

Intellect capital and its impact on business performance: Evidences from the Jordanian hotel industry

What hotel has to do to improve the performance is to deeply understand the resources and capabilities they possess. Knowledge and relationships with customers are some intangible resources which forms an intellectual capital or IC. IC does consist of three kinds or intangible resources. The first one is human capital or HC for example, knowledge, structural capital or SC for example, information and systems of the communion and relational capital or RC for example partnership with stakeholders. The strategies handling IC is essential as the hotel sector is predominantly service oriented and the industry contains more intangible than tangible resources. What hotel managers recommend is to comprehend the relatedness that exists between IC and their firms. Human capital or HC and be explained in the hotel industry of approaches employees manage with tasks, motivation, attitude and creativity. Structural capital or SC consists of structures that allow HC to operate or function. SC are infrastructure both physical non-physically the firms have; for example, databases, strategic planning and information technology or IT. Food and beverage operations and room operations are some examples of SC. Relational capital or RC represents relationships business or organization has with different stakeholders which are formed formally through methods such as partnering or the informal form in terms of relationship with customers or suppliers. The hypotheses in this research are formed to determine the relationship and the level of significance effect of one capital to the other capital. The research consists of six hypotheses; 1) H1: HC significantly and positively impacts SC saying that customers find the hotels attractive through employees who possess motivation and good attitude. The employees can serve customers better when they have suitable knowledge and skills. 2) H2: HC significantly and positively impacts RC saying that developed IT systems and good management can affect the development of RC; for example, loyalty and satisfaction from customers. 3) H3: HC significantly and positively impacts BP 4) H4: SC significantly and positively impacts RC. 5) H5: SC significantly and positively impacts BP. Marketing activities and channels' distribution, components of RC, have potential to positively affect BP. 6) H6: RC significantly and positively impacts BP. 7) H7: IC has an impact on BP saying that the variables that are controllable such as hotel sizes and location or hotel rankings have a relationship with BP. The research focuses on upper scale hotels rather than low cost hotels as Walsh assumed such hotels' IC is more important than the low cost ones. The authors made questionnaires distributed to top and executive levels of managers, with descriptive statistics Each item in the questionnaire has a five point scale ranging from 1 strongly disagree to 5 which is strongly agree. From all the points, Rc or relational capital has highest positive ranking with mean of 3.8. With reliability analyses the research uses cronbach's alpha to determine the reliability with threshold level of 0.7 and all three types of capital have value of more than .8 result in accepted or reliable. With hypothesis results using a method of ordinary least squares all results do have significant effects.