



## The Role of Core Capabilities in the Strategic Balance / An analytical Research in the Central Bank of Iraq

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Received: 27/7/2023

Accepted: 3/9/2023

Published Online First: 30 /6/ 2024



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### Abstract:

This research aims to investigate the relationship between two variables, namely core capabilities and strategic balance, within the context of the Central Bank of Iraq. The research problem emphasizes the necessity of implementing mechanisms that improve core capabilities to enhance strategic balance within the bank. The study highlights the importance of proposing various strategies to address the research problem, to achieve this, the research was conducted using a sample of 106 administrative leaders out of a total of 109, employing a purposive sampling method according to their positions and the organizational structure. The researcher used a descriptive-analytical approach and employed several statistical tools such as SPSS.V21, AMOSE, and Excel to analyze the relationship between the main research variables and answer the intellectual and applied questions, as well as examine the level of correlation and impact, Regression coefficient, correlation coefficient, mean, standard deviation, and variance were some of the statistical methods used, along with various diagrams and charts to illustrate the relationship between research variables and their sub-dimensions. These findings were then generalized to benefit the researched field, the primary data collection tools used were questionnaires, in addition to unstructured interviews and visits conducted within the Central Bank. The main and sub-hypotheses related to the correlation and impact relationships were tested to answer the research questions and achieve the study's objectives. The results indicated a significant and statistically meaningful influence of core capabilities on strategic balance. Based on these findings, it is recommended that the Central Bank prioritize investing in human resources to enhance strategic balance.

**Research type:** Research paper.

**Keywords:** Core capabilities, Strategic balance, Central bank of Iraq

## **1.Introduction:**

organizations face numerous challenges that can hinder their ability to compete and improve performance to achieve the organization's goals and objectives. The essence of competition lies in the core capabilities of the organization, expressed as strategic forces capable of creating market value and high performance. These capabilities are linked to three axes: the available resources of the organization, the ability to execute organizational activities, and the balance between resources and business unit activities. To address external challenges, organizations must rely on their internal core capabilities, which, in turn, lead to organizational success and effective strategic balance. Therefore, organizations must fully leverage their best and most significant core capabilities to deal with competitive forces and achieve a state of strategic equilibrium within the central bank through cooperation among their human resources to enhance their performance and capabilities to gain a competitive advantage and overcome competitors. It is essential to invest in the available capabilities of their human resources to provide the best services to their customers.

### **1.1. Literature review:**

There are many studies on Core capabilities:

Idan (2019) meant purpose of the research is to highlight core capabilities and their importance and impact on business organization and organizational performance. The research methodology was descriptive and analytical, leading to the conclusion that there is a strong causal relationship between the research axis dimension (organizational resources) and the dimension of organizational performance.

Raouf et al (2020) recognized the role of basic competence as one of the basic elements necessary for the survival and development of institutions. Enhancing manufacturing flexibility is one of the necessary weapons for institutions to establish a foothold in the field of fierce competition. The study methodology is descriptive and analytical. between the dimensions of core capabilities and manufacturing flexibility.

Obaid et al (2021) determined the role of wise and correct investments in basic skills by the management of Sheila Babel Women's and Children's Teaching Hospital in reducing functional indicators of desertification. The most important result of the descriptive analysis research approach is that the management of Sheila Babel Women's and Children's Hospital has a strong interest in fundamental skills and is committed to making the right investments in them and guiding them to strengthen the health workforce with an emphasis on teams and teamwork. the development of human cognitive skills, community service and the existence of moral impact relationships to invest in basic skills to reduce functional desertification.

Al-Taie et al (2022) diagnosed the reality of the core capabilities of human resources in a sample of private colleges by conducting a comparative study between them, and the study method is descriptive and analytical. Moral among private colleges regarding the enjoyment of their human resources with the essential capabilities

There are many studies on strategic balance:

Al-Naggar et al(2018 ) used to assess the strategic balance of government organizations through a field study of staff at the Directorate of Health Affairs in Dakalia Governorate, Egypt. The research method is descriptive analysis statistics. The study concluded that the level of strategic balance of the boards studied was average compared to the optimal level and that there were fundamental differences between the dimensions of strategic balance of the boards studied because of the presence of differences between the customer dimension and the personal dimension. Significant differences. aspect. Sexual imbalance. Includes information technology and individual dimensions.

Hashem and Al maani, (2019 )determined the impact of a company's organizational strategic balance on marketing performance. The research method is a descriptive analytical method. Key findings: Strategic balance has a statistically significant impact on improving marketing performance for for-profit organizations.

Rahman and Rahman (2019) identified the reasons for the failure of operating organizations in the apparel industry and provide mathematical models to measure these issues and address them through strategic balance, research methodology, and case studies. The main finding is the lack of clear measures to measure manufacturing processes and determine the degree of strategic balance between an organization and its operating environment.

Jinhwan et al (2020) measured the impact of Korean companies' strategic balance on sustainable development from the employee's perspective. Key Findings Statistical results show that improving organizational performance through role clarity, employee engagement, and operational clarity is not only a strategic balance, but also a state of environmental uncertainty and organizational Other influencing factors such as species have also been shown to be directly related.

The problem of this research lies in investigating the actual core competency of the institution, which is the Central Bank of Iraq, and how it impacts its success or failure. The research aims to study the institution's interaction with rapid changes, facing challenges and opportunities arising from this transformation, by shifting from the traditional concept to an approach that encompasses core capabilities. This issue arises within the context of the evolution of the Iraqi currency and its multiple challenges, as well as the role of the Central Bank in crisis management, supporting the economy, and reviving businesses.. on this basis, the research problem lies in the following question:

1. To what extent is the concept of core capabilities and its dimensions used by bank management? Does it strive to provide foundational resources that help build and develop core capabilities?
2. What is the theoretical basis for core capabilities and their relationship to strategic balance?
3. What efforts has the central bank made to achieve strategic equilibrium?
4. From the perspective of the research sample, what is the current reality of the core capabilities of the analyzed organizations?

The research objectives are to achieve some basic goals, the most important of which are:

1. Identifying the ability of the Central Bank of Iraq to use the concept of core capabilities and what are the methods used by the Central Bank of Iraq in providing internal resources to invest in core capabilities.
2. Knowing the principles followed in investing in core capabilities and the relationship between them and the strategic balance.
3. What are the efforts made by the administration in the Central Bank of Iraq to achieve strategic balance.
4. Analyzing the reality of the core capabilities within the Central Bank of Iraq.

## **2. Material and Methods:**

To understand the relationship between core capabilities and strategic balance, the researchers adopted a descriptive analysis method, which is widely used by most researchers in the problem of understanding various social phenomena. This method enables realistic analysis of phenomena in order to use the data and information collected to understand facts, extract results, and identify factors affecting phenomena to find solutions.

### **2.1. The hypothetical scheme of the research:**

The conceptual study design was created to illustrate the logical relationship between relevant primary or secondary variables. the dimensions of the variables are selected based on the researcher's intellectual capacity, strategic literature, and available resources. The design represents a set of relationships that connect the study variables

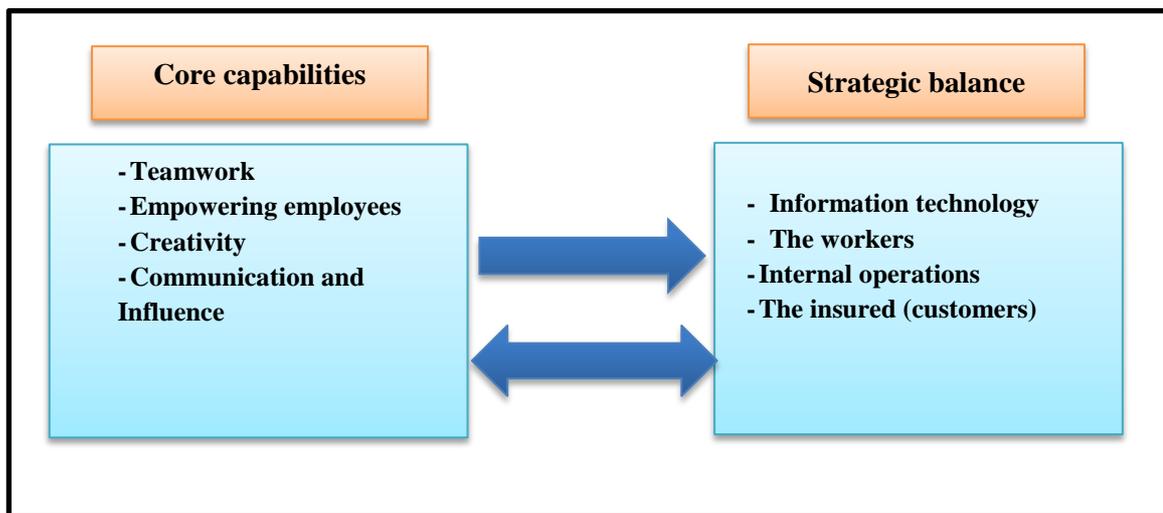


Figure 1 : The hypothetical scheme of the research

( Prepared by the researcher)

## 2.2 FROME:

Based on the study's questions, objectives, and hypothetical framework, several hypotheses have been formulated. the movement of stocks indicates a relationship between variables and dimensions. the movement of stocks can be explained as follows:

The first main hypothesis: there is a significant correlation between core capabilities and their dimensions (teamwork, employee empowerment, creativity and balance, communication and influence) and strategic balance with its dimensions.

The second main hypothesis: There is a significant effect of the core capabilities in their dimensions (teamwork, employee empowerment, creativity and balance, communication and influence) on the strategic balance.

## 2.3. Community and Research Sample:

The research sample is an intentional sample of senior and middle management working in the researched organization, since the subject of the research is largely related to the strategy followed in this organization, and the unit of analysis will be the workers in the above departments as one of the decision makers in this organization. The number of questionnaires distributed to the research sample reached (109), and (103) of them were retrieved. After examining the questionnaires to indicate their suitability for statistical analysis, (6) questionnaires were excluded due to their failure to complete the conditions of the analysis. Thus, the total number of valid questionnaires for the statistical analysis process becomes (103) questionnaires.

## 2.4. The concept of core capabilities:

1- The term core competencies is relatively recent despite its popularity today and its spread in the field of organization management, as it appeared in the early nineties of the twentieth century by the writers Prahalad & Hamel (1) in the article that was published in the Harvard Business Review. The title of the article is "The core competence of the corporation." The translation of the term differed among researchers, some of whom translated it into core competencies, core competencies, core competencies, and others expressed it as core capabilities, and some of them considered it core capabilities( Prahalad and Hamel ,1990). The core capabilities were known by several scholars, including(Singh and Singh, 2019). Singh and Singh described core capabilities as improving the ability to learn by coordinating skills and

knowledge and encouraging teamwork. They are also known as a suitable mix of different resources and skills that can differentiate organizations in the market and form the basis for the organization's competitive ability (Sihotang et al, 2020) In summary, core capabilities refer to the ability to explore, exploit, and direct the resources, skills, and knowledge that employees possess within the organization to acquire a sustainable competitive advantage and achieve the organization's strategic objectives (Ahmed and Hamad, 2022).

#### **2.4.1. Dimensions of intrinsic capabilities:**

##### **2.4.1.1. Empowerment:**

Empowerment is considered the guaranteed solution to the chronic problem within organizations, which is control and selecting the appropriate pattern of it. Regarding empowerment, its fundamental element is freedom, enjoyed by those who are empowered, meaning reducing direct control and enhancing people management to enable their self-control (Sadi, 2011). Organizations that provide opportunities for employees to have control over their work lives are high-performing organizations that succeed in making effective decisions or offering alternative services to consumers. Empowerment means liberating individuals from strict control, rigid instructions, and predefined policies, giving them the freedom to take responsibility for their actions and tasks (Alwadi, 2012). It allows managers to utilize the knowledge, skills, and expertise of each individual within the organization, and it can create an empowerment culture within the organization starting with making some changes in beliefs, ideas, and attitudes (Bahadorana and Nazari, 2018).

##### **2.4.1.2. Teamwork :**

Teamwork, as one of the dimensions of core capabilities, is an important factor for organizational stability, as well as for organizational success, goal achievement, mission fulfillment and thus effectively promoting the achievement of the organization's goals. By working in this way (Magotra and Shrivani, 2015) described teamwork as a set of joint efforts, or group actions to achieve a common goal or goals through the application of good teamwork skills represented by "respecting individual contributions, developing Individual glory aside, building counseling, clear communication, persuasive speech, flexibility." Strategies can also be applied related to aligning and blending the forces of individuals so that they complement each other, and aligning individuals' sense of teamwork, aligning strengths with good teamwork in a common direction towards meaningful goals. Teamwork is the work that teams are made to do best and that blends individual strengths so that they complement each other, bringing individuals together with a sense of camaraderie and a shared vision so that their strengths are applied in a common direction towards meaningful goals. Teamwork is an interactive process of accumulating knowledge generated from different sources or channels through an interactive mechanism based on common rules and procedures. (Chuang et al, 2016) Teamwork helps to complete tasks and tasks, respond quickly to processes and variables, and collaborate continuously with all members. (Aidan, 2019). teamwork also helps to engage and benefit the group, improving outcomes by building confidence, inspiring enthusiasm, encouraging others, resolving conflict, and achieving peak performance (Agha et al, 2012).

##### **2.4.1.3. Contact and influence:**

Communication is the process of transferring ideas, attitudes, and beliefs from one person to another, from one group to another, from one society to another, and consists of three basic It consists of elements: sender, receiver, and receiver. messages (Yalap et al, 2020) communication requires having communication skills to convey information that involves a shared understanding between the contexts in which communication occurs, including listening, speaking, reading and writing (Khan, 2017) within the same context acknowledging that communication skills represent the process by which employees share information, thoughts, and feelings through the spoken or written word, or through the sender's facial expressions, gestures, or gestures. (Rauf et al, 2020) he defined it that it is a process aimed at transferring and exchanging information between employees, according to which concepts are unified and

decisions are taken and implemented that requires the management to pay attention to finding various effective means of communication between employees at different levels to achieve the mission and goal of the company (Mearaj, 2015). Communication is one of the most basic elements in human interaction, and the reality that should be focused on and realized communication is the main aspect in many economic, social, political and civilized societies (Al-Alaq, 2009) and senior management is keen to help its employees by preparing an appropriate cultural climate for them. (Al-Harbi, 2012)

#### **2.4.1.4. Creativity:**

defines creativity as the ability of people to generate or develop new ideas, proposals, products, services, or processes, provided that creative workers are ready, as well as providing an appropriate work environment so that they can present creative ideas for work (Al-Otaibi, 2011), as indicated by as the ability of individuals to think creatively through their possession of additional capabilities for creativity such as the spirit of risk-taking, problem-solving and the ability to change (Al-Mutairi, 2012). He defined it as the ability of the company to introduce or improve new products and processes, or the ability to create new markets or the ability to apply modern technology. Creativity also includes reducing the time to improve products and introduce new products (Russell and Millar, 2014).

#### **2.5. The concept of strategic balance:**

To clarify the general concept of balance, the researchers first interpreted the term to refer to low-level conflict among workers in an organization. However, the word "balance" implies the goal of equal participation in activities through the different ways in which individuals manage multi-role careers. The literature review included many studies on strategic balance, including (Bordum and Anders, 2010) titled "Strategic Balance from a Change Management Perspective". The purpose of this conceptual study is to examine in detail the role of strategic planning, management, and strategic balance in managing speed-induced change. Administrative change aims to create dimensions linking strategic balances and variables. It is the process of maintaining the organization's internal resources and external capabilities to achieve a steady state. A study entitled "Incident-Centric Information Security: Managing the Strategic Balance Between Prevention and Response" followed (Baskerville et al, 2014). The purpose of the study was to find out why and how organizations should balance prevention and response strategies. Information security policies use some principles based on prevention and response, so a preventative model can deal with threats that may arise in modern business organizations. This is a comparative case study conducted in three European organizations. The study analyzes three scenarios of the balance between preventive and reactive approaches in information security management. The study recommends incorporating the recommendations of the current study into an organization's management policy as the best way to manage risk. a subsequent study titled "Strategic Balancing Perspectives of Higher Education Institutions" (Mampaey et al, 2015)

#### **2.5.1. Dimensions of strategic balance:**

##### **2.5.1.1. Information technology:**

The term Information Technology emerged at the beginning of the fifties, referring to the use of electronic computers in the field of government and private business alike. It includes all information technology (technologies, computers, software, and communications) used by the organization and its human elements in collecting the necessary information to complete and implement its various activities, with the aim of raising its efficiency, effectiveness, and creativity in order to achieve the strategic goals of the organization, growth and development (Malgwi and Dahiru, 2016). The importance of information technology has emerged in recent years, as it helps organizations to obtain the information necessary to perform their work in an innovative and distinct way, as the successful organization is that organization that It can balance between the scarcity of information and its abundance, as information technology helps companies obtain new job opportunities (Turban, 1999).

It has also become a catalyst for structural changes, operations and management of the organization, and all of this results from its ability to improve productivity and reduce costs (Bakar et al, 2017). strategic balance can link business plans and information technology, and it is natural that it represents the integration between Strategic planning for the organization's work and planning for information technology within it is a constant challenge to prevent the wrong direction of resources invested in information technology that weakens productivity and reduces the quality of operations, goods or services (Hunitie, 2018)

#### **2.5.1.2. The workers:**

This concept applies to all workers belonging to the organization, whether they are bosses or subordinates, and these individuals contracted with the organization to carry out job tasks in exchange for compensation and rewards, provided that these individuals, while carrying out their work assigned to them, adhere to the organization's strategy and objectives (Mahmood and Azhar, 2015). and that the implementation of strategies within the organization is only done by workers at the different administrative levels, as participation in the strategic process is not only done by a few individuals at the higher administrative levels in the organizations, so expanding the horizons of strategic balance from the higher administrative level to the operational levels (the minimum), it will achieve the best opportunities to identify possible flows in the interrelationships of strategies in different functions (Ghoneim, 2019). Also, this dimension represents the organization's focus on the capabilities and energies of its decision-makers to meet the challenges it faces and that the most important method or method used for the purpose of dealing With these constantly changing environmental conditions through the method of rationality in the first place, the focus on the capabilities of workers through the rational assumption reduces the important complexities of management perception and decision-making in determining the strategic similarity of organizations in the space of competition. At its own risk, it will be subject to questions and actions that challenge its legality, reliability, and rationality. These questions and actions are called legality challenges (Ferkins and Shilbury, 2015).

#### **2.5.1.3. Internal operations:**

Emotional responses to organizational change are seen as employees' positive attitudes towards the company. The operational concept is emerging as a command center where all activities can be directed through a broad range of actions, following different approaches to exploration and operational processes such as development, evaluation, etc., to meet the overall needs of different organizations (Stevenson, 2018). as the progress of administrative and institutional processes can be easily aligned with the standards developed during the business restructuring in order to unify units and reduce the possibility of management control by simplifying and downsizing processes, work is underway to integrate processes, provide staffing and reduce Labor costs, and the ability to control the group from external forces and influences (Mwitango, 2019). decisions are made in the process required for the work, so the process must be flexible, can accept different decisions according to the situation of the organization, and can be improved to achieve the simplification of the process, which is a way to improve the effectiveness of capacity and reduce waste Means( Mwitango, 2019). attention should be paid to processes that depend on individual skills, as these skills become integral over time The organization of processes that define and organize work becomes an important part of the organization (Brix, 2019). organizations must take a greater interest in their internal workings as these are seen as one of the factors that contribute to the success of the organization and one that gives the organization the opportunity to improve and understand the main internal strategies, thereby enhancing its various transformative qualities Ability Role( Salman et al,2023).

#### 2.5.1.4. Insured/customers:

Every legal or natural person who wants to pay for the possession of one or more products, as he found a study (Malshe et al, 2017). of the company that aspires to obtain strategic credit for it. To raise the effectiveness of the marketing strategy, more customers must pay attention to it, and all efforts must be directed towards customers, and for this reason the existence of any company stems from the value it provides to its customers (Bitner and Zeithaml, 2000). Which the customer receives from his relationship with the supplier, and in more detail, it is described as the exchange process that the customer makes between the benefits he gets from the good or service and the cost of obtaining it .The benefits include both the product itself, the outsourcing services, the parties involved in the purchase process, and the time and effort spent to obtain it. on the product, and the perceived risk.” Thus, the customer seeks to reap the maximum benefits in exchange for the sacrifices he makes to obtain the product on the basis of the appreciation and exchange that he makes to achieve this (Al-Mousawi, 2007). Therefore, customer satisfaction is of great importance in the policy of any institution and is considered one of the most effective standards to judge its performance (Abu Zaiter, 2019 )

### 2.6. Analysis and interpretation of indicators for the variable of core capabilities.

#### 2.6.1. Analysis of the dimensions of core capabilities variable.

Table (1) shows the statistical analyzes through (arithmetical means, coefficients of variation, standard deviations, as well as the arrangement based on the coefficients of difference) to the dimensions of the core capabilities variable, and it was relied on four dimensions in order to measure the variable as follows:

**Table 1:** Analysis of the dimensions of the core capabilities variable

The dimensions	Percentage of agreement	Arithmetic mean	Standard deviation	Coefficient of difference	Importance level
Teamwork	85.7%	3.62	0,56	0.173	1
Empowering employees	%73.4	3.65	0.64	0.181	2
Creativity	79.1	3.56	0.635	0.186	3
Contact and influence	78.5%	3.51	0.81	0.236	4
Core capabilities	79%	3.59	0.70	0.19	

Referring to the above table to determine the overall percentage of agreement on the core capabilities variable, we find that it amounted to (79%), which is a good percentage and exceeds the standard percentage of agreement. Workers in order to develop their spirit of creativity and innovation, and then enhance the processes of communication and influence that can be updated between them and their management. The value of the arithmetic mean for the core capabilities was (3.59), which confirms the Central Bank's ability to invest its core capabilities with a statistically high degree, noting that it exceeded the value of the hypothetical mean (3). As for the value of the standard deviation of the intrinsic estimators, it amounted to (0.70), which reflects the presence of a good harmony among the members of the research sample when answering the paragraphs of the intrinsic estimators. the answers .

### 2.6.2. Analyzing the dimensions of the strategic balance variable:

Table (2) shows the statistical analyzes through (arithmetical means, coefficients of variation, standard deviations, in addition to the arrangement based on the coefficients of difference) to the dimensions of the organizational culture variable, and it was relied on four dimensions in order to measure the variable as follows:

**Table 2:** Analysis of the dimensions the strategic balance variable

The dimension	Percentage of agreement	Arithmetic mean	Standard deviation	Coefficient of difference	Importance level
Internal operations	84.2%	3.93	0.59	0.150	1
Information technology	84.2%	3.85	0.63	0.164	2
The insured	82.3%	3.80	0.64	0.169	3
The workers	73.7%	3.67	0.69	0.193	4
Strategic balance	81%	3.8	0.63	0.17	

Referring to the above table to determine the overall percentage of agreement on the strategic balance variable, we find that it amounted to (81%), which is a good percentage and exceeds the standard percentage of agreement, and confirms that the administration within the Central Bank has the ability to achieve its own strategic balance and sustain it for the longest possible period, through Employing contemporary information technology, as well as by developing the knowledge and skills of the human resources working for them, as well as improving the internal processes that it implements to enhance the confidence of the insured in its operations. The value of the arithmetic mean of the strategic balance was (3.8), which confirms the Central Bank's ability to achieve its own strategic balance with a high degree of statistical significance, noting that it exceeded the value of the hypothetical mean (3). As for the value of the standard deviation of the strategic balance, it amounted to (0.63), which reflects the existence of a good harmony among the members of the researched sample when answering the paragraphs of the strategic balance. the answers .

### 2.6.3. Analyzing the correlations between the research variables (core capabilities, strategic balance)

Table (3) was devoted to identifying the nature of the correlations between (core capabilities) and its four sub-dimensions, with the response variable (strategic balance) and its four sub-dimensions, for the purpose of testing the first main hypothesis which stated: (There is a significant correlation between core capabilities and their dimensions and strategic balance with dimensions). Within the framework of the correlations between these two variables, as follows:

**Table 3:** The results of the interrelationships between core capabilities and strategic balance

	Teamwork	Empowering employees	Creativity	Contact and influence	Core capabilities
Information technology	**0.53	**0.59	**0.51	**0.53	**0.54
The workers	**0.59	**0.57	**0.47	**0.46	**0.52
Internal operations	**0.61	**0.62	**0.61	**0.62	**0.62
The insured	**0.72	**0.49	**0.50	**0.57	**0.57
Strategic balance	**0.61	**0.57	**0.52	**0.55	**0.57

It is clear from Table (3) that the correlation between core capabilities and the dimensions of strategic balance amounted to (0.54\*\*, 0.52\*\*, 0.62\*\*, 0.57\*\*), which are strong and significant positive relationships at the same time at the level (0.01). The correlation relationship between the total core capabilities and the total strategic balance reached (0.57\*\*), which is a positive relationship at a significant level (0.01). This relationship confirms that the core capabilities within the Central Bank contribute effectively to enhancing its ability to sustain its strategic balance for the longest possible period. At the level of sub-dimensions, the strongest relationships were between the core capabilities and the internal operations, reaching (0.62\*\*), and this means that the internal operations respond more strongly than the indicators of strategic balance to the core capabilities within the central bank. As for the weakest relationship, it was between core abilities and workers, as it reached (0.52\*\*), and it is also a positive and strong relationship. Accordingly, the previous results support the researcher in presenting the justification for accepting the first main hypothesis, which stipulates: (There is a significant correlation between the intrinsic capabilities in their dimensions and the strategic balance in their dimensions).

#### 2.6.4. Analyze the effect relationships between the research variables (core capabilities, strategic balance)

This paragraph is devoted to identifying the testing of the second main hypothesis, which explains the influence exerted by the independent variable (the core capabilities) and its four sub-dimensions, on the dependent variable (strategic balance), as it states: (There is a significant effect of the core capabilities in the strategic balance). In the context of the sub-effects between these two variables and their dimensions, four sub-hypotheses emerged, as follows:

**Table 4:** The impact of core capabilities in the strategic balance

The explanatory variable and its dimensions	A	B	R 2	F	Moral level	
Teamwork	0.92	0.74	%29	29.43	0.01	There is an effect
Empowering employees	0.88	0.82	%27	19.71	0.01	There is an effect
Creativity	0.90	0.78	%38	28.64	0.01	There is an effect
Contact and influence	0.84	0.83	%32	23.31	0.01	There is an effect
Core capabilities	0.89	0.79	%33	25.27	0.01	There is an effect

It is clear from Table (4) that the calculated value of (f), which explains the effect of the essential capabilities in the strategic balance, amounting to (25.27), which exceeded its tabular value (7.08), with a significance of (0.01) and with a confidence limit of (99%) statistically, and this result confirms the significance. The effect of the intrinsic capabilities in the strategic balance according to the point of view of the research sample, and that the regression model is able to describe the influencing relationship between the intrinsic capabilities and the strategic balance in a significant way. It also reached a value of (0.89 a=), which reflects the confirmation of the study sample's willingness to achieve a strategic balance by (0.89), even if the core capabilities are equal to zero. As for the value (B = 0.79), it confirms that changing the core capabilities by one unit will lead to A change in the central bank's ability to achieve strategic balance by (0.79). As for the value of (R2), it amounted to (0.33), which means that (33%) of the variation in the central bank's ability to achieve strategic balance is explained by the intrinsic capabilities, and that (67%) is explained by other factors that were not included in the regression model that explains The impact of core capabilities in the strategic balance. Accordingly, the results discussed above, the researcher can provide the logical justification for accepting the second main hypothesis of the research, which indicated (there is a significant effect of the intrinsic capabilities in the strategic balance).

### 3. Discussion of results:

1- The correlation between teamwork as one of the dimensions of core capabilities, and the dimensions of strategic balance reached (0.53\*\*, 0.59\*\*, 0.61\*\*, 0.72\*\*), which are strong and significant positive relationships at the same time at the level (0.01). The correlation between teamwork and the total strategic balance reached (0.61\*\*), which is a positive relationship with a significant level of (0.01). This relationship confirms that teamwork within the Central Bank contributes effectively to strengthening its ability to sustain its strategic balance for the longest possible period.

2- The correlation between employee empowerment as one of the dimensions of core capabilities, and the dimensions of strategic balance reached (0.59\*\*, 0.57\*\*, 0.62\*\*, 0.49\*\*), which are strong and significant positive relationships at the same time at the level (0.01). The correlation between employee empowerment and the total strategic balance reached (0.57\*\*), which is a positive relationship with a significant level of (0.01). This relationship confirms that empowering workers within the Central Bank effectively contributes to enhancing its ability to sustain its strategic balance for the longest possible period.

3- The correlation between creativity as one of the dimensions of core capabilities, and the dimensions of strategic balance reached (0.51\*\*, 0.47\*\*, 0.61\*\*, 0.50\*\*), which are strong and significant positive relationships at the same time at the level (0.01). The correlation between creativity and the total strategic balance reached (0.52\*\*), which is a positive relationship at a significant level (0.01). At the level of sub-dimensions, the strongest relationship was between innovation and internal operations, reaching (0.61\*\*), and this means that internal operations respond more strongly than the indicators of strategic balance to innovation within the central bank.

4- The correlation between communication and influence as one of the dimensions of intrinsic capabilities and the dimensions of strategic balance amounted to (0.53\*\*, 0.46\*\*, 0.62\*\*, 0.57\*\*), which are strong and significant positive relationships at the same time at the level (0.01). The correlation between communication, influence and the total strategic balance reached (0.55\*\*), which is a positive relationship with a significant level of (0.01). This relationship confirms that communication and influence activities within the Central Bank contribute effectively to enhancing its ability to sustain its strategic balance for the longest possible period. At the level of sub-dimensions, the strongest relationships were between communication, influence, and internal operations, reaching (0.62\*\*). This means that internal operations respond more strongly than indicators of strategic balance to creativity within the Central Bank.

5- The regression model can describe the effectual relationship between teamwork and strategic balance in a significant manner. The value of ( $a = 0.92$ ), which reflects the confirmation of the study sample's willingness to achieve a strategic balance by (0.92), even if the teamwork is zero, while the value ( $B = 0.74$ ) confirms that a change in teamwork by one unit will lead to A change in the central bank's ability to achieve strategic balance by (0.74). As for the value of ( $R^2$ ), it amounted to (0.29), which means that (29%) of the variation in the central bank's ability to achieve strategic balance is explained by teamwork, and that (71%) is explained by other factors that were not included in the regression model that explains The effect of teamwork on the strategic balance.

6- The value of ( $f$ ) calculated that explains the impact of employee empowerment as one of the dimensions of the core capabilities in the strategic balance amounting to (19.71), which exceeded its tabular value (7.08), with a significance of (0.01) and with a confidence limit of (99%) statistically, and this result confirms the significance of the special effect The second dimension of the essential capabilities in the strategic balance according to the point of view of the research sample, and that the regression model is able to describe the influencing relationship between the empowerment of workers and the strategic balance in a significant way. It also reached a value of ( $a=0.88$ ), which reflects the confirmation of the study sample's willingness to achieve a strategic balance by (0.88), even if the empowerment of workers is equal to zero. As for the value ( $B = 0.82$ ), it confirms that changing the empowerment of workers by one unit will lead to A change in the central bank's ability to achieve strategic balance by (0.88).

7- The regression model can describe the effectual relationship between creativity and strategic balance in a significant manner. It also reached a value of ( $a=0.90$ ), which reflects the confirmation of the study sample's willingness to achieve a strategic balance by (0.90), even if creativity is zero. As for the value ( $B = 0.78$ ), it confirms that a change in creativity by one unit will lead to a change in creativity. The ability of the central bank to achieve strategic balance by (0.78). As for the value of ( $R^2$ ), it amounted to (0.38), and this means that (38%) of the variation in the ability of the central bank to achieve strategic balance is explained by creativity, and that (62%) is explained by other factors that were not included in the regression model that explains the effect of Creativity in strategic balance.

8- The value of ( $f$ ) calculated that explains the effect of communication and influence as one of the dimensions of the essential capabilities in the strategic balance amounting to (23.31), which exceeded its tabular value (7.08), with a significance of (0.01) and with a confidence limit of (99%) statistically, and this result confirms the significance of the special effect The fourth dimension of the essential capabilities in the strategic balance according to the point of view of the research sample, and that the regression model is able to describe the influencing relationship between communication, influence and strategic balance in a significant way. It also reached a value of ( $a=0.84$ ), which reflects the confirmation of the study sample's willingness to achieve a strategic balance by (0.84), even if communication and influence equal zero. As for the value ( $B=0.85$ ), it confirms that a change in communication and influence by one unit will lead to A change in the central bank's ability to achieve strategic balance by (0.83). As for the value of ( $R^2$ ), it amounted to (0.32), which means that (32%) of the variation in the central bank's ability to achieve strategic balance is explained by communication and influence, and that (68%) is explained by other factors that were not included in the regression model that explains The impact of communication and influence in the strategic balance

#### 4. Conclusions:

1. The results of the analysis confirm that central bank internal management are able to invest in their core capabilities and use them to support teamwork, strengthen staff to develop creativity and innovation, and then communicate and improve impact processes, between them and their management to update.

2. The results of the analysis reflect the Administration's desire for the Central Bank to support and enhance creativity in human resource work by implementing a series of training and development programs to enhance their ability to come up with new and unfamiliar ideas. Then foster creativity and a competitive spirit among them.
3. These results demonstrate the interest of governments in central banks to support, strengthen and enhance their human resources, empowering them with the necessary powers to improve their ability to make the decisions necessary to solve the problems they face in their work and then improve their ability. The ability to conduct business and tasks in a manner consistent with the direction of the organization.
4. The results of the analysis show that central bank management is interested in supporting and improving teamwork among employees in order to improve their cooperation and coordination and to avoid situations of conflict at different levels that can affect performance.
5. The results of the analysis show that the government is interested in the central bank supporting and improving the communication and influence of its employees by providing a communication network among them, improving their ability to share information and knowledge among themselves, and then allowing them to design and use influence on them and their employees. organizational decisions.
6. The results of the analysis show that the central bank's internal management can achieve and maintain strategic balance for as long as possible through the use of modern information technology and the development of knowledge and skills. The skills of their working human resources as well as the improvement of the internal processes they perform. Enhance the confidence of the insured in their business activities.
7. The analysis results show that the central bank's core capabilities can effectively enhance its ability to maintain strategic balance for as long as possible.

**Authors Declaration:**

Conflicts of Interest: None

-We Hereby Confirm That All The Figures and Tables In The Manuscript Are Mine and Ours. Besides, The Figures and Images, Which are Not Mine, Have Been Permitted Republication and Attached to The Manuscript.

- Ethical Clearance: The Research Was Approved By The Local Ethical Committee in The University.

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## دور المقدرات الجوهرية في التوازن الاستراتيجي بحث تحليلي في البنك المركزي العراقي

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Received: 27/7/2023

Accepted: 3/9/2023

Published Online First: 30 /6/ 2024

هذا العمل مرخص تحت اتفاقية المشاع الابداعي نَسب المُصنَّف - غير تجاري - الترخيص العمومي الدولي 4.0  
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### مستخلص البحث

يهدف هذا البحث إلى معرفة العلاقة بين متغيرين ، وهما المقدرات الجوهرية والتوازن الاستراتيجي ، في سياق البنك المركزي العراقي. تؤكد مشكلة البحث على ضرورة تطبيق آليات تعمل على تحسين المقدرات الجوهرية لتعزيز التوازن الاستراتيجي داخل البنك. تسلط الدراسة الضوء على أهمية اقتراح استراتيجيات مختلفة لمعالجة مشكلة البحث ، ولتحقيق ذلك ، تم إجراء البحث باستخدام عينة من 106 قياديين إداريين من إجمالي 109 ، باستخدام أسلوب أخذ العينات الهادف حسب مواقعهم والهيكل التنظيمي. استخدم الباحث المنهج الوصفي التحليلي واستخدمت عدة أدوات إحصائية مثل SPSS.V21 و AMOSE و Excel لتحليل العلاقة بين متغيرات البحث الرئيسية والإجابة على الأسئلة الفكرية والتطبيقية وكذلك دراسة مستوى الارتباط والتأثير. ومعامل الانحدار ومعامل الارتباط والمتوسط والانحراف المعياري والتباين ، كانت بعض الأساليب الإحصائية المستخدمة مع المخططات والرسوم البيانية المختلفة لتوضيح العلاقة بين متغيرات البحث وأبعادها الفرعية. ثم تم تعميم هذه النتائج لتفيد مجال البحث ، وكانت أدوات جمع البيانات الأولية المستخدمة هي الاستبيانات ، بالإضافة إلى المقابلات والزيارات غير المنظمة التي أجريت داخل البنك المركزي. تم اختبار الفرضيات الرئيسية والفرعية المتعلقة بعلاقات الارتباط والتأثير للإجابة على أسئلة البحث وتحقيق أهداف الدراسة. أشارت النتائج إلى وجود تأثير كبير وذات مغزى إحصائياً المقدرات الجوهرية على التوازن الاستراتيجي. بناءً على هذه النتائج ، يوصى بأن يعطي البنك المركزي الأولوية للاستثمار في الموارد البشرية لتعزيز التوازن الاستراتيجي.

**المصطلحات الرئيسية للبحث:** المقدرات الأساسية ، التوازن الاستراتيجي.