

## **The Impact of human capital on Business organizations competitive advantage by mediating the effect of organizational commitment**

**<sup>1</sup>Iman Amer Al-Dahhan**

University of Baghdad /Continuing education center

emanaldahhan@gmail.com

**<sup>2</sup>Saad A.H.Al-Enzi**

Ashour University/Administration &Economics College

**<sup>3</sup>Ahmed abed manhood**

Ministry of higher education and scientific research

### **Abstract**

Technological changes and developments have forced all organizations to acquire human capital with specifications and qualifications that enable organizations to compete and respond to the changes taking place in a way that ensures their survival and continuity in the labor market by employing the knowledge, abilities, and skills of their human resources to enable them to achieve competitive advantage. Thus, the orientation of business organizations is based on the role of human capital in economic development, especially under the umbrella of the knowledge economy, which relied on knowledge in jobs and business, which prompted organizations to pay attention to human capital and how to develop and retain it. This research aims to discover and understand the relationship between the basic variables of research (human capital, and competitive advantage by mediating organizational commitment) To compete and achieve competitive advantage in profitability, low cost, achieve quality and raise market share.

The research sample targeted the top management (faculty) in 12 of the Iraqi private universities in the province of Baghdad exclusively 110 teaching staff. The path analysis method was used to determine the effect of relationships between the study variables identified in the model and to study their direct and indirect effects. Which will be through which to test the basic hypotheses and come up with the results of this study as well as the answer to the problem raised based on the findings.

The study concluded with the most important results of the effective role played by human capital in maximizing profitability, raising market share, reducing costs and achieving quality in the private colleges. As well as the important role played by organizational commitment as an intermediate variable between the two basic variables.

**Keywords:** Human Capital, Organizational Commitment, Competitive Advantage

## 1.Introduction

In the midst of our changing world and increasing competition in global markets. Contemporary business organizations must look for new competitive advantages that contribute to their competitiveness in these markets. One of the most important assets in these organizations is the workforce owned (Marimuthu, et al., 2009: 26). Human capital is also the driving force of competitive advantage for business today, where, if properly invested, human capital represents the innate capacity acquired in individuals that leads to an increase in the added economic value in all business areas. ( Alnidawi, et al.,2017:64)

The concept of human capital has been linked to the emergence of learning organizations, Where the organizations began to increase their orientation towards increasing and developing the knowledge and skills of their employees and acquiring their abilities and skills and encourage creative and innovative abilities to reach the achievement of its objectives and goals and the interest of its workers, These organizations have enriched the value of their human capital (Alnachefi & Alhajja, 2017: 53) and therefore need to invest their resources through the holistic development of human capital to achieve sustainability and organizational goals and to ensure that workers have the knowledge, skills, and competencies required to work effectively in a challenging and fast-changing work environment. Providing the right environment for employees and strengthening social bonds reinforces a sense of belonging and commitment towards the organization. Employees with a strong commitment to their organizations thus become a source of strength to help them achieve a competitive advantage, maintain their viability and compete with other organizations in the marketplace. (laeka 2018: p 77)

Economist Adam Smith stressed in his famous book "The Wealth of Nations" that the skills, qualifications, and experience gained by the individual during learning is the cornerstone of fixed capital, and the large financial cost to spend on, these talents are an important aspect of the wealth of the individual, which is An essential part of the wealth of the society in which it is a member in. (Shabbat, Deli, 2018: p. 497) It is the only wealth that cannot be imitated easily and is the main way to compete in today's knowledge economy societies. This has a major role in creating organizational value (Silvestre, 2018: 35) and these days human capital has been considered the most important element to achieve competitive advantage in most organizations, As an intangible organizational asset, it is essentially representative of the qualifications of all organization personnel. ( Henderson,2017:1) These qualifications include skills such as education, experience, ability, and capability. Therefore, it has become recognized that if the organization knows how its human capital contributes to its success, it is possible to manage and measure the capabilities of this organization effectively. Human capital development is,

therefore, the main challenge facing business leaders to formulate future competitive strategies (Memon, 2009: 4182).

## **2. Research methodology and previous studies**

### **1.2: Research methodology framework**

#### **1.1.2 Research problem**

Rapid changes have been imposed on contemporary organizations to possess human capital with distinctive characteristics that enable them to respond to these changes and achieve competitive advantage and put them at the forefront. Universities and educational institutions have been and continue to be the main source of providing state institutions with scientific capabilities that can compete in the competition, as well as one of the reasons for economic progress is the development of higher education institutions. Educational institutions are demanding not only distinctive human abilities but also a quality capable of activating them to become one of their competitive advantages.

The educational sector in Iraq is growing and increasing through the establishment of private educational institutions, each trying to achieve the competitive advantage that distinguishes it from its counterparts, and through the human capital, which possesses all dimensions. Accordingly, the problem of research can be expressed in the following main question:

**What is the impact of human capital in all its dimensions on achieving competitive advantage and does organization commitment mediate the relationship between human capital and competitive advantage?**

#### **1-2.2. The importance of research**

The human capital variable is one of the contemporary variables that has attracted increasing interest by institutions aiming to achieve competitive advantage in light of the rapid and complex changes in the world today, which is one of the most important challenges facing these organizations through the possession of innovative and creative minds with scientific expertise and knowledge and qualifications Teamwork enables them to create and achieve the competitive advantage that ensures the continuity and success of their counterparts from educational institutions researched. The importance of this research has emerged through:

- 1- Scientific addition in diagnosing the fundamental role played by human capital, which is one of the most important assets owned by organizations in achieving competitive advantage.
- 2- Highlighting the concept of human capital and its importance as one of the vital and fundamental topics in the success of institutions.

### 1.3.2. Research objectives

This research seeks to achieve the objectives below:

1. Knowledge of the level of human capital and organizational commitment among educational institutions of the research sample institutions.
- 2 - shed light on the effective role of human capital in private educational institutions in Iraq and the extent of its contribution to achieve competitive advantage through regulatory commitment.
- 3 - Reveal the most important dimensions of human capital owned by educational institutions researched and its role in achieving competitive advantage through an organizational commitment to its three dimensions.
4. Measure variable competitive advantage and verify its existence under human capital in research sample institutions.
- 5 - To reveal the extent of knowledge and awareness of university leaders in colleges' research sample of the concept of human capital and how to measure in their colleges.

### 1.4.2. Research model and hypotheses

The research requires the preparation of a hypothetical model that illustrates the different relationships between research variables that contribute to the achievement of its objectives as described below.

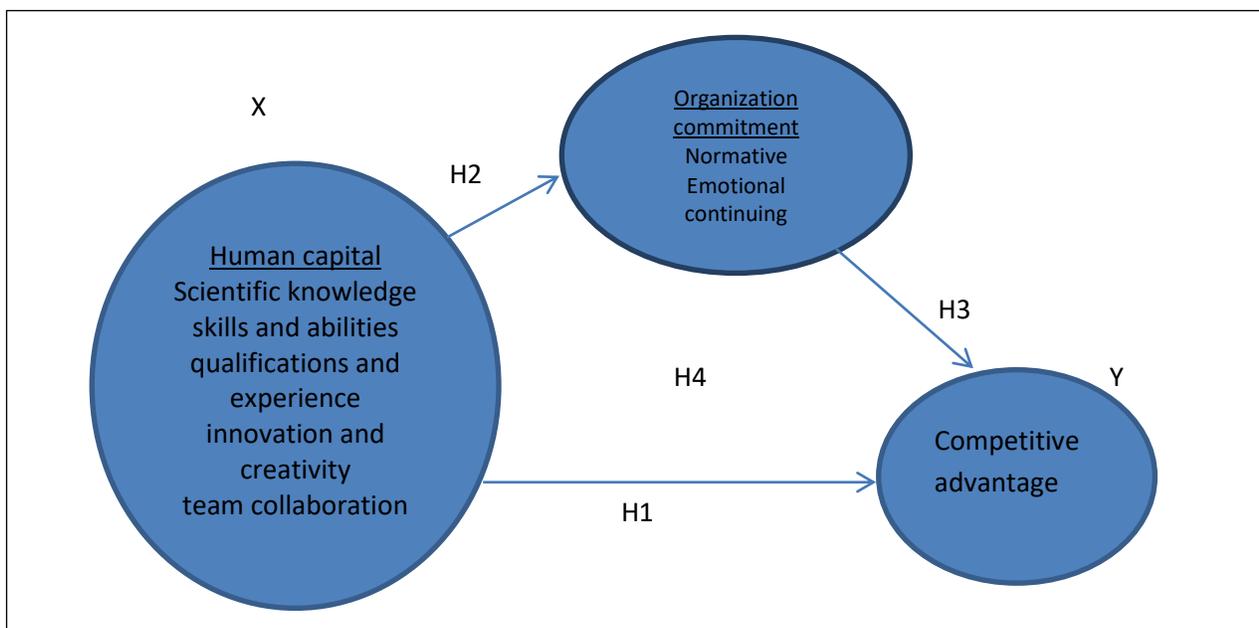


Figure ( ) Analysis of the mediation model of the search variables

### 1.5.2 Research hypotheses

**H1: There is a statistically significant impact of human capital (scientific knowledge, skills, and abilities, qualifications and experience, innovation and creativity, team collaboration) in the competitive advantage of Iraqi private colleges.**

**H2: There is a statistically significant impact of human capital (scientific knowledge, skills, and abilities, qualifications and experience, innovation and creativity, team collaboration) in the faculty organizational commitment.**

**H3: There is a statistically significant effect of organizational commitment (normative commitment, emotional commitment, and continuous commitment) in the competitive advantage of Iraqi private colleges.**

**H4: There is a statistically significant impact of human capital (scientific knowledge, skills, and abilities, qualifications, and experience, innovation, and creativity, team collaboration) in the competitive advantage of Iraqi private colleges by mediating organizational commitment (normative commitment, emotional commitment, and continuous commitment) for the college faculty.**

### 1.6.2. Data collection

Study Tool: The previous studies were used to develop the study questionnaire related to the three variables, which included (50) paragraphs distributed on the Likert five-scale scale for multiple options. The questionnaire form was adopted as a tool to obtain data on the study variables. The questionnaire consisted of four Themes: the first axis of personal information.

The second axis: human capital and its five dimensions (scientific knowledge, skills, and abilities, qualifications, and experience, innovation and creativity, and innovation, team collaboration) prepared by ((Schultz 1961, Rastogi 2002) which have been changed and adapted to the views of the judges without affecting the essence of its terms and included (25) question. The third axis included (15) questions about the organizational commitment to its three dimensions (continuous commitment, emotional commitment, and normative commitment) and adopted the scale of Mayer & Allen, 1991))The fourth axis is for competitive advantage, which included (10) questions. 110 questionnaires were distributed to university leaders in these colleges. 102 valid questionnaires were retrieved for statistical analysis.

### 1.7.2. Statistical methods used for analysis

To test the hypotheses of the study, several statistical methods were selected and used, including the path analysis method to determine the effect and impact relationships between the study variables identified in the model and to study their direct and indirect effects through the use of SPSS applications. Which will test the basic hypotheses and come up with the .

### 3. Theoretical Side

#### 1.3.The concept of human capital

While the concept of human capital was evident in the literature of management and economic sciences more than 200 years ago, the theory of human capital was rooted in the field of economic development theory, as confirmed by Schultz in 1961 and the writings of Baker 1964 (Stiles & Kulvisaechana, 2010: 39) The theory of human capital has gained attention only in the last twenty years through the work of the American economist (1961) when Schultz realized the importance of knowledge, skills, and capabilities in the growth of local or national economic output. (Goldin, 2014: 2) The human capital of Schults represents the total number of individuals with expertise, competencies and intellectual abilities resulting from their level of education, experience, and knowledge, which yields value to the organization as a result of its use and exploitation of all available resources (Movahedi et al, 2015: 132). Madfouni defined it as the total workforce that possesses the ability, thinking, innovation and innovation, because of the tacit knowledge inherent in the minds of employees that create leadership skills, good decisions and dealing with risks, it reflects the effectiveness of the organization in managing its tangible and intangible resources (Madfouni, 2016: p 130).

There has been considerable debate among researchers about embracing the human capital as the most important asset in the organization since it is the source of creativity; (Massingham &wing yin,2015:5) It is known as the sum of the employee's skills, abilities, and experience (Arsalan, et al., 2013: 77) and is referred to as "knowledge, skills, competencies, and qualities embodied in individuals, which facilitate the creation of the social and economic personality of well-being." (Alnachef1, Alhajjar, 2017: 1154)

(Shopeer, 2015) also defined it as employees who have a set of knowledge, competencies, expertise, and skills that can introduce fundamental changes and the ability to produce new ideas and apply new methods in organizations as a result of continuous improvement and continuous innovation and minds that possess extensive knowledge that makes organizations Distinguished from its counterparts in global markets through the ability to respond promptly to the requirements of customers as well as seize the opportunity provided by new technologies (Shopeer, 2015: p. 34)

Despite the different definitions of human capital in terms of its components, but it refers to one meaning, which mostly views human capital as being represented by the individual's knowledge and intellectual abilities, skills, and experience of work, creative abilities, and innovations which goes away when individuals leave the organization, or stay with them and be a source of competitive advantage through their stay in the organization. As well as the non-appearance of human capital in the financial statements (Miftah, 2017: 5)

By reviewing some of what the researchers said in the definition of human capital, the researchers defined it as "The intellectual properties, experiences and knowledge stored by the

individual, and the implicit creative and innovative capabilities of employees that the organization enjoys without owning it in the organization.

### **2.3.Human capital components**

The increase of literature and research on the main components of human capital, both from the viewpoint of the researcher such as Massingham & Tam,( 2015) Beskese & Kahraman, 2007; Folloni & Vittadini (2010); Vidottoetal. (2017); Nyberg, Moliterno, & Hale (2012)) where these researchers have identified the components of human capital in sub-structures, namely the ability of the worker, the satisfaction of the worker and the commitment of the worker to the organization to which he belongs. The first is based on the theory of intellectual capital, while others rely on psychometric theory (Massingham & Tam, 2015: 4)

Accordingly, the researchers emphasized several key components of human capital according to (Schultz 1961):

1 - Scientific knowledge: a comprehensive and general concept with all the provisions, perceptions, concepts and beliefs in various areas of human activity. "It also means" that tremendous balance of knowledge, science and information acquired by a man during his long journey with his senses, thought and mind. "(Vidotto & Ferenhof, 2017: 317)

2- Skills and abilities: The skill has been defined as a special willingness less specific than the ability, formed in humans, as a result of repeated and continuous exercises. Skill is a willingness that helps to acquire and possess the ability. Capacity has been defined as general energy formed by an individual as a result of internal and external buoys that gain it (Tumwine et al., 2015:76).

3. Qualifications and Experience: Qualifications (Abu Al-Rous, 2015) are defined as natural or acquired preparations that make an individual eligible for work or something beneficial to him. The experience is the sum of the experiences experienced by a man during his life. Scientific and professional qualifications play a big role in the development and improvement of human capital in several aspects (Folloni & Vittadini, 2010: 1100).

4-Innovation, creativity, and innovation: Innovation is defined as a function of knowledge, curiosity, imagination, and evaluation. The greater the knowledge base and level of curiosity of an individual, the more ideas, patterns, and combinations you can achieve (Sipa, 2018: 4), which are then associated with the creation of new and innovative products and services (Danial Burrs, 2018: 1). Creativity was defined as introducing something new or different. The act of innovation introduces new ideas, methods or approaches. It is also a set of processes carried out by individuals with their intellectual and mental abilities that enable them to come up with an idea, method or theory that will benefit the organization to which they belong. (Galovská, 2015: 3), Galovská also considers Innovation is one of the most important and essential elements in the success of organizations.

5- Team cooperation: means the group, whose members have different skills complement each other in agreement on common goals and objectives is the responsibility of members of the group in the achievement of these goals and objectives and whenever the teams are active become an essential tool in achieving success and continuity. (Mamari, 2015: p. 5)

### **3.3.Organizational Commitment**

Organizational commitment at present is one of the important issues in the administrative field that has received widespread attention among researchers and authors in the field of organizational behavior because of its significant impact on the success and survival of business organizations (Ashouri, 2015: 35) as the changes that have occurred in the structures and construction of contemporary organizations She highlighted the urgent need to study this type of human behavior. Several studies, researches, and academic literature have pointed to many concepts, theories, and models that attempt to enhance people's understanding of the motivations behind the organizational commitment. (Bryna, 2014: 13).Organizational commitment reflects the willingness of employees towards the organization as individuals who feel they have a long-term future in their organization are more likely to commit to behaviors and attitudes that are consistent with their goals and success. These individuals are more likely to collaborate with management, engage in change, share experiences, and develop their institutional capacity. (Massingham & tam, 2015: 11) Employees with a strong commitment to their organizations are a source of strength to help them achieve a competitive advantage, maintain their survival and compete with other organizations in the marketplace. (Anttila, 2014: 20)

### **4.3.Organizational Commitment Concept**

The views and opinions of many researchers and authors (Anttila, 2014: 3) differed on the concept of organizational commitment, but they agreed on the fundamentals of the concept, including a commitment to work and duties, and commitment to teamwork (Cohen 2007, 336). Organizational commitment is the positive or negative attitudes of individuals towards their organization. Organizational commitment is also a strong sense of loyalty by individuals towards the organization through which the organization will be defined. (Sheldon) identifies organizational commitment as the attitude or orientation that binds an individual's identity to the organization,( Hayati & Sayadi, 2014: 171). Some saw it as the effort of the worker for the organization of which he is a member and his willingness to provide the best money to achieve its goals and success (Wing Yin Leona Tam 2015: 4)

(Sendogdu et al., 2013: 819) pointed out that organizational commitment is a bridge between the individual and the organization concerning their careers. As explained (Saleh, 2016: p. 12) that commitment is an indicator of the desire of the worker to remain in the membership of the organization or not.

Some have defined it as psychological and social behavior in which the goals of the employees correspond to the goals of the organization and the sense of each other's duties towards the other,

as well as the strong desire to adhere to the values of the organization and belong to it and defend and continue to work in it (E. Silvestre et al., 2018: 38)

Also (Al-Saqqaf, 2015: p. 82) defined it as an organizational phenomenon that reflects the behavior of individuals and their actions and reflects the level of loyalty they feel towards their organizations. From the point of view (Hassan, 2016) that the commitment is sincerity and belonging is the uncle and support for the organization and is the key to know the level of harmony among the personnel as well as the desire of workers to have a positive work environment. (Hassan 386: 2016)

Buchanan (1974) described him as an advocate and supporter of the organization.

1- Identification: Identification means the adoption of identical goals and values between the worker and the organization.

2 - Involvement: ((Involvement which is the immersion of the worker in the tasks, duties, and activities of the organization.

3. Loyalty: Commitment, which means the emotional feeling or great emotional attachment that the worker carries towards the organization (Laiqa, 2018: p 163)

Jaros (2007) noted that organizational commitment is a bridge between the individual and the organization concerning their career path. ( Jaros,2007:7) Ahmad & Schroeder (2003) explained that commitment is an indicator of whether a worker has the desire to remain in the organization or not. It is also an indication of whether the human resource management practices used in the organization can strengthen the psychological linkages between organizational and staff objectives, It is an intangible outcome of the human resources management system which is important in retaining staff (Ahmad & Schroeder, 2003: 26).

### **5.3.The basic characteristics of organizational commitment**

Each of () referred to the most important characteristics of the organizational commitment as one of the most important behavioral factors that the worker is doing towards his organization for its success and the continuity of its survival as shown below

- Is the willingness to make the utmost effort by the worker for the benefit of the organization to continue and succeed in accepting and believing in its values and objectives.
- Organizational commitment refers to the strong desire of the worker to develop social relations between him and his employees to provide the organization with vitality and loyalty.
- Organizational commitment is multidimensional according to the viewpoint of researchers.
- Referred to as a psychological relationship between the worker and the organization.

- Organizational commitment affects the employee's continuity or discontinuity in the organization.
- Organizational commitment is an intangible feeling embodied in the loyalty of employees to their organizations.

### **6.3 The importance of organizational commitment**

The importance of the concept of organizational commitment was reflected in the contemporary management literature in general and the Arab management literature in particular (Ashouri, 2015: p. 54). These studies have unquestionably emphasized the urgent need to research these new concepts because of their importance in the success and survival of organizations. It is one of the most important behavioral variables. Studies have proved the effective role played by organizational commitment when increasing its levels among workers in organizations through low levels of turnover as well as low absenteeism and improved job performance in addition to a high sense of satisfaction in the workplace and the lives of workers at home and family engagement (Hassan, 2016: p. 388)

### **7.3.(Mayer & Allen, 1991) Model of Organizational Commitment**

Researchers and academics dealt with many explanatory models of organizational commitment and its most important dimensions. Meyer and Allen's (1991) model is one of the most unanimous by most researchers (Meyer and Allen, 2007: 8). Meyer & Allen (1991), as reported in Brown (2005), developed a framework for measuring three different types of organizational commitment: emotional, normative and continuity. ( Brenya, 2014: 4)

#### **First: Emotional Commitment ((Identification))**

This is the emotional attachment of the worker with the organization and is obtained if the organization meets the needs and expectations of the worker as well as Involvement in the work of the organization. (Abazari & Amiranzadeh, 2016: 134) A worker carries this kind of commitment as a result of events, behaviors, and policies that are within the fabric of the organization and thus creates positive human relationships between them and its employees. This results in a decrease in turnover, absence, and performance. (Zorlu2010: 112)

#### **Second: Normative Commitment**

Refers to the sense of the worker to stay in the organization, where this feeling is reinforced by the organization and provide the worker with a positive interaction in the work procedures and implementation and contribute to the development of goals and plans and policy-making. (Nasiri, 2017: 88) In addition to the high ethical attachment, this comes from the moral duty or moral gratitude that a worker feels when he thinks that he should respond mutually to the organization as a result of the benefits obtained (treatment, training, work improvements, etc.) According to the public interest (Dec. 2018: 163)

### **Third: Continuing Commitment**

It means the level of employees' awareness of the benefits and benefits they receive for their continuity and loyalty to the organization compared to their loss when they leave the organization ((Meyer and Allen: 1997: 11). There is a mutual influence between these three dimensions as well as their interrelationship. (Al-Hathloul, 200222) (Al-Enezi, 2008) also indicates that workers can enjoy varying degrees of three-dimensional organizational, emotional, normative, and continuous commitment (Al-Enezi, 2008: 14).

### **8.3 Human Capital and Organizational Commitment**

When human capital is reviewed and studies in this area, it is seen that this concept is taking on a rising side by side with the rising concept of globalization and the increasing interest in this phenomenon. Therefore, the effects of capacity and success in the scope of human capital on organizational performance are among the subjects of serious and contemporary studies. (4) Furthermore, it is arguable that researchers' enthusiasm for theory and experimentation has increased against the difficulties encountered in this area (Toraman et al., 2009: 98). It is possible to say that recent studies indicate that levels of employee commitment and activation of HR applications in organizations are evaluated together. (Wright and Kehoe, 2008: 9) On the other hand, the impact of human capital on organizational commitment is one of the issues to be analyzed in terms of contemporary competitive conditions, where business organizations can employ individuals and cannot own them, and because human resources and knowledge, skills Their capabilities have become somewhat important Ada et al. 2008: 488), only the human element possesses the ability to collect, process and store knowledge within an organization., In this context, the human resources, knowledge, skills, and abilities they possess are extremely important and must be maintained or this intellectual accumulation will be lost if an individual leaves the organization (Toraman et al., 2009: 99). The trend in our time, among employees, is a sense of commitment to their areas of specialization in work and attachment to the place rather than the organization in which they work. (Yereli and Gerşil,2005:19)

### **9.3The concept of competitive advantage**

Many researchers, such as porter, developed many concepts of competitive advantage as an element of the organization's superiority over its competitors by pursuing a certain strategy of competition. Each researcher focused on an aspect of the organization's competitive advantage, some of which focused on value, while others focused on value. The activities, events, and operations of the organization while others focused on quality, as well as profitability and market share. (Mainardes, 2011: 148) .It is the set of skills, technology, resources and capabilities that the institution can invest not produce higher values and benefits than other competitors achieve (Shammari: 2010, p. 16) It is also the ability of the institution to produce goods and services of good quality at the right price and at the right time. The organization can formulate and implement strategies that put it in a better position for the rest of the organizations that

correspond to it by making the best use of its financial, technical, material and organizational resources as well as the capabilities, competencies, knowledge and other possibilities of the organization (Munizu, 2013:65) Therefore, the competitive advantage of the business organization can be defined by the researchers as the possibility and the ability to survive and continue the competition by establishing solid bases and rules based on discrimination, quality and lowest cost through optimization in the use of resources available in the organization and Encouraging creative and innovative capabilities and ideas as well as seeking to develop human capital.

### **10.3 Characteristics of competitive advantage**

Owning a competitive advantage by the business organization is one of the most difficult issues to reach and achieve, especially in light of the challenges of competition that currently exist in the global markets.

- As noted by Hassan (2017), one of the most important characteristics of competitive advantage is that it takes into account innovative ideas and creative capabilities in its policies and seeks excellence in providing its services to customers. (Hassan, 2017: p. 26)
- Competitive Advantage is the main source around which the organization's competitive strategy is formulated by developing its resources to support its competitive advantage. (Evans, 1993: 118))
- It is also the main tool owned by the business organization to meet the challenges of markets and their competitors in the markets to be able to respond to the requirements of the customer.
- It is a weapon of the organization that helps to acquire the market share of the organization in the markets to increase profits.
- It is also the force and catalyst for the development of resources and capabilities by the business organization as well as the stimulus to research and development to maintain this advantage it has (Farhati, 2016: p. 183)

### **11.3 Human Capital and Competitive Advantage**

Human capital has been a driving force for the competitive advantage that contemporary business organizations are seeking to achieve in the present time. (2014: 51 Zakaria & Yusoff)

The private sector is one of the sectors that seek to achieve its goals, whether to achieve profits to obtain the necessary financing for its operations and activities and thus to develop human capital or discrimination and thus competitiveness. ( Kucharíková et al., 2015: 48)

Throughout the continuity of the presence of organizations in the competitive environment, this requires the design and implementation of the appropriate strategy to keep companies within the competitive frameworks and accordingly take their workers with the ability, commitment,

loyalty and competitive desire to assume this responsibility, which makes the possibility of achieving the desired organizational goals and sustainability Long-term verifiable through human capital. (Brenya, 2014: 17). The importance of human capital in playing a major role in achieving competitive advantage has become greater than before because of its creation of important wealth and the success of the organization and create a competitive advantage. To create a workforce capable of providing a competitive advantage, organizations create a regulatory environment that develops knowledge and creates motivation, making it difficult to imitate by competitors (Alnidawi et al., 2017: 5). Greenwood, 2013 (Human Capital) is linked to a resource-based view (Reed, Srinivasan, & Doty, 2009). The resource-based view is that when an organization's internal resources cannot be matched, it does its part by contributing to sustaining a sustainable competitive advantage for the organization. When empowered to contribute to organizational strategy, HRM function can contribute to improved organizational performance. The resource-based model has resulted in staff being considered as the most valuable asset that an organization can take to increase its organizational competitiveness, especially if they are strategically managed (Greenwood, 2013: 2).

### **12.3 Advantages of competitive human capital**

Many researchers agree on the most important advantages that make human capital a competitive advantage such as ( Channar et al., 2015: 231)

For human capital to be a strategic resource that achieves the competitive advantage of the business organization, some of the features or characteristics described below should be available: (Galovská,2015:4)

1. Human resources have rare and distinct competencies and qualifications compared with their counterparts in current or potential competing organizations, meaning that they are difficult for competitors and cannot be acquired by them.
2. It is essential not to replace the human resource that has investigated and contributed to creating the competitive advantage of the business organization with another human resource under the strategy adopted by the business organization.
3. Difficult to imitate any competitors can not imitate them through training and qualification, any of these resources can be difficult to imitate. (Miftah, 2017: p. 45)

Figure (3) shows the most important characteristics of human resources (human capital) to achieve a competitive advantage.

## 4. The applicable side

### 1.4 .Assessment of Measurement Model.

Any research basis requires the beginning of the test of the standard form of research, which is the tests of credibility and consistency of the research questions and ensure the beginning of the ability of the data to measure the thing that was built for it As well as the ability to measure under several conditions (reliability) by relying on convergence of validity and discriminate validity:

### 2.4.The validity of building the questionnaire: KMO

1 - Factor exploratory analysis: When conducting exploratory factor analysis, it is assumed that the following are considered

- 1-1. The test value (KMO TEST) SHOULD exceed 0.50.
- 1-2. The minimum of (Eigenvalue) should be (1) for each factor.
- 1-3. The load rate of each paragraph is at least 0.50 (no less than 0.50)

1-The human capital variable consists of five sub-dimensions (scientific knowledge, skills, and abilities, qualifications, and experience, innovation, and creativity, team collaboration), and the value of KMO = 0.876 which enhances the sample size (102) faculty was appropriate and achieved the limit of (Eigen Value) and the rate of loading all paragraphs exceeds (0.50) and the total rate of explanatory variation reached was (62.62).

Table ( )The explanatory variation of the human capital variable and its dimensions)

scientific knowledge	skills and abilities	qualifications and experience	innovation and creativity	team collaboration	Human capital	Model KMO VALUE
%68.61	%55.13	%67.36	%58.40	%63.60	%63.62	0.876

### 2- Organizational commitment

Table ( )The explanatory variation of the human capital variable and its dimensions)

normative commitment	Emotional commitment	Continuing commitment	Organizational commitment	Model KMO VALUE
%67.22	%54.25	%62.10	%62.19	0.832

## 3-competitive advantage

Competitive advantage	Model KMO VALUE
%56.18	0.782

## Convergent Validity Test and Reliability Analysis

Measured Variable	Composite Reliability	Cronbach's Alpha	(Ave)Higher Than 0.50
Human capital	0.855	0.887	0.657
Organization commitment	0.740	0.801	0.623
Competitive advantage	0.756	0.722	0.588
Questionnaire as a whole (50) question	0.826	0.842	0.660

Since (AVE) is greater than (0.50) for the questionnaire as a whole and its three variables, it can be noted that it is valid and achieve the criterion of convergent validity it can be and relied on as a qualitative criterion for measuring variables and paragraphs.

The results of the stability of the Cronbach coefficient and the stability of the composite ranged more than (0.72) which indicates that there is no defect in the stability of the measuring instrument (Questionnaire)of the researched sample.

Table ( ) Descriptive statistics for analyzing the three study variables with all its dimensions.

	constructs	Mini values	Higher value	Median value	Std. deviation	Variance coefficient	Ranking
1	Independent variable Human capital	1	5	3.62	0.842	23.26	(1)
	Scientific knowledge	1	5	3.84	0.856	22.3	2
	Skills capabilities	1	5	3.78	0.849	22.5	3
	qualifications and experience	1	5	3.42	0.916	26.5	5
	innovation and creativity	1	5	3.25	0.761	23.34	4
	team collaboration	1	5	3.82	0.842	22.08	1
	Median variable Organizational commitment	1	5	3.53	0.917	25.98	(2)
	Normative commitment	1	5	3.40	0.812	23.88	2
	Emotional commitment	1	5	3.62	0.982	27.13	3
	Continuing commitment	1	5	3.58	0.719	19.94	1
	Dependent variable Competitive advantage	1	5	3.76	1.002	26.65	(3)

Table ( ) study variables as it appeared in the Questionnaire and its sources

	The basic researched variables	Sub variables	No of Questions	Paragraph's sequence	Source
1	Sample identification information	Gender	1	A	
		age	1	B	
		education	1	C	
		Occupation title	1	D	
		No of Occupation years	1	E	
2	Human capital	-	25	(1-25)	Schultz 1961, Rastogi 2002
		Scientific knowledge	5	(1-5)	
		Skills capabilities	5	(6-10)	
		qualifications and experience	5	(11-15)	
		innovation and creativity	5	(16-20)	
		team collaboration	5	(21-25)	
3	Organizational commitment	-	15	(26-40)	Mayer & Allen, 1991
		Normative commitment	5	(26-30)	
		Emotional commitment	5	(31-35)	
		Continuing commitment	5	(36-40)	
4	Competitive advantage	-	10	(41-50)	

### 3.4. Testing hypotheses:

**H1: There is a statistically significant impact of human capital (scientific knowledge, skills, and abilities, qualifications and experience, innovation and creativity, team collaboration) in the competitive advantage of Iraqi private colleges.**

**H1: The first major hypothesis: Tested by multiple regression**

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5$$

Table ( )

Supported variable	MODEL SUMMARY		R2 Modified	Variance Analysis ANOVA		Independent variable	coefficient		
	R	R2		F calculated	Model Significant		Human Capital	$\beta$	T calculated
Competitive advantage for Iraqi private colleges	0.81	0.66	0.65	147.57	0.001	scientific knowledge	0.180	2.799	0.001
						skills and abilities	0.212	3.672	0.001
						qualifications and experience	0.372	5.599	0.001
						innovation and creativity	0.272	3.952	0.001
						team collaboration	0.415	7.555	0.001

Accept the first hypothesis that the human capital in its five dimensions explains 66% of the changes that occur in the competitive advantage in the Iraqi civil colleges, There is an equivalent of 34% explanation for variables not found in the model, Enable search for them to report impact and extend the impact range. The highest impact was found for the cooperation of the team in terms of its strength in achieving competitive advantage and the least scientific knowledge as its impact was weak despite its impact on the competitive advantage.

**H2: second major hypothesis :There is a statistically significant impact of human capital (scientific knowledge, skills, and abilities, qualifications and experience, innovation and creativity, team collaboration) in the faculty organizational commitment.**

Table ( )

Supported variable	MODEL SUMMARY		R2 Modified	Variance Analysis ANOVA		Independent variable	coefficient		
	R	R2		F calculated	Model Significant		Human Capital	$\beta$	T calculated
Organization Commitment	0.871	0.76	0.94	240.22	0.001	scientific knowledge	0.220	3.871	0.001
						skills and abilities	0.198	2,882	0.001
						qualifications and experience	0.421	7.954	0.001
						innovation and creativity	0.352	5.998	0.001
						team collaboration	0.723	11.444	0.001

The second hypothesis accepted the interpretation of 67% of the impact of human capital on organizational commitment and the highest was team collaboration and the lowest was skills and abilities.

**H3: Third major hypothesis: There is a statistically significant effect of organizational commitment (normative commitment, emotional commitment, and continuous commitment) in the competitive advantage of Iraqi private colleges.**

Table ( )

Supported variable	MODEL SUMMARY		R2 Modified	Variance Analysis ANOVA		Independent variable	coefficient		
	R	R2		F calculated	Significant value		Organization al commitment	$\beta$	T calculated
Competitive Advantage	0.920	0.85	0,84	266.47	0.001	Normative commitment	0.349	7.625	0.001
						Emotional commitment	0.221	6.001	0.001
						Continuing commitment	0.260	6.677	0.001

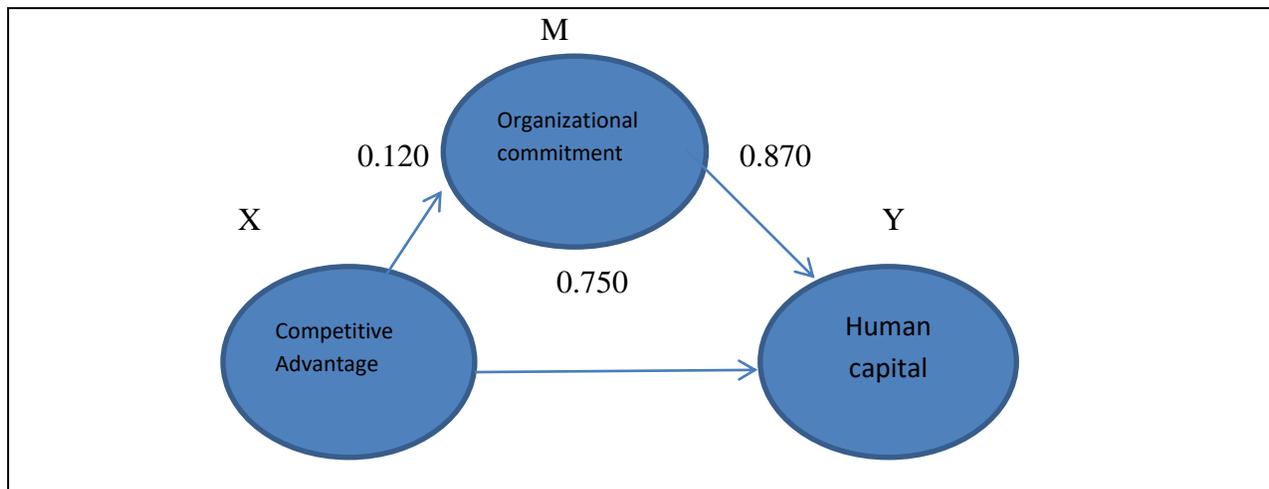
The hypothesis accepted an explanation of the impact of organizational commitment by 85% on the competitive advantage of Iraqi private colleges. The normative commitment was more effective and the emotional commitment less effective.

**H4: fourth major hypothesis: There is a statistically significant impact of human capital (scientific knowledge, skills, and abilities, qualifications, and experience, innovation, and creativity, team collaboration) in the competitive advantage of Iraqi private colleges by mediating organizational commitment (normative commitment, emotional commitment, and continuous commitment) for the college faculty.**

it was tested by using path analysis method By adopting (AMOS)program To verify the impact of human capital on the competitive advantage by mediating and the existence of organizational commitment In terms of its dimension (normative, emotional, and continuous as an intermediate variable)

Table ( )

Variable	Mediating variable	Direct effect		Indirect effect		Actual effect	
		Coefficient of the function	Level of the function	Coefficient of the function	Level of the function	Coefficient of the function	Level of the function
Human Capital in Competitive Advantage	Organizational commitment	0.750	0.001	0.120	0.001	0.870	0.001



There Is A Significant effect at the level  $P < 0.001$  with a total influence factor of 0.870, so a one-degree increase in human capital will mediate the organizational commitment with an increase of 0.87 to achieve competitive advantage for the Iraqi private colleges.

**5.Results**

1)The highest impact was found for the cooperation of the team in terms of its strength in achieving competitive advantage and the least scientific knowledge as its impact was weak despite its impact on the competitive advantage

2) the impact of human capital on organizational commitment and the highest was team collaboration and the lowest was skills and abilities.

3) explanation of the impact of organizational commitment by 85% on the competitive advantage of Iraqi private colleges. The normative commitment was more effective and the emotional commitment less effective.

4) There Is A Significant effect at the level  $P < 0.001$  with a total influence factor of 0.870, so a one-degree increase in human capital will mediate the organizational commitment with an increase of 0.87 to achieve competitive advantage for the Iraqi private colleges.

## 6. Conclusion

1) for the Iraqi private colleges The results showed that human capital plays a major role in creating a competitive advantage.

2) The presence of competitive advantage, based on the existence of efficient human capital, is having a positive effect which contributes to employee commitment.

3) Organizations should find a competitive advantage based on a distinct capital, which is the optimum method that should be used in Iraqi private colleges.

4) organizational commitment of the sample has a sufficient effect on the competitive advantage of Iraqi private colleges, especially the normative commitment

## References

1- Mohammad S. Y. A., (2016) The Impact of Human Capital on Competitive Performance: An Empirical Study on Jordanian Pharmaceutical Companies, European Scientific Journal February 2016 edition vol.12, No.4 ISSN: 1857 – 7881 (Print) e - ISSN 1857- 7431

2- Silvestre, E., Cruz, O., & Sanin, A. (2016). Human Capital Practices, Organizational Climate, and Commitment to Latin American Universities Performance. Invited conference in the IACBE Annual Conference and Assembly Meeting. Memphis: IACBE.

3- Emerson W., M.S., & João M. F., Gerson T. (2011) Creating a competitive advantage in Higher Education Institutions: proposal and test of a conceptual model, Int. J. Management in Education, Vol. 5, Nos. 2/3, pp146

4 Stephen Jaros, Meyer and Allen Model of Organizational Commitment: Measurement Issues, The Icfai Journal of Organizational Behavior, Vol. VI, No. 4, 2007

5- Natalie J. Allen John P. Meyer (1990), "The Measurement and Antecedents of Affective, Continuance and Normative Commitment to the Organization", Journal of Occupational Psychology, Vol. 63, pp. 1-18.

6- Peter R. M., Wing Y., Leona T. (2015) The relationship between human capital, value creation and employee reward, Journal of Intellectual Capital, 16 (2), 390-418. This journal article is available at Research Online

7. Ukenna, S., Ijeoma, N., Anionwu, C. and Olise, M. (2010). Effect of Investment in Human Capital Development on Organisational Performance: Empirical Examination of the Perception of Small Business Owners in Nigeria. *European Journal of Economics, Finance and Administrative Sciences*, Issue 26, November 2010. <http://www.eurojournals.com/ejefas26.htm>
- 8- Qingzhen, H. ( 2010 ), “ Xinjiang Education Investment and Economic Growth Relationship: Based on the Perspective of Human Capital”, *International Journal of Business and Management*, Vol. 5, No. 6, pp. 215-220.
- 9- Peter B.(2014) The Effect Of Human Capital Development On Employee Commitment In The Judicial Service; A Case Study Of Western Region, Master Thesis In Business Administration College of Art and Social Sciences, November School Of Business, Knust,
- 10-Shahram N.(2017) Human Resource Management, Organizational Commitment, and Organizational Performance: Development, Test, and Correction of the Causal Model, *International Review of Management and Marketing*, volume 7(3), 86-92.
- 11- Winsome G., Frederick W., Nancy W., and John Z. (2013) Human Capital as a Contributor to Organization Competitive Advantage, *E-Leader Slovenia 2013*:p3-5)
- 12- Elina A.(2014) Components Of Organizational Commitment A case study consisting of line managers from Finnish industrial company Master’s thesis, 82 p., 1 appendix October 2014
- 13-Helen, M. Helena L., Mark H. (2015). Measuring the Impact of Innovative Human Capital on Small firms Propensity to Innovate. *Research Policy*, Volume 44, Issue 4, May 2015, Pages 965-976, Elsevier
- 14-Abdul Azeez, B. A., Abdul Sattar, H. A. & Manal A. (2017) Competitive Advantage Based on Human Capital and its Impact on Organizational Sustainability: Applied Study in Jordanian Telecommunications Sector, *Journal of Management and Sustainability*; Vol. 7, No. 1; 2017 ISSN 1925-4725 E-ISSN 1925-4733 Published by Canadian Center of Science and Education
- 15- Halbast H. H., and Tarik A. (2019)The Impact of Strategic Human Resource Management Practices on Competitive Advantage Sustainability: The Mediation of Human Capital Development and Employee Commitment , *Sustainability* 2019, 11(20), 5782; <https://doi.org/10.3390/su11205782>
- 16-Emeagwal, L.; Ogbonmwan, K.O. (2018)Mapping the perceived role of strategic human resource management practices in sustainable competitive advantage. *Acad. Strategy. Manag. J.* 2018, 17, 1–9. [Google Scholar]
- 17-Mahdi, O.R.; Nassar, I.A.; Almsafir, M.K.(2019) Knowledge management processes and sustainable competitive advantage: An empirical examination in private universities. *J. Bus. Res.* 2019, 94, 320–334. [Google Scholar] [CrossRef]

- 18-Alnidawi, A.A.B.; Alshemery, A.S.H.; Abdulrahman, M. (2017)Competitive advantage based on human capital and its impact on organizational sustainability: an Applied study in the Jordanian telecommunications sector. *J. Mgmt. Sustain.* 2017, 7, 64. [Google Scholar] [CrossRef]
- 20-Widodo, S.M. (2015)The model of human capital and knowledge sharing towards sustainable competitive advantages. *Probl. Perspect. Manag.* 2015, 13, 124–134. [Google Scholar]
- 21-Aviad P. A.(2016) Human Resource-based Competitive Advantage: The Case of Motivational Rents, *J Entrepren Organiz Manag*, ISSN: 2169-026X JEOM an open access journal,v.5 issue 1 : 162.doi:10.4172/2169-026X.1000162
- 22-Padli H., Mursalim U.G, Nazir H., Zainuddin R.(2017) Effect of Human Capital and Leadership on Institutions' Performance and Competitive Advantages, *IRA-International Journal of Management &Social Sciences*, ISSN 2455-2267; Vol.07, Issue 03 (2017), Pg. no. 479-
- 23- Liāna S., Artūrs Z., Ingūna J., Leonīds R. (2018) Factors Affecting The Competitiveness Of A Higher Education Institution: Systematic Literature Overview *Research For Rural Development* 2018, Volume 2, P245
- 24- Chigozie, M. P., AGA, C. C., & Onyia, E. (2018). Effect of Human Capital Development in Organizational Performance in Manufacturing Industries in South-East Nigeria. *International Journal of Academic Research in Economics and Management Sciences*, 7(3), 60–78.
- 25-Sudershan C., Daleep P. (2017) Human Capital Management In Banking Sector-A Conceptual Framework, *International Journal of Management (IJM)*Volume 8, Issue 6, Nov–Dec 2017, pp. 44–55, Article ID: IJM\_08\_06\_005  
Available online at <http://www.iaeme.com/ijm/issues.asp>
- 26- Saad A. H Al-Anzi , Samar A .H.(2013) Developing the high performance practices to attain Organizational effectiveness, *Journal: journal of Economics And Administrative Sciences*, Volume: 19 Issue: 73 Pages: 1-30,Publisher: Baghdad University .
- 27- Saad A. H Al-Anzi, Arak A.A.(2015) Maximizing competitive strategies in the general framework of the critical success factors and the risk management process: applied research in a sample of Iraqi private banks, *journal of Economics And Administrative* ,Volume: 21 Issue: 83 Pages: 1-20 Publisher: Baghdad University
- 28- Saad A. H Al-Anzi, YAARUB A.,AHMED N.ALNORI .( The effectiveness of the organization in the philosophy of the most prominent view of administrative thought), *journal of Economics And Administrative Sciences* 2009 Volume: 15 Issue: 53 Pages: 20-32,Publisher: Baghdad University