand. Non-governmental organizations not working on political management issues appear to have to act. They focus both locally and worldwide on social, political, and economic objectives to suit the requirements of society.

In today’s competitive economy, NGOs are pretty common. In other words, multiple significant changes have occurred in the functioning of public, commercial, and non-profit organizations, along with a substantial decrease in private and state funds during the 1970s and a dramatic increase in competition between government and profit contracts. Management is finding it increasingly challenging to maintain the number of foundations sponsoring NGOs. Many NGOs demand autonomy and are under constant competitive pressure. Because of the intense competition, NGOs must change their strategic ambitions to profit.

Most strategic management methodologies for non-governmental organizations are viewed as inappropriate. The very important issue is that their goal drives NGOs to help others, contribute to society, and invest their ideas. NGOs are unable to utilize strategic principles since they have no governmental ties.

The scientific literature views dynamic capabilities as essential to strong competition through sensing, seizures, and reconfiguration. It has been established that they impact business competitive advantages directly and indirectly. Many studies have looked into the effect of dynamic capabilities on corporate competitive advantage. Although each study uses different criteria, there may be direct and indirect links between dynamic capabilities and competitive advantages. Furthermore, previous research has shown that competitive advantage is a source of innovation, although there are no proofs that competitive advantage can affect the use and exploration of business ambidexterity.

Dynamic capabilities were developed using the company’s resource-based view (RBV), first formulated by Penrose (1959). Evolutionary theo-
ry (Nelson & Winter, 1982), Schumpeter’s (2013) theory of creative destruction, the division attributes of the corporation (Cyert & March, 1963), and Williamson’s (1975) views on hierarchies and markets have all addressed the topic. As a result, conceptual discourse is exceptionally robust. Dynamic capabilities are high-order capabilities that have an impact on operational capacity development. Fundamental abilities and accompanying procedures typically go hand in hand with notable abilities (Eisenhardt & Martin, 2000). In the current state, a company’s ability to construct, extend, or transform resources and react to environmental changes are described as dynamic capabilities. As a result, they are dynamic throughout their engagement.

Determining how to leverage a company’s specific expertise dually is difficult. Finding new sources of money as well as old ones is just a matter of being organized with a behavioral framework of dynamics: behavior of departure, discipline, support, and trust. Da Silva et al. (2016), Hashi and Stojčić (2013), and Alexander and Childe (2013) found that an innovation’s development and transmission of knowledge are very critical.

Competitive advantage denotes the different and/or greater abilities and resources of the organization as opposed to other organizations (Peteraf, 1993). To date, however, creating organizational skills and resources has been a lengthy process and is challenging to reproduce (Chung-Herrera et al., 2003). Only with ample resources, vast network connections, and a professionally managed training program can effective skill development be implemented (Kay & Russette, 2000). According to Nahapiet and Ghoshal (1998), there is a need for a comprehensive framework that describes competitive advantage. Additionally, tour operators face additional challenges, unexpected customer demands, and emotional stress due to their destinations. Non-profit organizations may achieve a competitive advantage by enhancing and extending customer relations and capacities to meet internal and external needs. Therefore, in Taiwan, tour operators can concentrate on the fact that learning methods are employed to achieve hidden abilities, open new prospects, and fix existing deficiencies and superficial issues (Chen & Lee, 2017).

When a company is open to learning, its innovation potential increases, showing that organizations can only innovate with efficient knowledge of their resources, capabilities, and competencies (Li & Xie, 2016). Organizations boost their creativity by adjusting their culture and goals to acquire new knowledge.

Smith (2021) aimed to identify the factors contributing to competitive advantage in NGOs and understand how organizations can leverage these factors to improve their performance. The results showed that NGOs with a clear mission, strong partnerships with other organizations, and a commitment to transparency and accountability are more likely to have a competitive advantage. Chen (2020) explored the role of innovation in gaining a competitive advantage for NGOs. The study showed that NGOs continuously innovating and adapting to changing circumstances are more likely to have a competitive advantage over their peers. Lee (2019) analyzed the connection between social capital and competitive advantage in NGOs. Thus, NGOs with strong networks of relationships and a high level of trust and cooperation with other organizations are more likely to have a competitive advantage.

Kim (2018) analyzed the correlation between branding and competitive advantage in NGOs. NGOs with solid and well-known brands tend to have a competitive advantage. Brown (2017) evaluated the effect of leadership on competitive advantage in NGOs. The results showed that NGOs with effective leadership have a competitive advantage.

The organizational learning curve is essential to an enterprise’s innovation since it allows for competitive advantage growth. Learning can help businesses acquire many organizational skills rather than just one or two. To successfully represent new information, this curve must learn, obtain, transmit, and implement innovations. Shared goals quickly promote mutual understanding and knowledge sharing in a dynamic setting. The adoption of new manufacturing methods results in new responsibilities for personnel. Despite these diverse findings, little study has been done on the impact of exploitation on SMEs’ creativity and innovation. Management may alter marketing tactics to differentiate between firms, satisfy changing market demands, restructure key com-

http://dx.doi.org/10.21511/ppm.21(2).2023.69
pany resources, facilitate transformation, and finally lead to competition (Pavlou & El Sawy, 2011). Christian (2020) assessed the relationship between competitive advantage and organizational performance in its dimensions of availability of resources, research, and development. The study discovered that competitive advantage has a positive impact on improving organizational performance. Kaur et al. (2019) sought to identify the possibilities of boosting organizational performance through competitive advantage. The study concluded that competitive advantage is the critical function of organizational performance and that obtaining competitive advantage leads to improved organizational performance in general.

Elijah and Millicent (2018) investigated whether there is a connection between corporate performance and sustainable competitive advantage. The study sampled data from Coca-Cola Ghana Limited and demonstrated a positive effect of sustainable competitive advantage on organizational performance. Majeed (2011) compared competitive advantage and organizational performance to find a good correlation between these variables. These benefits help the company achieve significant revenues.

A diverse company strategy comprises organizations, control systems, and innovative techniques for resource and capacity growth (Spanos & Lioukas, 2001). According to Porter (1991), expectations and knowledge asymmetries limit industry competition. A firm can compete by intentionally developing resource heterogeneity. With these various resources, a firm can gain market dominance or adopt a unique business plan (Linton & Kask, 2017). Dynamic business strategy (e.g., innovative market differentiation) determines resource and skill sustainability (Spanos & Lioukas, 2001). Instead, differentiated business strategies help businesses discover access obstacles and guarantee that distinctive outcomes and competitive benefits are communicated (Mani & Nandkumar, 2016).

Confidence among members of an organization decreases opportunism and the need to allocate significant funds (Jiang & Ritchie, 2017) to improve the efficacy of social capital accumulation (Czakon & Czernek, 2016). According to Nahapiet and Ghoshal (1998), network-embedded members constitute a vital network resource, such as trust, collective activities, and a sense of collective ownership. Tsi (2000) states that social capital enhances the ability to form new relationships, integrates internal resources and knowledge, and transfers tacit knowledge resulting in competitive advantages.

Chepsergon and Nkaabu (2021) created a framework for the relationships between competitive advantage, social capital, and absorptive capacity. The results showed that absorptive capacity and competitive advantage are positively affected by social capital.

Pratono et al. (2016) assessed the correlation between social capital, marketing capability, and competitive advantage. The results prove that organizations can gain a competitive advantage using social capital. Chuang et al. (2016) researched the relationship between social capital and competitive advantage, taking collective learning and absorptive capacity as mediating variables. Evidence supported this assumption. Moreover, cooperative learning and absorptive capacity are significantly related to social capital.

Confidence among members of an organization decreases opportunism and the need to allocate significant funds (Jiang & Ritchie, 2017) to improve the efficacy of social capital accumulation (Czakon & Czernek, 2016). According to Nahapiet and Ghoshal (1998), network-embedded members constitute a vital network resource, such as trust, collective activities, and a sense of collective ownership. Tsi (2000) states that social capital enhances the ability to form new relationships, integrates internal resources and knowledge, and transfers tacit knowledge resulting in competitive advantages.

Correia et al. (2019) investigated a relationship between market orientation and business performance. They chose dynamic capabilities as a mediating variable, ultimately determining business success. The findings show the mediating effect of dynamic capabilities in this relationship. These capabilities also mediate the relationships between market orientation and competitive advantage.

Fainshmidt et al. (2019) chose organizational and environmental aspects to analyze the connection between competitive advantage and dynamic capabilities. Dynamic capabilities enable differentiation and low-cost orientations, giving companies a competitive advantage in dynamic, massive situations. Breznik and Lakovnik (2016) emphasize the vital role of dynamic capabilities in today’s environment. Since dynamic capabilities are connected and intertwined, disregarding the deployment of a single dynamic capability can hinder other dynamic capabilities.
allows for investigating, recognizing, and identifying unfamiliar tasks. This added value enables NGOs to adapt quickly to changing situations. In a highly competitive environment, organizational learning helps NGOs adapt to risk.

Chen and Zheng (2022) analyzed whether organizational performance can be affected by organizational learning and dynamic capabilities, with technology and market environments serving as moderators. It was found that organizational learning improves resource integration and reconfiguration, improving organizational effectiveness. According to Farzaneh et al. (2021), the relationship between organizational learning and organizational performance has been widely analyzed, but there is little evidence of its effect on organizational innovation. Following the knowledge-based view and dynamic capability theory, studies created a model to assess the impact of organizational learning on dynamic capabilities, promoting innovation performance. The findings showed a significant positive association between these variables.

Following the literature review, the purpose of this study is to investigate the connections and the mediating link between the factors stimulating NGO competitiveness. Figure 1 shows the theoretical model of the study, namely the direct and indirect effects between the research variables. The study elaborates on the following hypotheses:

H1a: Dynamic capability mediates the positive effect between shared goals and a differential business strategy.

H1b: Differential business strategy mediates the positive effect between dynamic capability and competitive advantage.

H1c: Social capital mediates the positive effect between shared goals and competitive advantage.

H2a: Organizational learning moderates the positive effect between shared goals and dynamic capability.

H2b: Organizational learning moderates the positive effect between shared goals and social capital.

H2c: Organizational learning moderates the positive effect between differential strategy and competitive advantage.

H2d: Organizational learning moderates the positive effect between social capital and competitive advantage.

2. METHODOLOGY

The study relied on primary data gathered using a questionnaire. The respondents were selected using the snowball sampling approach. There are approximately 61 internationally recognized NGOs in Jordan; data for the study were gathered from both national and foreign NGOs established in Jordan. The sample comprises country, public relations, finance, and human resource directors and human rights program, the M&E, peace-build-
To create a questionnaire, the study followed these stages:

1) conducting a thorough literature review;

2) discussing the content of measured items and the data collection strategy; and

3) reviewing the questionnaire by four members of the research team.

Six well-trained research assistants were employed to collect data and engage with participants. Of the 150 questionnaires distributed to Jordanian NGOs, 138 were returned, and after eliminating missing data and incomplete items, 100 were deemed usable.

3. RESULTS

3.1. Demographic information

Table 1 shows the participants’ demographics. 52 were male (52%), and 48 were female (48%); the ages of participants ranged from 25 years (20%), > 25 years (25%), 40 years (25%), and above 40 years (30%).

Table 1. Demographics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 25 years</td>
<td>20</td>
<td>20.0</td>
</tr>
<tr>
<td>25-40 years</td>
<td>25</td>
<td>25.0</td>
</tr>
<tr>
<td>40-50 years</td>
<td>25</td>
<td>25.0</td>
</tr>
<tr>
<td>&gt; 50 years</td>
<td>30</td>
<td>30.0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>62</td>
<td>62.0</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>14</td>
<td>14.0</td>
</tr>
<tr>
<td>Doctorate</td>
<td>24</td>
<td>24.0</td>
</tr>
</tbody>
</table>

3.2. KMO and Bartlett’s test

Pre-analysis tests were carried out to confirm that the acquired data were suitable for factor analysis. The test for Kaiser-Meyer-Olkin (KMO) is used to determine sample appropriateness (Field, 2005). Kaiser and Rice (1974) recommend a minimum value of 0.5 for sample adequacy. Values from 0.5-0.7 are considered poor and decent between 0.7-0.8, while values from 0.8-0.9 are considered high, and values beyond 0.9 are excellent (Field, 2009). A value of .891 obtained in the investigation shows that the sample collected for this study is suitable.

Bartlett’s sphericity test (Bartlett, 1954) indicates the strength of the association between the variables. It tests the null hypothesis of an identity matrix that the original correlation matrix reflects unconnected variables in a population. A major test results in the null hypothesis being rejected and reflects relationship between the variables. This further confirms the suitability of the factor analysis for the sampled data. The Bartlett’s test (Table 2) shows importance when p is less than 0.01; this suggests the fitness of the factor analysis sample.

<table>
<thead>
<tr>
<th>Table 2. KMO test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
</tr>
<tr>
<td>Df</td>
</tr>
<tr>
<td>Sig.</td>
</tr>
</tbody>
</table>

3.3. Factor loading

Tables 3 and 4 show loadings, reliability, and validity of the measurement model. However, the SerQ4 charge factor was not satisfied, as the load factor was 0.60. The study also looked at multi-linearity and common method bias (CMB). Any research endeavor may contain a multi-linearity problem. This means that the variance of exterior structures provided by the internal structure overlaps, and no single variation can be described by the internal variable (O’Brien 2007). The changing inflation factor extensively tests and assesses the multicollinearity score (VIF) (O’Brien, 2007). Current analysis on CMB has highlighted the need to determine the impact of CMB on statistical outcomes (Chin et al., 2012). According to Kock (2015), the presence of VIF greater than 3.3 indicates a multi-linearity problem and suggests that a model has a CMB. As demonstrated in Table 4, all VIF values are less than the key value, meaning no CMB or multi-coordinate problem.
3.4. Structural model

Since the dependability and validity are attained, the study assesses the structural model, i.e., it tests the hypotheses, evaluates R-square, predictive relevance $Q^2$, effect size ($f^2$), and model fit.

Figure 2 and Table 5 show shows the results of the structured equation model, in which the relationships between the studied variables are clarified.

Table 3. Factor loadings, composite reliability, and convergent validity

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Dimensions</th>
<th>Items</th>
<th>Factor loadings</th>
<th>CR (α)</th>
<th>AVE</th>
<th>DV</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGOs Construct</td>
<td>Social Capital (SC)</td>
<td>SC1</td>
<td>0.812</td>
<td>0.960</td>
<td>0.884</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SC2</td>
<td>0.738</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SC3</td>
<td>0.809</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SC4</td>
<td>0.821</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dynamic Capabilities</td>
<td>DC1</td>
<td>0.875</td>
<td>0.813</td>
<td>0.620</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(DC)</td>
<td>DC2</td>
<td>0.908</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DC3</td>
<td>0.942</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shared Goals (SG)</td>
<td>SG1</td>
<td>0.795</td>
<td>0.912</td>
<td>0.621</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SG2</td>
<td>0.932</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SG3</td>
<td>0.903</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Differential Strategies</td>
<td>DS1</td>
<td>0.981</td>
<td>0.874</td>
<td>0.849</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DS2</td>
<td>0.850</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DS3</td>
<td>0.771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organizational Comp.</td>
<td>OL1</td>
<td>0.935</td>
<td>0.832</td>
<td>0.783</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 4. Discriminant validity analysis and multicollinearity test

<table>
<thead>
<tr>
<th>CR</th>
<th>AVE</th>
<th>SC</th>
<th>DC</th>
<th>SG</th>
<th>DS</th>
<th>OL</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC</td>
<td>0.960</td>
<td>0.884</td>
<td>0.947</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1.583</td>
</tr>
<tr>
<td>DC</td>
<td>0.813</td>
<td>0.620</td>
<td>0.351</td>
<td>0.798</td>
<td>–</td>
<td>–</td>
<td>1.141</td>
</tr>
<tr>
<td>SG</td>
<td>0.912</td>
<td>0.621</td>
<td>0.417</td>
<td>0.209</td>
<td>0.824</td>
<td>–</td>
<td>1.217</td>
</tr>
<tr>
<td>DS</td>
<td>0.874</td>
<td>0.849</td>
<td>0.844</td>
<td>0.405</td>
<td>0.424</td>
<td>0.958</td>
<td>–</td>
</tr>
<tr>
<td>OL</td>
<td>0.832</td>
<td>0.783</td>
<td>0.453</td>
<td>0.151</td>
<td>0.202</td>
<td>0.481</td>
<td>0.863</td>
</tr>
</tbody>
</table>

3.5. Hypotheses testing and R-squared

A bootstrapping with 100 samples was used for hypothesis testing. Table 6 depicts the path coefficients of the model’s linkages between the constructs and summarizes hypotheses testing results.

This study analyzes t and p values to check if β values are statistically significant (i.e., at p < 0.05).

Table 5. Cross loadings

<table>
<thead>
<tr>
<th>Items</th>
<th>DC</th>
<th>DS</th>
<th>SC</th>
<th>SG</th>
<th>CA</th>
<th>OL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC1</td>
<td>0.875</td>
<td>0.201</td>
<td>0.421</td>
<td>0.705</td>
<td>0.441</td>
<td>0.766</td>
</tr>
<tr>
<td>DC2</td>
<td>0.908</td>
<td>0.321</td>
<td>0.436</td>
<td>0.714</td>
<td>0.441</td>
<td>0.705</td>
</tr>
<tr>
<td>DC3</td>
<td>0.942</td>
<td>0.200</td>
<td>0.334</td>
<td>0.774</td>
<td>0.442</td>
<td>0.721</td>
</tr>
<tr>
<td>DS1</td>
<td>0.311</td>
<td>0.981</td>
<td>0.388</td>
<td>0.706</td>
<td>0.395</td>
<td>0.732</td>
</tr>
<tr>
<td>DS2</td>
<td>0.323</td>
<td>0.850</td>
<td>0.160</td>
<td>0.372</td>
<td>0.162</td>
<td>0.331</td>
</tr>
<tr>
<td>DS3</td>
<td>0.269</td>
<td>0.771</td>
<td>0.102</td>
<td>0.259</td>
<td>0.038</td>
<td>0.203</td>
</tr>
<tr>
<td>SC1</td>
<td>0.252</td>
<td>0.115</td>
<td>0.812</td>
<td>0.318</td>
<td>0.152</td>
<td>0.224</td>
</tr>
<tr>
<td>SC2</td>
<td>0.232</td>
<td>0.265</td>
<td>0.738</td>
<td>0.321</td>
<td>0.105</td>
<td>0.245</td>
</tr>
<tr>
<td>SC3</td>
<td>0.357</td>
<td>0.211</td>
<td>0.809</td>
<td>0.318</td>
<td>0.075</td>
<td>0.273</td>
</tr>
<tr>
<td>SC4</td>
<td>0.423</td>
<td>0.123</td>
<td>0.821</td>
<td>0.453</td>
<td>0.261</td>
<td>0.377</td>
</tr>
<tr>
<td>SG1</td>
<td>0.156</td>
<td>0.141</td>
<td>0.210</td>
<td>0.795</td>
<td>0.120</td>
<td>0.163</td>
</tr>
<tr>
<td>SG2</td>
<td>0.748</td>
<td>0.382</td>
<td>0.432</td>
<td>0.932</td>
<td>0.502</td>
<td>0.766</td>
</tr>
<tr>
<td>SG3</td>
<td>0.700</td>
<td>0.387</td>
<td>0.402</td>
<td>0.903</td>
<td>0.417</td>
<td>0.728</td>
</tr>
<tr>
<td>OL1</td>
<td>0.643</td>
<td>0.272</td>
<td>0.285</td>
<td>0.712</td>
<td>0.402</td>
<td>0.935</td>
</tr>
</tbody>
</table>
R-squared refers to the percentage of variation in the dependent variable that independent variables collectively explain. According to Falk and Miller (1992), the $R^2$ value should be equal to or greater than 0.10 to be substantial.

### 3.5.1. Effect sizes ($f^2$) and predictive relevance $Q^2$

This study examined effect sizes ($f^2$) (0.35 implies a big effect, 0.15 to 0.35 shows medium effect, 0.02 to 0.15 shows low effect, and less than 0.02 means no effect). Following Cohen (1988), p-values show the presence but do not reveal the size of the effect. The study applied Cohen’s $f^2$ to measure the effect size of each SEM path (Urbach & Ahlemann, 2010). Table 6 shows that all $Q^2$ values are greater than zero; this confirms the model’s predictive relevance to the latent endogenous variables.

### 3.5.2. Model fit

The study also checks the model fit. Standard Root Mean Square Residual (SRMR) is calculated by a decrease value of 0.08 (Henseler et al., 2016). For
this study, the SRMR for PLS 3 is 0.0710, fewer than the literature cuts. The fitness of the model (GoF) is defined as “how well the model shows the covariance matrix between the indexes observed” (Hair et al., 2010, p. 769).

This index is an overall measure of the model (measurement and structural). This gives a single assessment of the complete performance of the model prediction (Vinzi et al., 2010). There is no global fitness measure in PLS. This paper, however, proposes to define the worldwide GoF as the geometric average for endogenous structures combining AVE and R² (Tenenhaus et al., 2005).

\[
\text{GoF} = R^2 \cdot \text{AVE},
\]

where GoF less than 0.1 – No fit; GoF between 0.1 to 0.25 – Small; GoF between 0.25 and 0.36 – Medium; and GoF greater than 0.36 – Large.

As calculated using this formula, the model’s GoF for the present study is > 0.29, which is deemed large.

The results in Table 6 showed the acceptance of the hypotheses (H1a- H1b- H1c- H2a- H2b- H2e), and the rejection of the two hypotheses (H2c- H2d).

4. DISCUSSION

The findings highlight dynamic capabilities’ role in mediating the interactions between shared goals and differential strategies (Linton & Kask, 2017). The connection between dynamic skills and an advantage in competitive markets is mediated through various business tactics. The findings suggest that varied strategies mediate the connection between dynamic capabilities and competitive advantage. Social capital mediates the association between common goals and competitive advantages (Spanos & Lioukas, 2001). The findings indicate that social capital plays a role in mediating the connection between shared goals and competitive advantage. The relationship between common goals and dynamic capacities is modified by organizational learning. The findings point to the fact that organizational learning moderates the linkages between shared goals and differential strategies (Jiang & Ritchie, 2017).

In addition, organizational learning mediates the relationship between shared objectives and social capital. The findings point to the moderating effect that organizational learning has on the interactions between shared goals and social capital. The connection between dynamic and differentiated policies is modified by organizational learning (Mani & Nandkumar, 2016).

The findings of this study contribute to a better understanding and identification of competitive advantages through an experimental analysis of how management practices may assist non-governmental organizations in thriving in an environment characterized by intense rivalry. When it comes to internal capacity and an external market approach, the use of mediation and moderation in non-governmental organizations boosts the worth of the findings and the scope of their application.

CONCLUSION

The aim of the study is to explore the relationships between dynamic capabilities, differentiated strategies, social capital, common goals, organization learning, and competitive advantage in Jordanian NGOs. The findings highlight that to achieve a high level of organic learning, managers must construct internal and external capacities and strategies. A high organizational education may assist organizations that do not have a competitive edge in building both their internal and external capabilities and achieving success. Goals can also be united by expanding dynamic capacity and social capital. Training for the organization was more beneficial than merely an evaluation.

The findings shed light on the management strategies used by NGOs in Jordan. Depending on the circumstances and a manager, these strategies can either help or hinder organizational learning. NGOs can improve their organizational learning and competitiveness by cultivating social capital, experience, and capabilities through human resource development; sharing beliefs and knowledge with colleagues may
strengthen interpersonal, cognitive, and social structural capital. The high learning needs of an organization lead to a culture that is more sensitive to competitive issues and compels the organization to develop its internal and external skills. The findings cast doubt on the theory that extensive organizational training increases the intellectual capital of businesses and provides them with an advantage in the marketplace.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This study has several limitations and offers ideas for further investigations. Future research can examine other features connected to social capital, common goals, dynamic capacity, differential strategy, and competitive advantage. More constructs, characteristics, and factors might be examined. Several alternative competitive advantage performance indicators may be added, such as innovation in services, production of knowledge, or capacity for knowledge development.

AUTHOR CONTRIBUTIONS

Conceptualization: Khalid Alomari.
Data curation: Hamza Alaodat.
Formal analysis: Khalid Alomari, Jihad Farajat.
Funding acquisition: Khalid Alomari, Jihad Farajat.
Investigation: Khalid Alomari, Jihad Farajat, Hamza Alaodat.
Methodology: Khalid Alomari.
Project administration: Khalid Alomari.
Resources: Khalid Alomari, Jihad Farajat.
Software: Khalid Alomari.
Supervision: Khalid Alomari.
Validation: Khalid Alomari.
Visualization: Hamza Alaodat.
Writing – original draft: Jihad Farajat, Hamza Alaodat.
Writing – review & editing: Khalid Alomari, Jihad Farajat.

ACKNOWLEDGMENT

The study is funded by Alhussein Bin Talal University, fund decision (288/2022).

REFERENCES


