IMPROVING ABSORPTIVE CAPACITY THROUGH MODERN HUMAN RESOURCE MANAGEMENT PRACTICES

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ABSTRACT

Purpose: This study aimed to confirm, from the viewpoint of managers at Jordanian Car Dealerships, the impact of modern human resource management practices MHRMP on absorptive capacity AC and to explore novel ideas for reaching AC.

Design/Methodology: The study used the questionnaire as a tool to collect data from managers in 15 automobile companies in Jordan. The questionnaire was developed based on previous studies. The study adopted descriptive quantitative approach to reach its specific objectives, and used (SEM-PLS).

Findings: Study results revealed a significant impact of MHRMP on AC, and that there is a significant impact of e-training and flexible work system on AC.

Limitations: This study was conducted in a specific sector and environment and using a questionnaire to collect data, which may somewhat reduce the accuracy of managers' answers to its paragraphs, which reduces the possibility of generalizing its results to other sectors and environments.

Originality: This study, which is the first to address the relationship between a set of MHRMP and AC, thus provides guidance on how to benefit from MHRMP.

Keywords: Human Resource Management, Modern Practice, Absorptive Capacity, Cars Dealerships, Jordan.

INTRODUCTION

External knowledge and organization ability to acquire and exploit it in the current complex business environment has become an important source for the growth and survival of business organization and an important source for their competitive advantage. All of this has forced organization to appreciate external knowledge value (Cohen & Levinthal, 1990). The increasing speed of change in the business cycle, and need to adapt to a speed changing environment have prompted organizations to internalize concepts that stem from the external environment (Sousa & Voss, 2002). Because knowledge becomes outdated quickly, companies must constantly update their technology foundations (Bresciani et al., 2018). Every firm must go outside its borders because no one organization can conduct all the necessary research on its own given the vast array of technology fields that are available. Organizations rely on their customers, suppliers, and other stakeholders to innovate products (Leal-Millan et al., 2016).

Large organization that does not rely on R&D is not in a good position to benefit from external knowledge compared to large organization that rely on R&D, due to the increased

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adoption of bureaucratic management techniques by large firms (Ortega-Argil et al., 2009). Businesses that don't rely heavily on R&D could need to find alternative ways to increase their AC, such putting more of an emphasis on their human resources (Salas-Vallina et al., 2020). MHRMP refer to all administrative processes that are related to the relationship between an organization and its employees (Jafre et al., 2023). The goal of human resource management objectives. Employee motivation is increased and they are given the opportunity to perform to the best of their abilities thanks to these interconnected actions, which increase organizational success. According to Gope (2018) Human resource management faces new challenges such as recruiting and retaining the best talent, and adopting a new skill set to add more value. The new type of human resource management in knowledge-based companies has many characteristics that differ from classical human resource management (Todoruş et al, 2011).

The amplification of knowledge and effective processing are the main concerns of human resource processing. In order for HRM specialists to adequately take into account the diversity of human resources involved in the business, as well as their traits and incentives, there is also a need for significant divergence between their methods, decisions, procedures, and behavior. The activities of human resource must be designed in a flexible manner, with functions and content constantly changing, according with internal and external organization's development. Human resource activities must be coordinated according to the organization's objectives, to ensure its sustainability. Since knowledge management is a vital component of business, it will assist organizations in safeguarding their intellectual property, concentrating on their most valuable resource—their people—building connections between individuals through collaborative methods, and reorienting their culture by formulating an ideal knowledge sharing plan (Bordeianu & Buta, 2015). The aim of current study look at how Jordanian Car Dealerships' AC was affected by their HRM procedures.

Study Problem and Questions

This study aimed to test the impact of MHRMP such as workforce diversity, succession planning, electronic training, 360-degree feedback and flexible work system on AC of Cars Dealerships in Jordan. The environment constantly produces a huge amount of knowledge in various fields, which requires organizations of all specializations to follow up on the knowledge that the environment produces and identify it, whether it comes from research centers, customers or suppliers, and try to acquire it in an effort to absorb it and integrate it with the internal knowledge that they possess for the purpose of exploiting it in a better way new products, and in this context comes the role that HRM can play in achieving the highest levels of assimilation of this knowledge, as the organization's possession of a diverse workforce gives it sufficient flexibility in dealing with problems and in diversifying its outlook on events that occur in the environment and the movement of competitors as well as about having a stock of managers ready at any time to compensate for what you may lose from executives. The organization's use of technology in employee training process, which increased their skills in following up on everything that happens in the external environment, gives its employees ability to analyze and link internal and external knowledge. The study aim is to answer the below questions:

- What is the impact of MHRMP on AC at Cars Dealerships in Jordan?
- What is the impact of workforce diversity on AC at Cars Dealerships in Jordan?
- What is the impact of succession planning on AC at Cars Dealerships in Jordan?
- What is the impact of electronic training on AC at Cars Dealerships in Jordan?

- What is the impact of the 360-degree feedback on AC at Cars Dealerships in Jordan?
- What is the impact of the flexible work system on AC at Cars Dealerships in Jordan?

Study Importance

The study is importance because of its theoretical component, which aims to explain how MHRMP affect Jordanian Car Dealerships' ability to absorb new information, as it is assumed that the results that will be reached will be a simple scientific contribution to research in this field in an effort to reach a scientific axiom that supports the existence of a relationship between the two variables. In addition, researchers are informed of the latest findings presented by researchers in this field and presented in the theoretical framework of this study, which represents a qualitative addition to the theoretical aspect, which will fill the gap in the Arabic library regarding these two variables.

On the practical side, the benefit that this study can achieve is by providing recommendations to organizations in the sector under study in light of the results, with the possibility that other sectors can benefit from these recommendations.

Study Objectives

The study aims to investigate impact of MHRMP with its dimensions on AC with its dimensions at Cars Dealerships in Jordan, in addition to identifying the levels of availability of study variables and their dimensions.

THEORETICAL FRAMEWORK

Modern Human Resource Management Practices

MHRMP can be described as a policy required to implement human resource procedures in organization, such as recruitment, employee development, performance appraisal, compensation management, and encourage employee participation in decision-making (Hien, 2023). Researchers have extensively addressed MHRMP in their traditional form, by testing their relationship with many variables in management, but due to globalization and technological development, the need has emerged to develop new practices that help those responsible for human resource important developments in MHRMP, especially with regard to workforce diversity and how to deal with it, as well as in planning for administrative positions and how to avoid vacancies in them through succession planning, in addition to the emergence of new mechanisms for training employees that rely on the computer and its applications, which is called electronic training. As well as stopping relying on superiors only to evaluate employees and relying on more than one party in the evaluation process using a 360-degree feedback method, in addition to the emergence of the idea of flexible work system. In the next part, these practices will be reviewed, which have been adopted as modern practices in human resource management by organizations.

Workforce diversity: Diversity in the workplace encompasses both obvious and subtle qualities, including age, sex, race, ethnicity, religion, disability, personal traits, and cultural background; it also includes attributes like academic background, creative thinking, problem solving, and mental acuity. Employee with different backgrounds and skills can bring value to the organization by preserving identities. Additionally, having a diverse range of morals, values and physical and emotional traits with the organization helps employees identify with their

surroundings, which is why diversity is becoming more and more important. In this way, diversity enhances performance in the organizational environment (Paul et al., 2023).

Diversity in the workforce encompasses more than just surface-level differences; it also involves deep-level differences. Stated differently, it is imperative that workforce diversity considers both surface and deep factors. Both apparent and implicit heterogeneity must be considered in organizational diversity management. Building successful, high-performing teams is essential for firms to thrive in a highly competitive world as they adapt to the ever-changing global business environment. As a result, a diversified workforce is essential for every organization. Organizations must seek out and hire workers with a variety of traits and experiences in order to fully benefit from a diverse workforce. (Chu et al., 2023).

Succession Planning: Succession planning means developing workforce plans for senior positions in organization. It is a process of systematically evaluating and developing organizational managers to enhance performance. This content three main steps: knowing needs of key positions, developing internal managers, and selecting internal managers who will fits to positions (Dessler, 2020, 138).

From the point of view of Khalil et al. (2022), succession planning is a comprehensive process that includes uncovering talent within the organization and working to develop it to create a reserve stock of skilled managers who can be benefited from in the future. This process requires building an organizational culture to prepare such competencies.

Electronic training: Electronic training depends on modern technology methods to deliver training content to trainees, in order to overcome the geographical distances between the trainer and the trainee. In electronic training, the training program is designed to achieve a specific objective. It is a process in which an interactive environment is created rich in computer applications, and multimedia, which enables the trainee to achieve the goals of the training in the shortest time and least effort (Al-Ansari, 2021).

Dessler (2020, 247-252) indicates that the design of the electronic training program has revolutionized the world of training by providing employers with training programs that enhance cooperation among employees, especially when they work on a single training project. Electronic training includes computer-based interactive activities that work on increasing the skills and knowledge of trainees through safe methods that enable trainees to replay content and answer questions wherever they are and at any time, as electronic training has become realistic and effective through the use of interactive training based on graphics and images as well as the use of simulation systems.

360-degree performance evaluation: It is a method in which feedback is provided on the performance of workers through their supervisors, subordinates, colleagues, and themselves. This process helps workers realize their strengths and how to enhance them, and their weaknesses and how to develop them (Al-Tabball, 2021).

One problem with the 360-degree feedback approach is that it's unclear what the method's goals and purposes are. Misunderstandings have resulted from this ambiguity among stakeholders, such as decision makers, recipients, and feedback sources. Comprehensive feedback may not be as helpful if the expected results and expectations are not well understood. Concerns exist regarding the validity and reliability of assessments as well since factors such as training levels, assessor selection, participant count, and instrument quality can all contribute to variability and compromise the accuracy of assessment outcomes. Resolving these concerns is essential to optimizing the possible advantages of thorough feedback in companies (Al-Maawali et al., 2023).

Flexible work system: The primary focus of organizational and professional psychology is the study of work as a kind of human activity sustained by a steady, long-term, full-time work relationship with protections for social and human rights; nevertheless, this viewpoint has shown to be very disconnected from the realities of today's workforce. The use of new technologies to mediate disputes between employers and employees and the changes in labor regulations have led to the emergence of alternative work arrangements in many nations. Workplace flexibility refers to a range of policies and procedures offered by an employer that give workers some degree of autonomy about where and when they work during the typical workday. In the workplace, flexibility is typically achieved by agreements between the company and the employee, whereby the latter agrees to program work flexibly in an effort to benefit the former. Flexible work arrangements encompass a wider range of practices, including job sharing, professional leave, flexible working hours, compressed work weeks, flexible career paths, temporary contracts, and special leave, in addition to variations in the timing or place of work. (Ugba et al., 2021).

Flexibility is the main focus of the analysis of alternative work arrangements. When compared to traditional model of employment contracts, flexibility should be taken into account in three different contexts: the type of employment relationship (direct agency, or temporary contracts); the working hours (fixed and variable - on-call or on-call - and on-call); and the location of the work (telework, home office, etc.) (Spreitzer et al., 2017).

Absorbative Capacity

Cohen and Levinthal (1990) define AC as an organization's ability to identify the value of external information, transform it, and apply it for business purposes. It is, therefore, the mechanism that makes external knowledge available within the organization (Wang & Sun, 2020). The main factor that affects the AC of the organization is the current knowledge base it possesses. When an organization has a rich knowledge base, it can acquire new external knowledge more efficiently and apply it effectively (Tsai, 2001). From the perspective of Patel et al. (2019), AC is a fundamental capability that ensures that the organization is effective and alert to insights related to creating opportunities arising from the prevailing uncertainty in the environment. Absorptive capacity enhances organization's ability to sense, transform, and exploit information in an uncertain environment (Flatten et al., 2011).

Zahra and George (2002) developed the AC model by classifying it into four dimensions: acquisition, assimilation, transformation, and exploitation. At a later stage, acquisition and absorption are grouped into the potential AC, and conversion and exploitation are grouped into the achieved AC. The researchers suggest that the potential AC has a greater impact on the organization's strategic flexibility, which is reflected in the organization's performance in the long term, while the achieved AC has a greater impact on the organization's strategic flexibility. Directly improving performance in the short term.

The organization's possession of a large number of highly qualified research and development workers helps improve its AC. Based on this, organizations that do not give research and development appropriate attention have modest AC, which leads to them suffering from competitive weakness with organizations that give research and development greater attention, since knowledge-based or practical consumers might better foster innovation in service firms. Through methods other than R&D, like enhancing human resource development, non-R&D organizations might be able to increase their AC (Cohen & Levinthal, 1089). A company's

propensity to investigate new knowledge is positively impacted by the scope and depth of its knowledge exposure. (Ramayah et al., 2020).

Absorptive capacity is a dual learning process that relies on matching the relative attributes of organizations, according to Pace and Miles (2020). The results of exchanges that take place during interactions between service providers and their clients are actively contributed to by both sides, and this knowledge-sharing about novel products is one of the ways that interactions between organizations influence innovation activity that these organizations could not produce on their own. To take advantage of connections with outside partners, companies must activate their resources to support knowledge transfer.

Absorptive capacity consists of four dimensions and each of them serves a special purpose and, therefore, can be described as a distinct capacity at the dimensional level in terms of its function (Jansen et al., 2005). In the following lines, a summary of these dimensions will be presented.

Acquisition capacity: Knowledge acquisition refers to the ability of organizations to recognize and obtain information from environmental sources that is essential to the organization's processes (Chaudhary & Batra, 2018). Acquisitions, procurement, licenses, contracts, and inter-organizational partnerships including R&D consortia, alliances, and joint ventures are examples of environmental knowledge sources. The more an organization interacts with knowledge sources, the more experiential learning it has accrued in handling outside data. Organizations must utilize the skills and knowledge of other economic actors in addition to their own capabilities and knowledge base. Information and knowledge obtained from outside sources may contain conclusions that are very different from the organization's internal knowledge base. In order to take advantage of the dynamic consequences of interaction processes, more organizations are establishing connections with other players in order to obtain external knowledge (Ramayah et al., 2020). Focus should be on the structure of contacts between an organization and its external environment in order to comprehend the sources of that organization's AC. (Cohen & Levinthal, 1990).

Assimilation capacity: Knowledge assimilation refers to an organization's ability to interpret and process the knowledge obtained (Chaudhary & Batra, 2018). Memory influences new product development by influencing the process by which an organization interprets and acts upon incoming information (Zahra & George, 2002). Experience is related to the gains that the organization has accumulated through previous activities, and an organization with experience enhances its ability to identify external knowledge, as experience reflects the organization's successes and failures over time; It can determine the organization's ability to absorb knowledge and further develop new products (Cohen & Levinthal, 1990).

Transformation capacity: Transfer refers to the organization's ability to develop procedures to integrate the external knowledge acquired and the existing knowledge available to the organization (Al-Hindawi et al., 2018). The importance of conversion comes to integrate external knowledge with current internal knowledge, so that the acquired external knowledge is integrated and integrated, and a mismatch may occur between external knowledge and internal knowledge (Martini et al., 2017). Absorbing external knowledge poses a challenge to the organization even if the external knowledge is known to others, and this occurs when the organization lacks a knowledge base related to the topic (Scaringella et al., 2017).

Transformation occurs by adding, eliminating, or reinterpreting existing knowledge differently, and transformation leads to changing the qualities of knowledge (Zahra & George,

2002). Rady (2021) points out that an organization's ability to identify the combination of two sets of knowledge to obtain new knowledge represents the ability to transform.

Exploitation capacity: According to Ramayah et al. (2020), one of the most important components of inventive talents is the capacity to utilize outside knowledge. According to Organization must have relevant previous knowledge in order to apply new knowledge (Cohen & Levinthal,1090). They further contend that the degree of relevant prior knowledge determines an organization's capacity to evaluate and apply external knowledge. Prior knowledge can refer to awareness of the most recent technological or scientific advancements in any field, as well as basic skills or even just a common language. The more an organization interacts with external sources of knowledge, the more experience it has gained handling external information. According to Schmidt (2005), an organization may undoubtedly take advantage of external information if it can effectively harness the incentives of external partners and convert them into innovative solutions.

Relationship between MHRMP and AC

According to a study by Jafre et al. (2023), HRMP are thought to be one of the most crucial foundational components for inspiring staff members to learn more. It is crucial that all departments are interested in the idea of motivation as well as knowledge management procedures. The majority of academics concur that developing human resource is more crucial than developing physical resource, and as a result, human resource management practices have gained significant attention since they help to advance knowledge management techniques and hasten the acquisition of new abilities. The importance of human resource management practices stems from the fact that human resource management practices and knowledge management represent the results that should be achieved by employees in their workplace, in absence of one of them, it will lead to the organization's failure to achieve the standards required for its success. On other hand, the results of the study by Triono et al. (2021) found training and knowledge management have a positive impact on the quality of tourism human resource; Training and knowledge management have an impact on increasing tourist visits. The quality of human resource in tourism offices has a significant impact on increasing tourist visits.

Regarding the study Rehman et al. (2020), its findings showed that organizational commitment influences the relationship between employees to some extent and that HRMP are essential in fostering knowledge exchange behavior among employees. However, the relationship between information sharing behavior and human resource practices is totally mediated by trust. Therefore, this study gives human resource policy makers and organization management enough guidance on how to encourage employees to become more invested in their companies, foster a culture of knowledge sharing by implementing HRMP, and assist staff in building social and emotional bonds that will lead to the development of trust. According to Ramachandran's (2018) study, there are various types of CEO succession under specific succession contexts (voluntary or forced replacement of a predecessor). Additionally, potential executive turnover will result in a realignment of senior management's experience and expertise, which will ultimately lead to the release of dimensions. a certain carrying capacity, either realized or potential, to accomplish particular strategic tasks, including strategic continuity or change. One of the factors that stimulates revitalization is CEO succession. This is because a new CEO may alter senior management makeup and organizational strategies, increasing the diversity of the organization's knowledge base and fostering the growth of absorptive capacity.

In a different investigation, Čalopa et al. (2015) combined theories and results about HRM's function in knowledge management in Croatia's ICT industry. The study's findings underscored the need for businesses to work toward preventing knowledge loss. As a result, businesses must understand how crucial human resources are to their operations. Knowledge sharing is only possible with knowledge management. Additionally, HRM-related IT tools help transmit knowledge between employees and avoid knowledge loss. According to a 2015 study by Bordeianu and Buta, an organization's strategy is centered around people, processes, and technology, all of which must be balanced in order for knowledge management to be effective. Since they initiate the entire change mechanism, senior managers must have a strong commitment to the process in order for any strategy to be implemented. Since changing an organization's culture requires adjustments at every employee level, the managers who directly oversee them must be highly committed and competent. Senior management involvement at all levels is crucial. Only the training department can create effective transformation, educational institutions, and the right atmosphere for learning and knowledge transfer. One of the most important aspects of organizational learning is a change-friendly culture. New knowledge-based organizational culture is a crucial dimension of the knowledge-supportive environment that all management components of an organization contribute to and that, in the end, determines performance and sustainability. In order to take use of the collective knowledge in an environment of transparency and gain a competitive edge, HRM needs to act as a catalyst for cultural change by fusing old practices with new ones. As a result, HRM's function can be expanded upon to include a new value delivery model and more added value.

Study Hypotheses

H1: There is an impact of MHRMP (workforce diversity, succession planning, electronic training, 360-degree feedback and flexible work system) on AC at Cars Dealerships in Jordan.

H2: There is an impact of workforce diversity on AC at Cars Dealerships in Jordan.

H3: There is an impact of succession planning on AC at Cars Dealerships in Jordan.

H4: There is an impact of electronic training on AC at Cars Dealerships in Jordan.

H5: There is an impact of 360-degree feedback on AC at Cars Dealerships in Jordan.

H6: There is an impact of flexible work system on AC at Cars Dealerships in Jordan.

METHOD

Study Sample

The population of this study is the managers in 18 Cars Dealerships companies in Jordan, in which 612 managers work. A proportional stratified random sample was drawn due to the difference in companies in terms of size. The size of the selected sample was 246 managers. An electronic questionnaire was distributed to the managers of the study sample, and the respondent who conducted the study was (98) managers.

Study Tool

The study used the questionnaire as a tool to collect data from the managers of study sample. Questionnaire consisted of 45 items, 25 of which covered the five practices of MHRMP, with 5 items for each practice. 20 items were allocated to cover the four dimensions of AC, with

4 items for each. Questionnaire items were developed after review of the literature on study variables.

RESULTS

Stage One for Lower Order Constructs:

For testing the hypothesis using structural equation model, the researchers adopted structural equation model- partial least squares (SEM-PLS) method and applying two-Stage approach that help to estimate study latent variables in two stages, first stage to test the measurement model validity and reliability for lower order constructs, second stage to test the measurement model validity and reliability for higher order latent variables to estimating the latent variables structural models.

The researchers first created and estimated the first stage measurement model for exogenous latent variable constructs (Workforce Diversity, Succession Planning, Electronic Training, 360-degree Feedback, and Flexible Work System) with endogenous latent variable with its combined constructs.

Figure 1. shows lower order outer loadings for the study's construct items, and the following items have been deleted (Succession Planning 3, Succession Planning 4, Electronic Training 1, Electronic Training 3, Electronic Training 5, Flexible Work System 6, 360-degree Feedback 4, 360-degree Feedback 6, Knowledge Acquisition 1, Knowledge Acquisition 3, Knowledge Assimilation 6, Knowledge Transformation 4, Knowledge Exploitation 1) as their outer loadings were less than (0.708) (Hair et al., 2022, 117). Figure 2. Shows the results after deleting the items that didn't exceed the threshold which extracted from Smart PLS 4.1.

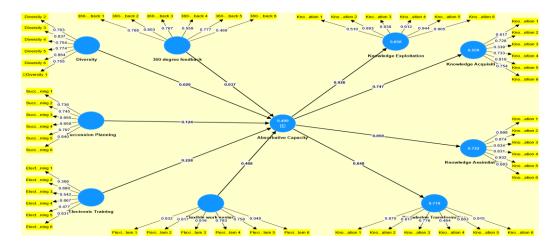


Figure 1 LOWER ORDER OUTER LOADINGS FOR STUDY CONSTRUCTS ITEMS.

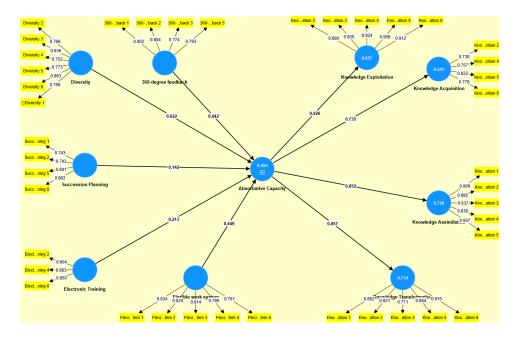


Figure 2 LOWER ORDER OUTER LOADINGS AFTER DELETING ITEMS

Lower Order Construct Reliability and Validity

Table 1 LOWER ORDER CRONBACH'S ALPHA, COMPOSITE RELIABILITY (CR), AVE.						
Variable Cronbach's Alpha CR AVE						
Workforce Diversity	0.881	0.91	0.628			
Succession Planning	0.812	0.876	0.639			
Electronic Training	0.855	0.911	0.773			
360-degree Feedback	0.806	0.872	0.63			
Flexible work System	0.863	0.901	0.647			
Knowledge Acquisition	0.775	0.856	0.598			
Knowledge Assimilation	0.928	0.946	0.778			
Knowledge Transformation	0.905	0.93	0.726			
Knowledge Exploitation	0.957	0.967	0.853			

Table 1 Shows two indicators for internal consistency (Cronbach's Alpha, and CR) and as shown in the table all internal consistency indicators is higher than the suggested threshold (0.60) and all of values accepted statistically (Hair et al., 2022, 119), and the third indicator is AVE (Average Variance Extracted) to measure the convergent validity, the suggested threshold is higher than (0.50) and all values for all constructs is acceptable (Hair et al., 2022, 120).

Lower Order Discriminant Validity

Table 2 LOWER ORDER HTMT ANALYSIS									
	Workforce Diversity	Succession Planning	Electronic Training	360- Degree Feedback	Flexible Work System	Knowledge Acquisition	Knowledge Assimilation	Knowledge Transformation	Knowledge Exploitation
Workforce Diversity									
Succession Planning	0.825								
Electronic Training	0.5	0.617							
360-Degree Feedback	0.461	0.578	0.473						
Flexible Work System	0.53	0.647	0.389	0.547					
Knowledge Acquisition	0.53	0.714	0.554	0.465	0.635				
Knowledge Assimilation	0.4	0.477	0.44	0.282	0.569	0.734			
Knowledge Transformation	0.434	0.466	0.36	0.43	0.588	0.549	0.619		
Knowledge Exploitation	0.369	0.52	0.468	0.429	0.624	0.669	0.714	0.841	

HTMT Analysis Table 2 compares correlations between similar and different constructs, The correlation values between homogeneous constructs should not exceed 0.90, and the correlations between different heterogeneous constructs should not exceed 0.85, as shown in table all values accepted (Henseler et al., 2015).

Lower Order Variance Inflation Factors (VIF)

Table 3 LOWER ORDER VARIANCE INFLATION FACTORS (VIF)				
Construct	VIF			
Workforce Diversity	2.093			
Succession Planning	2.519			
Electronic Training	1.469			
360-degree Feedback	1.442			
Flexible Work System	1.536			

Table 3 Shows the variance inflation factors for exogenous constructs, According to Hair et al. (2022, 191) the threshold for VIF is less than (5) to assure that our constructs are free of collinearity, as shown in the table all values are less than 5 and it is accepted statistically.

Stage Two for Higher Order Latent Variables

In stage two, researchers used the latent variables scores that extracted from the output results from stage one for the lower order component for the study exogenous latent variable (Workforce Diversity, Succession Planning, Electronic Training, 360-degree Feedback, and Flexible Work System), and lower order component for the study endogenous latent variable (Knowledge Acquisition, Knowledge Assimilation, Knowledge Transformation, Knowledge

Exploitation). Figure 3. Shows the results after adding the latent variables scores to the dataset (Sarstedt et al., 2019).

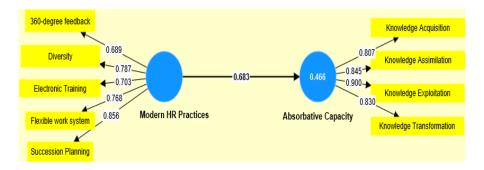


Figure 3 HIGHER ORDER MODEL

As shown in figure 3. All outer loadings are higher than (0.708). except 360-degree feedback and Electronic Training scores but it will be remained in the analysis because internal consistency reliability or convergent validity are above the suggested threshold (Hair et al., 2022, 117).

Higher Order Construct Reliability and Validity

Table 4 HIGHER ORDER: CRONBACH'S ALPHA, COMPOSITE RELIABILITY (CR), AVE.					
Variable	Cronbach's Alpha	CR	AVE		
AC	0.867	0.910	0.716		
MHRMP	0.820	0.874	0.582		

Table 4 Shows two indicators for internal consistency (Cronbach's Alpha, and CR) and as shown in the table all internal consistency indicators is higher than (0.60) and all of values accepted statistically (Hair et al., 2022, 119), and the third indicator is AVE (Average Variance Extracted) to measure the convergent validity as shown in the table the values of AVE is higher than (0.50) (Hair et al., 2022, 120).

Higher Order Discriminant Validity

Table 5 HIGHER ORDER HTMT ANALYSIS					
	Absorbative Capacity	Moder HR Practices			
AC					
MHRMP	0.79				

HTMT Analysis Table 5 compares correlations between similar and different constructs, Correlation values between homogeneous constructs should not exceed 0.90, and the correlations between different heterogeneous constructs should not exceed 0.85, as shown in table all values accepted (Henseler et al., 2015).

Effect Size (f²)

Table 6 HIGHER ORDER EFFECT SIZE				
	F2			
Path	Value	Effect Size		
		Large		
$MHRMP \rightarrow AC$	0.873	Effect		

Table 6 shows the impact size using f^2 factor that assessing to which extent the study's exogenous latent variable contribute to the study's endogenous latent variable, the value is higher than 0.35 which means that the MHRMP variable has large impact on AC (Hair et al., 2017, 211).

Hypothesis Testing

Table 7 HYPOTHESIS TESTING						
Hypothesis	β	T Value	P	Significance		
MHRMP → AC	0.683	13.717	0.000	Significant		
Workforce Diversity → AC	0.022	0.162	0.871	Insignificant		
Succession Planning → AC	0.142	0.983	0.326	Insignificant		
Electronic Training → AC	0.213	2.336	0.02	Significant		
360-degree Feedback → AC	0.042	0.377	0.706	Insignificant		
Flexible Work System → AC	0.449	4.563	0.000	Significant		

Table 7 shows the results for testing the study hypothesis as below:

H1: There is an impact of MHRMP (workforce diversity, succession planning, electronic training, 360-degree feedback and flexible work system) on AC at Cars Dealerships in Jordan

As shown in the table β value is (0.683) that means the MHRMP with all its dimensions effect (68.3%) of AC, and T value is (13.717) and its higher than (1.96) with significance (0.05) and P value is (0.000) (Hair et al., 2022, 196).

From the above result the hypothesis has accepted and there is an impact of MHRMP (workforce diversity, succession planning, electronic training, 360-degree feedback and flexible work system) on AC at Cars Dealerships in Jordan.

H2: There is an impact of workforce diversity on AC at Cars Dealerships in Jordan.

As shown in the table β value is (0.022) that means the workforce diversity impacts (2%) of AC, and T value is (0.162) and its lower than (1.96) with significance (0.05) and P value is (0.871) (Hair et al., 2022, 196).

From the above result the hypothesis has rejected, and workforce diversity didn't impact AC at Cars Dealerships in Jordan.

H3: There is an impact of succession planning on AC at Cars Dealerships in Jordan.

As shown in the table β value is (0.142) that means the succession planning impacts (14%) of AC, and T value is (0.983) and its lower than (1.96) with significance (0.05) and P value is (0.326) (Hair et al., 2022, 196).

From the above result the hypothesis has rejected, and succession planning didn't impact AC at Cars Dealerships in Jordan.

H4: There is an impact of electronic training on AC at Cars Dealerships in Jordan.

As shown in the table β value is (0.213) that means the electronic training impact (21.3%) of AC, and T value is (2.336) and its higher than (1.96) with significance (0.05) and P value is (0.020) (Hair et al., 2022, 196).

From the above result the hypothesis has accepted and there is an impact of electronic training on AC at Cars Dealerships in Jordan.

H5: There is an impact of 360-degree feedback on AC at Cars Dealerships in Jordan.

As shown in the table β value is (0.042) that means the 360-degree feedback impacts (4%) of AC, and T value is (0.377) and its lower than (1.96) with significance (0.05) and P value is (0.706) (Hair et al., 2022, 196).

From the above result the hypothesis has rejected, and 360-degree feedback didn't impact AC at Cars Dealerships in Jordan.

H6: There is an impact of flexible work system on AC at Cars Dealerships in Jordan.

As shown in the table β value is (0.449) that means the flexible work system impacts (44.9%) of AC, and T value is (4.563) and its higher than (1.96) with significance (0.05) and P value is (0.000) (Hair et al., 2022, 196).

From the above result the hypothesis has accepted and there is an impact of flexible work system on AC at Cars Dealerships in Jordan.

Dissection and Recommendations

The study investigated the impact of MHRMP on AC of Cars Dealerships in Jordan. The study results indicated that there is a significant impact of MHRMP on AC. The transition of these companies from traditional practices to modern practices increased their ability to obtain external knowledge and integrate it with internal knowledge in order to exploit it in the form of products that distinguish them from competitors. Adopting the electronic method in training employees and providing them with new skills gives them sufficient flexibility in choosing the appropriate time and method to follow the training program provided by the company on its official website on the internet. The use of technology has facilitated the delivery of training content to trainees, as this method transcends geographical boundaries between the trainer and the trainee. Electronic training enhances interaction between employees, especially when they participate in the same training program. Electronic training helps employees acquire knowledge

from companies with which the company enters into a strategic partnership, which increases the external sources of knowledge available to employees, by linking the company to other companies, which helps in accessing new knowledge. The more interaction with external knowledge, the more experiential learning the company accumulates and the transformation of this knowledge into innovative products.

The companies' reliance on flexibility in work systems in terms of freedom to attend and leave work gives employees the comfort of choosing the appropriate time to acquire knowledge, absorb it and integrate it with internal knowledge to exploit it in the interest of the company. The use of modern technology has helped in completing work without the need to be present in the company, and thus there is high flexibility for employees in how to complete the work in terms of when and where during the specified work time, by making some arrangements between employees and the employer to achieve the benefit of both parties, which is positively reflected in the ability of employees to determine the appropriate time and method for dealing with the external environment in order to acquire and absorb knowledge and present qualitative ideas in their field of work.

In light of study results, the researchers recommend Cars Dealerships in Jordan the following:

- Increasing companies' interest in applying modern practices in managing their human resources because of their clear impact on acquiring, absorbing, transforming and exploiting external knowledge.
- The significant impact of e-training on absorbative capacity requires companies to adopt this practice instead of training according to the traditional method, due to the interaction it achieves between trainees, in addition to employees choosing the appropriate place and time for training.
- Companies should expand the use of the flexible work system due to its significant impact on absorbative capacity, and move to flexibility in other areas, as is the case with flexible benefits and compressed work.

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