The Impact of Core Competence on Organizational Performance

"An applied study on Paint Industry in the United Arab Emirates"

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Sincerely Yours,

Manar Salah Jamhour

DEDICATION

To my wife Manal and our two sons; Salah and Mouaz

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Abstract

The main objective of this study is to explore the impact of Core Competence on Organizational Performance through competitive advantage of the Paint Industry in the United Arab Emirates, through exploring the impact of Core Competence variables on Performance directly and indirectly through Competitive advantage.

This study was applied on Paint Industry in the UAE, and took the samples from the middle and top managements.

In order to achieve the objectives of the study, the researcher designed a questionnaire consisting of (42) paragraphs to gather the primary information from the study sample. The Statistical Package for Social Sciences (SPSS) program was used and Path analysis to analyze and examine the hypothesis.

The study came to show high level of importance for the study variables for the companies, and showed significant indirect impact of core competence on performance through competitive advantage.

Finally, the study set the following recommendations:

1. Plan for employees to develop, improve their competences, and have good & rewarding careers. Training, development and progression are critical, and even more critical when linked to market dynamics.
2. Leaders may need to expend some time gradually increasing empowerment behaviors so as to encourage employees to begin to view empowerment as part of their role identities. It is also recommended that leaders can play an active role in encouraging creativity by elucidating to a follower the need for creative outcomes, and spelling out what their organization's values are.
3. Focusing on the internal processes that produce unique elements in terms of high level service to provide the firm with constant earning above average and to place it on a distinguished position in the market place.
4. Communicating the result that Core competences have significant impact on Performance through Competitive advantage, making those terms and their variables clear and showing how practical they are; that will enhance the energy in a company to work one hand, one team toward achieving its shared vision.

Chapter One

General Framework

(1-1): Introduction

(1-2): Study Problem and Questions

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(1-1): Introduction

The recent worldwide financial crisis is still throwing its dark shades over the world business, while its reasons and results are still under study in most of business schools and research centers all over the globe. Business organizations are acting fast to secure their financial situations and their positions in such tough market place, rebuilding their strategic plans so that they can gear themselves up for a globalized and liberal competition in such bad days; They need to count more on their internal distinguished strengths to provide more added customer value, strong differentiation and extendability; in other words count more on their "core competences".

The area of core competence is emerging, it is part of a collective knowledge gain in the organization; it is a process of imparting information, harmonizing streams of technologies and involvement of people from all functions (different readings). The strategy has moved from the trend of competing for product or service leadership to competing in core competence leadership, and even more in these days, it has a different taste after the recession.

At top management level, the core competence has to be a primary factor for strategy formulation as it is an important source of profitability; the above average returns can be delivered only from distinguished assets and "skills" that are hard to imitate, such skills need to be identified and developed over the time as they contribute largely in making organizations

immune to competition. Notwithstanding; company faced with the decision of redirecting its core strategy faces tough choices regarding which business processes remain its core.

Whether it can be considered (at least at this stage) core or not core, the management must peep inside its organization for precious, unique and costly ways to imitate resources, and then exploit these resources to create an edge over its competitors.

Since the early 1990 s, the resource-based view of strategy became highly influential (Johnson, et al., 2008: 124), especially after Prahalad's and Hamel's famous article of 1990 "Core Competence of the Corporation", that has helped to popularize it as a new school of economic thought, this view has generated a substantial interest in the notion of core competences and capabilities; it focuses on the importance of understanding company's performance as a result of the efficient use of unique company competences that create sustained performance differentials within industries (Javidan, 1998: 60). Resource-based theory argues that resources must be valuable, rare, inimitable, and lack substitutes to confer competitive advantage, (King, et al., 2001: 75).

The trend towards increasing globalization and highly intensive competition have in recent years forced companies to look for the necessary means by which they can further develop their competences to increase competitive edge, the Resource-based view is the starting point for

understanding Core competences, and as mentioned above how core competence is becoming more and more important by time for companies: some researchers define Core competence in short straight for-ward words: "it is the ability to operate efficiently within the business environment and to respond to challenges" (Chen, et al.,2007: 159) linking its definition directly with performance.

The above highlighted the importance of Core competences, especially in these days after the recession and its implications. But, when taking the Traditional Manufacturing (T-M) sector, it will occupy a more crucial level of importance, the importance of Core competence in T-M is higher than in the High-Tech (Chen et al. 2007: 164), and Paint manufacturing is considered a Traditional Manufacturing.

As the researcher is living in the UAE and working as a Manager for a Multinational "Traditional" manufacturing organization, he has chosen the Paint industry for conducting this research. This study investigates the effect of core competence on the organizational performance, directly and indirectly through the competitive advantage, and it took the industrial, sector, and the paint industry in particular *in the United Arab Emirates*.

(1-2): Study Problem and Questions

The Construction Business is , with no, doubt the highest investment sector in the rapid developed Middle East economies, especially in the UAE during the past 5 years, rather it is the largest.

Paint Industry is an important supplier for Construction business, and Construction companies (including Developers, Contractors, Sub-Contractors, etc.) are very well informed and highly sophisticated customers, and that adds more constraints to any material provider for such a giant consumer.

Given the fact that UAE experienced a significant construction booming, many multinational and local companies from different sizes entered that promising and rewarding market, including the Paint manufacturing companies. That of course added more constraint regarding how any company can compete and acquire good profitable share from such marketplace.

On the other hand, the raw material suppliers for Paint manufacturers are also Giant-Multinational-Multibillion turnover companies, and that adds the third important fact and constraint to those companies, which are located between giant and highly professional business market and consumer, facing all the implications from such position.

In the introduction, the importance of Core competence was emphasized, but that is not enough for shareholders, core competence has to

deliver tangible performance for the organization, and as Core Competence is extremely important for such Traditional manufacturing sector as discussed before, and from the other side it is crucial in such an economical climate, the first problem faces the researcher is how Core competence affects the performance.

Other researchers highlighted the impact of Core competence on Competitive Advantage (like Hafeez, et..al, 2002), others talked about the impact of Competitive advantage on Performance (like Wright, et al., 1995).

From the previous paragraph, the researches question was: would there be an impact of Core Competence on Performance indirectly through Competitive advantage? Would it be of the same effect as in a direct relation?

Based on above, The may demonstrate the study's Problem via stirring up the questions below:

Question One: Is there an impact of Core Competence (Shared Vision; Cooperation; Empowerment) on Organizational Performance (Growth; Profitability)?

Question Two: Is there an impact of Core Competence (Shared Vision; Cooperation; Empowerment) on competitive advantage (Flexibility; Responsiveness)?

Question Three: Is there an impact of competitive advantage (Flexibility; Responsiveness) on Organizational Performance (Growth; Profitability)?

Question four: Is there an impact of Core Competence (Shared Vision; Cooperation; Empowerment) on Organizational Performance (Growth; Profitability) through competitive advantage (Flexibility; Responsiveness)?

(1-3): Significance of the Study

The previous sections showed the importance of Core Competence, and highlight the need to investigate the impact on Performance, directly and indirectly through Competitive advantage, and answered why the Paint industry in the UAE was chosen to conduct such investigation. From that, the significance of this study can be listed as follows:

1. The importance of variables under investigation representing Core Competence; competitive advantage and Performance.
2. The impact of extent Core Competence's variables on competitive advantage variables in the Paint Industry in the United Arab Emirates.
3. The importance of relationship and impact results among study variables that clarify the situation in front of decision makers in Paint Industry in the United Arab Emirates, and which has more or less impacts .
4. This study's results can provide a better context for Paint Industry in the United Arab Emirates and more information for the decision makers about the Core Competence benefits.

(1-4): Objectives of the Study

The main objective of this study is to investigate the impact of Core Competence on Organizational Performance through competitive advantage in the Paint Industry in the UAE, through achieving the following objectives:

1. Prepare theoretical framework, by learning about Core Competence, Organizational Performance and competitive advantage topics.

2. Identify the importance level of study variables in Paint Companies in the UAE.

3. Explore the impact of core competence variables on competitive advantage variables in the Paint Companies in the UAE.

4. Explore the impact of competitive advantage variables on the organizational performance of the Paint Industry in the UAE.

5. Explore the impact of core competence variables on Performance through competitive advantage variables on the Paint Industry in the UAE.

(1-5): Study Hypotheses

Based on the study problem and the literature review, the following research hypotheses were examined:

HO_1: There is no significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance at level ($\alpha \leq 0.05$).

HO_{1-1}: There is no significant impact of Shared Vision on organizational performance (Growth; Profitability) level ($\alpha \leq 0.05$).

HO_{1-2}: There is no significant impact of Cooperation on organizational performance (Growth; Profitability) level ($\alpha \leq 0.05$).

HO_{1-3}: There is no significant impact of Empowerment on organizational performance (Growth; Profitability) level ($\alpha \leq 0.05$).

HO_2: There is no significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

$HO_{2\text{-}1}$: There is no significant impact of Shared Vision on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

$HO_{2\text{-}2}$: There is no significant impact of Cooperation on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

$HO_{2\text{-}3}$: There is no significant impact of Empowerment on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

H3: There is no significant impact of Competitive advantage (Flexibility; Responsiveness) on Organizational Performance at level ($\alpha \leq 0.05$).

$HO_{3\text{-}1}$: There is no significant impact of Flexibility on Organizational Performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

$HO_{3\text{-}2}$: There is no significant impact of Responsiveness on Organizational Performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

H4: There is no significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance through Competitive advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

$HO_{4\text{-}1}$: There is no significant impact of Shared Vision on Organizational Performance through Flexibility at level ($\alpha \leq 0.05$).

HO_{4-2}: There is no significant impact of Shared Vision on Organizational Performance through Responsiveness at level ($\alpha \leq 0.05$).

HO_{4-3}: There is no significant impact of Cooperation on Organizational Performance through Flexibility at level ($\alpha \leq 0.05$).

HO_{4-4}: There is no significant impact of Cooperation on Organizational Performance through Responsiveness at level ($\alpha \leq 0.05$).

HO_{4-5}: There is no significant impact of Empowerment on Organizational Performance through Flexibility at level ($\alpha \leq 0.05$).

HO_{4-6}: There is no significant impact of Empowerment on Organizational Performance through Responsiveness at level ($\alpha \leq 0.05$).

(1-6): Study Limitations

Human Limitations: The employees working in the Paint Industry in the UAE who occupy the following positions: General Manager, Assistant GM; and Administrations Managers.

Place Limitations: Paint Industry in the UAE.

Time Limitations: The time needed for study accomplishment.

Scientific Limitations: The researcher depends on specific Core Competence variables suggested by **Hafeez & Essmail (2007: 530-547), (King & Zeithaml, 2001: 75-99) (Shared Vision; Cooperation and Empowerment).**In the competitive advantage on **Certo & Peter (1995:88)** and **Macmillan & Tampo (2000) (Flexibility; Responsiveness).**

and for the organizational performance on **Moore & Fairhurst (2003: 386-397)** (**Growth; Profitability**).

(1-7): Study Difficulties

1. This study is limited to the General Manager, Assistant GM, and Administrations Managers of the Paint Industry in the UAE, People in such locations are not easy to find available for interview or for spending time to answer questionnaire.

2. The studies related to Core Competence variables with organizational performance through competitive advantage are few.

(1-8): Study Terminologies

Core Competences: are the skills and abilities by which resources are deployed through an organization's activities and processes such as to achieve competitive advantage in ways that others cannot imitate or obtain (Johnson, et al., 2008: 97).

Note: Competence is the Noun from the adjective Competent, and its plural is Competences as per the British English Dictionary. Although some other literatures write it (Competencies), the researcher in this thesis follows the British English, and follows Gerry Johnson, et al., 2008 and Philip Sadler in Strategic Management book 2003.

Shared vision: A firm's interest in sharing the organization's view of goals, objectives, policies, priorities, and expectations (Santos-Vijande, et al., 2005: 187-202).

Cooperation: A joint behavior toward a particular goal of common interest that involves interpersonal relationships (Croteau, et al., 2001: 1)

Empowerment: A process or psychological state manifested in four cognitions: meaning, competence, self-determination, and impact. Specifically, meaning concerns a sense of feeling that one's work is personally important (Zhang and Partol, 2010: 107-108).

Competitive Advantage: the organization has something that other competitors don't, do anything better than other organizations do, or does some other things that others cannot do. It is a necessary ingredient for an organizations long term success and survival (Coulter, 2003: 35).

Flexibility: The firm's intent and capabilities to generate firm-specific real options for the configuration and reconfiguration of appreciably superior customer value propositions (Johnson, et al., 2003: 77).

Responsiveness: refers to the firm's ability to respond quickly to customer needs and wants (Carlos, et al., 2010: 2)

Performance: Is a continuous and flexible process that involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results (Armstrong, 2006: 4).

Growth: amount of change in some financial characteristic of a company (http://www.allbusiness.com/glossaries/growth-rate/4942323-1.html)

Profitability: Ability of a firm to generate net income on a consistent basis. It is often measured by price to earnings ratio. (http://www.businessdictionary.com/definition/profitability.html)

Chapter Two
Theoretical Framework and Previous Studies

(2-1): Introduction

(2-2): Core Competence

(2-3): Competitive Advantage

(2-4): Organizational Performance

(2-5): The Relationship between Study Variables

(2-6): Previous Studies

(2-7): Study contribution

(2-1): Introduction

A core competence is one which critically underpins the organization's competitive advantage. Companies can differentiate themselves from their competitors with specific core competences, but often not for long. The differentiation is difficult to sustain and can often be imitated by competitors.

The integration (and attainment) of constituent skills, that is the distinguishing mark of a core competence, is achieved and sustained through developing strong dynamic capabilities, particularly in a world of innovation based competition.

The very existence of competitive advantage sets in motion creative innovations that, as competitors strive to level the playing field, cause the advantage to dissipate. (http://www.managing-creativity.com)

Given these realities, even an organizational model that facilitates evolving along with the environment will fail to meet the innovation challenges. Rather, successful organizations will be those that get out in front of the learning curve and drive the environment, or "create the future."

This chapter is divided into six sections. The first three sections deal with core competence, competitive advantage, and organizational performance respectively. The fourth section is dedicated to the relationship between study variables, the fifth is assigned to previous studies; and finally the sixth highlights the study contribution to knowledge.

(2-2): Core Competence

Hardly any other term has been used so frequently in strategic management in recent years as “Core Competence”, (http://www.imp.at). The coming few paragraphs, will give some clarity about the rote of this terminology.

Historical background: In 1984, Birger Wernerfelt (1984:171-180) introduced a paradigm shift with an essay he published in the renowned Strategic Management Journal, “A resource-based view of the firm“. He claimed that it is not the market and the industry, but rather the strategic resources of the company that are the source of above-average profits. It began an intense scientific discussion that lasted a decade before his view was actually put into practice. Jay Barney (1986:791) identified four features that resources – either tangible or intangible – must have in order to provide a competitive advantage to the company. They must be valuable, rare, non-copyable, non-substitutable.

If a company possesses such resources, then it is essentially a monopoly. It has something that provides a benefit to the customer, is rare, and cannot be imitated by the competition. This is what made the resource-based view tangible. Then, with Prahalad’s and Hamel’s essay "The Core Competence of the Corporation” (1990), the term core competence inspired a breakthrough for the resource-based approach.

The notion that competence is an important factor of successful strategy is by no means new. However, the traditional role it has played in past researches is less dominant than that proposed by Prahalad & Hamel.

Although the term competence has appeared in the strategy literature for well over forty years, to date there is still confusion regarding its interpretation. The difficulty arises from the lack of clear definitions regarding terminology usage. According to Hamel and Prahalad (1994: 199) a competence is a bundle of skills, aptitudes or technologies that enable a firm to deliver a particular benefit to customers.

Lei, et al., (1996) define a capability as the capacity for a set of resources to integratively perform a task or an activity. In other words, a capability represents a firm's ability to deploy resources that have been purposely integrated to achieve a desired end state. These authors further contend that core competences are resources and capabilities that serve as a source of competitive advantage.

They are a unique package of capabilities distinguished by their centrality to customer value, their resistance to imitation and their ability to extend to new business applications (e.g., Apple's user friendliness, Sony's "pocketability"). They are the connective tissue that holds together a portfolio of seemingly unrelated, diverse businesses. They are an intangible source of value, an aptitude, or the sum of learning across individuals' skills sets. They

represent a commitment to developing and perfecting a class of customer benefits, rather than a commitment to serving a specific market opportunity.

Johnson, et al., (2008: 852) define core competences as the skills and abilities by which resources are deployed through an organization's activities and processes such as to achieve competitive advantage in ways that others cannot imitate or obtain. The value of core competences can be enhanced by combining them with the appropriate complementary assets. Hafeez, et..al. (2002: 29) define core competences as resources of the business consisting of physical, intellectual, and cultural assets.

According to these paragraphs, and referring to the researchers mentioned above, three characteristics of core competence can be identified in a company. First, a core competence provides potential access to a wide variety of markets. Second, a core competence should make a significant contribution to the perceived customer benefits of the end product. Finally, a core competence should be difficult for competitors to imitate. Or, a core competence can be described as "unique," "distinctive," "difficult to imitate," and "superior to competition". A core competence is very appropriately referred to as "resource deployment" or "skills".

Furthermore, it is argued that in addition to identifying competences, the critical task is to assess them relative to those of competitors. Although a firm may identify a host of competences that it performs better relative to its competitors, not all competences are "core" core competences are those

competences which allow firms a superior advantage, and according to Hamel and Prahalad (1994; 1990) to be considered "core" the competence must meet three criteria:

(1) **Customer Value**: A core competence must make a significant contribution to Customer perceived value. Core competences are the skills that empower a firm to provide a fundamental value and customer benefit. However, although a competence must make an important contribution to customer perceived value, it does not imply that the core competence will be visible or easily understood by the customer. What is visible to the customer is the benefit, not what made that benefit possible. Sony's competence to miniaturize, for example, provides consumers with an array of small, portable electronic products which is desired by the customer is a small or pocket-sized Electronic gadget while the competence required to produce the mechanism is of little interest to the consumer. Hamel and Prahalad (1994) however, must point out an important exception to this rule of customer value, the process and manufacturing related competences that yield sizable cost savings to the producer may also be considered core competences, even when little or none of the cost benefits are passed on to the customer.

(2) **Competitor Differentiation**: In order to be qualified as a core competence, the capability or skill set must be competitively unique, like Barney. Any competence across any industry cannot be defined as core unless

the firm's level of competence is superior to all its competitors. Additionally, the core competence should be difficult to imitate.

(3) **Extendability**: The competence must be capable of being applied to new product arenas. The skill set or technology must be capable of being abstracted from the product configuration it is currently embedded in and be applied to new products in new markets. In other words, a core competence must provide access to a wide variety of markets. For example, Honda's engine expertise enables it to participate in such diverse industries as automobiles, motorcycles, off-road buggies and lawnmowers. As a practical matter, this means that in defining core competences, managers must strive to avoid a product -oriented view of the firm's capabilities.

Drawing together the literature on core competence, seven critical properties can be identified that transform generic corporate competences into the core competences of a particular company (Goddard, 1997: 43-52):

1. They are imbued with experiential or tacit knowledge that competitors would find it impossible to replicate; thus, they are not simply products, functions or assets.
2. They define what the company does better than, or differently from, any other company and therefore the source of whatever success it enjoys; thus, they are definable only in relation to the competence of all other companies.
3. They are embedded in the organization's modus operandi as though the company was "wired up" to operate at a level of "intelligence" greater than

that of the sum of its people; thus, they do not reside simply in the minds of a small number of highly talented stars but find day-to-day expression in the behavior of everyone in the firm.

4. They are rare, limited perhaps to two or three activities in the value chain, namely those that are most critical to the firm's future success; thus, they are not synonymous with the entire activity set performed by a company.

5. They are the source of the company's ability to deliver unique value to its customers; thus, they are not to be mistaken with "leading-edge technologies", "world-class processes", or other "production-driven" definitions of distinctiveness.

6. They are flexible enough to straddle a variety of business functions, product families, and technologies; thus, they are not tied to existing ways of doing business but are platforms for growth - and stimuli for growth.

7. They also define the unique opportunity set available to the firm, being those market openings or knowledge gaps that the company is uniquely qualified to fill; thus, they serve to narrow the focus of the firm's forward strategy.

By revising a group of specialized references for authors in the Strategy, Strategic Management, and Organization Theory; the researcher noticed that most authors have focused on the following dimensions of Core Competence showed in table (2-1).

Table (2-1): The dimensions of Core Competence as reflected by number of researchers

Dimensions	Researchers	Year
Shared vision; Cooperative; Empowerment;	Sanchez	2004
Shared vision; Cognitive skills; Innovation	Higgins	1996
Learning; Shared Strategic direction; Innovation	Hagan	1996
Customer focus; Continuous improvement; Employee fulfillment	Escrig-Tena & Bou-Llusar	2005
Shared vision; Cooperative; Empowerment	Hafeez, et..al	2002
Shared vision; Cooperative; Empowerment	Javidan	1998
Shared vision; Cooperative; Empowerment	Hafeez & Essmail	2007
Shared vision; Cooperative; Empowerment	King & Zeithaml	2001

In the current study, the researcher focuses on three key dimensions of core competence: Shared Vision; Cooperation and Empowerment.

(2-2-1): Shared Vision

Shared vision is defined as a firm's interest in sharing the organization's view of goals, objectives, policies, priorities, and expectations (Santos-Vijande, et al., 2005). It is essential to guarantee learning to occur in the same direction and to motivate that it really takes places. Firms with greater shared vision are likely to enhance business excellence and success.

Additionally, shared vision influences the intensity of learning to build a comprehensive learning orientation construct that is congruence in with extant theory and practice (Sinkula, Baker, 1997). It becomes a crucial foundation for proactive learning because of providing learning direction that fosters energy, commitment, and purpose among organizational members in the ambiguous environments. It presents a goal congruence which firms

exploit it to manage team in order to interpret competitive information and to respond quickly to emerging trends, problems, and environments.

Then, firms seem to utilize the shared vision to build innovative products and services and fulfill customer and market requirements (Ussahawanitchakit, 2008: 3).

To expand the concepts of organizational learning to organizational outcomes, shared vision plays a significant role in explaining firm efficiency and performance. It is critical in providing a significant and positive effect on business performance and creating a sustainable competitive advantage in the firm (Baker and Sinkula, 1999). Firms effectively implement it to give their purpose and direction for developing their efficiency, practice, and performance. Thus, shared vision is likely to have an explicitly important effect on firm efficiency, firms with greater shared vision tend to encourage higher firm efficiency (Ussahawanitchakit, 2008: 4).

In addition, a shared vision provides guidance on what to preserve and what to change. This is an important aspect in a fast-changing environment where change is expected and employees need to distinguish between what needs to be changed and what remains the status quo. Without shared vision, individuals are less likely to share desired organizational outcomes. Individuals are less likely to know what the organizational expectations and outcomes are.

A Shared vision exists when people are: inspired by the purpose of the group or organization, feel that their values and ideas are incorporated into what the organization is trying to achieve, can easily communicate the mission and direction of the organization, recognize that both individual and organizational needs are being addressed, and see how their day-to-day activities support the overall goals of the organization (Human resources institute, 2006, www.healthyworkclimate.com)

(2-2-2): Cooperation

Cooperation is also a key factor that plays a role in the development of core competence. Cooperation is a joint behavior toward a particular goal of common interest that involves interpersonal relationships (Croteau, et al., 2001: 1). It then works harmoniously with others to get a job done; responding positively to instructions and procedures; working well with team members, peers and managers; sharing critical information; working effectively a cross functional lines; setting a tone of cooperation within the work group and across groups.

Cooperation as a Core competence knows when and how to attract, reword, and utilize teams to optimize results. Acts to build trust, inspire enthusiasm, encourage others, and helps resolve conflicts and develop consensus in creating high performance. (Berger, et al., 2004: 24)

(2-2-3): Empowerment

It is a process or psychological state manifested in four cognitions: meaning, competence, self- determination, and impact. Specifically, meaning concerns a sense of feeling that one's work is personally important (Zhang and Partol, 2010: 107-108).

Empowering tends to enhance the meaningfulness of work by helping an employee understand the importance of his or her contribution to overall organizational effectiveness. Second, it expresses confidence in an employee's competence and prospects for high performance. For instance, (Ahearne et al. (2005) found a positive relationship between empowering leadership and employee self-efficacy. Third, an empowering leader provides an employee with autonomy and prospects for self-determination by encouraging the individual to decide how to carry out his or her job (Pearce et al., 2003). Lastly, an empowering leader fosters an employee's participation in decision making.

There are several papers linking the Creativity of an employee with empowering, and creativity leads to higher performance of employee, group of employees and Organizations. Creativity refers to the production of novel and useful ideas by an individual or by a group of individuals working together. For creativity to occur in organizations, managers need to support and promote it, as they are the individuals who are most knowledgeable about which employee work outcomes should be creative and they have

considerable influence over the context within which creativity can occur (Shalley & Gilson, 2004).

(2-3): Competitive Advantage

If a firm possesses resources and capabilities which are superior to those of competitors, then as long as the firm adopts a strategy that utilizes these resources and capabilities effectively, it should be possible for it to establish a Competitive advantage. But in terms of the ability to derive profits from this position of competitive advantage, a critical issue is the time period over which the firm can sustain its advantage. The sustainability of competitive advantage depends on three major characteristics of resources and capabilities: Durability; which is the period over which a competitive advantage is sustained, Transferability; the harder a resource is to transfer the higher sustainable the competitive advantage, and finally Replicability; means cannot be replicated or purchased from a market. (Sadler, 2003: 175-176)

Historically, Competitive advantage is a theory that seeks to address some of the criticisms of comparative advantage. Michael Porter proposed the theory in 1990. Competitive advantage theory suggests that states and businesses should pursue policies that create high-quality goods to sell at high prices in the market. Porter emphasizes productivity growth as the focus of national strategies. Competitive advantage rests on the notion that cheap labor is ubiquitous and natural resources are not necessary for a good

economy. The other theory; Comparative Advantage, can lead countries to specialize in exporting primary goods and raw materials that trap countries in low-wage economies due to terms of trade. Competitive advantage attempts to correct for this issue by stressing maximizing scale economies in goods and services that garner premium prices (Porter, 1990).

The term competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market (Chacarbaghi & Lynch 1999: 45). The study of such advantage has attracted profound research interest due to contemporary issues regarding superior performance levels of firms in the present competitive market conditions. "A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player" (Clulow, et..al.2003: 221). Successfully implemented strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to outperform current or potential players (Passemard & Calantone 2000: 18). To gain competitive advantage a business strategy of a firm manipulates the various resources over which it has direct control and these resources have the ability to generate competitive advantage (Rijamampianina 2003: 362). Superior performance outcomes and superiority in production resources reflects competitive advantage (Lau 2002: 125).

In this section, the researcher illustrating the first approaches to the contribution of competitive advantage:

(2-3-1): Harvard school: the environmental models

A variety of approaches have evolved since the late 1950, but only at the beginning of 1960 the competitive advantage concept has been analyzed systematically.

During these years at Harvard University a new school emerged. The Harvard school approach to the analysis of competitive advantage focused on the study of the influence of the external environment on a firm's strategy. According to this perspective, firms operating in the same industry receive identical opportunities and are forced to adopt identical strategies. In other words no competitive advantage is possible in this perspective, all obtaining the same result. Eventual diversity is possible only in the short period. Therefore, the firm's success is the result of the firm's ability to respond to threats and opportunities existing in the specific industrial environment in which it operates. The strategic decisions processes and the profit-results the firms obtain are heavily influenced by external market conditions (Calcagno, 2004: 2).

(2-3-2): Porter contribution in the generic strategies and value chain

After the Harvard School, the most important milestone in competitive advantage studies is related to Porter's idea of value chain proposed in the 1985.

According to this approach, the successful market position that firms can gain is the result of two factors: the industrial environment and the position assumed by the firm inside the market.

Firm profits are also influenced by the specific position that the firm occupies in the industrial environment. Firm operating in the same industry can decide to adopt different strategies, choosing between three so – called generic competitive strategies (Porter, 1991: 102):

1. Cost leadership, when the firm offers the same product at a lower price than its competitors.
2. Differentiation when the firm offers a different product (higher quality more functions) at higher price. In this case, the firm fixes price at a level sufficient to cover the greater costs sustained to differentiate the product. If this not done, the differentiation strategy will result in greater expense not covered by higher income.
3. Focus, when the firm follows one of the two previous strategies, focusing on a restricted segment of the market. We shall have a cost focus if the firm decides to pursue a cost leadership strategy in a restricted segment of the

market, and a differentiation focus if it acts according to a differentiation strategy.

By revising a group of specialized references for authors in the Strategy, Strategic Management, and Organization Theory; the researcher noticed that most authors have focused on the following dimensions of Competitive advantage showed in table (2-2).

Table (2-2): The dimensions of Competitive Advantage as reflected by number of researchers

Dimensions	Researchers	Year
Flexibility; Responsiveness	Evans	1993
Flexibility	Certo & Peter	1995
Flexibility; Responsiveness	Krajewski & Ritzman	1996
Flexibility	Slack, et...al	1998
Flexibility; Responsiveness	Macmillan & Tampo	2000

In the current study, the researcher focuses on two key dimensions of competitive advantage: Flexibility and Responsiveness.

(2-4): Organizational Performance

Performance is a recurrent theme in most branches of management, including strategic management, and it is of interest to both academic scholars and practicing managers.

Performance is the end result of activities, it includes the actual outcomes of the strategic management process. The practice of strategic management is justified in terms of its ability to improve the organization's performance (Wheelen and Hunger, 2010:70)

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.).

Research on organizational performance varies as a function of the outcome variables. The variety of outcome variables can be categorized into two groups: finance outcome (return on investment (ROI), return on assets (ROA), return on equity (ROE), return on sales (ROS), sales, market share, productivity, etc.) and non- finance outcome variables (labor turnover, absence of employees, conflict, quality of product and/ or service, innovation, etc.). (Thang, et al., 2008: 178-179)

With the multitude of competitive environments faced by firms in differing industries, knowing only absolute financial numbers such as sales, profits, or cash flow is not very illuminating unless viewed in the context of how well the firm is doing compared to their competition. Therefore, it is important to use an industry comparison approach when making firm performance assessments for organizations sampled from a wide variety of industries.

While alternative financial indices and ratios have been used as indicants of business performance, many studies have adopted single-item measures, which can only serve as a proxy for the underlying phenomenon. Business performance is multidimensional in nature and accounting measures may be misleading because of "their (1) inadequate handling of intangibles and (2) improper valuation of sources of competitive advantage". (Morgan and Strong, 2003: 165)

Contemporary knowledge suggests that accounting-based issues need to be combined with market-based assets in order to generate a more composite assessment of business performance attributes (Pollanen, 2000).

Many reasons account for this multidimensional interest in business performance evaluation. First, after a significant period of global downsizing in many industries, organizations are experiencing diminishing returns on increasing profits from reductions in staff numbers and increasing operational efficiency. This has led to emerging interest on the drivers of future growth (sales) with market-based performance being seen as central to such development. Second, there has been a call from analysts and investors for more information to better understand the subtle but compelling features underlying accounting-based performance, so commonly under reported or poorly emphasized within annual reports and financial statements. Third, ever-improving modes of competitive behavior and innovative maneuvers by firms demand that the role of the customer in organizational decision making

is moving up the boardroom agenda thus demanding a rounded articulation of business performance incorporating market-based issues. (Morgan and Strong, 2003: 166)

By revising a group of specialized references for authors in the Strategy, Strategic Management, and Organization Theory; the researcher noticed that most authors have focused on the following dimensions of Organizational Performance showed in table (2-3).

Table (2-3): The dimensions of Organizational Performance as reflected by number of researchers

Dimensions	Researchers	Year
Sales Growth; Profitability; Market share	Nwokah	2008
Sales Growth; Profitability; Market share	O'Sullivan, et..al	2007
Growth of sales and revenues; Growth of net income; Return on assets; Return on sales; Growth in productivity	Acquaah	2007
Revenue growth; asset growth; Net income growth; Market share growth	Allen & Helms	2002
Market share; Customer satisfaction; Competitive position; Customer retention; Sales growth; Return on investment	Morgan & Strong	2003

In the current study, the researcher focused on two key dimensions to measure organizational performance: Growth and Profitability.

(2-5): The Relationship among Study Variables

Core competences are taken to mean the skills and capabilities by which resources are deployed through an organization's activities and processes inorder to achieve Competitive advantage in ways that others cannot imitate or obtain. (Johnson, et al., 2008: 97).

On the other hand, a company's strategy will be successful in creating competitive advantage when it deploys its resources and capabilities to match the key success factors within the industry environment (Sadler, 2003: 179), that argues that no skill or cognitive trait, no matter how refined, should be described as a 'competence' if it does not lead a firm; directly or indirectly, to a persistent competitive advantage by satisfying a customer need better than competitors in a marketplace.

While Prahalad and Hamel (1990: 87) view competence as the 'root' of competitiveness, we see it as the root of competitive advantage, i.e. the basis of persistent above-average returns, not just the ability to compete well. Competitive advantage requires an element of uniqueness. Logically, if an offering does not contain distinctive attributes (real or perceived) or lower unit costs, then it cannot command above-average returns in otherwise open competition. The unique market trait of an offering comes from a firm's competence which must, itself, be unique. Thus, the requirement of

uniqueness for a skill or cognition simply links this conceptualization of competence to the market advantage ideas of Porter (1985: 70) and others.

As will be developed in the next section, such usage also undermines the link between competences and the market, namely the concept of core products. Competitive advantage based on competence must be differentiated from advantages based on luck or other unique resources.

There is a strong link between the most important variable in this study; which is the shared vision and organizational performance. Based on in-depth interviews with senior executives from a broad spectrum of US industries, Calantone, et. al. (2002) found that shared vision has a positive effect on an organization's innovativeness, which in turn affects organizational performance. Shared vision also influences organization performance as measured by growth in sales, profits, employment and net worth.

(2-6): Previous Studies

1. (Subramanian, et al., 2009) Under title "***The role of organizational competences in the market-orientation-performance relationship: An empirical Analysis***". The purpose of this paper is to examine the specific ways in which market orientation of an organization contributes to the creation of organizational competences that lead to superior performance. Survey data from 159 acute care hospitals were statistically analyzed to test

the research hypotheses. The findings show that the Market orientation makes a significant contribution to the creation of a number of organizational competences which, in turn, lead to superior performance in the areas of cost containment, growth in revenue, success in retaining patients, and success of new services.

2. (HagstrÖm, et al., 2009) Under title "***Sustainable competence: a study of a bank***". The purpose is to study how the staff members in a bank perceive a company culture and how this perception is related to background aspects (gender, age, etc.), and engagement in regular, regulating activities decided by the company. An "abductive" approach inspired by action-, adult developmental-, complexity- and "holon" theory comprise a frame of reference applied on a multi-methodological case study in progress, within which a survey distributed in the whole bank in Sweden has been analyzed in terms mainly of a multiple linear regression analysis. Results indicate strong integration in the company culture related to active engagements in regular and regulating activities. The regression analysis clearly indicates that the cultural integration is more influenced by those activities than by individual background variables. However, results also show more critical attitudes towards the culture. This may reflect both an individual developmental aspect and a generational aspect.

3. (Bani-Hani & AL-Hawary, 2009) Under title "***The Impact of Core Competences on Competitive Advantage: Strategic Challenge***". This

study examines the impact of core competences on competitive advantage and it was applied on Jordanian insurance organization. The population for this study consisted of all the Jordanian insurance organizations heads. A simple random sampling technique was used to select the respondents surveyed for this study, a total of 61 questionnaires were administered to respondents chosen from 18 companies; statistical tools were used to test the hypothesis such as: spearman correlation, and multiple regression. The findings indicated that there is a significant positive relationship between core competences and competitive advantage from the sample point of view. The study also showed that the core competences had a significant impact on competitive advantage.

4. (Ljungquist, 2008) Under title "***Specification of core competence and associated components: A proposed model and a case illustration***". This study amed to outline a core competence model by exploring links between core competence and the associated concepts of competences, capabilities, and resources, and by proposing refinements to the characteristics of these concepts. A case study based primarily on personal interviews. The findings suggest that competences, capabilities, and resources are all linked to core-competences; the first two continuously, and the third intermittently; motivate refinement of the competence concept, by adding adaptation competence as governing customer loyalty, and transfer competence as managing transcendental integration; and motivate refinement of the

capability concept, by adding capacity as a quality characteristic, and communication as a characteristic that can actively initiate organizational change.

5. (Chen & Wu, 2007) Under the title "***An empirical analysis of core competence for high-tech firms and traditional manufacturer***". The purpose ***is*** exploring whether there is a difference in the model of core competence between H-T firms and T-Ms in Taiwan, investigating whether there is a significant difference in the explanatory power of dimensions of core competence both for H-T firms and T-Ms in Taiwan. The samples used in this study are the management levels of two H-T firms and three T-Ms in Taiwan. The authors collected a company-wide opinion through questionnaires to examine the core competence, including strategic planning, production process innovation, supply chain management, logistics management, quality management and R&D. The major findings are summarized as follows: through path analysis, it is found that the model of core competence for the H-T firms is different from that of the model for T-Ms. R&D capability is regarded as the most important source for core competence both by H-T firms and T-Ms. Strategic planning in H-T firms is regarded as an important dimension in constructing core competence. The capabilities of supply chain management and logistics management for T-Ms significantly affect core competence, because these businesses must focus more on services.

6. (Hafeez & Essmail, 2007) Under title "***Evaluating organization core competences and associated personal competences using analytical hierarchy process***". This study seeks to introduce an integrated framework to determine the relationships between organization core competences and associated personal competences. At first, organization core competences are determined by conducting internal and external benchmarking exercises, respectively, employing the "collectiveness" and "uniqueness" measures using key capabilities as a basis. Subsequently, a pairwise comparison using the Analytic Hierarchy Process (AHP) is conducted to assess related personal competences using the Chartered Institute of Personnel and Development list of competences. The paper shows how these individual competences are crucial to the overall organizational core competences. The framework is tested for a construction company, where five management directors are interviewed to develop an overall picture regarding the strengths and weaknesses of the company's key capabilities. Overall, the results show that despite being a construction company, the composition of its organizational capabilities is dominantly governed by intangible assets' contributions. The AHP prioritization analysis confirmed that with regard to Innovative solutions, organizational core competence, Customer focus, and Team orientation are the most related personal competences.

7. (Sanchez, 2004) Under title "***Understanding competence-based management Identifying and managing five modes of competence***". The purpose is to develop a taxonomy of five modes of competences that an organization must develop and maintain in its various activities to achieve overall competence. Each competence mode is distinguished by the specific forms of flexibility it brings to an organization to respond to the changing opportunities and threats in its environment. Each form of flexibility is in turn distinguished by the kinds of strategic options it creates for an organization. Key interrelationships among the five competence modes are identified, and important aspects of managing each of the competence modes and their interrelationships are discussed**.**

8. (Murray & Donegan, 2003) Under the title "***Empirical Linkages between firm competences and Organizational Learning***". The purpose of the study is to explore the linkages between firm competences and Organizational Learning. It suggests that a firm's competitive advantage can be increased as a result of competences that are established from a learning culture.

9. (Hafeez, et al., 2002) Under title "***Core Competence for Sustainable Competitive Advantage: A Structured Methodology for Identifying Core Competence***". The purpose here is to provide a summary of the recent management theories by comparing their salient features. We then propose a linking mechanism between assets, resources, capabilities, competences, and

core competences. We provide a methodology to identify core competences by isolating unique and flexible capabilities of the firm. We use this framework to identify the core competences of a U.K. manufacturing company. The results is to help the company to make more informed strategic management decision regarding capability development, outsourcing, focusing, or diversification, with regards to new products, services, or markets. The framework is generic in nature and is applicable to benchmark a manufacturing, public, or service sector organization.

10.(Carayannis & Alexander, 2002) Under the title "***Is technological learning a firm core competence, when, how and why? A longitudinal, multi-industry study of firm technological learning and market performance***". The study Proposes the conceptual outline for a general theory of higher order technological learning within and across firms and attempts to empirically test the power of correlation between technological learning and market performance in selected multi industry firm clusters over multi-year periods. After reviewing relevant extant literature, this paper constructs an integrated, multidimensional framework for the analysis of technological learning activities and their associated impact on firm market performance. Using a subset of the concepts in this framework, a pilot study was conducted to test the relationship between technological learning effort and firm market performance. The analysis combines traditional quantitative indicators of learning with a qualitative index constructed through inductive

examination of corporate annual reports. The empirical analysis shows some strength in the relationship between technological learning and market performance, but this relationship is dependent on temporal, non-linear, firm specific factors. The results of the study are discussed in the context of expanding research to integrate all aspects and levels of technological learning, especially differentiating between higher order (strategic and tactical) and basic (operational) learning.

11.(King & Zeithaml, 2001) Under the title "***Competences and Firm Performance: Examining the causal ambiguity paradox***". The purpose of this study is to develop and test hypotheses that relate managers' perceptions of causal ambiguity to their firm's performance. The hypotheses examine relationships between firm performance and (1) causal ambiguity regarding the link between competences and competitive advantage, and (2) causally ambiguous characteristics of competences. Research involving 224 executives in 17 organizations provides valuable insights into the relationships between causal ambiguity and firm performance. A model is then developed based on these findings. Particular consideration is given to the differing ways top and middle managers in a firm may experience causal ambiguity and to how these differences may be understood and managed.

12. (Wright, et al., 1998) Under the title "***Strategy, Core Competence, and HR involvement as determinants of HR Effectiveness and refinery performance"***. The purpose of the study is to examine the impact of strategy,

core competence, and involvement of HR executives in strategic decision making on the refinery managers' evaluation of the effectiveness of HR and on refinery performance among 86 U.S. petrochemical refineries. Survey results indicated that higher involvement of HR in organizational strategy was strongly related to perceptions of HR effectiveness, and that the relationship was strongest to the extent that refineries pursued a product innovation strategy and viewed skilled employees as their core competence. HR involvement was unrelated to refinery performance but was actually negatively related when refineries emphasized efficient production as their core competence.

(2-7): Study contribution to knowledge

To clarify what distinguishes the current study from previous studies, some comparisons have been made, which were presented as follows:

1. Concerning the environment, most studies have been mainly conducted in American, European and Asian countries. Whereas the current study was carried in an Arab country, namely the UAE.
2. Most of the previous studies have been mainly focusing on service industry areas, while this one is all about a manufacturing environment.
3. In terms of objectives, previous studies aimed to clarify the effect of force or the impact of core competence on performance, while the current

study is concerned to verify the impact of Core Competence on Organizational Performance through competitive advantage of the Paint Industry in the UAE.

Chapter Three

Method and Procedures

(3-1): Introduction

(3-2): Study Methodology

(3-3): Study Population and Sample

(3-4): Study Model

(3-5): Study Tools and Data Collection

(3-6): Statistical Treatment

(3-7): Validity and Reliability

(3-1): Introduction

This chapter is divided into the following six sections: Study Methodology; Study Population and Sample; Study Model; Study Tools and Data Collection; Statistical Treatment; Reliability and Validity.

(3-2): Study Methodology

Descriptive research involves collecting data in order to test hypotheses or to answer questions concerned with the current status of the subject of the study. Typical descriptive studies are concerned with the assessment of attitudes, opinions, demographic information, conditions, and procedures. The research design chosen for the study is the survey research. A survey is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables .The Survey research of knowledge at its best can provide very valuable data. It represents a considerable a moment more than asking questions and reporting answers. It involves a careful design and execution of each of the components of the research process.

The researcher designed a survey instrument that could be administered to selected subjects. The purpose of the survey instrument was to collect data about the respondents on the Core Competence; Competitive Advantage and Organizational Performance.

(3-3): Study Population and Sample

To increase credibility, it is important to choose the sample that will represent the population under investigation. The populations of the study are the middle and top management level employees in the Paint Industry in the UAE. The sample of the study was all the workers in the Paint Industry in the UAE who occupy the following positions (General Managers, Assistant GMS, and Administration Managers).

The Questionnaire was distributed through e-mail and in English, which is the communication language in the UAE.

Table (3-1) shows the Paint Companies in the United Arab Emirates and employees number from three positions. After distributing (77) questionnaires of the study sample, a total of (70) answered questionnaires were retrieved, of which (6) were invalid, Therefore, (64) answered questionnaires were valid for study.

The managers were from different nationalities, mainly; Arabs, English, and Indians.

Table (3-1) Paint Companies in the United Arab Emirates

No.	Paint Company Names	General Manager	Assistant GM	Administrations managers
1	AGF Construction Chemicals LLC.	1	1	5
2	Jotun UAE Ltd.	1	1	5
3	Jotun AbuDhabi Ltd.	1	1	5
4	National Paints Ltd.	1	1	5
5	AL Gurg Leight's Paints LLC	1	1	5
6	Mas Paints & Chemicals Industry	1	1	5
7	Hempel Paints UAE LLC.	1	1	5
8	Berger Paints UAE LLC.	1	1	5
9	Sigma Paints S.A. Ltd.	1	1	5
10	Al Nahda International Chemicals LLC.	1	1	5
11	Gulf Paints LLC.	1	1	5
Total		11	11	55

Table (3-2) shows the demographic variables of the sample Gender; Age; Education Level; Position and Experience.

Table (3-2) Descriptive sample of the demographic variables of the study.

No.	Variables	Categorization	Frequency	Percent
1	Gender	Male	60	94
		Female	4	6
2	Age	Less than 30 years	6	9
		Between 30 – 40 Years	32	50
		Between 41 – 50 years	14	22
		Above 51 Years	12	19
3	Education Level	BSc	31	48
		High Diploma	2	3
		Master	29	45
		PhD	2	3
4	Position	General Manager	8	13
		Assistant GM	11	17
		Administrations managers	45	70
5	Experience	Less than 5 years	6	9
		Between 5 – 10 Years	33	52
		Between 11 – 15 years	14	22
		Above 16 Years	11	17

Table (3-2) the results of descriptive analysis of demographic variables of respondent members of the study sample. The table shows that (94 %) of the study sample is male and (6 %) is Female. On the other side the (81%) of the sample ranged below (51) years. This indicates that the focus will be on the element of youth and new blood. Form the educational level , all members of the study sample have a scientific qualification which is a good sign in adopting the high educational qualifications to accomplish the work in the Paint industry Sector.

(3-4): Study Model

The following Study model was designed by the researcher.

The Competitive advantage is named as a Moderator variable in this model, although it has been tested also as Dependent and Independent Variables in testing the hypotheses, but it was called Moderator as the main objective is the Impact of Core competence on Performance through Competitive advantage.

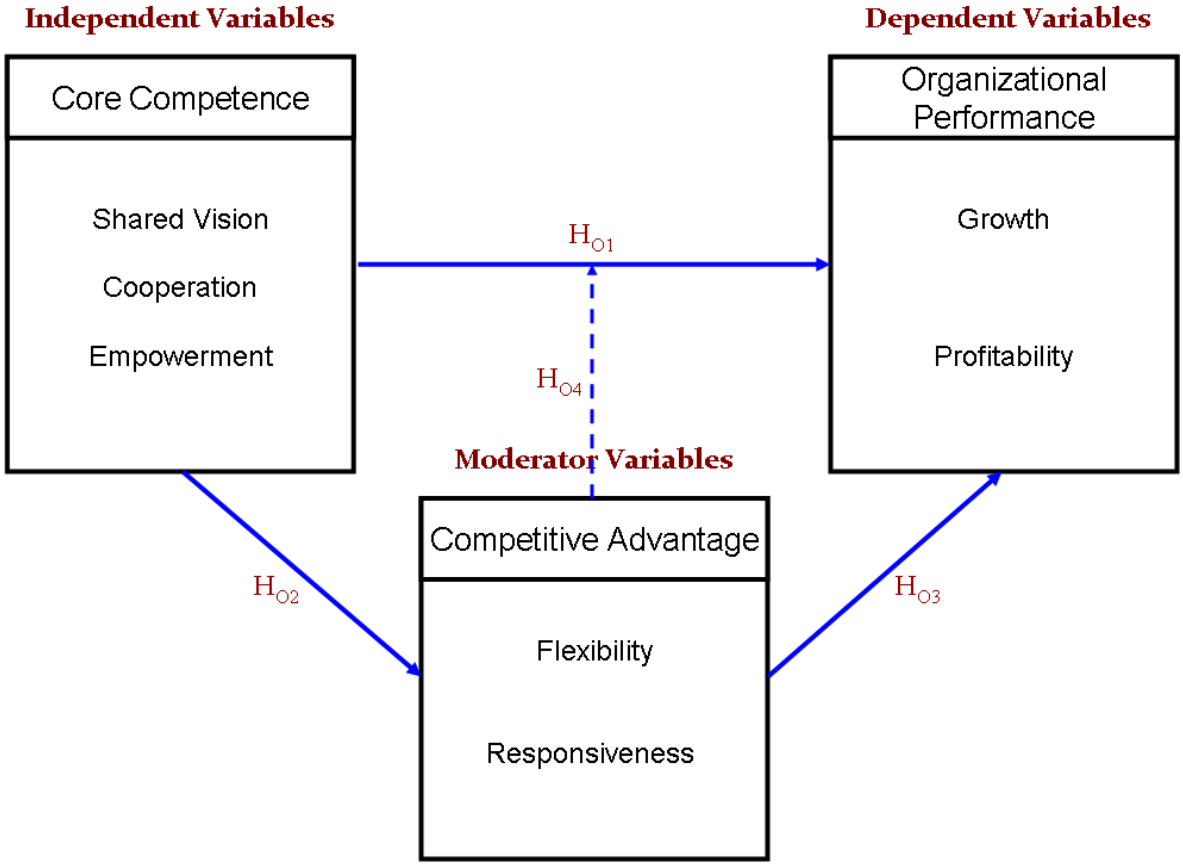


Figure (3-1)

Study Model

(3-5): Study Tools and Data Collection

The current study is two-fold, theoretical and practical. In the theoretical side, the researcher relied on the scientific studies/thoughts that are related to the current study. Whereas in the practical side, the researcher relied on descriptive and analytical methods using the practical manner to collect, analyze data and test hypotheses.

The data collection, manners analysis and programs used in the current study are based on two sources:

1. Secondary sources: books, journals, theses to write the theoretical framework of the study.

2. Primary source: a questionnaire that was designed to reflect the study objectives and questions.

In this study, both primary and secondary data were used. The data collected for the model was through questionnaire. After conducting a thorough review of the literature pertaining to Core Competence; Competitive Advantage and Organizational Performance, the researcher formulated the questionnaire instrument for this study.

The questionnaire instrumental sections are as follows:

Section One: ***Demographic variables***. The demographic information was collected with closed-ended questions, through (5) factors.

Section Two: ***Core Competence***. This section measured the Core Competence through (3) dimensions to measure and (23) items on a Likert-type scale: ***Shared Vision*** Measured through (6) questions from (1) to (6). ***Cooperation*** Measured through (7) questions from (7) to (13). ***Empowerment*** Measured through (10) questions from (14) to (23).

Section Three: ***Competitive Advantage***. This section measured the Competitive Advantage suggested from Certo & Peter (1995:88) and Macmillan & Tampo (2000) (Flexibility; Responsiveness), through (2) dimensions to measure and (10) items on a Likert-type scale: ***Flexibility*** Measured through (5) questions from (24) to (28). ***Responsiveness*** Measured through (6) questions from (29) to (34).

Section Three: ***Organizational Performance***. This section measured the Organizational Performance suggested from Moore & Fairhurst (2003: 386-397) (Growth; Profitability), through (2) dimensions to measure and (8) items on a Likert-type scale: ***Growth*** Measured through (3) questions from (35) to (37). ***Responsiveness*** Measured through (5) questions from (38) to (42).

(3-6): Statistical Treatment

The data collected from the responses of the study questionnaire was used through *Statistical Package for the Social Sciences (SPSS)* and Path Analysis using *Amos Program version 5* for analysis and conclusions. Finally, the researcher used the suitable Statistical methods that consist of:

- Cronbach's α to test reliability.
- Percentage and Frequency to test importance and weight.
- Arithmetic Mean and Standard Deviation to test Importance levels.
- Simple Linear and Multiple Regression analysis to Measure the impact of study variables on testing the Direct effects.
- Path analysis to Measure the direct and indirect effect between study variables.
- Relative importance, assigning due to:

$$\text{Class Interval} = \frac{\text{Maximum Class} - \text{Minimum Class}}{\text{Number of Level}}$$

$$\text{Class Interval} = \frac{5-1}{3} = \frac{4}{3} = 1.33$$

The Low degree from 1- less than 2.33

The Medium degree from 2.33 – 3.66

The High degree from 3.67 and above.

(3-7): Validity and Reliability

(A) Validation

To test the questionnaire for clarity and to provide a coherent research questionnaire, a macro review that covers all the research constructs was accurately performed by academic reviewers - from Jordanian universities - specialized in Business Administration, Marketing, and Statistics. Some items were added based on their valuable recommendations .Some others were reformulated to become more accurate and that is expected therefore to enhance the research instrument. The academic reviewers are (4) and the overall percent of respond (100%), (see appendix "2").

(B) Study Tool Reliability

The reliability analysis applied to the level of Cronbach Alpha (α) is the criteria of internal consistency which was at a minimum acceptable level (Alpha ≥ 0.60) suggested by (Sekaran, 2003). The overall Cronbach Alpha (α) = (97.6). Whereas the High level of Cronbach Alpha (α) is to Empowerment = (93.8). The lowest level of Cronbach Alpha (α) is to Flexibility = (83.8). These results are the acceptable levels as suggested by (Sekaran, 2003). The results were shown in Table (3-3).

Table (3-3)

Reliability of Questionnaire Dimensions

	No.	Dimensions	Alpha Value (α)
Core Competence	1	Shared Vision	85.5
	2	Cooperation	91.9
	3	Empowerment	93.8
Competitive Advantage	4	Flexibility	83.8
	5	Responsiveness	89.4
Organizational Performance	6	Growth	89.9
	7	Profitability	87.3
ALL Questionnaire			97.6

Chapter Four

Analysis Results & Hypotheses Test

(4-1): Introduction

(4-2): Descriptive analysis of study variables

(4-3): Study Hypotheses Test

(4-1): Introduction

According to the purpose of the research and the research framework presented in the previous chapter, this chapter describes the results of the statistical analysis of the data collection for the research questions and research hypotheses. The data analysis includes a description of the Means and Standard Deviations for the questions of the study; Multiple and Simple Linear and Regression analysis used; finally, the path analysis used to measure the direct and indirect effect among study variables.

(4-2): Descriptive analysis of study variables

Core Competence:

Shared Vision:

The researcher used the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-1).

Table (4-1) Arithmetic mean, SD, item importance and importance level of Shared Vision

No.	Shared Vision	Mean	Standard deviation	Item importance	Importance level
1	The company mission is clear and coherent	4.46	0.50	1	High
2	The company objectives are clear and coherent	3.99	0.97	4	High
3	The company strategy is clear and coherent	3.60	1.02	6	Median
4	There is a strong feeling in the organizational that a common purpose exists	3.91	0.81	5	High
5	I find that my values and the organizational values are very similar	4.08	0.72	2	High
6	The strategic decision process is participative	4.00	0.84	3	High
General Arithmetic mean and standard deviation		4.01	0.81		

Table (4-1) Clarifies the importance level of Shared Vision, where the arithmetic means range between **(3.60 - 4.46)** compared with General Arithmetic mean amount of **(4.01).** We observe that the highest mean for item "*The company mission is clear and coherent*" with arithmetic mean (**4.46**), Standard deviation (**0.50**). While the lowest arithmetic mean was for item

"*The company strategy is clear and coherent*" With Average (**3.60**) and Standard deviation (**1.02**), such results show how companies in paint industry in the UAE communicate such an important strategic factor. However, the results also show how such a process was not totally implemented as the Strategy itself was not communicated at the same level with, a mission. In general, the importance level of Shared vision in the UAE Paint Companies was high.

Cooperation:

The researcher used the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-2).

Table (4-2) Arithmetic mean, SD, item importance and importance level of Cooperation

No.	Cooperation	Mean	Standard deviation	Item importance	Importance level
7	All individuals are committed to the same project goals	**3.31**	**0.94**	6	Median
8	For most problems that arise, there are rules and procedures for dealing with them	**3.29**	**0.96**	7	Median
9	Individuals establish their own rules and procedures to facilitate the works progress	**3.83**	**0.76**	3	High
10	There is a cooperative effort among individuals to carry out difficult tasks	**3.76**	**0.61**	4	High
11	There is an open communication among individuals, and the atmosphere is characterized by friendly relations	**3.86**	**0.73**	2	High
12	There is a high level of mutual trust	**3.67**	**0.89**	5	High
13	Individuals actively work together as partners	**4.29**	**0.46**	1	High
General Arithmetic mean and standard deviation		**3.72**	**0.76**		

Table (4-2) Clarifies the importance level of Cooperation, where the arithmetic mean ranges between **(3.29 - 4.29)** compared with the General Arithmetic mean amount of **(3.72).** We observe that the highest mean for the item "*Individuals actively work together as partners"* with arithmetic mean (**4.29**) and Standard deviation (**0.46**). While the lowest arithmetic mean was for the item "For *most problems that arise, there are rules and procedures for dealing with them*" with Average (**3.29**) and Standard deviation (**0.96**). This might be interpreted as that manager in paint industry in the UAE do support and encourage cooperation between employees to achieve a goal, but at the same time without taking all the possibilities of scenarios that could arise and hence not preparing themselves with preset solutions. In general, the importance level of Cooperation in Paint Companies in the UAE was high.

Empowerment:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-3).

From that table, the arithmetic means range between **(3.45 - 4.13)** compared with the General Arithmetic mean amount of **(3.84).** We observe that the highest mean for the item "*Individuals have been given or taught the skills that are needed to arm themselves"* with arithmetic mean (**4.13**) and Standard deviation (**0.35**). While the lowest arithmetic mean was for the item "*There are opportunities to select option and make choice at work*" with Average (**3.45**) and Standard deviation (**0.50**), This can be explained as although the employees development is a key managerial task in paint industry in the

UAE, still employees don't have the proper direction for where they can direct their career path the best way for them and for the company. In general, the importance level of Empowerment in Paint Companies in the UAE was high.

Table (4-3) Arithmetic mean, SD, item importance and importance level of Empowerment

No.	Empowerment	Mean	Standard deviation	Item importance	Importance level
14	Decision Making tends to occur in a decentralized manner	4.08	0.39	2	High
15	Operating rules and standard procedures play important roles in how decisions are handled	4.05	0.37	3	High
16	Ideas tend to flow horizontally as vertically	3.78	0.64	6	High
17	Decision Making responsibilities are pushed down to the lowest possible level	3.88	0.48	5	High
18	Individuals are capable of directing and taking charge of their own work	3.47	0.51	9	Median
19	There are opportunities to select option and make choice at work	3.45	0.50	10	Median
20	The individual's knowledge base in this organization has increased	4.05	0.37	3	High
21	Individuals have been given or taught the skills that are needed to arm themselves	4.13	0.35	1	High
22	Individuals participate equally in organizational activities	3.76	0.93	7	High
23	There are opportunities for personal development such as growth in self-worth or self-efficacy	3.72	0.90	8	High
General Arithmetic mean and standard deviation		3.84	0.54		

Competitive Advantage:

Flexibility:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-4).

Table (4-4) Arithmetic mean, SD, item importance and importance level of Flexibility

No.	Flexibility	Mean	Standard deviation	Item importance	Importance level
1	The company management assurance material and moral support to meet the needs and aspirations of current and future clients	3.81	0.83	2	High
2	The company's management gives staff complete freedom to complete the work entrusted to them	4.02	0.81	1	High
3	The company's management work on develop the employee performance and improve their skills as required by the market.	3.65	0.85	4	Median
4	The company's management seeks to know the characteristics of the market for the preparation of strategies and tactics appropriate for any situation possible current and future	3.76	0.82	3	High
5	The relationship between management and employee Features to efficiency and effectiveness in order to complete customer orders	3.64	0.91	5	Median
General Arithmetic mean and standard deviation		3.78	0.84		

Table (4-4) Clarifies the importance level of Flexibility, where the arithmetic mean ranges between **(3.64 - 4.02)** compared with the General Arithmetic mean amount of **(3.78).** We observe that the highest mean for the item "*The company's management gives staff complete freedom to complete the work entrusted to them*" with arithmetic mean (**4.02**) and Standard deviation

(**0.81**). While the lowest arithmetic mean was for the item "*The relationship between management and employee Features to efficiency and effectiveness in order to complete customer orders*" with Average (**3.64**) and Standard deviation (**0.91**), this may reflect the level of attention of a management to facilitate the resources for their employees to react to customers requirements, but the problem is how. In general, the importance level of Flexibility was high.

Responsiveness:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-5).

Table (4-5) Arithmetic mean, SD, item importance and importance level of Responsiveness

No.	Responsiveness	Mean	Standard deviation	Item importance	Importance level
6	Our operation's system responds rapidly to changes in product volume demanded by customers	3.81	0.93	3	High
7	Our operation's system effectively expedites emergency customer orders	3.76	0.94	4	High
8	Our operation's system rapidly reconfigures equipment to address demand changes	3.89	0.91	2	High
9	Our operation's system rapidly reallocates people to address demand changes	4.17	0.79	1	High
10	Our operations system rapidly changes manufacturing processes to address demand changes	3.41	1.08	6	Median
11	Our operations system rapidly adjusts capacity to address demand changes	3.74	0.95	5	High
General Arithmetic mean and standard deviation		3.80	0.93		

Table (4-5) Clarifies the importance level of Responsiveness, where the arithmetic means range between **(3.41 - 4.17)** comparing with General Arithmetic mean amount of **(3.80).** We observe that the highest mean for item "*Our operations system rapidly reallocates people to address demand changes*" with arithmetic mean (**4.17**) and Standard deviation (**0.79**). While the lowest arithmetic mean was for item "*Our operations system rapidly changes manufacturing processes to address demand changes*" with Average (**3.41**) and Standard deviation (**1.08**), this gives a clear message that the rapid relocation of people gives a good advantage in speeding the response to customer demand, However, this is limited to people, but not to other resources, i.e. the operations system. In general, the importance level of Responsiveness in Paint Companies in the UAE was high.

Organizational Performance:

Growth:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-6).

Table (4-6) Arithmetic mean, SD, item importance and importance level of Growth

No.	Growth	Mean	Standard deviation	Item importance	Importance level
1	The sales growth position relative to our principle competitor is	3.87	0.92	3	High
2	My satisfaction with sales growth rate is	3.91	0.91	2	High
3	The market share gains relative to our principle competitor are	4.08	0.88	1	High
General Arithmetic mean and standard deviation		3.95	0.90		

Table (4-6) Clarifies the importance level of Growth, where the arithmetic means ranges between **(3.87 - 4.08)** compared with General Arithmetic mean amount of **(3.95).** We observe that the highest mean is for the item "*The market share gains relative to our principle competitor are*" with arithmetic mean (**4.08**) and Standard deviation (**0.88**). While the lowest arithmetic mean was for the item " *The sales growth position relative to our principle competitor is*" with Average (**3.87**) and Standard deviation (**0.92**). This might show a contradiction; gaining market share but competitors growing higher than us, This can be explained by how companies feel their performance, and how the other non-financial measurements are important

to give more clarity about company's market position and performance. In general the importance level of Growth in Paint Companies in the UAE was high.

Profitability:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-7).

Table (4-7) Arithmetic mean, SD, item importance and importance level of Profitability

No.	Profitability	Mean	Standard deviation	Item importance	Importance level
4	The return on corporate investment position relative to our principle competition is	3.92	0.85	3	High
5	My satisfaction with the return on corporate investment is	4.00	0.79	2	High
6	My satisfaction with the return on Sales is	4.01	0.77	1	High
7	The net profit position relative to our principle competitor is	3.71	0.92	5	High
8	The financial liquidity position relative to our principle competitor is	3.81	0.88	4	High
General Arithmetic mean and standard deviation		3.89	0.84		

Table (4-7) Clarifies the importance level of Profitability, where the arithmetic means ranges between **(3.71 - 4.01)** .Compared with the General Arithmetic mean amount of **(3.89).** We observe that the highest is for item " *My satisfaction with the return on Sales is*" with arithmetic mean (**4.01**) and Standard deviation (**0.77**). While the lowest arithmetic mean was for item "*The net profit position relative to our principle competitor is*" Compared with

Average (**3.71**) and Standard deviation (**0.92**). This reflects the same message like Growth, and also reflects the uncertainty about the company's performance against competitors. In general, the importance level of Profitability in Paint Companies in the UAE was high.

(4-3): Study Hypotheses Test

The researcher in this part tested the main hypotheses and studied sub hypotheses, through Multiple, Simple Linear Regression analysis with (F) test using ANOVA table, and path Analysis the direct and indirect effect between study variables as follows:

HO_1: There is no significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the multiple regression analysis to ensure the impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance in Paint Industry in the UAE. As shown in Table (4-8).

Table (4-8) Multiple regression analysis test results of the impact of Core Competence on Organizational performance in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β		Degree of freedom	Sig*
Core Competence on Organizational performance	0.861	0.741	33.820	4.00	SV	0.605	3	0.000
					COO	0.190	60	
					EMP	0.242	63	

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-8) we observe that there is a significant impact of Core Competence on Organizational performance in Paint Industry in the UAE. The ***R*** was (**0.861**) at level ($\alpha \leq 0.05$). Whereas the ***R^2*** was (**0.741**). This means the (**0.741**) of Organizational Performance changeabilities results from the

changeability in Core Competence variables. As β was (***Shared Vision***: **0.605;** ***Cooperation***: **0.190;** ***Empowerment***: **0.242**) this means the increase of one unit in Core Competence variables concerned will increase Organizational Performance value (**0.605; 0.190; 0.242**). Assuring significant impact $F_{Calculate}$ was (**33.820**) and it's significance at level ($\alpha \leq$ **0.05**) compared with F_{Tabled} was (**4.00**), and That assure invalid first main hypothesis, Unaccepted null hypothesis and accepted alternative hypothesis:

There is significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance at level ($\alpha \leq 0.05$).

To ensure the impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance (Growth; Profitability), the researcher divides the first main hypothesis to three sub hypotheses, and uses the Simple Regression analysis to test each sub-hypotheses ,as a follows:

HO_{1-1}: There is no significant impact of Shared Vision on organizational performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Simple regression analysis to ensure the impact of Shared Vision on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE, as shown in Table (4-9).

Table (4-9) Simple regression analysis test results of the impact of Shared Vision on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β	Degree of freedom	Sig*
Organizational Performance	0.499	0.249	20.607	4.00	0.403	1 62 63	0.000
Growth	0.526	0.277	23.732	4.00	0.414	1 62 63	0.000
Profitability	0.517	0.268	22.663	4.00	0.365	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-9) we observe that there is a significant impact of Shared Vision on Organizational Performance in Paint Industry in the UAE. The ***R*** was (**0.499**) at level ($\alpha \leq 0.05$). Whereas the R^2 was (**0.249**). This means the (**0.249**) of Organizational Performance changeabilities result from the changeability in Shared Vision. As β was (**0.403**) this means the increase of one unit in Shared Vision will increase Organizational Performance value (**0.403**). Assuring significant impact $F_{Calculate}$ was (**20.607**) and it's significant at level ($\alpha \leq 0.05$) comparing with F_{Tabled} was (**4.00**), and that assuring invalid first

sub-hypotheses. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Shared Vision on Organizational Performance in Paint Industry in the UAE at level ($\alpha \leq 0.05$).

In the otherwise, table (4-9) clarifies that there is an impact of Shared Vision on Growth and Profitability at level ($\alpha \leq 0.05$).

HO_{1-2}: There is no significant impact of Cooperation on organizational performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

To test this hypothesis the researcher uses the Simple regression analysis to ensure the impact of Cooperation on Organizational Performance (Growth; Profitability). As shown in Table (4-10).

Table (4-10) Simple regression analysis test results of the impact of Cooperation on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β	Degree of freedom	Sig*
Organizational Performance	0.360	0.129	10.109	4.00	0.407	1 62 63	0.000
Growth	0.646	0.417	48.701	4.00	0.493	1 62 63	0.000
Profitability	0.607	0.369	39.765	4.00	0.509	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-10) we observe that there is a significant impact of Cooperation on Organizational Performance in Paint Industry in the UAE. The ***R*** was **(0.360)** at level **($\alpha \leq 0.05$).** Whereas the ***R^2*** was **(0.129).** This means that the **(0.129)** of Organizational Performance changeabilities resulting from the changeability in Cooperation. As ***β*** was **(0.407)** this means the increase of one unit in Cooperation will be increase Organizational Performance value **(0.407)**. Assuring significant impact ***$F_{Calculate}$*** was **(10.109)** and it's significance at level **($\alpha \leq 0.05$)** compared with ***F_{Tabled}*** was **(4.00)**, and that Assures invalid second sub-hypotheses. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Cooperation on Organizational Performance Paint Industry in the UAE at level ($\alpha \leq 0.05$).

On the other way, table (4-10) clarifies that there is an impact of Cooperation on Growth and Profitability at level ($\alpha \leq 0.05$).

HO_{1-3}: There is no significant impact of Empowerment on organizational performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

To test this hypothesis the researcher uses the Simple regression analysis to ensure the impact of Empowerment on Organizational

Performance (Growth; Profitability) in Paint Industry in the UAE. As shown in Table (4-11).

Table (4-11) Simple regression analysis test results of the impact of Empowerment on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β	Degree of freedom	Sig*
Organizational Performance	0.593	0.352	36.895	4.00	0.599	1 62 63	0.000
Growth	0.570	0.325	32.675	4.00	0.426	1 62 63	0.000
Profitability	0.551	0.303	29.625	4.00	0.687	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-11) we observe that there is a significant impact of Empowerment on Organizational Performance in Paint Industry in the UAE. The ***R*** was (**0.593**) at level ($\alpha \leq 0.05$). Whereas the ***R²*** was (**0.352**). This means that the (**0.352**) of Organizational Performance changeabilities result from the changeability in Empowerment. As ***β*** was (**0.599**) this means the increase of one unit in Empowerment will be increasing Organizational Performance value (**0.599**). Assuring significant impact ***F Calculate*** was (**36.895**)

and it's significance at level ($\alpha \leq 0.05$) compared with F_{Tabled} was (4.00), and that assures invalid second sub- hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is significant impact of Empowerment on Organizational Performance in Paint Industry in the UAE at level ($\alpha \leq 0.05$).

In the otherwise, table (4-11) clarifies that there is an impact of Cooperation on Growth and Profitability at level ($\alpha \leq 0.05$).

HO_2: There is no significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Competitive Advantage at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the multiple regression analysis to ensure the impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Competitive Advantage in Paint Industry in the UAE. As shown in Table (4-12).

Table (4-12) Multiple regression analysis test results of the impact Core Competence on Competitive Advantage in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β		Degree of freedom	Sig*
Core Competence on Competitive Advantage	0.600	0.360	11.257	4.00	SV	0.584	3	0.000
					COO	0.112	60	
					EMP	0.115	63	

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-12) we observe that there is a significant impact of Core Competence on Competitive Advantage in Paint Industry in the UAE. The ***R*** was (**0.600**) at level ($\alpha \leq$ **0.05**). Whereas the R^2 was (**0.360**). This means that the (**0.360**) of Competitive Advantage changeabilities result from the changeability in Core Competence variables. As β was (***Shared Vision***: **0.584;** ***Cooperation***: **0.112;** ***Empowerment***: **0.115**) this means that the increase of one unit in Core Competence variables concerns will increase Competitive Advantage value (**0.584: 0.112; 0.115**). Assuring significant impact $F_{Calculate}$ was (**11.257**) and it's significance at level ($\alpha \leq$ **0.05**) compared with F_{Tabled} was (**4.00**), and that assures invalid second main hypotheses. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Competitive Advantage at level ($\alpha \leq$ 0.05).

To ensure the impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Competitive Advantage (Flexibility; Responsiveness), the researcher divides the second main hypothesis to three sub hypotheses, and uses the Simple Regression analysis to test each sub-hypothesis. As follows :

HO_{2-1}: There is no significant impact of Shared Vision on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Simple regression analysis to ensure the impact of Shared Vision on Competitive Advantage (Flexibility; Responsiveness) in Paint Industry in the UAE, as shown in Table (4-13).

Table (4-13) Simple regression analysis test results of the impact of Shared Vision on Competitive Advantage (Flexibility; Responsiveness) in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β	Degree of freedom	Sig*
Competitive Advantage	0.593	0.352	33.650	4.00	0.479	1 62 63	0.000
Flexibility	0.425	0.181	13.685	4.00	0.311	1 62 63	0.000
Responsiveness	0.441	0.194	14.939	4.00	0.306	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-13) we observe that there is a significant impact of Shared Vision on Competitive Advantage in Paint Industry in the UAE. The ***R*** was (**0.593**) at level ($\alpha \leq 0.05$). Whereas the ***R^2*** was (**0.352**). This means the

(0.352) of Competitive Advantage changeabilities results from the changeability in Empowerment. As β was (0.479) this means that the increase of one unit in Shared Vision will increase Competitive Advantage value (0.479). Assuring significant impact $F_{Calculate}$ was (33.650) and it's significance at level ($\alpha \leq 0.05$) comparing with F_{Tabled} was (4.00), and that assuring invalid first sub-hypothesis. Unaccepted null hypotheses and accepted alternative hypothesis:

There is a significant impact of Shared Vision on Competitive Advantage in Paint Industry in the UAE at level ($\alpha \leq 0.05$).

Other way, table (4-13) clarifies that there is an impact of Shared Vision on flexibility and Responsiveness at level ($\alpha \leq 0.05$).

HO_{2-2}: There is no significant impact of Cooperation on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Simple regression analysis to ensure the impact of Cooperation on Competitive Advantage (Flexibility; Responsiveness) in Paint Industry in the UAE. As shown in Table (4-14).

Table (4-14) Simple regression analysis test results of the impact of Cooperation on Competitive Advantage (Flexibility; Responsiveness) in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β	Degree of freedom	Sig*
Competitive Advantage	0.811	0.658	119.373	4.00	0.834	1 62 63	0.000
Flexibility	0.613	0.376	37.319	4.00	0.644	1 62 63	0.000
Responsiveness	0.586	0.344	32.497	4.00	0.852	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-14) we observe that there is a significant impact of Cooperation on Competitive Advantage in Paint Industry in the UAE. The ***R*** was (**0.811**) at level ($\alpha \leq 0.05$). Whereas the ***R²*** was (**0.658**). This means the (**0.658**) of Competitive advantage changeabilities result from the changeability in Cooperation. As ***β*** was (**0.834**) this means the increase of one unit in Cooperation will increase Competitive Advantage value (**0.834**). Assuring significant impact ***F Calculate*** was (**119.373**) and it's significant at level ($\alpha \leq 0.05$) compared with ***F Tabled*** was (**4.00**), and that assures invalid second

sub-hypotheses. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Cooperation on Competitive Advantage in Paint Industry in the UAE at level ($\alpha \leq 0.05$).

Any way, table (4-14) clarifies that there is an impact of Cooperation on flexibility and Responsiveness at level ($\alpha \leq 0.05$).

$HO_{2\text{-}3}$: There is no significant impact of Empowerment on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Simple regression analysis to ensure the impact of Empowerment on Competitive Advantage (Flexibility; Responsiveness) in Paint Industry in the UAE, as shown in Table (4-15).

Table (4-15) Simple regression analysis test results of the impact of Empowerment on Competitive Advantage (Flexibility; Responsiveness) in Paint Industry in the UAE

	(R)	(R^2)	F Calculate	F Tabulated	β	Degree of freedom	Sig*
Competitive Advantage	0.637	0.406	42.393	4.00	0.564	1 62 63	0.000
Flexibility	0.501	0.251	20.832	4.00	0.476	1 62 63	0.000
Responsiveness	0.372	0.139	9.989	4.00	0.371	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-15) we observe that there is a significant impact of Empowerment on Competitive Advantage in Paint Industry in the UAE. The ***R*** was (**0.637**) at level ($\alpha \leq 0.05$), whereas the ***R²*** was (**0.406**). This means that the (**0.406**) of Competitive Advantage changeabilities result from the changeability in Empowerment. As ***β*** was (**0.564**) this means that the increase of one unit in Empowerment will be increase the Competitive Advantage value (**0.564**). Assuring significance impact ***F Calculate*** was (**42.393**) and it's significant at level ($\alpha \leq 0.05$) compared with ***F Tabled*** was (**4.00**), and that assures

invalid third sub-hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Empowerment on Competitive Advantage in Paint Industry in the UAE at level ($\alpha \leq 0.05$).

Anyhow, table (4-15) clarifies that there is an impact of Empowerment on flexibility and Responsiveness at level ($\alpha \leq 0.05$).

H3: There is no significant impact of Competitive advantage (Flexibility; Responsiveness) on Organizational Performance at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the multiple regression analysis to ensure the impact of Competitive advantage (Flexibility; Responsiveness) on Organizational Performance in Paint Industry in the UAE. As shown in Table (4-16).

Table (4-16) Multiple regression analysis test results of the impact Competitive advantage on Organizational performance in Paint Industry in the UAE

	(R)	(R^2)	β		F Calculated	F Tabulated	Degree of freedom	Sig*
Competitive advantage on Organizational performance	0.552	0.305	Flex	0.453	13.361	4.00	2	0.000
							61	
			Resp	0.138			63	

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-16) we observe that there is a significant impact of Competitive advantage on Organizational performance in Paint Industry in the UAE. The ***R*** was **(0.552)** at level **($\alpha \leq 0.05$),** whereas the ***R²*** was **(0.305).** This means that the **(0.305)** of Organizational Performance changeabilities result from the changeability in Competitive advantage variables. As ***β*** was **(*Flexibility*: 0.453; *Responsiveness*: 0.138)** this means the increase of one unit in Competitive advantage variables concerning the increase of Organizational Performance value **(0.453; 0.138)**, assuring significant impact ***F Calculate*** was **(13.361)** and it's significance at level **($\alpha \leq 0.05$)** compared with ***F Tabled*** was **(4.00)**, and that assures invalid third main hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Competitive advantage (Flexibility; Responsiveness) on Organizational Performance at level ($\alpha \leq 0.05$).

To ensure the impact of Competitive advantage (Flexibility; Responsiveness) on Organizational Performance (Growth; Profitability), the researcher divides the third main hypothesis to two sub hypotheses, and uses the Simple Regression analysis to test each sub-hypothesis, as follows:

HO_{3-1}: There is no significant impact of Flexibility on Organizational Performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Simple Regression Analysis to ensure the impact of Flexibility on Organizational Performance (Growth; Profitability) As shown in Table (4-17).

Table (4-17) Simple regression analysis test results of the impact of Flexibility on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE

	(R)	(R^2)	F Calculated	F Tabulated	β	Degree of freedom	Sig*
Organizational Performance	0.648	0.420	44.921	4.00	0.403	1 62 63	0.000
Growth	0.546	0.298	26.987	4.00	0.582	1 62 63	0.000
Profitability	0.449	0.249	20.521	4.00	0.469	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-17) we observe that there is a significant impact of Flexibility on Organizational Performance in Paint Industry in the UAE. The ***R*** was (**0.648**) at level ($\alpha \leq 0.05$), whereas the ***R^2*** was (**0.420**). This means that the (**0.420**) of Organizational Performance changeabilities result from the

changeability in Flexibility. As β was (0.403) this means that the increase of one unit in Flexibility will increase Organizational Performance value (0.403). Assuring significant impact $F_{Calculate}$ was (44.921) and it's significance at level ($\alpha \leq 0.05$) compared with F_{Tabled} was (4.00), and that assures invalid first sub-hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Flexibility on Organizational Performance in the UAE at level ($\alpha \leq 0.05$).

Anyhow, table (4-17) clarifies that there is an impact of Flexibility on Growth and Profitability at level ($\alpha \leq 0.05$).

HO_{3-2}: There is no significant impact of Responsiveness on Organizational Performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Simple Regression Analysis to ensure the impact of Responsiveness on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE, as shown in Table (4-18).

Table (4-18) Simple regression analysis test results of the impact of Responsiveness on Organizational Performance (Growth; Profitability) in Paint Industry in the UAE

	(R)	(R^2)	F Calculated	F Tabulated	β	Degree of freedom	Sig*
Organizational Performance	0.722	0.521	67.515	4.00	0.411	1 62 63	0.000
Growth	0.729	0.531	70.138	4.00	0.960	1 62 63	0.000
Profitability	0.503	0.253	21.046	4.00	0.593	1 62 63	0.000

* the impact is significant at level ($\alpha \leq 0.05$)

From table (4-18) we observe that there is a significant impact of Responsiveness on Organizational Performance in Paint Industry in the UAE. The ***R*** was (**0.722**) at level ($\alpha \leq 0.05$), whereas the ***R²*** was (**0.521**). This means that the (**0.521**) of Organizational Performance changeabilities resulting from the changeability in Responsiveness. As ***β*** was (**0.411**) this means that the increase of one unit in Responsiveness will increase Organizational Performance value (**0.411**). Assuring significant impact ***F Calculate*** was (**67.515**) and it's significance at level ($\alpha \leq 0.05$) compared with ***F Tabled***

was (4.00), and that assures invalid second sub-hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Responsiveness on Organizational Performance in the UAE at level ($\alpha \leq 0.05$).

Anyway, table (4-18) clarifies that there is an impact of Responsiveness on Growth and Profitability at level ($\alpha \leq 0.05$).

H4: There is no significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance through Competitive advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the path analysis (Amos Programming) to ensure the impact of Core Competence on Organizational Performance through Competitive advantage. Table (4-19).

Table (4-19) Path analysis test results to the impact of Core Competence on Organizational Performance through Competitive advantage in Paint Industry in the UAE

	Chi² Calculate	Chi² Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Core Competence on Organizational Performance through Competitive advantage	6.313	3.841	0.940	0.972	0.290	Core Competence on competitive advantage	0.856	0.902	0.012
						Competitive advantage on Organizational Performance	0.772		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

From table (4-19) we observe that there is a significant impact of Core Competence on Organizational Performance through Competitive advantage in Paint Industry in the UAE. The Chi² was (6.313) at level ($\alpha \leq 0.05$), whereas the GFI was (0.940) approaching to one. On the same side, the CFI was (0.972) approaching to one. While the RMSEA was (0.290) approaching to zero. The Direct Effect was (0.856) between Core Competence and competitive advantage and (0.772) between Competitive advantage and Organizational Performance. As well , the Indirect Effect was (0.902) between Core Competence and Organizational Performance through Competitive advantage. That Assures invalid fourth main hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Core Competence on Organizational Performance through Competitive advantage in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

HO_{4-1}: There is no significant impact of Shared Vision on Organizational Performance through Flexibility at level ($\alpha \leq 0.05$).

To test this hypothesis the researcher uses the path analysis (Amos Programming) to ensure the impact of Shared Vision on Organizational Performance through Flexibility in Paint Industry in the UAE. Table (4-20).

Table (4-20) Path analysis test results of the impact of Shared Vision on Organizational Performance through Flexibility in Paint Industry in the UAE

	Chi^2 Calculate	Chi^2 Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Shared Vision on Organizational Performance through Flexibility	21.183	3.841	0.800	0.822	0.275	Shared Vision on Flexibility	0.704	0.808	0.000
						Flexibility on Organizational Performance	0.696		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

From table (4-20) we observe that there is a significant impact of Shared Vision on Organizational Performance through Flexibility in Paint Industry in the UAE. The Chi^2 was (21.183) at level ($\alpha \leq 0.05$), whereas the GFI was (0.800) approaching to one. On the same side the CFI was (0.822) approaching to one, while the RMSEA was (0.275) approaching to zero, like Direct Effect was (0.704) between Shared Vision and Flexibility and (0.696) between Flexibility and Organizational Performance. As well, the Indirect Effect was (0.808) between Shared Vision and Organizational Performance through Flexibility. That Assures invalid first subhypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is significant impact of Shared Vision on Organizational Performance through Flexibility in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

$HO_{4\text{-}2}$: There is no significant impact of Shared Vision on Organizational Performance through Responsiveness at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the path analysis (Amos Programming) to ensure the impact of Shared Vision on Organizational Performance through Responsiveness in Paint Industry in the UAE. Table (4-21).

Table (4-21) Path analysis test results of the impact of Shared Vision on Organizational Performance through Responsiveness in Paint Industry in the UAE

	Chi² Calculate	Chi² Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Shared Vision on Organizational Performance through Responsiveness	8.384	3.841	0.923	0.941	0.142	Shared Vision on Responsiveness	0.661	0.860	0.004
						Responsiveness on Organizational Performance	0.632		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

From table (4-21), we observe that there is a significant impact of Shared Vision on Organizational Performance through Responsiveness in Paint Industry in the UAE. The Chi² was (8.384) at level ($\alpha \leq 0.05$), whereas the GFI was (0.923) approaching to one. On the same side the CFI was (0.941) approaching to one, while the RMSEA was (0.142) approaching to zero, like Direct Effect was (0.661) between Shared Vision and Responsiveness, (0.632) between Responsiveness and Organizational Performance. As well, the Indirect Effect was (0.860) between Shared Vision and Organizational Performance through Responsiveness. That Assures invalid second sub-hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Shared Vision on Organizational Performance through Responsiveness in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

HO_{4-3}: There is no significant impact of Cooperation on Organizational Performance through Flexibility at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the path analysis (Amos Programming) to ensure the impact of Cooperation on Organizational Performance through Flexibility in Paint Industry in the UAE. Table (4-22).

Table (4-22) Path analysis test results of the impact of Cooperation on Organizational Performance through Flexibility in Paint Industry in the UAE

	Chi² Calculate	Chi² Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Cooperation on Organizational Performance through Flexibility	16.681	3.841	0.866	0.869	0.299	Cooperation on Flexibility	0.560	0.790	0.000
						Flexibility on Organizational Performance	0.708		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

From table (4-22) we observe that there is a significant impact of Cooperation on Organizational Performance through Flexibility in Paint Industry in the UAE. The Chi² was (16.681) at level ($\alpha \leq 0.05$), whereas the

GFI was (0.866) approaching to one. On the same side the CFI was (0.869) approaching to one, while the RMSEA was (0.299) approaching to zero, like Direct Effect was (0.560) between Cooperation and Flexibility, (0.708) between Flexibility and Organizational Performance. As well as, the Indirect Effect was (0.790) between Cooperation and Organizational Performance through Flexibility. That Assures invalid third subhypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Cooperation on Organizational Performance through Flexibility in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

$HO_{4\text{-}4}$: There is no significant impact of Cooperation on Organizational Performance through Responsiveness at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the path analysis (Amos Programming) to ensure the impact of Cooperation on Organizational Performance through Responsiveness in Paint Industry in the UAE. Table (4-23).

Table (4-23) Path analysis test results of the impact of Cooperation on Organizational Performance through Responsiveness in Paint Industry in the UAE

	Chi² Calculate	Chi² Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Cooperation on Organizational Performance through Responsiveness	5.757	3.841	0.945	0.968	0.275	Cooperation on Responsiveness	0.785	0.860	0.016
						Responsiveness on Organizational Performance	0.675		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

From table (4-23) we observe that there is a significant impact of Cooperation on Organizational Performance through Responsiveness in Paint Industry in the UAE. The Chi^2 was (5.757) at level ($\alpha \leq 0.05$). Whereas the GFI was (0.945) approaching to one. On the same side the CFI was (0.968) approaching to one, while the RMSEA was (0.275) approaching to zero, like Direct Effect was (0.785) between Cooperation and Responsiveness, (0.675) between Responsiveness and Organizational Performance. As well as, the Indirect Effect was (0.860) between Cooperation and Organizational Performance through Responsiveness. That

Assures invalid fourth sub-hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Cooperation on Organizational Performance through Responsiveness in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

$HO_{4\text{-}5}$: There is no significant impact of Empowerment on Organizational Performance through Flexibility at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the path analysis (Amos Programming) to ensure the impact of Empowerment on Organizational Performance through Flexibility in Paint Industry in the UAE. Table (4-24).

Table (4-24) Path analysis test results of the impact of Empowerment on Organizational Performance through Flexibility in Paint Industry in the UAE

	Chi^2 Calculate	Chi^2 Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Empowerment on Organizational Performance through Flexibility	16.565	3.841	0.866	0.890	0.197	Empowerment on Flexibility	0.609	0.859	0.000
						Flexibility on Organizational Performance	0.708		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

From table (4-24) we observe that there is a significant impact of Empowerment on Organizational Performance through Flexibility in Paint Industry in the UAE. The Chi^2 was (16.565) at level ($\alpha \leq 0.05$), whereas the GFI was (0.866) approaching to one. On the same side the CFI was (0.890) approaching to one. While the RMSEA was (0.197) approaching to zero, like Direct Effect was (0.609) between Empowerment and Flexibility, (0.708) between Flexibility and Organizational Performance. As well, the Indirect Effect was (0.859) between Empowerment and Organizational Performance through Flexibility. That Assures invalid fifth sub-hypothesis. Unaccepted null hypothesis and accepted alternative hypothesis:

There is a significant impact of Empowerment on Organizational Performance through Flexibility in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

$HO_{4\text{-}6}$: There is no significant impact of Empowerment on Organizational Performance through Responsiveness at level ($\alpha \leq 0.05$).

To test this hypothesis the researcher uses the path analysis (Amos Programming) to ensure the impact of Empowerment on Organizational Performance through Responsiveness in Paint Industry in the UAE. Table (4-25).

Table (4-25) Path analysis test results of the impact of Empowerment on Organizational Performance through Responsiveness in Paint Industry in the UAE

	Chi² Calculate	Chi² Tabled	GFI	CFI	RMSEA	Direct Effect		Indirect Effect	Sig.*
Empowerment on Organizational Performance through Responsiveness	9.279	3.841	0.916	0.944	0.263	Empowerment on Responsiveness	0.662	0.860	0.002
						Responsiveness on Organizational Performance	0.770		

RMSEA: Root Mean Square Error of Approximation must Proximity to Zero
GFI: Goodness of Fit Index must Proximity to One
CFI: Comparative Fit Index must Proximity to One

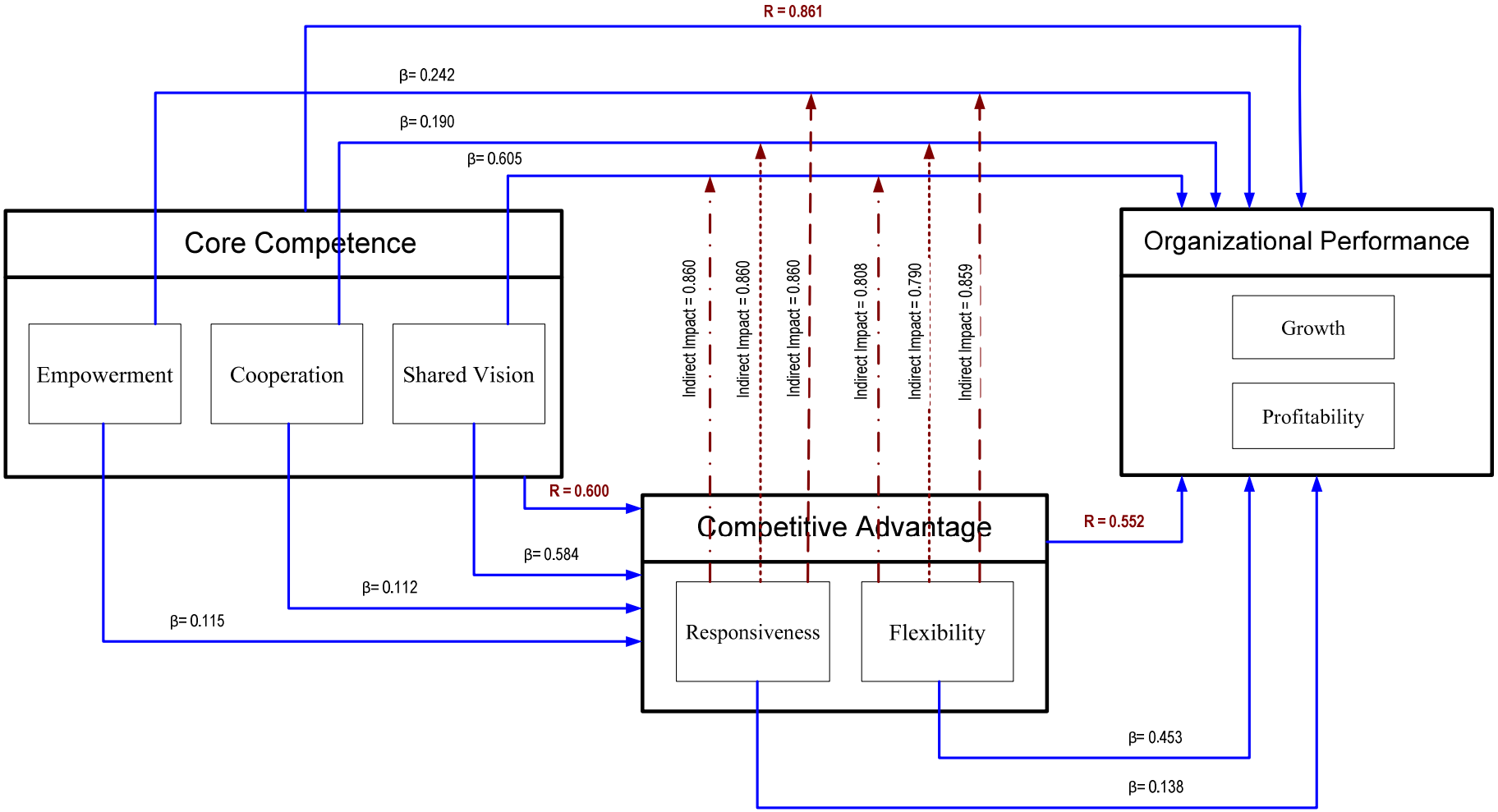
From table (4-25) we observe that there is a significant impact of Empowerment on Organizational Performance through Responsiveness in Paint Industry in the UAE. The Chi^2 was (9.279) at level ($\alpha \leq 0.05$). Whereas the GFI was (0.916) approaching to one. On the same side the CFI was (0.944) approaching to one. While the RMSEA was (0.263) approaching to zero, like Direct Effect was (0.662) between Empowerment and Responsiveness, (0.770) between Responsiveness and Organizational Performance. As well, the Indirect Effect was (0.860) between Empowerment and Organizational Performance through Responsiveness.

That Assures invalid sixth sub-hypothesis. Unaccepted null hypotheses and accepted alternative hypothesis:

There is a significant impact of Empowerment on Organizational Performance through Responsiveness in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

In the light of the statistical analysis results, Figure (4-1) demonstrates a proposed framework clarifying the effects and relationships between study variables.

Figure (4-1)
A proposed framework clarifying the effects and relationships between study variables



Chapter Five

Results, Conclusions and Recommendations

(5-1): Results

(5-2): Conclusions

(5-3): Recommendations

(5-1): Results

The current study posed a set of questions, placing the hypotheses and their relation to the impact within the study variables. The study arrived to many results that contributed to solve the study problem described in chapters (1-2), answering the questions and hypotheses of the study. The main results are:

1. The Indirect impact of Core Competence on Organizational Performance through Competitive advantage was higher than its direct impact on Performance. This is the major finding and hence this study proved the main hypothesis and achieved its main objective. (Figure 4-1).

2. The importance level of Shared Vision in Paint Companies in the UAE was high (4.01).

3. The importance level of Cooperation in Paint Companies in the UAE was high (3.72).

4. The importance level of Empowerment in Paint Companies in the UAE was high (3.84).

5. The importance level of Flexibility in Paint Companies in the UAE was high (3.78).

6. The importance level of Responsiveness in Paint Companies in the UAE was high (3.8).

7. The importance level of Growth in Paint Companies in the UAE was high (3.95).

8. The importance level of Profitability in Paint Companies in the UAE was high (3.89).

9. There is a significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

10. There is a significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Competitive Advantage (Flexibility; Responsiveness) at level ($\alpha \leq 0.05$).

11. There is a significant impact of Competitive advantage (Flexibility; Responsiveness) on Organizational Performance (Growth; Profitability) at level ($\alpha \leq 0.05$).

12. There is a significant impact of Core Competence (Shared Vision; Cooperation and Empowerment) on Organizational Performance (Growth; Profitability) through Competitive advantage (Flexibility; Responsiveness) in Paint Industry in the UAE at level ($\alpha \leq 0.05$)

(5-2): Conclusions

On the basis of the study results, the researcher concludes will the following points.

1. Shared vision got the highest impact on performance, either directly or indirectly, and that proves the important level of Shared vision, and supports Calantone, et..al. (2002) who found that shared vision has a positive effect on an organization's innovativeness, which in turn affects organizational performance. (Figure 4-1)
2. Although the Shared vision and communicating company's mission occupy a significant attention level in Paint companies in the UAE, clarity about what to be really communicated is not totally satisfactory.
3. As Cooperation got the lowest Impact scores (β=19% on performance, and 11% on Competitive advantage, and the indirect Impact was 86% through Responsiveness and 79% through Flexibility), it is concluded that this Core competence needs more attention from management, and tools need to be suggested.
4. Developing employees is the most important factor for Paint companies success: However, they need more attention in terms of career path and progression plans. That agrees with HR Consulting companies recommendations, such as Indigo HR Consulting Ltd.

(http://indigohr.com/Testimonials/CaseStudies/EmployeeDevelopmentCaseStudy/tabid/105/Default.aspx)

5. The role Operation system in Responsiveness and in turn its influence on performance in Paint companies needs more attention in terms of how to attend to changes of demand, as can be read from table (4-5), agreeing with Thatte in his Dissertation's findings (2007).
6. Empowerment appeared as high important core competence for Paint companies managers in the UAE. However, results showed that managers still lack of full confidence about their employees' capability for such responsibility, maybe managers are not showing them how they can be empowered and what does it mean for them and for the company.
7. Financial performance indicators were not enough to determine the companies' position in the markets, all Paint companies gave high score for their position in terms of growth and profitability comparing to their competitors, and that cannot be true.

(5-3): Recommendations

On the basis of study results and researcher conclusions, he suggests the following recommendations to meet the study objectives.

5. Management in paint companies need to clarify the Strategies to achieve company's objectives that are derived from its vision, Rather it is recommended for the management to walk with the direction team (Board) while creating the goals and strategies. The best way to lead people into the future is to connect with them deeply in the present
6. Managers in paint companies should consider increasing cooperation and team work by reducing departmentalization in the organization. Opening the cross functional lines for better productive involvement and brain storming.
7. Plan for employees to develop, improve their competences, and have good & rewarding careers. Training, development and progression are critical, and even more critical when linked to market dynamics.
8. Leaders may need to spend some time gradually increasing empowerment behaviors so as to encourage employees to begin to view empowerment as part of their role identities. It is also recommended that leaders can play an active role in encouraging creativity by elucidating to a follower the need for creative outcomes, and spelling out what are their organization's values, are

9. It is highly emphasized that the ability of the operation system of Paint manufacturing company to rapidly respond to changing customer demands is the most important tool in creating a distinctive competitive advantage. This can be achieved by two main strategies: Strengthening the supplier's relationship management, which will contribute in increasing the responsiveness by effectively expedite the emergency orders, on the other hand to continually improve the ability to adjust the production processes by adding new process modules, mapping and continually re-plan the work stations, and improve the ability of the production process to react to changes smoothly.
10. Use Non-Financial Performance measurements along with the financial ones: It is recommended to use Balanced Score Card approach in Paint companies.
11. Focusing on the internal processes that produce unique elements in terms of high level of service provide the firm with constant earning above average and placing it in a distinguished position in the market place.
12. Communicating the result that the Core competences have significant impact on Performance through Competitive advantage, making those terms and their variables clear and showing how practical they are .That will enhance energy in a company to work one hand-one team toward achieving its shared vision.

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Apendices

Appendix (1)

Names of arbitrators

.No	Name	Specialization	Work Place
1	Dr. Taher Mansour	Business Administration	Basrah University
2	Dr. Ahmad Saleh	Business Administration	Al-Zaytoonah University
3	Dr. Khaled Bani Hamdan	Business Administration	Applied Science University
4	Dr. Ameen AL-Momani	Business Administration	Philadelphia University

Appendix (2)

Questionnaire of the Study

The Impact of Core Competence on Organizational Performance

An applied Study on Paint Industry in the United Arab Emirates

As part of a Thesis Submitted in Partial Fulfillment of the Requirements for the Master degree of business Administration

Manar Salah Jamhour

Supervisor

Dr. Sabah Hameed Agah

Mr/Mrs …….. Greeting

The **title of the researcher's thesis is :** ***The Impact of Core Competence on Organizational Performance "an applied study on Paint Industry in the United Arab Emirates".***

This Questionnaire is designed to collect information about your organization Core Competence on Organizational Performance. I would be very grateful if you answer ALL questions as completely and accurately as possible.

Thanks for answering all the items in the Questionnaire

Manar Salah Jamhour

Part (1): Demography Information

(1) Gender

Male ☐ Female ☐

(2) Age

Less than 30 years ☐ Between 30 – 40 Years ☐

Between 41 – 50 years ☐ Above 51 Years ☐

(3) Education Level

BSc ☐ High Diploma ☐

Master ☐ PhD ☐

(4) Position

General Manager ☐ Assistant GM ☐

Administration managers ☐

(5) Experience

Less than 5 years ☐ Between 5 – 10 Years ☐

Between 11 – 15 years ☐ Above 16 Years ☐

Part (2): Core Competence

First Factor: Shared Vision

1. The company mission is clear and coherent

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

2. The company objectives are clear and coherent

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

3. The company strategy is clear and coherent

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

4. There is a strong feeling in the organizational that a common purpose exists

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

5. I find that my values and the organization values are very similar

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

6. The strategic decision process is participative

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

Second Factor: Cooperation

7. All individuals are committed to the same project goals

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

8. For most problems that arise, there are rules and procedures for dealing with them

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

9. Individuals establish their own rules and procedures to facilitate the works progress

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

10. There is a cooperative effort among individuals to carry out difficult tasks

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

11. There is an open communication among individuals, and the atmosphere is characterized by friendly relations

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

12. There is a high level of mutual trust

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

13. Individuals actively work together as partners

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

Third Factor: Empowerment

14. Decision Making tends to occur in a decentralized manner

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

15. Operating rules and standard procedures play important roles in how decisions are handled

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

16. Ideas tend to flow horizontally as vertically

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

17. Decision Making responsibilities are pushed down to the lowest possible level

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

18. Individuals are capable of directing and taking charge of their own work

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

19. There are opportunities to select options and make choice at work

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

20. The individual's knowledge base in this organization has increased

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

21. Individuals have been given or taught the skills that are needed to arm themselves

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

22. Individuals participate equally in organizational activities

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

23. There are opportunities for personal development such as growth in self-worth or self-efficacy

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

Part (3): Competitive Advantage

First Factor: Flexibility

24. The company is management assurance material and moral support to meet the needs and aspirations of current and future clients

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

25. The company's management gives staff complete freedom to complete the work entrusted to them

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

26. The company's management works to develop the employee is performance and improve their skills as required by the market of renewable

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

27. The company's management seeks to know the characteristics of the market for the preparation of strategies and tactics appropriate for any situation possible current and future

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

28. The relationship between management and employee Features to efficiency and effectiveness in order to complete customer orders

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

Second Factor: Responsiveness

29. Our operation system responds rapidly to changes in product volume demanded by customers

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

30. Our operation system effectively expedites emergency customer orders

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

31. Our operation system rapidly reconfigures equipment to address demand changes

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

32. Our operation system rapidly reallocates people to address demand changes

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

33. Our operation system rapidly changes manufacturing processes to address demand changes

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

34. Our operation system rapidly adjusts capacity to address demand changes

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

Part (4): Organizational Performance

First Factor: Growth

35. The sales growth position relative to our principle competitor is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

36. My satisfaction with sales growth rate is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

37. The market share gains relative to our principle competitor are

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

Second Factor: Profitability

38. The return on corporate investment position relative to our principle competition is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

39. My satisfaction with the return on corporate investment is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

40. My satisfaction with the return on Sales is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

41. The net profit position relative to our principle competitor is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐

42. The financial liquidity position relative to our principle competitor is

Much More ☐ More ☐ Similar ☐ Less ☐ Much Less ☐