

To What Extent Can a Company Achieve a Competitive Advantage Through Job Development?

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ABSTRACT The purpose of this study is to explore how job development, one of the important activities of human resource management (HRM), can affect organisational success, and how it is important in achieving competitive advantage. This relationship has been empirically investigated. The data has been analyzed using SPSS. The results indicated a significant relationship between job development and competitive advantage. The results have shown that five of the eight proposed relationships have found to be significant. This supports the regression results for the relationship between competitive advantage and the job development.

INTRODUCTION

Because competition is the name of the game, effective organisations seek to gain a sustainable competitive advantage. Kinicki and Williams (2006) defined competitive advantage as “the ability of an organisation to produce goods or services more effectively than competitors, thereby outperforming them.” Therefore competitive advantage it is not about being different. It achieved if organisation add real value to its customers. This requires companies to stretch their resources, companies must use its resources more effectively and more efficiently. They must be innovative and at the same time, control their costs. Porter (1985) notes that a business can develop a sustainable competitive advantage by following two strategies: Cost leadership strategy or differentiation strategy. Under a cost leadership, Kleiman (2000) argues that firms must provide the same services or products as its competitors, but at a lower cost. While product differentiation occurs “when a firm produces a product or service that is preferred by buyer and this can happen by improve the quality of the product or services better than its rivals, or providing innovative products or services that are not offered by its competitors.

The HRM practices can be an important source of competitive advantage by creating both cost leadership and differentiation. “Firms can achieve cost leadership through the use of effective HRM practices. HRM-related cost associated with recruitment, selection, training, compensation, and so forth comprise a significant portion of a

firm’s expenditures. Kleiman (2000). HRM focuses on cost reduction by improving expense control systems, improving productivity, quality and improved employee skills which will affect the work speed, cost and quality at the same time, also, by reduced absenteeism and labour turnover. It could achieve the same result by implementing compensation, job rotation and downsizing practices, which reduce cost.

The Purpose of the Study

The purpose of this study is to explore how job development, one of the important activities of human resource management (HRM), can affect organisational success, and how it is important in achieving competitive advantage. The mission could be achieved by surveying the perceptions of managers from different successful Jordanian organizations.

The Importance of the Study

Organisations nowadays face two tasks: one is to create their competitive advantage; the other is to sustain competitive advantages over a long period of time. People and how they are managed are becoming the most important powerful source for competitive advantage. Jackson and Schuler (2000) argued that Competitive advantage that is achieved through human resource practices is likely to be more sustainable.

The need for this study comes from, the fact that there are a large numbers of studies conducted around human resource management (HRM),

function and practices. Also, so many studies have been done about competitive advantage in relation to other organisational functions. But few studies link important human resource management (HRM), functions, such as, job development to the organisation competitive advantage. Due to the fact that despite the importance of HRM in creating sustainable competitive advantage, HRM is frequently neglected when competitive strategies are formulated Jackson and Schuler (2000). Consequently, the research variables are not new: job development, HRM, and competitive advantage. However, building competitive advantage through job development is a new approach to thinking about competitive advantage and job development in the managerial literature.

Brief Review of Literature

Due to the importance of gaining competitive advantage through people and job development, many researches and studies have been conducted over the past thirty years. The results of these studies have founded that people are very important assets within the organizations for gaining a sustainable competitive advantage. Therefore, a job development is a crucial issue for enhancing the employees' abilities.

According to Marchington and Wilkinson (2002), job development involves gathering, documenting and developing information relating to particular jobs. It aims to identify what each employee does, the qualifications necessary to perform these jobs effectively under which work conditions. Monday et al. (2005) mentioned that Job development is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organisation. It provides a summary of a job's duties and responsibilities, the job's relationship to other jobs, the knowledge and skills it requires, and the working conditions under which the job is performed. This can be seen in Stone (2002) definition of the Job development; "*activities focus on the acquisition of attitudes, skills and knowledge required for employees to learn how to perform their job, improve their performance, prepare themselves for more senior positions and achieve their career goals*". Therefore, job development prepares employees for possible future jobs.

Thus, the aim of job development, is to develop the competences of employees and improve their performance. "Once base-level competence

has been achieved job development provides additional skills and know-how to enable employees to advance to positions of a higher responsibility (Stone 2002).

There are a number of specific objectives of the job development such as: "*to review past performance, assess training needs, help develop individuals, audit the skills within an organisation, set targets for future performance and identify potential for performance.*" (Fletcher 1997).

Competitive advantage is defined as "the ability of an organisation to add more value for its customers than its rivals and thus attain a position of relative advantage, the challenge is to sustain any advantage once achieved." (Thompson 2001). Competitive advantage implies that the organisation is able to satisfy customers' needs better than other competitors, thus it will be achieved when a real value added to the customers. Another definition provided by Kleiman (2000), "competitive advantage is a status achieved by a company when gaining a superior market place position relative to its competition".

METHODOLOGY OF THE STUDY

The Variables

The research's main variables are job development as part of human resource management and competitive advantage. These two variables are construct variables with multi-dimensions. Competitive advantage is constructed by four dimensions (employee competence, employee willingness to achieve goals, cost effective workforce, and employee loyalty and commitment). While job development dimensions include; (Providing employees with appropriate training, Clarity of performance expectations, channelling performance feedback, linking individual objectives with organizational objectives).

The methodology of this research is based on qualitative methods which promote the researcher to be more impulsive and flexible in exploring phenomena in his research rather than being restricted to a narrow field. This research is essentially exploratory in nature based on a review of the existing knowledge.

The researcher has interviewed sixteen managers from different successful Jordanian organizations. The interviews are centered on job

the relationship between job development and competitive advantage. It has been examined by asking the interviewed managers to rate on a 5-point scale their perceptions about the impact of four job development dimensions on four competitive advantage dimensions.

According to managers' perceptions, the job training and channeling performance feedback are the most effective job development dimensions for creating competent and skilled workers with means 4.5 and 4.4, respectively. Clarity of performance expectations is the least job development dimension for the creation of competent and skilled workers (mean = 2.5) (See Table 1).

Employee's willingness to achieve organizational goals, the second source of competitive advantage, is perceived to be highly affected by clarity of performance expectations and channeling performance feedback since these two dimensions have perceived means of 4.4 and 4.1, respectively. In addition, linking employees' objectives with organizational objectives has shown a moderate effect on the willingness to achieve goals (mean = 3.8). Managers vary in their responses (standard deviation of 1.04) regarding the relationship between training and willingness to achieve goals.

With respect to the third source of competitive advantage, cost effective workforce, the table indicates that there are two important job development dimensions; training and feedback channeling (each has mean of 4.1), and two less important dimensions; employees expectations and linking objectives with means of 3.5 and 3.4, respectively.

Finally, only linking objectives have shown to be the most effective job development dimension for the creation of loyal and committed workforce (mean = 4.1). All other three dimensions of job development are perceived less important for loyalty and commitment (means below 3.5).

The overall relationship between all job

HO1c: There is no significant relationship between job development and cost effective workforce.

Study Analysis

The first main hypothesis (HO1) investigates

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development dimensions and all competitive advantage sources has been perceived to be moderate (overall mean of 3.6). In order to examine the significance of this relationship as stated in the main hypothesis (HO1): There is no significant relationship between job development and competitive advantage, a simple regression model has been run in which competitive advantage is the dependent variable while job development is the independent variable. The results indicate a high correlation between the two variables ($r = .84$).

The coefficient of determination of the model (R Square) is .699 which indicates a moderate ability of the explanatory power of the predictor variable (job development) in explaining the variations in the dependent variable (competitive advantage) (Table 2).

The analysis of variance (ANOVA) for the model has shown a significant effect of the predictor variable ($F = 23.2$) at the %99 level of confidence with 1 degree of freedom (Table 3).

Testing the null hypothesis (HO1) at the % 99 level of significance results in a rejection to the hypothesis since calculated t (4.82) is higher than the critical t value (3.1) at that significance level. This result indicates that there is a

significant relationship between job development and competitive advantage (Table 4).

Testing the sub hypotheses related to the relationships between job development and each of the dimensions of competitive advantage (HO1a, HO1b, HO1c and HO1d) requires running four simple regression models. In each model, job development is the predictor variable and one competitive advantage dimension is the dependent variable. The results of running these models are discussed in the following headings:

Job Development and Competent and Skilled Employees (HO1a)

The relationship between job development and the first dimension of competitive advantage, competent and skilled employees, is investigated by regressing the second variable on the predictor job development. Table 5 shows a low correlation between the two variables with $r = 0.323$ and a very low R square (0.104) which means very weak coefficient of determination in the model.

Table 6 and table 7 show the regression results. The ANOVA table shows a weak relationship between job development and competent and skilled workers (as stated in HO1a). The table

Table 2: Model summary for study's variables: (job development) and (competitive advantage). Model Summary

Model	R	R square	Adjusted Rsquare	Std. error of the estimate
1	.836 ^a	.699	.669	.1066

a. Predictors: (Constant), DEVELOP

Table 3: The analysis of variance (ANOVA) to study's variables: (job development) and (competitive advantage). ANOVA^b

Model	Sum of squares	df	Mean square	F	Sig.
1 Regression	0.264	1	0.264	23.212	.001 ^a
Residual	0.114	10	1.14E-02		
Total	0.377	11			

a. Predictors: (Constant), DEVELOP

b. Dependent Variable: Competitive advantage

Table 4: Coefficient to study's variables: (job development) and (competitive advantage). Coefficients^a

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std.Error	Beta		
1 (constant)	0.766	0.611	0.836	1.253	0.239
DEVELOP	0.798	0.166		4.818	0.001

a. Dependent Variable: Competitive advantage

Table 5: Model summary to variable (Competent and skilled employees) and job development variable**Model Summary**

<i>Model</i>	<i>R</i>	<i>R square</i>	<i>Adjusted Rsquare</i>	<i>Std. error of the estimate</i>
1	.323 ^a	.104	.015	.3600

a. Predictors: (Constant), DEVELOP

Table 6: The analysis of variance (ANOVA) for variable (Competent and Skilled Employees) and job development variable**ANOVA^b**

<i>Model</i>	<i>Sum of squares</i>	<i>df</i>	<i>Mean square</i>	<i>F</i>	<i>Sig.</i>
1 Regression	0.151	1	0.151	1.164	0306 ^a
Residual	1.296	10	0.13		
Total	1.447	11			

a. Predictors: (Constant), DEVELOP

b. Dependent Variable: Competent and skilled emp

Table 7: Coefficient for second variable (Competent and Skilled employees) and job development variable**Coefficients^a**

<i>Model</i>	<i>Unstandardized coefficients</i>		<i>Standardized coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std.Error</i>	<i>Beta</i>		
1 (constant)	0.905	2.066		0.438	0.671
DEVELOP	0.604	0.56	0.323	1.079	0.306

a. Dependent Variable: Competent and skilled emp

shows a very weak power of the predictor variable in explaining the variations in the dependent variable since the calculated F value (1.16) is lower than the critical F value which is equal to 9.65 at the %99 level of significance with df (1, 10).

Testing the hypothesis (HO1a) at the %99 significance level using the t test, the null hypothesis cannot be rejected. Table 7 shows a calculated t value of 1.07, which is lower than the critical value of 2.2 at that level. This result indicates that there is no significant relationship between job development and competent and skilled workforce.

Job Development and Willingness to Achieve Goals (HO1b)

Likewise, the relationship between job development and the second source of competitive advantage, employee's willingness to achieve goals, is investigated by the sub hypothesis HO1b. The results of running the simple regression model indicates a moderate correlation between the two variables ($r = 0.68$). However, the coefficient of determination in the model is not strong since R square is only 0.46. Table 8 shows these numbers.

The ANOVA table indicates that the predictor variable is significant in explaining the variations in the willingness to achieve since calculated F (8.6) is higher than the critical F value (8.34) at the %97 significance level (Table 9).

Testing the hypothesis HO1b at the 97% significance level using the t test, the null hypothesis is rejected since calculated t (2.93) is higher than the critical t value of 2.5 at that level of significance. This result indicates that there is a significant relationship between job development and willingness to achieve (Table 10).

Job Development and Cost Effective Employees (HO1c)

The relationship between job development and the third source of competitive advantage, cost effective employees, is examined by investigating the sub hypothesis HO1c. The result of running the simple regression model indicates a moderate correlation between the two variables ($r = 0.51$). However, the coefficient of determination in the model is very weak since R square is only 0.19 (Table 11).

The ANOVA table indicates that the predictor variable (Develop) is not significant in explaining

Table 8: Model summary for job development and the employee's willingness to achieve goals
Model Summary

<i>Model</i>	<i>R</i>	<i>R square</i>	<i>Adjusted Rsquare</i>	<i>Std. error of the estimate</i>
1	.680 ^a	.462	.409	.2365

a. Predictors: (Constant), DEVELOP

Table 9: The analysis of variance (ANOVA) for variables: job development and the employee's willingness to achieve goals
ANOVA^b

<i>Model</i>	<i>Sum of squares</i>	<i>df</i>	<i>Mean square</i>	<i>F</i>	<i>Sig.</i>
1 Regression	0.481	1	0.481	8.603	.015 ^a
Residual	0.559	10	5.60E-02		
Total	1.041	11			

a. Predictors: (Constant), DEVELOP

b. Dependent Variable: Willingness to achieve

Table 10: Coefficient for variables: job development and the employee's willingness to achieve goals
Coefficients^a

<i>Model</i>	<i>Unstandardized coefficients</i>		<i>Standardized coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1 (constant)	9.57E-02	1.357	0.68	0.071	0.945
DEVELOP	1.078	0.368		2.933	0.015

a. Dependent Variable: Willingness to achieve

the variations in the dependent variable (cost effective employees) since calculated F (3.6) is lower than the critical F value (10.04) at the 99% significance level (Table 12). This result is expected since the coefficient of determination in model is too low (R square = .266).

Testing the hypothesis HO1c at the 99% significance level using the t test, the null hypothesis can not be rejected since calculated t (1.9) is lower than the critical t value of 3.16 at that level of significance. This result indicates that there is no significant relationship between job development and cost effective employees (Table 13).

Job Development and Loyal and Committed Employees (HO1d)

The relationship between job development and the fourth source of competitive advantage, loyal and committed employees, is examined by investigating the sub hypothesis HO1d. The result of running the simple regression model indicates a weak correlation between the two variables ($r = 0.51$). However, the coefficient of determination in the model is also very weak since R square is only 0.18 (Table 14).

The ANOVA in table 15 indicates that the predictor variable (Develop) is not significant in explaining the variations in the dependent variable (loyal and committed employees) since calculated F (3.5) is lower than the critical F value (10.04) at the 99% significance level (see table 15 below). This result is expected since the coefficient of determination in model is also too low (R square = .26).

Testing the hypothesis HO1d at the 99% significance level using the t test, the null hypothesis cannot be rejected since calculated t (1.8) is lower than the critical t value of 3.16 at that level of significance. This result indicates that there is no significant relationship between job development and loyal and committed employees (Table 16).

It has been observed while comparing the present study with other studies of Jackson and Schuler (2000); Kinicki and Williams (2006); Kleiman (2000) in which they have observed that human resource management has a crucial role on organization competitiveness, and they have focused on human resource function in general and its role on gaining competitive advantage. Whereas in the present study, the main emphasis is on one problem i.e., job development and its

Table 11: Model summary for job development and cost effective employees
Model Summary

<i>Model</i>	<i>R</i>	<i>R square</i>	<i>Adjusted Rsquare</i>	<i>Std. error of the estimate</i>
1	.515 ^a	.266	.192	.1532

a. Predictors: (Constant), DEVELOP

Table 12: The analysis of variance (ANOVA) for variables: job development and cost effective employees
ANOVA^b

<i>Model</i>	<i>Sum of squares</i>	<i>df</i>	<i>Mean square</i>	<i>F</i>	<i>Sig.</i>
1 Regression	8.49E-02	1	8.49E-02	3.616	.086 ^a
Residual	0.235	10	2.35E-02		
Total	0.32	11			

a. Predictors: (Constant), DEVELOP

b. Dependent Variable: Cost effective emp

Table 13: Coefficient for variables: job development and cost effective employees
Coefficients^a

<i>Model</i>	<i>Unstandardized coefficients</i>		<i>Standardized coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std.Error</i>	<i>Beta</i>		
1 (constant)	2.164	0.879	0.515	2.461	0.034
DEVELOP	0.453	0.238		1.902	0.086

a. Dependent Variable: Cost effective emp

Table 14: Model summary for job development variable and the loyal and committed employees' variable
Model Summary

<i>Model</i>	<i>R</i>	<i>R square</i>	<i>Adjusted Rsquare</i>	<i>Std. error of the estimate</i>
1	.510 ^a	.216	.187	.3622

a. Predictors: (Constant), DEVELOP

Table 15: The analysis of variance (ANOVA) for variables: job development and loyal and committed employees
ANOVA^b

<i>Model</i>	<i>Sum of squares</i>	<i>df</i>	<i>Mean square</i>	<i>F</i>	<i>Sig.</i>
1 Regression	0.462	1	0.462	3.525	.090 ^a
Residual	1.312	10	0.131		
Total	1.774	11			

a. Predictors: (Constant), DEVELOP

b. Dependent Variable: Loyal and committed emp

Table 16: Coefficient for variables: job development and loyal and committed employees
Coefficients^a

<i>Model</i>	<i>Unstandardized coefficients</i>		<i>Standardized coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std.Error</i>	<i>Beta</i>		
1 (constant)	-9.90E-02	2.078	0.51	-0.047	0.963
DEVELOP	1.057	0.563		1.877	0.09

a. Dependent Variable: Loyal and committed employees

impact on gaining and sustaining competitive advantage.

employees and using the practices that support this strategy.

CONCLUSIONS

1. Job development is one of the most crucial functions for any organisation seeking to improve its productivity and gaining competitive advantage.
2. Delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.
3. Competitive advantage reflect an organisation's ability to provide unique products and superior service by which it add more value and satisfy its customers more than its rivals .
4. Technology is an important factor in achieving competitive advantage but is worthless without the knowledge and talent of the operators using it. Therefore, attention should be given to the Human Resource of the organization.
5. The employer strategy should focus on creating competitive advantage through the

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