

The Impact of Human Resources, Strategic Planning and Asset Management on Economic Productivity and Regional Income of Jordan: The Mediating Role of Organizational Culture

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Article history Submitted: 2 September, 2021 Revised: 29 September, 2021 Accepted: 09 October, 2021	Abstract <p>The main purpose of this paper can be expressed as examining the mediating role of organizational culture in the effect of human resources, strategic planning and asset management on economic productivity and regional income of Jordan. As it is known, 21st century labor market dynamics prioritize employees who are committed to the organization they work for and who mobilize their potential as much as possible. In this context, employees who dedicate themselves to the organization with both talent and strong motivation have become a critical element for the efficiency of the organization. Undoubtedly, the current culture of the organization has the potential to have a decisive impact on the talented and dedicated employees. Culture can sometimes create effects that prevent talented and internally motivated employees from showing their maximum performance, and sometimes it can ensure that qualified personnel are retained, work with enthusiasm and increase productivity.</p>
Keywords: <i>Human resources,</i> <i>Strategic planning,</i> <i>Asset management,</i> <i>Economic productivity,</i> <i>Regional income,</i> <i>Organizational culture and</i> <i>Jordan</i>	

1. Introduction

The amount of output divided by the volume of inputs frequently referred to as productivity. In other words, it assesses how effectively a country's production inputs, such as labor and capital, are employed to generate a particular amount of output [1]. Productivity is a crucial source of economic development and competitiveness, and it used as the basis for many international comparisons and assessments of country performance. Productivity data, for example, is used to look into the effects of product and labor market laws on economic performance. Productivity growth is an important factor to consider when calculating an economy's productive potential. It also enables analysts to calculate capacity utilization, which helps them to assess the state of economies in the business cycle and estimate economic growth. Production capacity is also used to determine demand and inflationary pressures [2].

The word "productivity" corresponds to the concept of efficiency. The terms "widespread" and "narrow" are commonly used to describe efficiency [3]. Efficiency is described in a wide sense as an abstract notion that assesses the sensitivity and efficacy of tools in attaining economic objectives. In the narrow sense, efficiency is the same as productivity and relates to the physical relationship between the quantity of output (output) and the quantity of elements of production (factors of production, input) [4].

When productivity is stated in practice or in the literature, efficiency comes to mind as the amount of output corresponding to a unit production component or the average product of that factor from a "narrow" or "technical" perspective. In practice, when productivity is mentioned, it is almost always in the context of labor productivity. The reason for this is that measuring the productivity of capital, a crucial factor of production that includes machinery, equipment, varied equipment, and other fixed assets other than labor, is nearly difficult [5].

Productivity is a dynamic, not a static, measure, according to the definitions above. Because it is necessary to measure the quantity of production per unit of each factor involved in production in a given production period (such as an hour, day, week, month, or year), in order to compare factor productivity between periods, it is necessary to measure the quantity of production per unit of each factor involved in production in a given production period (such as an hour, day, week, month, or year) [6].

With regard to national income, it can be defined as the amount obtained by subtracting the total indirect taxes collected in that economy during the same time from the net national product value of that economy during that period. National

income, in scientific terms, is the net monetary value of the products and services produced in a country during a specified period [7].

It is known that there are production elements (labor, capital) that are owned by other countries. Foreign labor in the Arabian Gulf is an element of production, but it is owned by the countries from which they came and not by the countries in which they work, and there are companies owned by Syrians but working abroad and resulting in Transfers inside Syria, as well as transfers the foreign worker to his relatives in his country of origin. So there are returns to the factors of production that flow out of the state and others that flow in from the outside world [8].

Gross National Product = Gross Domestic Product + Net Income of Factors of Production Abroad. However, the net income of the factors of production abroad can be negative or positive

With the change of life and people, businesses need to give more importance to human resources and make changes in management in order to achieve their goals and realize their plans. With the emergence of this need, various studies related to the development of human resources emerge. In other words, the scope of functions and activities in human resource management expands a little.

Businesses begin to approach human resources with the strategic thinking method on the way they work to achieve their goals. The main purpose of strategic human resources management is; by educating highly motivated, open to innovations, skilled and determined people, it gains an advantageous position by competing with its competitors. The most obvious difference between strategic human resource management and traditional human resource management; performance criterion [9].

Productivity is a measure of the health of a national economy's performance. When productivity grows and increases, the living standards of the population improve accordingly. It is also the backbone of the country's economic progress. In countries where productivity is high, living standards are also rising.

The focus of productivity improvement is to produce more amounts of effort and fewer resources, by doing the work in the right way, and with better efficiency, and not working hard to achieve better results. Therefore, the continuity of improving productivity requires the application of correct and efficient methods for performing work in all economic activities. Hence the problem of this study came in researching the impact of human resources and strategic planning on economic productivity and national income for Jordan, in addition to looking at the mediating roles of organizational culture.

2. Literature Review and Hypotheses

2.1 Human Resources and National Income

A The United Nations devised the Human Progress Index (HDI), to measure and classify countries based on their economic and social development. It focuses on four main criteria for classifying countries: the average length of study in the population, the predicted rate of study period, the average individual life expectancy at birth, and the per capita share of gross national revenue. This indicator allows for the tracking of changes in development levels as well as the comparison of development levels between countries [10].

As a result of this explicit and strong link, it is easier and clearer to compare per capita GNI between nations, rather than wasting time and resources gathering data for the other components of the HDI, which may offer very little or no information to the HDI in aggregate [11].

The inclusion of sources in the Human Development Index is a problem because it appears that an increase in average income will directly lead to an increase in spending on formal education, better health, and a longer average lifespan, as well as defining and determining the years spent in school and the expected rate of lifespan. It differs greatly from one country to the next [12]. Accordingly, we posit that:

H1: Human resources has a significant positive effect on national income.

2.2 Human resources and productivity

Because labor is the only source capable of developing new high-end values in the mastermind, thought, and capable of creativity and invention, labor plays a significant role in the production process. Its equipment and raw materials, however, are unable to generate new values on their own, and the values they contain are transmitted to the new product via the labor element [13].

Effective management, collaborative leadership, and employees' attitudes, desires, behavior, sincerity, and enthusiasm in their jobs are all essential factors that influence work productivity [14].

Human resource management, in all of its functions, is not directly related to the production process in institutions, which is why many institutions do not pay enough attention to it. However, what many institutions do not realize is that human resource management has a direct impact on production in any institution, whether it is production or services [15].

The proper and adequate performance of human resource management functions has a positive impact on production, as evidenced by numerous studies that have confirmed the existence of a relationship and a positive impact between human resource management performance and production. High productivity in the organization, and low productivity in institutions where human resource management performance is poor or fragmented [16].

In addition, Haghigheian & Ezati [17] showed that variables such as personal training relationship, knowledge and skill, benefits and salary, experience and work experience, willingness to work, using the appropriate method of punishment and encouragement by managers, rate of participation in decision, presence of level of evaluation criteria, relationship Intimacy with managers, job security, freedom of action and independence, all of these have a direct and meaningful relationship with productivity. Moreover, Lee et al. [18] conducted an empirical study of how HRM can positively impact productivity and effectiveness. The results show the statistical significance in the overall models of productivity and effectiveness. The results also show that autonomy, technology, and health and wellness are factors in the relationship to employee productivity and effectiveness. According to this, the following hypothesis was assumed:

H2: Human resources has a significant positive effect on economic productivity.

2.3 Strategic planning and productivity

A strategic plan for a company or organization is a long-term plan that management employs to put the company in a successful position in a specified target market, compete successfully, optimize customer happiness, and deliver increased value to all stakeholders (usually one to five years). As a result, SMEs frequently use strategic planning to boost organizational productivity. However, both practitioners and scholars agree that this conclusion is founded on an assumption. This assumption is based on the premise that strategic planning will help businesses unite around a common mission and goals, resulting in increased organizational performance and productivity [19].

There is a compelling case to be made that SMEs must engage in strategic planning in order to maintain their status as major economic players. Strategic planning by SMEs is supported by proponents who believe it protects SMEs from highly volatile business environments characterized by increasing technological change, increased government regulations, volatile business cycles, tighter competition, and inflationary pressures, all of which reduce their capital. While strategic planning research in large organizations has received a lot of attention, O'Regan and Ghobadian [20] found that SMEs have received little attention.

The relationship and effects of strategic planning on organizational performance has been a central field of studies for researchers over the past three decades. There are numerous research findings on the relationship between strategic planning and organizational performance, but many of these findings have proved uncertain and ambiguous. These findings include the range from positive relationships between strategic planning and performance to no negative relationships [21].

Ngige [22] study analyzed strategic planning and productivity in organizations. The study showed that strategic planning positively affects the productivity of the small and medium enterprises under study. And that the mediating role of employee engagement and implementation incentives positively impacts business productivity/performance of SMEs. However, the following hypothesis can be deduced:

H3: Strategic planning has a significant positive effect on economic productivity.

2.4 Strategic Planning and National Income

In future regional contextual development, strategic planning is geared towards high growth and at the same time income distribution. An equity development strategy is the new alternative emerging. In this fair growth, the emphasis is put on development through techniques of social engineering, such as master plans and integrated programs [23].

In the economic theory, economic growth has taken on a significant function, and this relates to the role and duty of the Government in economic activity. The government's economic accountability was restricted in the previous century since it was concerned with providing the essential market performance conditions. Economy liberalization and unemployment decreases are some of municipal governments' key tasks [24].

Strategic planning is the continuous practice of organizations and companies to improve the performance of the company / organization. Hunjra et al. [25] found that financial performance has a positive and intrinsic relationship with the independent variables of strategic planning, and the regression results reveal an important relationship between strategic planning and return on assets, and a non-significant relationship between formal and informal planning, financial performance and return on equity, with strategic planning also showing great relationship.

Panić [26] also noted in his study that strategic planning contributes to the financial performance of entrepreneurs by improving the competitiveness of the business sector. Accordingly, the following hypothesis can be deduced:

H4: Strategic planning has a significant positive effect on national income.

2.5 Mediating Effect

Two points must be addressed for long-term development: the direction of the economic transformation process and the globalization process. The changes in the sector's contributions, sources of economic development, and the transition in jobs in various areas such as its move from agricultural to industrial sectors are expressed in the economic transformation. Economic transformation is a permanent and long-term transition between low and high productivity work and other resources within and between sectors. Economic transformation, to allow over a sustainable time the increase of overall labor productivity and to lead to increasingly diverse and sophisticated productivity activities. The process of transformation must be guided to achieve harmony and balance in manufacturing and labor absorption, especially since the notion of development is not as it should be [27].

In the organizational economic growth of countries, management of resources plays an increasingly important role [28]. However, the strong rivalry has led to the movement of human resources between units and sectors as part of contemporary economic development. Increasingly good income units and sectors with an ideal work environment will attract and keep quality personnel to work and improve performance. In this context, the elements that impact the work outcome of human resource management activities should be learned, researched, analyzed and evaluated. The strategic approach to managing people effectively at companies or organizations is human resources so that they enable their firm to obtain a competitive edge [29]. It is meant to maximize employee performance to meet the strategic goals of a company. Human resources management focuses mostly on people management inside organizations, with an emphasis on policies and processes [30].

The field of organizational culture is one of the most popular topics. It refers to an organization that separates the organization from others in a certain set of common ideas, values and conventions among individuals and organizations. The soundness of an organization depends largely on its organization's culture and its success depends heavily on its culture. Organizational culture helps not only to form the conduct of workers, but also affects the production and service to consumers of the organization's products. Moreover, the management may overcome the likely cultural flaws of the company via awareness of their organizational culture [31]. Accordingly, the following hypothesis can be deduced:

H5: Organizational culture mediates the effect of human resources and strategic planning on economic productivity and regional income.

3. Methodology

This study examines the impact of human resources, strategic planning, and asset management on Jordan's economic productivity and regional income. It also studies the mediating role of organizational culture between the variables [32]. To achieve the objective of the study, the questionnaire is the most convenient tool for data collection. The questionnaire was developed divided into three sections. The first section is the demographic variables. The second topic contained the dimensions of the study. Finally, the third section describes the mediating role of organizational culture. Furthermore, each study item is indicated on a five-point scale ranging from 1 'strongly disagree' to 5 'strongly agree'. Appendix A shows the questionnaire that was used to achieve this study [33] [34] [35] [36] [37].

3.1 Sampling

A data collection questionnaire was used to verify our theoretical model. The sample of this study included Jordanian industrial companies, which is the largest economic community in Jordan. Where the study population consists of 56 industrial companies who were completely taken and sent an electronic questionnaire via e-mail to the senior management to act as the main informant. The study sample was asked to answer questionnaires, including age, educational level, and job title. Descriptive information about companies, such as company assets, company age and industrial affiliation, was also obtained from the information system of the Amman Stock Exchange.

4. Findings

4.1 Response rate and basic information about respondents

The questionnaire was distributed to 400 administrators in Jordanian industrial companies. As for the number of respondents, it reached 264 employees, which means that the response rate is 66%. Table 1 shows the frequencies and percentages about the characteristics of the demographic sample.

Table (1): Frequencies and percentage about the Demographic Sample Characteristics

Variable		Frequency	Percent
Age	20 – 30 years	71	26.8
	31 - 40 years	88	33.3
	41 -50 years	67	25.4
	51 more than	38	14.4
	Total	264	100.0
Qualification	Bachelor's	186	70.5
	Postgraduate	78	29.5
	Total	264	100.0
Experience	Less than 5 years	63	23.9
	6 – 10	57	21.5
	10 - 15	93	53.2
	More than 15 years	51	19.3
	Total	264	100.0

4.2 Reliability

Before calculating the correlation between variables, Cronbach and Meehl [34] recommend that the questionnaire's created scales/items be checked for consistency. Only constructs with a coefficient of scale greater than 70% are considered valid measuring constructs [35]. Cronbach's Alpha is used to check that the study's questionnaire is consistent. The total coefficient of the questionnaire is 85.1 percent, which is higher than the minimum consistency percentage.

4.3 Collinearity

Table 2: The role of human resources in economic productivity

Dimension	R	R ²	B	β	T	Sig
Human Resources	.783 ^a	0.647	0.793	0.769	15.168	0.000

As shown in Table 2, human resources have a significant and positive relationship with economic productivity ($T = 15.168$, $Sig = 0.000$). This finding indicates that human resources support economic productivity. In other words, human resources are of paramount importance in increasing economic productivity.

Table 3: The role of human resources in National income

Dimension	R	R ²	B	β	T	Sig
Human Resources	.791 ^a	0.664	0.776	0.784	16.149	0.000

As shown in Table 3, human resources have a significant and positive relationship with National income ($T = 16.149$, $Sig = 0.000$). This finding indicates that human resources support National income. In other words, human resources are of paramount importance in increasing and raising National income.

Table 4: The role of Strategic Planning in economic productivity

Dimension	R	R ²	B	β	T	Sig
Strategic Planning	.736 ^a	0.652	0.761	0.794	16.109	0.000

As shown in Table 4, Strategic Planning have a significant and positive relationship with economic productivity ($T = 16.109$, $Sig = 0.000$). This finding indicates that Strategic Planning support economic productivity. In other words, Strategic Planning are of paramount importance in increasing economic productivity.

Table 5: The role of Strategic Planning in National income

Dimension	R	R ²	B	β	T	Sig
Strategic Planning	.775 ^a	0.648	0.763	0.787	15.138	0.000

As shown in Table 5, Strategic Planning have a significant and positive relationship with National income ($T = 15.138$, $Sig = 0.000$). This finding indicates that Strategic Planning Support National income. In other words, Strategic Planning are of paramount importance in increasing and raising National income.

Table 6: The mediating role of organizational culture

Dimension	R	R ²	B	β	T	Sig
Organizational culture	.762 ^a	0.637	0.729	0.748	16.148	0.000

As shown in Table 6, there is a mediating role between the variables of the study. The study shows that there is a strong relationship to the role of the mediating variable (organizational culture) between (human resources and strategic planning) and (economic productivity, and national income) as the table shows the value of each of ($T = 16.148$, $Sig = 0.000$). This result indicates that organizational culture supports the relationship between study variables. Therefore, the findings of this study can be summarized as follows:

- There is a positive impact of human resources on patriotism.
- There is a positive impact of human resources on economic productivity.
- There is a positive impact of strategic planning on economic productivity.
- There is a positive effect of strategic planning on national income.
- There is a positive impact of human resources and strategic planning on economic productivity and regional income through the mediating role of organizational culture.

5. Conclusion

The interest in the concept of organizational culture has increased as it is one of the important organizational variables affecting the performance of the organization on the one hand, and in defining its strategic direction on the other hand. On the change of those resources over time in line with the changes that occur in the environment of the organization. The results of the research confirmed the existence of the impact of strategic planning and human resources on both economic productivity and regional income, through the mediating role of organizational culture. The variables used in this research were generated within the framework of the relevant theoretical model and the variables not included in this theoretical model were not used in the research scale. Obviously, a topic that is too comprehensive as the research subject, cannot be examined in a single study. For this reason, it can be suggested to other researchers who will conduct research on this topic to conduct this study in different fields with different variables or take the variables more broadly.

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