


**THE INTERACTIVE ROLE OF SOCIAL CAPITAL IN THE RELATIONSHIP BETWEEN DYNAMIC CAPABILITIES AND STRATEGIC RENEWAL / AN ANALYTICAL RESEARCH OF THE VIEWS OF A SAMPLE OF MANAGERS IN THE SOUTHERN CEMENT COMPANY IN THE PROVINCE OF NAJAF**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p>Received 04 October 2022</p> <p>Accepted 05 December 2022</p>	<p><b>Purpose:</b>The current research sought to measure the interactive impact Social capital in the relationship between of dynamic capabilities and strategic renewal.</p> <p><b>Theoretical framework:</b>as it builds within its theoretical framework of dynamic capabilities an independent variable and strategic renewal is a dependent variable, and social capital is an interactive variable</p>
<p><b>Keywords:</b></p> <p>Dynamic Capabilities; Strategic Renewal; Social Capital; Kufa Cement Factory.</p> <div data-bbox="172 1032 480 1279" style="text-align: center;">  </div>	<p><b>Design/methodology/approach :</b>In order to process this data and information, the researcher used the statistical methods, which are: (interaction analysis method).through the use of the intentional sample distributed (120) forms A questionnaire on the administrative leaders in the Iraqi General Company for Cement - Kufa Cement Factory.</p> <p><b>Findings :</b> The effect of the interaction variable (social capital) on the relationship between dynamic capabilities and strategic renewal was negative (inversely), which means that the elements of social capital currently in force in the company do not work to strengthen the relationship between the independent and dependent variables.</p> <p><b>Research,Practical &amp; Social implications:</b>The results of the current research showed an interactive effect of social capital in the relationship between dynamic capabilities and strategic renewal.</p> <p><b>Originality/value:</b> Increasing interest in the social capital mechanisms currently adopted and working on developing them in order to strengthen the relationship between dynamic capabilities and strategic renewal.</p> <p>Doi: <a href="https://doi.org/10.26668/businessreview/2022.v7i5.888">https://doi.org/10.26668/businessreview/2022.v7i5.888</a></p>

**O PAPEL INTERATIVO DO CAPITAL SOCIAL NA RELAÇÃO ENTRE CAPACIDADE DINÂMICA E RENOVAÇÃO ESTRATÉGICA / UMA PESQUISA ANALÍTICA DOS PONTOS DE VISTA DE UMA AMOSTRA DE GERENTES DA EMPRESA DE CIMENTO DO SUL, NA PROVÍNCIA DE NAJAF**

**RESUMO**

**Objetivo:** A pesquisa atual procurou medir o impacto interativo Capital social na relação entre as capacidades dinâmicas e a renovação estratégica.

**Estrutura teórica:** ao construir dentro de sua estrutura teórica de capacidades dinâmicas uma variável independente e a renovação estratégica é uma variável dependente, e o capital social é uma variável interativa

**Projeto/método/abordagem:** Para processar estes dados e informações, o pesquisador utilizou os métodos estatísticos, que são (método de análise de interação).através do uso da amostra intencional distribuída (120) formulários Um questionário sobre os líderes administrativos da Empresa Geral Iraquiana de Cimento - Kufa Cement Factory.

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**Conclusões :** O efeito da variável interação (capital social) na relação entre capacidades dinâmicas e renovação estratégica foi negativo (inversamente), o que significa que os elementos do capital social atualmente em vigor na empresa não trabalham para fortalecer a relação entre as variáveis independentes e dependentes.

**Pesquisa, implicações práticas e sociais:** Os resultados da pesquisa atual mostraram um efeito interativo do capital social na relação entre as capacidades dinâmicas e a renovação estratégica.

**Originalidade/valor:** Aumento do interesse nos mecanismos de capital social atualmente adotados e trabalho para desenvolvê-los a fim de fortalecer a relação entre as capacidades dinâmicas e a renovação estratégica.

**Palavras-chave:** Capacidades Dinâmicas, Renovação Estratégica, Capital Social, Fábrica de Cimento Kufa.

## EL PAPEL INTERACTIVO DEL CAPITAL SOCIAL EN LA RELACIÓN ENTRE LAS CAPACIDADES DINÁMICAS Y LA RENOVACIÓN ESTRATÉGICA / UNA INVESTIGACIÓN ANALÍTICA DE LAS OPINIONES DE UNA MUESTRA DE DIRECTIVOS DE LA EMPRESA CEMENTERA DEL SUR DE LA PROVINCIA DE NAJAF

### RESUMEN

**Objetivo:** La presente investigación pretende medir el impacto interactivo del capital social en la relación entre las capacidades dinámicas y la renovación estratégica.

**Marco teórico:** ya que construye dentro de su marco teórico de las capacidades dinámicas una variable independiente y la renovación estratégica es una variable dependiente, y el capital social es una variable interactiva

**Diseño/metodología/enfoque :** Para procesar estos datos e información, el investigador utilizó los métodos estadísticos, que son: (método de análisis de la interacción). mediante el uso de la muestra intencional distribuida (120) formularios Un cuestionario sobre los líderes administrativos en la Compañía General de Cemento de Irak - Fábrica de Cemento de Kufa.

**Conclusiones :** El efecto de la variable de interacción (capital social) sobre la relación entre las capacidades dinámicas y la renovación estratégica fue negativo (inverso), lo que significa que los elementos de capital social actualmente vigentes en la empresa no contribuyen a reforzar la relación entre las variables independiente y dependiente.

**Investigación, implicaciones prácticas y sociales:** Los resultados de la presente investigación mostraron un efecto interactivo del capital social en la relación entre las capacidades dinámicas y la renovación estratégica.

**Originalidad/valor:** Aumentar el interés por los mecanismos de capital social adoptados actualmente y trabajar en su desarrollo para fortalecer la relación entre las capacidades dinámicas y la renovación estratégica.

**Palabras clave:** Capacidades Dinámicas, Renovación Estratégica, Capital Social, Fábrica de Cemento de Kufa.

### INTRODUCTION

The roots of dynamic capabilities can be traced back to the work of (Schumpeter, 1934), which was concerned with competition based on creativity and innovation, basing its ideas on competitive advantage in organizations with creative destruction of existing resources and reassembly of new resources into new operational capabilities. (Pitelisa, 2005) explained that the idea of dynamic capabilities can be traced back to the work of Edith Penrose. In 1959, she published her book (the Theory of the Growth of the Firm), the theory of corporate growth. Organizations consist of human and non-human resources, and the administrative authority in the organization is responsible for them.

The organizations need for strategic renewal has become an urgent necessity to face environmental changes, permanent work requirements, competitors and the ever-changing needs and desires of customers (Maijanen, 2015).

Organizations must have the ability to continuously improve as well as enjoy organizational flexibility to achieve sustainability in their competitive advantage (Shu et al, 2019) And based on what was mentioned (Al-Yasiri et al., 2017) renewal is that it is a plan or approach that is followed and represents the conscious effectiveness of each knowledge system and intellectual system that expresses a theory or position, and is linked to discovery, development and reform, which is the basis for prosperity and what is required in every civilization.

The term social capital was first introduced into the field of scientific research by Bourdieu (1986), who defined social capital as a set of actual or potential resources related to an ongoing network of faltering or canonical relationships, and these relationships are more or less structured (Peng & Liu, 2011).

Social capital is one of the relatively recent concepts in administrative thought, and it was known at the organizational level as a concept with many dimensions and overlapping with other terms synonymous with it, as this thing accompanies every new emergence of ideas and concepts in the humanities and social sciences, which caused confusion when using it, which made the need continuous. At the academic level in the research to agree on the basic content of this concept and the meaning of clear vocabulary that gives it distinction from other concepts (Harada 2010) (Ruiz et al, 2012).

The purpose of the research The current research sought to measure the interactive impact Social capital in the relationship between of dynamic capabilities and strategic renewal.

### **As for the Objectives of The Study**

To test the nature of the potential influence relationship between the research variables .  
To test the interactive role of social capital in the relationship of dynamic capabilities and strategic renewal.

## Research Problem

Today's business environments have witnessed large and rapid dynamic changes that directly affected all organizations and threatened their survival and continuity and made many of them search within them for a set of capabilities to distinguish them from other organizations in order to renew their strategies and obtain a sustainable competitive advantage, but this cannot be achieved. Without paying attention to social capital because it represents the links between individuals and groups within the organization, hence the research problem crystallized with the following question

(The extent to which the administrative leaders in the Iraqi General Cement Company - Kufa Cement Factory realize the importance of their organization's possession of dynamic capabilities and its impact on strategic renewal through the interactive role of social capital)

This results in a number of sub-questions

1. The level of availability of dimensions of dynamic capabilities in the Iraqi General Company for Cement - Kufa Cement Factory in the organization.
2. What is the level of availability of the dimensions of strategic renewal in the Iraqi General Company for Cement - Kufa Cement Factory in the organization?
3. What is the level of availability of social capital dimensions in the Iraqi General Company for Cement - Kufa Cement Factory in the organization?
4. What is the relationship of impact between dynamic capabilities and strategic renewal?
5. What is the interactive role of social capital in the relationship between dynamic capabilities and strategic renewal?

## Hypotheses of the Study

(H0) Social capital has no interactive effect on the relationship between dynamic capabilities and strategic renewal.

(H1) Social capital has an interactive effect on the relationship between dynamic capabilities and strategic renewal

## LITERATURE REVIEW

### 1-Social Capital

#### Concept

A wonderfully flexible term and an idea that means so many things to so many people that social capital may be at risk of being used as a metaphor only. The common denominator

of most definitions of social capital is that they focus on social relationships that have fruitful benefits. (Leenders, 2014) We note this in a concept where he emphasized that the systems, common standards, trust, reciprocity and mutual cooperation that lead to the achievement of individual and organization gains. (Kitt& ikunch,2015). Explanation (Kumi & Sabherwal, 2018) that social capital is an integral part of human relations and provides information to benefit from other forms of capital, especially human capital, and despite the complexity of its size, like other forms of capital needs investments and maintenance, which includes the goodwill of the structural interaction between human resources and information.

### **Importance**

(Clopton, 2011) pointed out the importance of social capital for groups, individuals and groups for the organization as a whole as follows:

1. It is a resource that has the ability to participate in achieving the competitive advantage of the group or organization.
2. One of the organizational characteristics that are not easily formed and difficult to imitate.
3. Organizations that are blessed with greater social capital are more likely to be more successful than competitors with higher levels of social capital Relatively low social capital.
4. The group's strong structural social capital enables individuals to perform their jobs more efficiently and effectively.
5. It improves both functional and social participation of members in the group.
6. Facilitate coordinated collective action for communities and reduce overall transaction costs for working communities.
7. The individual reaps many social and psychological benefits from increasing confidence, cohesion and social integration.

As explained (Zimmermann et al.,2018) that social capital helps organizations to overcome challenges that prevent improvement in the ability to manage risks. (Basquerosyals, 2021) stated the importance of social capital as a contributor to the psychological and social well-being of societies, and the potential negative psychosocial effects of reinstatement.Resettlement, it becomes easier to better realize the relationship between resettlement and social capital and the potential for positive outcomes after resettlement.

## **Dimensions**

The dimensions of (David et al., 2011) were relied upon as basic dimensions that express the interactive variable, which is social capital.

### **Structural Dimension**

(Jonsson, 2015) classifies the structural dimension into two different types, namely bonding and bridging. According to him, communication refers to the internal relationships of the social network, which help to establish homogeneous horizontal links between individuals working with each other or between them and between departments and consensus. Within the organization, allowing them to easily achieve common goals, as it vanishes on strong relationships within a similar group of individuals, while bridging refers to the external relationships of the social network, which helps to establish existing heterogeneous relationships between one organization and another or between individuals within the organization and their colleagues outside the organization. It has a great value in obtaining new sources of information, and bridging relationships are often weak relationships due to the vacuum of homogeneity of the work of organizations. (Imandoust, 2016) sees that the structural dimension is based on patterns of communication between individuals or groups within the organization, represented by three aspects: network connectivity, network stability, and network arrangements. He refers to network connectivity as those activities undertaken by individuals working with each other. Some within the social network, while network stability includes kinship and similarity of individuals in the social network, while network arrangements are the patterns of social relationships between individuals within the social network. The researcher believes that the structural dimension is the dimension that supports all links within social networks and that serves as a resource for dissemination and transfer of knowledge and information between working individuals and thus enables individuals to achieve their social goals.

### **The Perceptual Dimension**

Explain (Mani & Lakhali, 2015), the cognitive dimension refers to the resources that provide systems of meanings, vision, and common goals among members of the organization. These resources include common symbols or interpretations that reinforce common concepts of collective goals and acceptable means of working in the social system, as the cognitive dimension. It has a role in promoting joint communication and integration of ideas. (Li et al., 2016) describes the cognitive dimension that provides shared perceptions, interpretations and



systems of meanings between the two parties, and pointed out the possibility of categorizing it into two dimensions: shared culture and harmonious goals, and shared culture means providing standards, regulating social relations behaviors, and promoting individual actions leading to Collective interests also have a role in abstaining from unwanted actions that constitute an obstacle to achieving social interests, while denoting harmonious goals to the extent that individuals working with common concepts and methods used in order to achieve common duties and results. It considers the dimension in which the workers within the organization share different viewpoints of connotations, values and meanings that are reflected in social relations in order to achieve common duties and results.

### **The Dimension of my Relationships**

(Monavvarian et al., 2013) explained that cooperation represents an important core feature in the field of production processes that can advance significantly from those functional links and relationships between employees, and has a role in developing mutual trust between working individuals or between groups within the organization. It also actively contributes to the success of the organization's management. (Abdel-Aal, 2018) considers that this dimension leads to creating value for relationships within the group, where cooperative relationships and high trust between individuals within the organization or active sites occur to influence the activities and performance of people within the university organization, making it the most flexible and productive without reviewing efforts or waste of material resources. In the researcher's view, it is the dimension that embodies the type of personal relationships of working individuals, which individuals develop with each other through trust, cooperation, friendship and mutual respect, which affects the participation of individuals in the exchange of resources and contributes to the success of the organization's management.

### **Dynamic Capabilities**

#### **Concept**

Dynamic capabilities is an approach adopted by organizations to renew and integrate their resources, and upgrade their basic capabilities in response to the dynamic market to maintain competitive advantage (Dadashinasab & Sofian, 2014). It defines (Al-Taie and Al-Obaidi, 2020) skills, activities and experiences that build, coordinate, integrate and reconfigure resources both Was it (physical or human), which is measured through the capabilities of sensing the available opportunities, the capabilities of learning, the capabilities of integration, the capabilities of coordination, and the capabilities of reconfiguring resources in order to

address the accelerating variables. The researcher knows that dynamic capabilities are the organization's ability to solve problems in a systematic way, which is formed by sensing opportunities and threats, and making market-oriented decisions in a timely manner.

### **Importance**

All agreed (Oreilly & Tushman, 2008) (Hanan, 2019) that dynamic capabilities are clearly important in the strategic perspective through:

1. Dynamic capabilities include procedures, processes, skills, organizational structures, and decision-making rules that enable organizational leaders to identify threats and opportunities as well as achieve long-term success for organizations.
2. Creating assets and constantly renewing functional capabilities in order to maintain the fitness of the organization, which contributes to adapting to emerging markets and technologies.

From the point of view of (Prescott, 2012: 44), dynamic capabilities play a major role in sorting out capabilities, procedures and processes that no longer provide an advantage for the organization, as well as reconfiguring its assets to create new capabilities that enable it to deal with complex environments and provide it with a competitive advantage. (Teece, 2014) adds that dynamic capabilities have a major role in determining how the organization obtains strengths and works to develop them, and that what distinguishes dynamic capabilities and makes them more important is the difficulty of imitating them. of the organization's long history.

### **Dimensions**

By reviewing the previous literature, it was found that there is a difference between researchers about the dimensions of dynamic capabilities, and the research was based on three main dimensions: (sensing capabilities, acquisition capabilities, resource reconfiguration capabilities), and these dimensions were chosen due to the agreement of most researchers in the demand for them, as well as a consensus. These dimensions with the objectives of higher research and the possibility of their application in the Iraqi environment, and being more logical than the other dimensions. Dimensions (Teece, 2007)

### **Sensing Capabilities**

Explain (Chukwuemeka & Onuoha 2018) Sensing capabilities. Opportunities are the ability of the organization to recognize changes in the environment through knowledge of



opportunities, challenges and changes in the external environment that affect the work of the organization. As for (Al-Hela et al., 2020) that sensing capabilities are the organization's follow-up of environmental changes and prediction of future paths, An imperative necessity that enables it to maintain its entity and stability, as sensing reflects the degree of sensitivity of the strategy to changes in the environment, and is an environmental monitoring of these changes and the degree of their impact on the organization. The researcher believes that sensing capabilities are the organization's ability to confront environmental changes by identifying mechanisms and processes through which opportunities and threats in the external environment can be known.

### **Acquisition Capabilities**

He sees (Rha, 2013) after sensing opportunities, the organization begins the acquisition process, which includes the ability to make decisions and the appropriate time to invest what was sensed. (Roy & Khokle, 2016) emphasizes the importance of acquisition, and through it, managers can help build dynamic acquisition capabilities, through collaboration and encouragement, investing in new skills and assets, as well as reducing the complexity of change. The researcher believes that acquisition capabilities are the investment of available opportunities by translating them into new products or services that improve the organization's ability to respond to market needs.

### **Resource Reconfiguration Capabilities**

(Barreto, 2010) explains that the capabilities of resource rearrangement consist of a set of capabilities and processes, including the ability to transform operational resources into effective dynamic resources, and the ability to modify the current resource base in proportion to environmental changes, as well as the ability to distinguish scarce resources, Acquisition of new resources from external sources, as well as leaving behind resources that bring little benefit to the organization. And described by (Pavlou & Sawy, 2011) that it is the ability to embody new knowledge in abilities The new operational process by generating a common understanding and collective sense within the organization. The researcher believes that the capabilities of restructuring resources are the ability of the organization to re-arrange, assemble and modify its resources in proportion to the changes taking place in the external environment.

## The Strategic Renewal

### Concept

Strategic renewal is incremental change and involves bottom-up contingent learning processes. This understanding of strategy lies in the tradition of contributions to strategic process research that provide evidence for emerging behaviors in strategy making. This is why strategic renewal is closely related to paradigms. The evolutionary strategy of making strategy in the organization, so it can be said: Strategic renewal describes the process that allows organizations to change their dependence on the path by transforming their strategic intentions and capabilities (Al Humaidan & Sabatier, 2017). It was agreed by Schmitt (Schmitt et al, 2018) that it is the process that allows organizations to change their course dependence by shifting their strategic intentions and capabilities and breaking the constraints of inertia. Based on the foregoing, the researcher defines the strategic renewal of the organization's ability to bring about gradual and radical changes through changing its resources, capabilities and activities, improving its relationship with markets and products, and developing its structural work that is compatible with environmental changes.

### Importance

According to (Kwee et al, 2011), the importance of strategic renewal is determined in three main points:

1. It transforms basic capabilities into capabilities that have competitive advantages in the market.
2. The strategic renewal has a major role at all levels of the organization.
3. It is important to break the path approved by the surrounding environment of the organization, and to ensure that it continues to work in it for the long term.

And (Klitsie, 2018) believes that organizations use the process of strategic renewal because this helps them improve their capabilities in order to change the internal and external patterns required in order to achieve a balance between the forces of stability and change within them in order to maintain their stability and survival in the long run.

(Press et al., 2019) summarized the importance of strategic renewal in five points, which are as follows:

1. Finding a system to work in order to meet the requirements, needs and desires of customers and maintain the competitive position is a must in the era of development experienced by the organization.

2. Finding a way in the composition of markets and products to generate ideas that are the main activity of the strategic renewal process.
3. Increasing continuous success opportunities and encouraging organizations to provide strategic partnership to obtain scarce resources that increase profits.
4. The importance of strategic renewal, as it is one of the ways of interaction and integration between the behaviors of individuals, confronting environmental forces and addressing the reluctance of projects.

## **Dimensions**

### **The Scale was Based on (Alhimyari et al, 2019)**

#### **Gradual (Continuous) Strategic Renewal**

(Mallette & Hopkins, 2013) shows that organizations in the business environment are constantly changing and characterized by increasing global competition and short product training courses and will face accelerating technological breakthroughs sooner or later, and that some circumstances make them vulnerable to stagnation, so it is necessary to adopt the process of strategic renewal. (Yao & Chang, 2017) has shown that the pressure for continuous transformation is not only in order to confront threats to survival but also for the desire to grow and achieve greater success. He emphasized (Riviere et al., 2018) that it can be a continuous renewal that requires a continuous effort to change the content of the strategy or its implementation. The researcher believes that the gradual (continuous) renewal is a series of changes practiced by the organization to implement the ideas, procedures and activities that are constantly changing, and that these changes help reduce the external pressures that they face continuously.

#### **Radical (Intermittent) Strategic Renewal**

Explain (Kirilka,etal, 2012) that the radical renewal in the organization is based on preparation and strategic direction, and the organization may be forced to carry out the transformational renewal of its products when they reach the stage of maturity in the product life cycle, and this research is due to the great changes in the technological field, and communication systems (Internet ), renewal will be necessary to prevent a rapid decline in demand, which leads to a decrease in the organization's market share and a decrease in profits. He introduced (Awwad, 2020) Radical renewal is used for the purpose of keeping pace with developments that occur in its environment, especially for some production lines within it, either at the level of the organization as a whole. The researcher believes that radical

(intermittent) renewal is the discontinuous transformations that require a radical change in its strategy, including operational processes, business models, technological rules, organizational structures and other resources.

## Methodology

### The Research Sample

(120) intentional sample consisting of administrative leaders in the Iraqi General Company for Cement - Kufa Cement Factory were targeted. The questionnaire was distributed to the research sample, valid for analysis.

After the sub-hypotheses were tested, the researcher decided to test the main hypothesis, as shown in the table below:

Table (1) to test the main hypothesis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics		R	Change in R	Values F
	B	std. Error	Beta			Tolerance	VIF			
(Constant)	0.272	0.206		1.323	0.188			0.694	----	132
dynamic capabilities	0.622	0.105	0.438	5.927	0.000	0.478	2.093			
Social capital	0.484	0.078	0.460	6.216	0.000	0.478	2.093			
(Constant)	0.498	0.249		1.999	0.048			0.701	0.007	90
dynamic capabilities	0.586	0.107	0.412	5.480	0.000	0.455	2.196			
Social capital	0.455	0.080	0.431	5.709	0.000	0.452	2.215			
interaction variable	-0.039	0.025	-0.095	-1.587	0.115	0.721	1.387			

a. Dependent Variable: Strategic Renewal

Source: Prepared by the researcher based on the output of the electronic calculator

## RESULTS AND DISCUSSION

The effect of the interaction variable (social capital) on the relationship between dynamic capabilities and strategic renewal was negative (inversely), which means that the elements of social capital currently in force in the company do not work to strengthen the relationship between the independent and dependent variables. through

The company must provide modern technical means for communication between employees compared to the rest of the other tools .It is important for the company's management to pay attention to the company's employees, as they share many meanings, connotations and values, coming from other aspects, which requires attention in this aspect.

The management enhances its credibility towards the company's employees .Increasing interest in the social capital mechanisms currently adopted and working on developing them in order to strengthen the relationship between dynamic capabilities and strategic renewal.

The necessity for the company's managers to enhance their knowledge of all kinds in order to develop unconventional ways of thinking in order to enhance the company's position in the market. The company in question should increase interest in social capital and its mechanisms, as this will be reflected in the achievement of strategic renewal.

## Conclusions

The company supports the structural ties between its employees, but it suffers from the weakness of the physical structural ties in it from modern communication devices. The company's employees share most of the meanings, connotations and values as they are almost the same environment, but the company's management needs to have a clear and accurate understanding of the different roles that the company's employees play. The company's employees enjoy strong personal relationships with each other, and the management needs to strengthen its relationship with the employees by enhancing its credibility with them. The effect of the interaction variable (social capital) on the relationship between dynamic capabilities and strategic renewal was negative (inversely), which means that the elements of social capital currently in force in the company do not work to strengthen the relationship between the independent and dependent variables. The size of the interactive impact was small and not significant, and this indicates that the negative impact of social capital can be eliminated, or work to make it positive if the recommendations and proposals that will be presented later are adopted.

## The Impact of The Study on Society, its Benefits and Harms

1. Each of the dynamic capabilities and social capital affects positively and with a significant level of significance (1%) in the strategic renewal within the first model by (0.622 and 0.484) because the calculated (t) values amounted to (5.927 and 6.216), respectively. Significant values were at the mentioned level. And the amplification factor (VIF), which measures the linearity between the independent variables, was achieved (2.093 and 2.093), respectively, which is less than (10), which leads to the inference that there is no linearity problem. The value of (F), which measures the significance of the model, reached (132), which is a significant value at the level of (1%)
2. The influence values for each of the dynamic abilities, social capital and the interaction variable in the second model were (0.586, 0.455 and -0.039) respectively, which are significant values at the level (1%) for each of the dynamic abilities and social capital, and it is not significant. For the interaction variable, because the calculated (t)

values reached (5.480 and 5.709) for each of the dynamic abilities and social capital were significant at the mentioned level, and the t value was (-1.587) for the interaction variable, which is not significant at the (5%) level. The values of the amplification factor (VIF) that measure the extent to which there is a linear coupling between the independent variables (2.196, 2.215 and 1.387), respectively, which is less than (10), which indicates that there is no linear coupling problem. The value of (F) that measures the significance of the second model is ( 90), which is a significant value at the level (1%) It is noted that the impact value of the dynamic capabilities and social capital decreased in the second model than the first model due to the negative impact of the interaction variable in the relationship between the independent variable and the dependent variable.

3. The coefficient of determination of the first model was achieved ( $R^2$ ) (0.694), which means that it explains (69.4%) of the changes that occur in the strategic renewal, while the remaining percentage is due to other factors not included in the model. The coefficient of determination was achieved in the second model ( $R^2$ ) (0.701), which means that it explains (70.1%) of the changes that occur in the strategic renewal, and the remaining percentage is due to other factors not included in the model, and this indicates the existence of a positive difference of ( 0.007) This is due to the entry of the interaction variable as a third variable in the model.

4. The researcher calculated the effect size through an equation (Selya etal, 2012:2)

$$f^2 = \frac{R_{AB}^2 - R_A^2}{1 - R_{AB}^2}$$

## Whereas

$R^2_{AB}$  = Interpretation coefficient of the regression model in the presence of the interaction variable

$R^2_A$  = Interpretation coefficient of the regression model without the interaction variable

By applying the above equation, we find that the effect size amounted to (0.023), and for the purpose of knowing the size of the effect, the researcher relied on the rule (Cohen,1988:413-414), which states:

- A. The effect size is small if it is more than (0.02)
- B. The effect size is medium if it is more than (0.15)
- C. The size of the effect is large if it is more than (0.35)



From the above rule, it is clear that the interactive effect of social capital in the relationship between dynamic capabilities and strategic renewal was small. The researcher infers from the above analysis the rejection of the null hypothesis (H0) and the acceptance of the existence hypothesis (H1) meaning (social capital has an interactive effect on the relationship between dynamic capabilities and strategic renewal)

### **The Importance of The Research the Scientific Value Importance of the Research**

- 1 The current research contributes to deepening the vision of the administrative leaders in the research community and the extent of their contribution to promoting strategic renewal.
- 2 It deals with an important sector, which is the industrial sector, where industrial institutions are the mainstay for the growth and advancement of any society.

### **The Scientific Value of the Research**

The influence values for each of the dynamic abilities, social capital and the interaction variable in the second model were (0.586, 0.455 and -0.039) respectively, which are significant values at the level (1%) for each of the dynamic abilities and social capital, and it is not significant. For the interaction variable, because the calculated (t) values reached (5.480 and 5.709) for each of the dynamic abilities and social capital were significant at the mentioned level, and the t value was (-1.587) for the interaction variable, which is not significant at the (5%) level. The values of the amplification factor (VIF) that measure the extent to which there is a linear coupling between the independent variables (2.196, 2.215 and 1.387), respectively, which is less than (10), which indicates that there is no linear coupling problem. The value of (F) that measures the significance of the second model is (90), which is a significant value at the level (1%) It is noted that the impact value of the dynamic capabilities and social capital decreased in the second model than the first model due to the negative impact of the interaction variable in the relationship between the independent variable and the dependent variable.

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