

# The Effect of Intellectual Capital on Achieving the Competitive Advantage of Jordanian Pharmaceutical Companies: A Case Study of Dar Al-Dawa Company

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This study aimed to Highlight the role of intellectual capital and its components in achieving the competitive advantage of Jordanian Dar Al-Dawa Company, then to submit recommendations that should be taken into account for the intellectual capital to achieve competitive advantage. The study used descriptive and analytical approach and both secondary and primary data were collected, using questionnaire specially designated the to gather data form a sample consisted of (148) employees in the top and middle management (director, deputy/assistant director and head of department) in Dar Al- Dawaa Company. And the program used for measuring the data is Statistical Package for Social Science SPSS. The researcher used descriptive and statistical analysis. The study reached a number of conclusions, including that there is a high level of Intellectual Capital dimensions at Dar Al- Dawaa Company, which also found to have a high level of the Competitive Advantage", It also found a statistically significant impact of Intellectual Capital in their dimensions (Human capital, Structural capital, Relational capital) on Competitive Advantage. In light of the conclusions proposed some recommendations were presented for Dar Al-Dawaa Company in Jordan. That have been focused around continuity to develop its intellectual capital in order to achieve a sustainable competitive advantage in the market.

**Key words:** *Intellectual Capital, Competitave Advantage, Jordanian Pharmaceutical Companies*



## 1. Introduction:

In a global economy based on human knowledge and competencies, the lack of adequate awareness among developing countries of the concepts of intellectual capital, its cognitive dimensions and its role in creating value, by assessing the reality of its economic institutions, imposes on the institution the need to search for intellectual wealth, skills and creative ideas in their human resources. It is then identified and invested appropriately with the aim of converting them into profits, in the light of improving the competitive advantages of the organization and achieving a better competitive strategic position, (Hariyati et al,2019).

Intellectual capital consists of human assets, linked to information, knowledge and intellectual property of patents, trademarks, etc., structural assets associated with organizational procedures and structures, as well as the nature of relations between the Organization and its allies. Thereis also the creative capabilities of some employees, which enable them to produce innovative ideas, or develop old ideas and use them to achieve a competitive advantage for the organization, (Chahal & Bakshi, 2015).

While global companies have realized in the transformations of the competitive environment that intellectual capital, is the only productive factor that can provide them with the continuous competitive advantage is their intellectual capital, and the strength of knowledge and high skills capable of creativity. It has become strategically important to move from an information economy to an economy of knowledge and smart minds. The availability of financial resources to finance projects, and the difficulty of monopolizing information and advanced technology, have led contemporary organizations to seek a competitive advantage over organizations working in the same activity, by adding value to the customer and achieving excellence by investing the intellectual and mental energy of individuals (Obeidat et al,2016).

Ralph Stayer, 1990, director of Johnsonville Food Company, was the first to launch the term “intellectual capital”. He said: (In the past, natural resources, the most important national wealth components and the most important assets of the companies, then capital has become representative of cash and fixed assets are the most important community and components companies, but now it has intellectual capital replaced natural resources and cash and fixed assets (Areiqat,2019).

Guthrie (2001) points out that intellectual capital is reflected in the unique capabilities of some FAO staff, which enable them to present innovative ideas that enable the organization to increase its productivity and achieve high performance levels compared to competing organizations.



Sachem (2002) argues that intellectual capital represents the economic value of two categories of intangible assets - Structural Capital and Human Capital - an invisible value that is difficult to assess without an increase in the Organization's wealth.

While Sveiby (2005) considers that it is the process of transforming the knowledge that an organization possesses into added value, it is a mental energy formed by knowledge that is the main raw material of today's knowledge-based economy.

By identifying the previous concepts and definitions, the researcher believes that the definition of intellectual capital is "the possession of a group of employees in the institution of distinctive knowledge capabilities that the company is investing with its policies, programs and systems to provide that puts that knowledge and innovative ideas under implementation which leads to provide outstanding services and products to customers" (Bratianu, 2018)

Human capital is the basis for the formation and diagnosis of individuals who possess the mental capacity, skills and experience necessary to find appropriate practical solutions to meet the requirements and desires of customers. Human capital has a specific characteristic that it is increasingly in use, as knowledge and experience increase and accumulate in the human element over time. (Lavyet al, 2014).

Ismail (2005) argues that the dimensions of human capital are knowledge, skills, as well as cooperation, trust and mutual respect among workers in teamwork that staff show when they work in a team and accomplish their work collectively.

It is a combination of elements of knowledge related to skills, accumulation of experience, creativity and innovation and the ability of members of the organization to perform their tasks to the required level and the human capital is not owned by the organization (Alkhateeb, Yao, Kie, Kassim, & Shaban, 2016).

It serves as the engine of creativity in organizations working in the knowledge economy, especially interacting with customers as embodying the company's ability to solve business problems (Hadad, 2017).

Structural capital is the second component of intellectual capital. This type of capital represents the core merit of the organization and its explicit knowledge that lies within the structures and systems of the institution. Data, measures, methods of work, software, etc. It is a representation of the values that remain in the organization (Dombrowski et al., 2016).

Thus, if financial capital makes the physical presence of the company and its book value in accounting entries, it is intellectual capital that makes its market value in the market, and is most influential in making the company's reputation and reputation. While structural capital makes the explicit knowledge of a company that is retained in its structures, systems,



procedures, and policies, it represents all the values that remain in the company when it ends on the last working day (de Villiers & Sharma, 2016).

Relationship capital, which is a constant component of intellectual capital, is the value of the organization's relations with customers by increasing customer loyalty and satisfaction, and the extent and retention of the customer, by paying attention to his suggestions, listening to his complaints and working to find appropriate solutions to them as soon as possible, involvement in the work of the organization and transactions, and strengthen cooperation between them (Kianto, Sáenz, & Aramburu, 2017).

Ismail (2005) argues that the components of the relationship capital include all relationships that link the organization with its stakeholders such as suppliers, government agencies, investors, customers, distribution channels, and strategic alliances established by the organization.

Thus, the relationship capital determines the nature of the relationship that links the organization with its customers, suppliers and allies, as well as any other party that helps develop and transform the idea into a product or service (Yan & Azadegan, 2017).

From the above, the researcher believes that the dimensions of the relationship capital are: customer relations, relations with suppliers, and strategic alliances established by the institution with institutions working in the same field.

The study of competitive advantage by organization level focuses on the internal factors that determine the strength or weakness of the organization. While the analysis at the industry level focuses on the attention to governing policies according to a specific economic scope, and to see organizations as independent entities and make comparisons among them, while analysis based on the level of macroeconomic performance on the study of the factors behind the strength or weakness of the economy in its performance (Teece, Peteraf, & Leih, 2018)

In other words, a competitive advantage arises when the organization discovers new methods and methods that are more effective than those used by competitors. The organization will be able to sponsor and apply this discovery in the field, in other words, to create a process of innovation in its broadest sense (Suripto & Gunawan, 2019).

Al Salem, 2009, sees the competitive advantage as a skill, technology, or resource that enables an organization to produce values and benefits for its customers beyond those of its competitors, and shows its distinctiveness and difference from those competitors from the point of view of customers who accept this distinction.

The concept of competitiveness reflects the extent to which an organization can maintain an increased market share in the environment or area of activity in which it operates. The

concept is linked to the effectiveness of the organization, which determines in the light of its ability to satisfy the needs of clients, investors and other segments of society, if it fails to be able to achieve a competitive advantage over other competitors (Dost, Badir, Ali, & Tariq, 2016).

It can be a comparative advantage enjoyed by the organization relative to other organizations during a certain period of time, and it can be a continuous advantage of the organization. It distinguishes the organization in a longer period of time during which no competitor can imitate or emulate in addition to not being able to replicate the benefits Consequences (Orugun & Aduku, 2017).

Competitive advantage is the strategic concept that reflects the organization's comparative and continuous competitive position, which is comparable to competitors, and is represented in the provision of products that distinguish them from them, and the customer is willing to pay more to get them, or provide products equivalent to the value of competitors' products at lower prices (Malkawi, Omari, & Halasa, 2018).

In this sense, the development of competitive advantage is a strategic objective of the organization to achieve through the outstanding performance of internal resources, and strategic competencies with knowledge in the various systems, strategies, activities and operations of the organization, which leads to reduce costs, improve quality and increase market share and maximize long-term profitability (Abualoush, Masa'deh, Bataineh, & Alrowwad, 2018).

The researcher can clarify the relationship between intellectual capital and achieve competitive advantage in the form of a system so that the components of intellectual capital are the inputs and are processed on these inputs by applying the VRIO framework (value, scarcity, the difficulty of imitation, optimization) on the components of intellectual capital. The output of the system is that the institution has a distinct strategic intellectual capital that includes the main components of human capital, structural capital, and capital relations. Because of the availability of these distinct elements of intellectual capital, the institution is able to achieve the competitive advantage of high quality, creativity, efficiency and responsiveness (Fathurahman & Huseini, 2018).

### ***1.1 Study Problem and Questions:***

The reality of the Jordanian pharmaceutical sector is undergoing a new dynamic change of the market, as a result of the opening of the Jordanian market to international markets, so the Jordanian pharmaceutical sector enjoys a larger environment than in the past. Due to the increasing competition in the Jordanian pharmaceutical market, success in the market becomes for those organizations that achieve a competitive advantage and work to maintain this advantage. Therefore, it became necessary for Jordan Dar Al - Dawa to build a distinct

intellectual capital capable of achieving its different competitive strategies, and achieve its competitive advantage through the availability of the requirements of both human capital and structural and relations with the company.

Based on the above, the problem of the study can be formulated in the following question:

What is the impact of intellectual capital in achieving the competitive advantage of Dar Al Dawa Jordan?

### ***1.2 The Importance of the Study:***

The importance of the study is shown by the benefits that can be achieved as follows:

1. Assist the management of the company in assessing its intellectual capital and recognize its importance as a key element in creating value for customers and achieving sustainable competitive advantage.
2. Assist the managers of the company to understand the relationship between the dimensions of intellectual capital and its effective management, which enhances its competitive position.
3. Assist in the development of programs and plans for the development of intellectual capital and clarify the importance of investment in these assets because of its essential role in creating value for customers and achieve excellence.
4. Provide a greater opportunity for the company to stand on the true image of the intellectual capital of them and identify the pros and strengthen and diagnose the negatives and try to correct them.

### ***1.3 The Objectives of the Study:***

The study aims to achieve the following objectives:

1. Identify the level of availability of the intellectual capital dimensions (human, structural and relations) at the Jordanian Dar Al-Dawa Company.
2. Identify the level of competitive advantage of Jordanian Dar Al-Dawa Company.
3. Highlight the role of intellectual capital and its components in achieving the competitive advantage of Jordanian Dar Al-Dawa Company.
4. Draw the attention of the Jordanian Dar Al-Dawa Company to the importance of intellectual capital as a strategic concept and try to confirm its role as a tool to achieve competitive advantage.
5. Highlighting the most important dimensions of the intellectual capital of Jordanian Dar Al-Dawa Company.
6. To reach a number of recommendations and proposals that should be taken into account for the intellectual capital to achieve competitive advantage.

#### 1.4 Proposed Study Model:

In the light of the problem of the study, its questions and objectives, and the importance involved, the proposed study model was formulated to describe the relationship between the study variables represented by (The impact of intellectual capital in achieving the competitive advantage of Jordanian pharmaceutical companies). As shown in Figure (1) as follows:

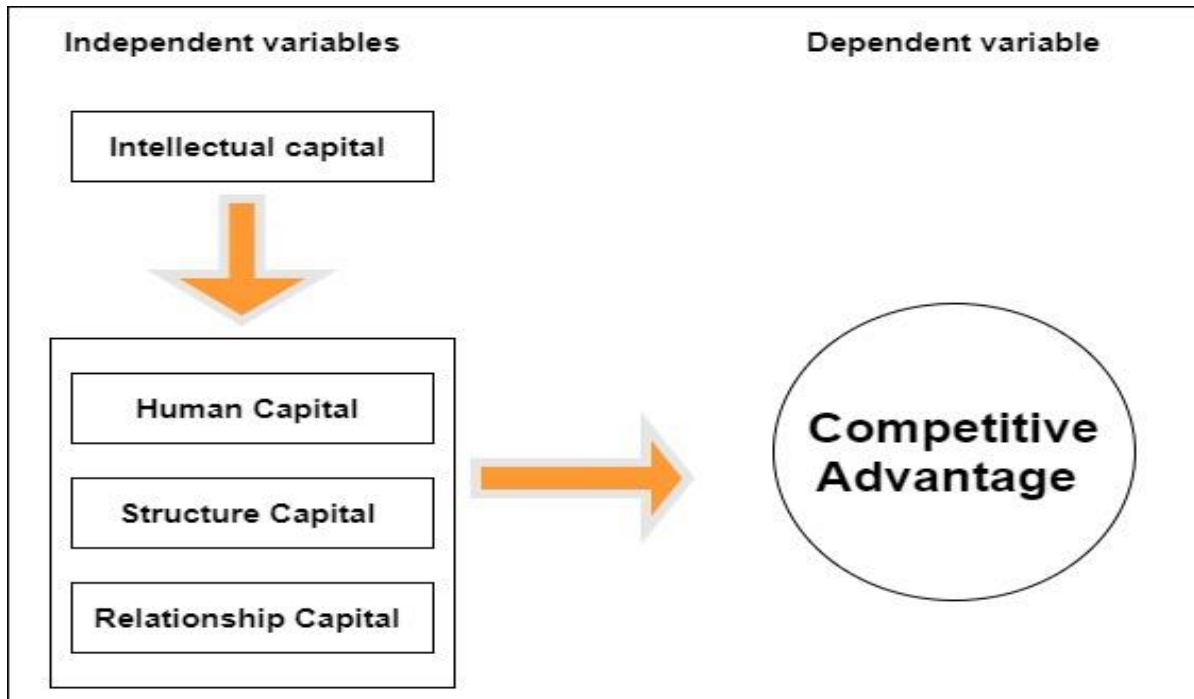


Figure 1: The proposed study model

#### Study Hypotheses:

**H0:** There is no statistically significant effect at the level of ( $\alpha \leq 0.05$ ) of the intellectual capital with its dimensions of (human capital, structural capital, and relations capital in achieving the competitive advantage of Dar Al-Dawa Jordan Company).

Three main hypotheses emerge from the main hypothesis of the study:

**H01:** There is no statistically significant effect at ( $\alpha \leq 0.05$ ) level of human capital in achieving the competitive advantage of Dar Al-Dawa Jordan.

**H02:** There is no statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) of the intellectual capital in achieving the competitive advantage of Dar Al - Dawa of Jordan.

**H03:** There is no statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the relationship capital to achieve the competitive advantage of Dar Al - Dawa of Jordan.



## 2 Literature Review:

**1. A study by (Al-Fadl, 2009) entitled: "The relationship between intellectual capital and value creation - a field study on the banking industry in the Gulf States".**

This study aimed to highlight the role of intellectual capital in the completion of the customers of the organization's strategy and the achievement of the proposed value aimed at creating value. The study was conducted on a sample of (78) banks distributed among the Gulf countries using financial data for the years 2004-2006.

The results rejected the hypotheses of the study, emphasizing the importance of intellectual capital measures in evaluating the performance of organizations, and that the value of the organization is created not only from its tangible assets but from the interaction and integration of both tangible and intangible assets.

The study recommended intensifying research efforts in the fields of capital and its impact on value creation.

**2. A study by (Bishtawi et al., 2014) entitled: "The Impact of Intellectual Capital in Improving the Profitability of Jordanian Pharmaceutical Companies. Jordan Journal of Business Administration."**

The aim of this study was to investigate the availability of knowledge capital requirements (human, structural, and relationships) among Jordanian pharmaceutical companies to achieve competitive advantage, and to identify the most important obstacles that hinder its construction and study the nature of the relationship between the components of knowledge capital. The study population consisted of the industrial pharmaceutical companies belonging to the Jordanian Federation of Pharmaceutical Producers, which are engaged in the production of medicines. The sample of the study consisted of the senior management in those companies, which are general managers and their assistants and managers of all functional activities such as marketing, finance, production, planning, quality, and others.

### **The Study Concluded:**

The most important obstacles facing the construction of knowledge capital in the Jordanian pharmaceutical companies, is the lack of sufficient physical capital to carry out the studies and research necessary for its development and construction and the inability of pharmaceutical companies to apply and use knowledge and transfer it into effect.



**3. A Study by (Habayneh, 2007) entitled "*The role of intellectual capital in enhancing the competitive advantage of the institution: a comparative study between Algeria Telecom (AT) and Orascom Telecom Algeria (OTA)*".**

This study aimed to highlight knowledge and innovation as a basis for defining intellectual capital, and tried to show the place and role of knowledge in the institution, and how the transfer and dissemination of knowledge within the institution through learning in the development and improvement of performance. Thus, in creating value it has a competitive advantage. The study relied on the descriptive and analytical approach to conduct a comparative study between the two operators of Algeria Telecom and OT. The data were collected through a questionnaire prepared for this purpose, where the responses were 149 for the two companies (70 Telecom Algeria, 79 and Orascom Telecom).

**The Study Concluded:**

The critical importance of intellectual capital in achieving the competitive advantage of the institution by investing mental capacity and working to promote and manage effectively to achieve intellectual performance leading to competitive excellence.

The ability to innovate is the first factor in maintaining a successful company as a competitor, and its ability to achieve a competitive advantage.

**4. A study by (Abdo, 2006) entitled "*Intellectual Capital Management as an Approach to Developing the Competitiveness of Business Organizations: A Study Applied to Electronics Industry Organizations in 10th of Ramadan City*".**

The study aimed to identify the shortcomings facing the identification, measurement and management of intellectual capital in many business organizations in the Arab Republic of Egypt. The problem of the study was that there is a shortage of intellectual capital management which negatively affects the competitiveness of these organizations. The researcher conducted an exploratory study of the issue of intellectual capital in its three dimensions (human, structural and relations) and its effect on enhancing the competitiveness in the electronics industry organizations in 10th of Ramadan City; this is by collecting data related to the subject of the study from the sample of the sample size of (30) employees of three companies, namely Arab Electronic Industries (MAG), Electro-com for Electronic Industries, and Neo-technology for Industry, to get their views on the obstacles associated with the management of intellectual capital which limits the ability of their organizations to meet the challenges of local and global competition.

### **The Study Concluded:**

There is a decrease in the efforts exerted by the management organizations working in the electronics industry in 10th of Ramadan City to retain employees with high creative and innovative abilities, reflecting the lack of management by these organizations in dealing with human resources with outstanding creative abilities.

#### **5. A study by (Yousef, 2005) entitled "Study and evaluation of intellectual capital in business companies."**

The study aimed to shed light on the intellectual capital (intangible assets) and its increasing importance in business organizations and the economy in general in Jordan, and how companies and business organizations can develop, maintain and manipulate them in light of the prevailing financial, accounting and economic theories and foundations.

### **The Study Concluded:**

- An important part of the intellectual capital of companies is human capital, which is clearly visible in cognitive companies and it is not easy to measure and identify this part of capital.
- Many elements and components of intellectual capital are not accountable to specific constraints and thus are estimated and estimated approximate and subjective.

#### **6. A study by (Mitchell, 2010) entitled "A model for managing Intellectual capital to generate wealth".**

This study aimed to develop and test a model of intellectual capital management derived from the organization's vision and strategy. The relevant previous studies have formed the basis for the development of this model, which summarizes all the different aspects that the organization must take into account when managing its intellectual capital. For the purpose of the study, a sample of (9) executives of independent business units in one of the largest companies in New Zealand was selected to collect data from them through the interview to clarify how and why the intellectual capital is managed in their company, in addition to (18) employees interviewed also for the purpose of study. The study data were collected for (44) employees through a questionnaire that was prepared and distributed to them to clarify their point of view regarding issues related to intellectual capital. The study reached a number of results, the most important of which is that although most of the specific aspects of the study model are present in the company. However, the management of the company had no realization of intellectual capital management.

**7. A study by (Gannon et al., 2008) entitled "Managing intellectual capital for sustained competitive advantage in the Irish tourism industry".**

The aim of this study is to develop a framework for explaining how companies benefit from the elements of human and organizational capital and its relationship to intellectual capital to generate sustainable competitive advantage. The study was launched with two main questions explored in terms of organizations and competitiveness: the first question "why do some tourism companies compete more successfully than others?" and the second question "What do companies do to enhance and maintain their competitive advantage?". Under the strategy presented, the clarification of the difference and excellence in performance between companies moved from external factors to internal elements of the company, which represents the element of creativity in the current age of knowledge and its importance in achieving competitive excellence of the institution. The study found that the source of sustainable competitive advantage is linked to the extent to which the internal intellectual resources of the Organization are best utilized by relying on knowledge management and processes.

**8. A study by (Ismail, 2005) entitled: "The Influence of intellectual capital on the performance of Telkom Malaysia".**

This study aimed to assess the impact of intellectual capital on the performance of Malaysia Telecom. The study used the analytical descriptive methodology based on a series of strategies in collecting quantitative and qualitative data for the purpose of the study. For the purpose of data collection, a questionnaire was distributed to the study sample, which reached (400) individual divided at administrative levels from administrative to assistant general manager distributed to (14) public administration distributed throughout Malaysia.

**The Study Concluded:**

- There is a positive relationship between the independent variables and the dependent variable.

**9. A study by(Bong, 2005) entitled " Intellectual capital as competitive advantage of firms within a socio – cultural context: An India case study"**

This study aimed to clarify the appropriateness and applicability of the concept of intellectual capital as a competitive advantage for companies within the social and cultural context, especially in the countries of the growing economy. In order to collect the necessary data for the study, 75 targeted interviews were divided, as follows: (6) interviews with CEOs and general managers of three companies in the service and software industry and (69) interviews



distributed to CEOs of other companies in India, academics and managers in the government sector, journalists and writers.

### **The Study Concluded:**

The concept of intellectual capital is still in the introduction stage in India. The focus of the studies is on the definition of tariffs and methods of development and measurement of intellectual capital. In the service and software industry, intellectual capital is a source of competitive advantage.

### **3 Study Methodology**

In line with study objectives and study questions, the researcher used two methods in collection of data namely primary and secondary data. The way to conduct the study is quantitative method through a questionnaire that used for gathering data from the sample of population. And the program used for measuring the data is Statistical Package for Social Science SPSS. The researcher used descriptive and statistical analysis. In order to ascertain the Impact of Intellectual Capital in their dimensions (Human capital, Structural capital, Relational capital) on Competitive Advantage in Dar Al-Dawaa Company, the quantitative research design will be used in carrying out the study. Therefore, the questionnaire technic will be used as the data gathering method regarding the research topic in which the results will be analyzed by SPSS Program.

#### ***3.1 Population and Sample***

The sampling unit consisted of (148) employees in the top and middle management (director, deputy/assistant director and head of department) in Dar Al- Dawaa Company. The questionnaire was distributed to all of them, (141) questionnaires were retrieved, and (7) questionnaires were excluded due to their lack of validity for statistical analysis, so the number of valid questionnaires for analysis (141) increased by (95.3%),

#### ***3.2 Validation and Reliability of the study instrument***

##### ***3.2.1 Validity***

The researcher developed a questionnaire to cover all dimensions of the independent and dependent variables in a way that enable the testing of the hypotheses of the study, which were constructed, configured and distributed to the sample members. To increase the degree of reliability of the data collected, the researcher relied as much as possible on measuring the variables of the study based on the measures of previous studies, where they proved their credibility and reliability. The responses of the study sample were distributed according to the Likert quintile scale.

**Table (1): "The statistical standard for the interpretation of arithmetic averages and their estimates."**

Mean	Degree of approval
From 1.00 - less than 2.33	a low degree
From 2.33 - less than 3.67	a medium degree
From 3.67 - less than 5.00	a high degree

### **3.2.2 Reliability**

The Cronbach's Alpha is used for internal consistency to ensure that the questionnaire is valid as a data collection tool for the current study. The researcher used Cronbach's Alpha coefficient to measure the level of internal consistency of the resolution of the paragraphs, where it can be seen in Table (4).

Reliability was tested by the Cronbach-Alpha coefficient to determine the degree of consistency and internal stability in the scale used to measure the variables of the hypotheses. According to (Sekaran, 2003; Nunnally, 1978), if the Cronbach-Alpha coefficient is more than 60%, then it is reliable to analyze and interpret the data of the research.

**Table (2): "Internal consistency coefficients (Cronbach Alpha)"**

Variables	Stability coefficient
Human capital	.891
Structural capital	.881
Relational capital	.729
Competitive Advantage	.946
Total	<b>.968</b>

Table (3) demonstrates that the security coefficients of the variables were higher than 60%. This shows inward consistency between the passages. (96.8%), which is higher than 60% showing inside consistency among all passages, which affirms the legitimacy of the survey in theory tested.

### Normal Distribution Test

**"Table (3): Normal distribution of data"**

		Competitive Advantage
<b>N</b>		141
<b>Normal Parameters<sup>a,b</sup></b>	Mean	4.0142
	Std. Deviation	.79089
<b>Test Statistic</b>		.152
<b>Asymp. Sig. (2-tailed)</b>		.000 <sup>c</sup>

The table shows that the distribution of data was followed by a normal distribution.

### *Demographic of Study Sample:*

In this examination, the analyst managed a portion of the statistic factors of the example as far as (gender, age, education, Job Position, Years of Experience) The example of the investigation was as per the following:

**Table (4): "Description of the study sample according to the demographic variables"**

Variable	Level / category	Number	percentage %
Gender	Male	83	58.9
	Female	58	41.1
Age	20- less 30	38	27.0
	30- less 40	37	26.2
	40- less 50	39	27.7
	50 years or more	27	19.1
Education	Diploma or below	22	15.6
	Bachelor	90	63.8
	Master degree	21	14.9
	PhD degree	8	5.7
Years of Experience	Less than 3	66	46.8
	3- less 6	16	11.3
	6- less 10	18	12.8
	10 years or more	41	29.1
<b>Total</b>		141	100.0

Table (4) shows the sample description based on the demographic variables of the sample. Shows that the percentage of males is higher than that of females, while the percentage of males was (58.9%) while the percentage of females was (41.1%), And shows that the age group (from 40- less 50) was the highest among other groups, at a rate of (27.7%), while the

age group (from 50 years or more) was the lowest among the groups, It reached (19.1%). And shows that the highest percentage among qualifications was for the academic qualification (Bachelor's) at (63.8%), while the lowest percentage among educational qualifications was (PhD degree), at (5.7%). data shows that the highest percentage of those with Less than 3 experience was (46.8%), followed by (29.1%) for those with 10 years or more of experience, and the results indicated that the lowest percentage was for those with less experience from 3- less 6(11.3%).

### 3.3 Test hypotheses

**H1.** There is no statistically significant impact at the significance level ( $0.05 \geq \alpha$ ) of Intellectual Capital in their dimensions (Human capital, Structural capital, Relational capital) on Competitive Advantage in Dar Al- Dawaa Company.

**Table (5): b (Model Summary)**

Model	R	R <sup>2</sup>	Adjusted R Square	Std. Error of the Estimate
1	.970 <sup>a</sup>	.941	.940	.19383

Table (5) shows that the value of the correlation coefficient of Intellectual capital and the variable (Competitive Advantage) was 97.0%. The value of the coefficient of determination (R<sup>2</sup>) is 0.941, so 94.1% of the total variance is explained by the model, and the rest is explained by other factors (Hair, 2010).

**Table (6): Analysis of variance (ANOVA)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.425	3	27.475	731.324	.000 <sup>b</sup>
	Residual	5.147	137	.038		
	Total	87.572	140			

Table (6) shows that the value of F is (731.324), and the statistical significance level is (0.00) and thus is less than (0.05). Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted. There is an impact of Intellectual Capital in their dimensions (Human capital, Structural capital, Relational capital) on Competitive Advantage at the significant level ( $\alpha \leq 0.05$ ).

- **The results of the First hypothesis test**

**H1.1** There is no statistically significant impact of Human capital on Competitive Advantage in Dar Al- Dawaa company at the level of  $\alpha \leq 0.05$ .



**Table (7): b (Model Summary)**

Model	R	R <sup>2</sup>	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.786	.785	.36700

Table (7) shows that the value of the correlation coefficient of Human capital and the variable (Competitive Advantage) was 88.7%. The value of the coefficient of determination (R<sup>2</sup>) is 0.786, so 78.6% of the total variance is explained by the model, and the rest is explained by other factors (Hair, 2010).

**Table (8): Table of Coefficient**

Element	B	Std. Error	Beta	T	Sig.
(Constant)	.267	.169		1.587	.115
Human capital	.929	.041	.887	22.609	.000

Table (8) shows the results of Coefficients for the impact of Human capital on (Competitive Advantage). The table shows the calculated t values is 22.609. The level of significance of t sig was (0.00).

As for the relative importance of the impact of the independent variables on the dependent variable, the standardized beta coefficients were used (Malhotra, 2004; Hair et al., 2003). The table also shows that there is a statistically significant impact at ( $\alpha \leq 0.05$ ) of Human capital on Competitive Advantage.

***The results of the second hypothesis test***

**H1.2** There is no statistically significant impact of Structural capital on Competitive Advantage in Dar Al- Dawaa Company at the level of  $\alpha \leq 0.05$ .

**Table (9): b (Model Summary)**

Model	R	R <sup>2</sup>	Adjusted R Square	Std. Error of Estimate
1	<b>0.966<sup>a</sup></b>	<b>0.933</b>	<b>.933</b>	<b>.20471</b>

Table (9) shows that the value of the correlation coefficient of Human Structural and the variable (Competitive Advantage) was 96.6%. The value of the coefficient of determination (R<sup>2</sup>) is 0.933, so 93.3% of the total variance is explained by the model, and the rest is explained by other factors (Hair, 2010).

**Table (10): Table of Coefficient**

Element	B	Std. Error	Beta	T	Sig.
(Constant)	.065	.091		.714	.477
<b>Structural capital</b>	.978	.022	.966	44.166	.000

Table (10) shows the results of Coefficients for the impact of Structural capital on (Competitive Advantage). The table shows the calculated t values is 44.166. The level of significance of t sig was (0.00).

As for the relative importance of the impact of the independent variables on the dependent variable, the standardized beta coefficients were used (Mallhorta, 2004: Hair et al., 2003). The table also shows that there is a statistically significant impact at ( $\alpha \leq 0.05$ ) of Structural capital on Competitive Advantage.

***The results of the third hypothesis test***

**H1.3** There is no statistically significant impact of Relational capital on Competitive Advantage in Dar Al- Dawaa Company at the level of  $\alpha \leq 0.05$ .

**Table (11): b (Model Summary)**

Model	R	R <sup>2</sup>	Adjusted R Square	Std. Error of the Estimate
1	.676 <sup>a</sup>	.457	.453	.58482

Table (11) shows that the value of the correlation coefficient of Relational Structural and the variable (Competitive Advantage) was 67.6%. The value of the coefficient of determination (R<sup>2</sup>) is 0.457, so 45.7% of the total variance is explained by the model, and the rest is explained by other factors (Hair, 2010).

**Table (12): Table of Coefficient**

Element	B	Std. Error	Beta	T	Sig.
(Constant)	-.220-	.394		-.558-	.578
<b>Relational capital</b>	1.007	.093	.676	10.819	.000

Table (12) shows the results of Coefficients for the impact of Relational capital on (Competitive Advantage). The table shows the calculated t values is 10.819. The level of significance of t sig was (0.00).

As for the relative importance of the impact of the independent variables on the dependent variable, the standardized beta coefficients were used (Mallhorta, 2004: Hair et al., 2003). The table also shows that there is a statistically significant impact at ( $\alpha \leq 0.05$ ) of Relational capital on Competitive Advantage.

## 4 Conclusion and Recommendations:

### 4.1 Conclusion

In light of the results of the study, the author reached a number of conclusions, as follows:

- 1- The result showed that the mathematical averages of respondents' answers to the "Intellectual Capital." The first variable is (Relational capital) with an average of 4.20 and a high rating, then (Structural capital) with an average of 4.04 and a high rating, Finally, (Human capital) with an average of 4.03 and a high rating. It indicates that the level of application of Intellectual Capital dimensions is high among Dar Al-Dawa Company.
- 2- The result showed that the mathematical averages of respondents' answers to the "Competitive Advantage" ranged from (3.87 - 4.11). It indicates that the level of application of Competitive Advantage is high among Dar Al- Dawaa Company.
- 3- The result showed that there is an impact of Intellectual Capital in their dimensions (Human capital, Structural capital, Relational capital) on Competitive Advantage at the significant level ( $\alpha \leq 0.05$ ).
- 4- The result showed that there is a statistically significant impact at ( $\alpha \leq 0.05$ ) of Human capital on Competitive Advantage.
- 5- The result showed that there is a statistically significant impact at ( $\alpha \leq 0.05$ ) of Structural capital on Competitive Advantage.
- 6- The result showed that there is a statistically significant impact at ( $\alpha \leq 0.05$ ) of Relational capital on Competitive Advantage.

### 4.2 Recommendations

In light of the results of the study, the author proposed some recommendations for Dar Al-Dawaa Company in Jordan.

- 1- The study recommends that Dar Al-Dawaa should continue to develop its intellectual capital in order to achieve a sustainable competitive advantage in the market.
- 2- Dar Al-Dawaa should encourage the building of teams within work environment in order to contribute to strengthening competitiveness.
- 3- Dar Al- Dawaa should continue to improve its management of employees, rewarding them in order to encourage them to create, innovate more ideas and tools to improve work, and also to achieve a competitive advantage for the organization, or to collect more value from their innovations.
- 4- The study recommends to track intellectual capital and its role in achieving competitive advantage in other pharmaceutical companies or any other production sectors.



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