

Does human capital moderate the relationship between strategic thinking and strategic human resource management?

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ABSTRACT

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The literature suggests that strategic thinking is a single learning loop based on a number of strategic theories. Therefore, this study examines the relationship between strategic thinking and strategic human resource management (HRM) in banking industry of Jordan. We also look at whether human capital can be used to boost the relationship between strategic thinking and strategic HRM. In order to achieve these objectives, the researcher conducts an explanatory, applied, and cross-sectional investigation where the instrument of this study is a questionnaire. The proposed study of this paper uses structural equation modeling to examine the hypotheses of the survey. The result shows that strategic thinking had a positive and significant effect on strategic HRM. Moreover, human capital has a positive and significant effect on strategic HRM. The implications of the results are discussed for human capital and the author concludes with the research agenda and recommendations on how future banks can effectively benefit from strategic thinking and human capital to enhance strategic HRM.

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1. Introduction

Today, organizations are driven by competitiveness and competitive advantage. However, in order to achieve competitive advantage, organizations must strategically manage their resources which include human resources. Human Resource Management (HRM) has the capacity to provide competitive advantage and thus it is crucial for organization's strategic management. Wright et al. (2001) refers to dexterous employees in an organization as the organization's human capital pool. Recently, the intensity of competition between organizations has been increased, moreover the challenges increased particularly with globalization and technological revolution. Among the major current challenges that face organizations is their ability to cope with fluctuations, particularly in developing countries characterized by the fragility of their economies, in addition to their inability to effectively cope with and adopt rapid change. Human element is considered as one of the most important elements in productivity in the organization, therefore, senior management and line managers have started to think strategically for developing organization performance in order to face the challenges and continue in the market. Knowledge management is the basic strategic thinking when knowledge is seen like the axis process for various function areas in the organization, managers use strategic thinking in order to find out the best way of making decisions. Strategic thinking's purpose and desired outcomes have been noted as the development of novel strategy (Heracleous, 1998). To that end, strategic thinking is described by its characteristics as operations thinking. The undertaken problem has become necessary for the administration to a sophisticated performance. Additionally, adopted modern strategies in public and private organizations meet challenges causing by globalization and the revolution of technology (Aghazadeh, 1999). According to Kaufman et al. (2003), world is in daily change with quality of life which lead to the need of new rules and procedures for working and living, the old paradigms do not work anymore but we still cling to them to solve current problems. Therefore, we need strategic thinking using societal added as a guide in solving today's problems and to choose the right decisions. Strategic thinking uses

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tools to help managers implement the future plans and recruit the opportunities to enhance the organizational performance (Noubar, et al, 2014; Zabriskie & Huellmantel, 1991). The commercial banks sector is considered as one of the most important business sectors in Jordan, as a result of the development of globalization and technology and the increasing of competitors, the Jordanian commercial banks sector faces many challenges especially with the conflicts and non-stable situation in countries around Jordan. Because of that, many skilled and expert managers specialized in strategic human resources management in commercial banks have migrated outside. Therefore, managers started to think seriously in developing the strategies of human resources management in order to find the solutions that meet the challenges of the globalization and competitors. Therefore, this study will highlight the importance of the impact of strategic thinking on strategic human resource management in the Jordanian commercial banks.

1.1 Research Questions

- Q1: What is the impact of strategic thinking on strategic HRM?
 Q2: What is the impact of strategic thinking on selection and recruitment?
 Q3: What is the impact of strategic thinking on development and training?
 Q4: What is the impact of strategic thinking on compensation?
 Q5: does the known advantages of human capital augment the relationship between strategic thinking and strategic HRM?
 Q6: is there any moderating effect of human capital significant across all dimensions of strategic human resource management? And what will this imply for firms managers?

1.2 Significance of Study

The importance of this study is derived from the importance of strategic thinking and strategic human resource management due to the fact that the employees are the important entity in the business sector. In addition to that, the banking sector is considered as one of the most important business sectors in the world. The strategic thinking and human resource management plays an important role in improving the performance in banking sector, therefore, this research intended to explore how strategic thinking can improve the strategic human resources management. Finally, this research aims to cover the lack of literature reviews related to the effect of strategic thinking on the human resource management.

1.3 Aim of Study

This paper aims to identify the level of applying strategic thinking in Jordanian banking sector. Moreover, the level of applying strategic HRM will be identified in Jordanian banking sector. The impact of strategic thinking and its dimensions will also be examined for the selection and recruitment, development and training, compensations, and performance evaluation. Additionally, this study will investigate the impact of demographic variables on strategic thinking and strategic HRM.

1.4 Research Model

The proposed model of this study with three independent variables represents strategic thinking and its dimensions, the model includes dependent variable Strategic HRM as shown in Fig. 1. The model of this research is also designed according to Khalili et al. (2015); Heracleous (1998); Noubar et al. (2014) and Porter (1987).

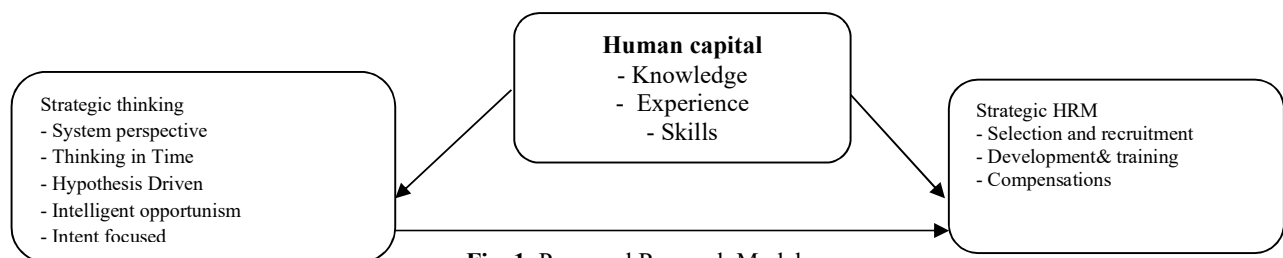


Fig. 1. Proposed Research Model

1.5 Hypothesis

The following hypotheses will guide the researcher in making presumptions and deep analysis.

- H₁**: Human capital moderates the relationship between system perspective and Strategic HRM, such that the effect of system perspective on Strategic HRM would be greater when human capital is higher.
H₂: Human capital moderates the relationship between intent focused and Strategic HRM, such that the effect of intent focused on Strategic HRM would be greater when human capital is higher.
H₃: Human capital moderates the relationship between intelligent opportunism and Strategic HRM, such that the effect of intelligent opportunism on Strategic HRM would be greater when human capital is higher.
H₄: Human capital moderates the relationship between thinking in time and Strategic HRM, such that the effect of thinking in time on Strategic HRM would be greater when human capital is higher.

H₅: Human capital moderates the relationship between Hypothesis driven and Strategic HRM, such that the effect of Hypothesis driven on Strategic HRM would be greater when human capital is higher.

2. Literature review

2.1 Strategic thinking

Although strategic thinking has long been used in our daily lives and in our businesses, but as academic concept, it has been researched recently. Researchers began to realize, define, and find elements dimensions of this type of strategies only within last two decades. There are definitions provided by scholars who are interested in this kind of strategies. The researcher in this study will highlight on the most important studies related to this kind of strategies and the most popular detentions of strategic thinking. Mintzberg (1994) developed the concept of strategic thinking in an academic framework and identified goals and dimensions to set its borders with the other terms. It has indicated that strategic thinking is a special way of thinking, is interested in addressing the insight, resulting in an integrated perspective of the organization, through a synthetic process resulting from the hiring of good intuition and creativity in the formulation of strategic directions. Strategic thinking is synthetic, divergent, creative thought process which aims to discover imaginative strategies which can re-write the rules of competitive game and envision potential futures significantly differently from the present (Heracleous, 1998). Kaufman et al. (2003) defines strategic thinking as a way in how individuals in an organization think, view, assess and create the future. Tavakoli and Lawton (2005) defined it as a cognitive process whereby an individual involves the past with the present in order to contemplate the future development of the organization. Strategic thinking for any successful business depends on the investigation of the clients 'voice, as much as on the qualifications and experiences of the employees. This yields the examining of each point in any various roles, also understanding the requirements of the clients and being sure that all these are linked to clearly define strategic duties (Heracleous, 1998). Comparing the strategic thinking with a) strategic planning, and b) operational planning, the obtained answers are:

- Strategic thinking means the answer of "What" and "Why".
- Strategic planning is the answer of "How" and "When" at all higher levels of planning.
- Operational planning is the exact details of the "How" and "When".

2.2 Importance of Strategic Thinking

The goal of strategic thinking is to produce a strategy that is a coherent, unifying, integrative framework for decisions especially about direction of the business enterprise and resource utilization (Kamangar et al., 2013). To complete it, strategic thinking employs central and additional information, qualitative synthesis of thoughts and perceptions. It is aware, specific, and practical and becomes aggressive domain for corporate proper advantages. Strategy is just an important result of an applicable proper considering process. Tregoe et al. (1988) discussed the partnership between strategy and procedure within their work, Top Management Strategy: What it is and How to make it Work as shown in Fig. 1.

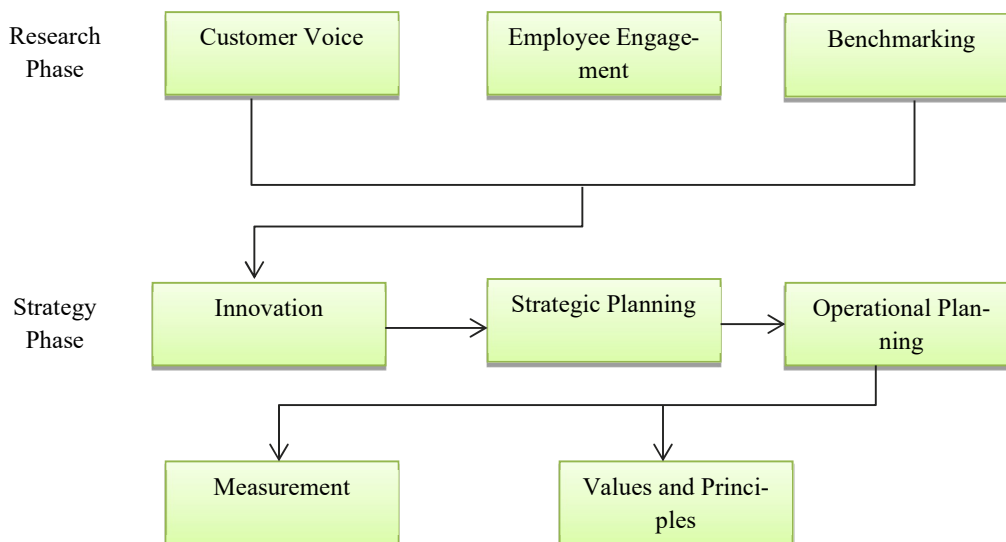


Fig. 2. Strategic Thinking

Strategic thinking can be a combination involving Creativity, Strategic Planning, as well as Operational Planning. This process commences with Creativity. Attempting to make the best long term and finding the necessary strategies to attain these goals;

Creativity allows to relocate out of doors own rut directly into the choices involving outperforming buyer, business prerequisites, and expectations (Salamzadeh et al., 2015). New developments will be subsequently articulated directly into several strategies. That is an element of the entire organizing process. Nevertheless, throughout organizing contemplating, most of us include things like the requirements of our own buyers, the business as well as our own workers from the process. Many of us incorporate Benchmarking to ensure sector greatest methods will be involved within our eye sight in the future (Deiss & Petrowski, 2009).

2.3 Strategic thinking's elements

System perspective: strategic thinking is based on the establishment of a system perspective and strategic thinkers have a mental model of the complete end-to-end arrangement of quality creation, and comprehends the bury conditions inside it. This mental model of "how the world works" must join a comprehension of both the outside and inside connection of the organizations.

Hypothesis driven: The company gets a much-focused analysis and does not need to do an exhaustive search for all possible solutions. Hypothesis driven is associated with scientific method and selects the most promising hypothetical in the process and seeks to confirm or refuse it. The scientific method accommodates both creative and analytical thinking sequentially in its use of iterative cycles of hypothesis generating and testing. Hypothesis generation asks the creative question what if. .??"

Thinking in time: according to Neustadt and May (1986), thinking in time has three components; first one is recognition that future has no place to come from, but the past predictive value. Second component is recognition that what matters for the future in the present is departure from the past, alterations, changes which prospectively or actually divert familiar flows from accustomed channels. Final component is continuous comparison, an almost contact oscillation from the present to future to past and back, heedful of prospective change, concerned to expedite, limit, guide, counter, or accept it as the fruits of such comparison suggest. Thinking in time, in this view, uses both an institution's memory and its broad historical context to think well about creating its future. This requires capability both for choosing and using appropriate analogies from its own and other's histories, and for recognizing patterns in these events.

Creativity gives better art, and far from destroying the artist, it can improve an artist's life or a scientist's life, or a businessperson's life (Kaufman et al., 2003). Creativity is the first foundation of strategic thinking, in other words, it represents the first step towards strategic thinking and success in achieving competitive advantage. Creativity is generally defined as the ability or power to create, to invest with a new form, to produce through imaginative skill and to make or bring into something new. Critical thinking is both a deliberate meta-cognitive (thinking about thinking) and cognitive (thinking) act whereby a person reflects on quality of reasoning process simultaneously while reasoning to a conclusion. The thinker has two equally important goals: improving the way: she or he reasons and coming to a correct solution (Moor, 2010). Analytical ability is the ability to analyze complex material and solve problems (Segal, et al., 1985), and as stated by Waters(2011) Analytical ability is to uncover how well the candidate can gather information and extract relevant data whether reaching conclusions, solving problems or making valid decisions, a productive employee needs strong analytical skills.

2.4 Strategic HRM

Most organizations in the world are seeking to achieve competitive advantage and struggle for survival and continuity in order to achieve the profit at the end. Recently, the intensity of competition between organizations has been increased, moreover the challenges increased especially after globalization and technological revolution. Among the major challenges currently facing organizations is their ability to cope with fluctuations, particularly in developing countries which is characterized by the fragility of their economies, and the inability of organizations to effectively cope and adopt with the rapid changes. The human element is considered as one of the most important elements in productivity in the organization, therefore, senior management and managers have started to think strategically in selection and development of human resources in order to face the challenges and continue in the competition. Human resource management is the most important place in an organization and it is an approach for the implementation of company's strategies and achievement (Kucharčíková, et al., 2015). Strategic Human resources management working is to put the right people in the right place and increase the productivity and raise morale, reduce work-related accidents, which increases the importance of the strategic human resources management in companies (Wright & McMahan, 2011). Organizations do not develop only from financial side. If a company is financially good it may not make the firm successful. But a good strategic human resource makes the company successful and growth to achieve on the organization. The development of the staff policies of the enterprises will provide a great advantage to the company for the competitive environment (Marimuthu, et al., 2009). All successful companies will have good human resources management, because it is working to increase the skills and values of the company (Souleh, 2014). Using the human resources management in a straight way provides the company with competitive advantage (Odhiambo, & Waiganjo, 2014; Waiganjo et al., 2012). Using the only structure that cannot be imitated in companies is human capital (Becker, et al., 2012).

3. Methodology

The objectives of this study are to explore the effect of both strategic thinking and human capital on strategic human resources management and to explore the potential moderating role played by human capital. The questionnaire contains four sections. The first section involves questions related to demographic characteristics of the respondent, including gender, education level, position, and experience. The second section includes 27 questions reflecting the level of strategic thinking practices in the respondent company. The strategic thinking practice includes five sub-practices, including system perspective, thinking in time, hypothesis driven, intelligent opportunism and intent focused. The questions adopted from Khalili et al. (2015). The third section involves 12 questions assessing the human capital. This variable involves three sub-dimensions including Knowledge, Experience, and Skills. The questions adopted from Noubar et al. (2014). The last section contains 15 questions which reflects the level of strategic human resources management practices. This variable includes three sub-dimensions containing Selection and Recruitment and Selection, Development and Training, and Compensations. The questions adopted from Heracleous. The population of this study comprised all banks' employees working in Amman –Jordan. The respondents of this study consists of all functional employees in the banks. Using Random sample technique, the researchers self-administrated 403 questionnaires to the prospective respondents. The researchers received in total 350 questionnaires after several follow up procedures. Out of them, only 303 responses were valid for further analysis after removing responses with large missing data. The demographic characteristics of the sample are presented in Table 1. As shown in the table, the majority of the sample members are males, accounting for 82% of the sample. Most of the respondents also have either a Bachelor or Master degree, representing 51% and 47% of the sample members, respectively. With regard to the experience, about 10% of the respondents have an experience less than 10 years. Meanwhile, those respondents who have experience between 16 and 20 years and more than 20 years represent about 33% and 31% of the sample members, respectively. Moreover, about 24% of the sample members have experience between 11 and 15 years. Finally, about 52% of the sample members are normal employees. Meanwhile, respondents with job title managers and manager's assistance represent about 18% and 28% of the sample members, respectively. The descriptive statics of the demographic's variables show that the respondents have the sufficient knowledge to provide valid responses for this study.

Table 1
The demographic characteristics of the sample

Variable	Details	Frequency	Percent
Gender	Male	249	82.5
	Female	53	17.5
Qualification	Doctorate	2	.7
	Master	142	47.0
	Bachelor	155	51.3
	Others	3	1.0
Experience	Less than 5	3	1.0
	6-10	27	8.9
	11-15	74	24.5
	16-20	102	33.8
	More than 20	96	31.8
Job description	Manager	57	18.9
	Assistant manager	86	28.5
	Employee	159	52.6
Total		302	100.0

The descriptive statistics of the variables are shown in Table 2. It can be seen that the mean values range from 4.30 for Intent focused to 4.40 for Intelligence opportunism. These figures indicate high perceptions of employees toward Strategic thinking, Human Capital, and Strategic HRM.

Table 2
Descriptive statistics of the variables

Variable name	Mean	Standard Deviation
Intent focused	4.305689	0.390848
Hypotheses driven	4.379895	0.420367
Thinking in time	4.327433	0.432909
Intelligence opportunism	4.406606	0.40577
Knowledge	4.332891	0.408738
Skills	4.342969	0.389716
Experience	4.313841	0.407237
Recruitment and Selection	4.268962	0.408013
Training and Development	4.313426	0.408907
Compensations	4.347123	0.410734
Strategic Thinking	4.358157	0.404968
Strategic HR	4.348516	0.286703
Human Capital	4.34183	0.304043

The researchers performed several data screening activities before estimating parameters on data and testing hypotheses. First, we made sure that there were no recording or coding errors in the data. Second, as indicated earlier, we removed all observations that contained missing data. Third, we examined for the normal distribution of the data. We estimated the Kurtosis and Skewness for each variable included in this study. The results indicated that all the variables expressed satisfactory values (± 2) (Hair et al., 2010) for both Kurtosis and Skewness except for one variable. To deal with this issue, we decided to use a nonparametric method of data analyses which will be discussed later. Finally, we checked for Multicollinearity issue by estimating Variance inflation factor (VIF). The results indicated that all variables show VIF values less than the threshold value 2 signifying that Multicollinearity is not an issue for this study (Hair et al., 2010). However, the data screening activities indicated that the data can be safely used for further analyses.

3.1 Data analysis

This study employed the Partial Least Square (PLS) to examine the hypotheses of this study. PLS is a nonparametric and Variance based approach for Structured Equation Modeling (Alsaad et al., 2017; Henseler et al., 2016). Our decision to use PLS is grounded on the following reasons. First, the data used in this study does not meet the normal distribution assumption as shown above. PLS does not assume the normal distribution of the data, making PLS the proper method for data analyses when the normality assumption is violated (Alsaad et al., 2018b; Hair et al., 2014a; Hair et al., 2011; Sekaran & Bougie, 2016). Second, the main variables in this study are operationalized at a high level of abstraction which increases the complexity of the model. As suggested in the literature, PLS is highly recommended to deal with complex models (Alsaad et al., 2015; Becker et al., 2012). Finally, this study suggests a moderation effect which increases the complexity of the model and requires a large sample size to be successfully examined (Alsaad et al., 2018b; Hair et al., 2014b).

Table 3
The measurement model reliability and convergent validity

Variable name	Item name	Loading	T value	Composite	AVE
System perspective (SP)	X2	0.676	9.9469	0.8199	0.5331
	X3	0.7571	11.7069		
	X4	0.775	10.5636		
	X5	0.7082	13.4825		
Intent focused (IF)	X7	0.7444	9.6875	0.8081	0.585
	X8	0.8314	15.7156		
	X9	0.7139	15.9286		
Hypotheses driven (HD)	X12	0.7059	16.5874	0.829	0.5482
	X13	0.7471	8.3386		
	X15	0.739	13.275		
	X16	0.7682	11.7676		
Thinking in time (TT)	X20	0.722	15.4131	0.8073	0.5834
	X21	0.8151	18.3285		
	X22	0.7514	12.5864		
Intelligence opportunism (IP)	X23	0.7464	15.1289	0.8209	0.5351
	X24	0.7471	12.3196		
	X25	0.7778	13.6891		
	X27	0.6483	10.8201		
	X28	0.6536	12.4202		
Knowledge (KN)	X29	0.7987	22.5577	0.8309	0.5526
	X30	0.7743	19.8717		
	X31	0.7387	23.1025		
	X32	0.6871	20.1445		
Skills (SK)	X33	0.6884	19.632	0.8001	0.5015
	X34	0.7915	17.4146		
	X35	0.6584	10.335		
	X36	0.6346	11.3528		
Experience (EX)	X37	0.7191	18.5122	0.8011	0.5032
	X38	0.7879	16.8896		
	X39	0.6871	8.5972		
	X40	0.7594	12.8538		
Recruitment and Selection (RE)	X41	0.7657	12.0185	0.7883	0.5542
	X42	0.7069	12.6481		
	X46	0.7412	12.5531		
Training and Development (TR)	X47	0.7664	14.6494	0.8099	0.587
	X48	0.7901	18.7743		
	X50	0.6828	13.8888		
Compensations (CO)	X51	0.7759	11.136	0.8025	0.5055
	X52	0.7454	11.7792		
	X53	0.6312	11.7195		

Unlike other approaches for data analysis, PLS imposes the least requirement for sample size. Having these attributes for PLS in mind PLS would be the best choice to test the suggested hypotheses in this study. We adopted the two steps approach to analyses our data using PLS. In the first step, we assessed the measurement model. We assessed the structure model and tested the hypotheses in the second step. The measurement model is assessed by estimating the internal consistency, the convergent validity, and the discriminant validity. Composite reliability was employed to assess the internal consistency of the proposed measures (Sarstedt et al., 2014). Table 3 presents the values of composite reliability for each first ordered construct used in the model. All the composite reliability values ranged from 0.78 for Recruitment and Selection to 0.83 for Knowledge which is well above the threshold value 0.70 and imply that the measurement model can be considered reliable. Next, convergent validity was examined. Convergent validity shows how well the items share variance in demonstrating the construct. An important condition to ensure convergent validity is confirming unidimensionality which is evaluated by estimating items loading and their significance level. Item loading should be 0.7 and above. In some cases, 0.6 is acceptable if it does not affect the average variance extracted (AVE) (Hair *et al.*, 2011). Having these in mind, we removed all the items whose load was less than 0.7 and affect the AVE. The remaining items, their loadings, and their significance level are presented in Table 3. As shown in the table, the *t* values are above 1.96 indicating that all the items load significantly on their postulated construct. Convergent validity was also evaluated by inspecting average variance extracted (AVE). Following Hair et al. (2011), convergent validity is achieved when each construct's AVE exceeds 0.50. As shown in Table 3, the AVEs of the measurement model ranged from 0.505 for Compensations to 0.58 for Intent focused. These figures demonstrate a satisfactory convergent validity. Discriminant validity was inspected next. It denotes to the extent to which the items of two variables are empirically separated. We employed two measures to assess the discriminant validity which are Heterotrait-Monotrait Ratio of Correlations (HTMT) and items cross loading. HTMT is a new authentic and reliable measure to assess the discriminant validity and it is more accurate than other criterions(Henseler *et al.*, 2016). According to the rule of thumb, discriminant validity is recognized when the HTMT value between a particular pair of variables is below 0.90 (Henseler *et al.*, 2016). Table 4 shows that all the HTMT values are well below 0.90.

Table 4
Discriminant validity- Heterotrait-Monotrait Ratio of Correlations

Construct	(SP)	(IF)	(HD)	(TT)	(IP)	(KN)	(SK)	(EX)	(RE)	(TR)	(CO)
SP											
IF	0.5133										
HD	0.4826	0.4394									
TT	0.4824	0.5172	0.5343								
IP	0.3242	0.5267	0.4423	0.8028							
KN	0.4128	0.4901	0.4099	0.6702	0.5547						
SK	0.3844	0.4163	0.4039	0.5035	0.5218	0.7176					
EX	0.289	0.4678	0.3682	0.5426	0.5813	0.4449	0.5373				
RE	0.3064	0.457	0.3137	0.4876	0.4716	0.4432	0.427	0.7985			
TR	0.2997	0.4695	0.3301	0.4491	0.3806	0.4435	0.3612	0.522	0.5159		
CO	0.458	0.429	0.253	0.4178	0.3438	0.1932	0.2639	0.4372	0.4596	0.5462	

In the second method, the cross-loading method, we compared the items loadings across the variables. Item loading should be higher on their postulated construct(Alsaad et al., 2018a; Elrehail et al., 2018; Hair *et al.*, 2011). Results in Table 5 exhibit that the loading of all the items is higher at its postulated construct than other constructs in the model. Both methods presented above demonstrate that all the constructs are discriminately valid.

Having in mind that the measurement model is both valid and reliable; the next step is to evaluate the structure model and to test the suggested hypotheses. Since the suggested model proposes Human capital as a moderator, we tested two structure models wherein the first is intended to examine the effect of Strategic thinking and Human capital on Strategic HRM (H_1 and H_2) and the second model is intended to examine the moderating role played by Human Capital on the relationship between Strategic thinking and Strategic HR. We assessed both models as the following. First, for each influencing path, we assessed the path coefficient and their significance level. Second, we computed the coefficient of determination (R^2) of the dependent variable to assess the predicted power of the model. The results of the first model are depicted in Fig. 3 and presented in Table 6. The results indicate that the path coefficient of Strategic Thinking is 0.337 and significant at $p < 0.001$, suggesting that Strategic Thinking has a positive and significant effect on strategic HRM. This provides a strong support for H_1 . Similarly, the path coefficient of Human Capital is 0.273 and significant at $p < 0.001$, suggesting that Human Capital has a positive and significant effect on strategic HRM. These figures provide sufficient evidence to support H_2 . Both Strategic thinking and Human capital jointly explain about 30% of the variance ($R^2 = 29.9\%$) in Strategic HRM practices. With regard to the second model which accounted for the moderating role of Human Capital, we created an interaction latent variable which is a product of Human Capital \times Strategic Thinking. Then, we regressed the resulted interaction latent variable against Strategic HRM with a presence of both Human Capital and Strategic Thinking. The results are presented in Table 7. The results indicate that the path coefficient of the interaction latent variable is - 0.035 with a p -value > 0.05 , suggesting that Human Capital does not moderate the role of strategic thinking. Thus, we decide to reject H_3 . Moreover, the coefficient of determination of the second

Table 7
The results of the first model using PLS bootstrapping procedures

Effect	Path coefficient	Standard bootstrap results				
		Mean value	Standard error	t-value	p-value (2-sided)	p-value (1-sided)
Strategic Thinking → Strategic HR	0.3262	0.3281	0.076	4.2942	0.000	0.0000
Human Capital → Strategic HR	0.2729	0.2721	0.0762	3.5802	0.0004	0.0002
HC*ST → Strategic HR	-0.035	-0.035	0.0486	-0.7199	0.4717	0.2359

4. Conclusion

In summary, the objectives of this study are to explore the role of both Strategic thinking and human capital on Strategic HRM and to explore the moderating role played by human capital. The study used PLS to examine the suggested relationships due to its ability to deal with complex models and several data issues. Prior the data analysis we performed several data screening activities and assessed the measurement model reliability and validity. The results have indicated that the data and the measurement model met all conventional standards and quality criterions suggested in prior research. The results of the hypotheses testing (structure model assessment) provided support for H₁ and H₂ which suggest that as Strategic thinking and Human Capital increase, Strategic HRM increases too. Contrary to our expectation, the moderating role of Human Capital was less pronounced and thus H₃ was rejected. Previous findings contribute to administrative literature in several ways. Studying the factors that influence organizational performance by combining macro-level and unit-level human capital is a very important answer that strategists can help plan. A pilot study with bank staff in Jordan adds to the formation of strategic thinking indicators and human capital. The results also show that the rigorous interrelationships of processes that determine the positive organizational results derived from strategic thinking and human capital in the workplace should pay great attention to how strategic thinking elements and human capital interact. Managers should also ensure that employees are more likely to engage in their business and demonstrate effective performance. Instead, seminars and workshops can be organized as a form of feedback mechanism to harvest important and important information from workers.

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