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# THE ROLE OF STRATEGIC CREATIVITY CAPABILITIES IN ENHANCING SUSTAINABLE COMPETITIVE ADVANTAGE-A SURVEY STUDY ON A SAMPLE OF PRIVATE BANKS IN BAGHDAD

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## Abstract

This study addressed the impact of strategic creativity capabilities with sustainable competitive advantage as a responsive variable through external marketing strategy. This study was launched from an intellectual dilemma with two dimensions, a theoretical dimension represented in the scarcity of writings that addressed the impact of strategic creativity capabilities on building sustainable competitive advantage, as strategic creativity capabilities and sustainable competitive advantage were not addressed by researchers, as well as how to determine the readiness of business organizations to work based on strategic creativity capabilities and explain their impact on building sustainable competitive advantage. The study aims to provide a theoretical framework for strategic creativity, and to try to test the Iraqi environment to embrace these modern concepts, and to find the relationship between building sustainable competitive advantage. The study method was a descriptive analytical method, and the study identified a set of hypotheses as temporary, speculative answers to the study problem, which were tested with non-parametric statistical tools. A random sample of (106) managers from senior, middle and supervisory management was selected in a sample of private Iraqi banks. The study concluded that strategic creativity capabilities improve in building sustainable competitive advantage for banks. This shows that the role of strategic creativity capabilities is distinctive in building sustainable competitive advantage. The study recommended the necessity of investing in strategic creativity capabilities in achieving sustainable competitive advantage, encouraging Iraqi private banks to build flexible organizational structures, linking reward policies and development programs with existing skills and granting them on a collective basis, and the necessity of using modern technology and adopting an advanced system.

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**Keywords:** Strategic innovation capabilities, sustainable competitive advantage, organizational characteristics, supply chain characteristics, strategic learning mechanisms for dynamic capabilities, private banks

## **Introduction**

Sustainable competitive advantage in the knowledge age takes up a large space in research, which confirmed that the organization's reliance on the approach based on essential resources that are characterized by value, rarity, and inimitability, substitution, or exchange, which enables it to achieve competitive superiority that cannot be matched or its benefits replicated. Since the third millennium and the entry into the knowledge age, this research has taken on a more modern concept by relying on the approach based on dynamic capabilities, due to the transfer of value from material to knowledge, and from traditional competitive advantages to cognitive and intellectual assets.

The first of them dealt with the concept of strategic creativity, how it occurs, the need for it, its elements, capabilities, and dimensions. The second dealt with the concept of sustainable competitive advantage, its sources, approaches, models, methods of development, dimensions, and its relationship to other fields and variables. The third chapter was devoted to the analytical framework of the study through three topics. The first of them reviewed a description of the level of answers of the study sample, the second explained the importance of the study variables and tested the correlation relationships between them, while the third topic dealt with testing the influence relationships of the variables. The study concluded with its fourth chapter, which dealt with the most important theoretical conclusions, inferences and recommendations reached through two sections. The first section dealt with the theoretical conclusions and conclusions of the statistical aspect, while the second section dealt with the proposals and recommendations. The most prominent conclusion reached by the study was that the capabilities of strategic creativity improve in building a sustainable competitive advantage, while the most important recommendation focused on investing in the capabilities of strategic creativity and confirming its role in private Iraqi banks, and clarifying it to employees so that they contribute to generating new creative initiatives.

## **2. Literature Review**

### **2.1. Strategic Creativity**

#### **2.1.1. The concept of strategic creativity**

(Schlegelmilch 2023:118) defined strategic creativity as reshaping markets by breaking the rules of the competitive game, to achieve exciting value improvements for customers, and to achieve exponential growth for organizations. (Drejer,2018:145) confirms that strategic creativity is the state of abandoning old practices in one of the three areas, which are (end-to-end value chain design, understanding customer value, and identifying potential customers). As for (Anderson&Markides,2024:3), they explain that strategic creativity depends on teamwork, searching for new customers, developing new markets, and redefining business models, not competing head-to-head with others.

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(Koivisto,2015:34) describes strategic creativity as growth enhanced by continuous innovations through new knowledge and ideas to benefit customers and the organization alike. As for (Anderson&Markides,2021:1), they explained that it is the discovery of a strategy different from what is present in the center of the industry. (Marion&Mari,2006:12) sees it as competition within the current industry, as it is mainly based on redefining and enhancing customer value in different ways, unlike traditional creativity. Therefore, strategic creativity does not require product creativity itself, but rather is concerned with creating superior value for the customer. It may relate to the concept of the product, production methods, service provision, or marketing. As for (Palmer&Kaplan, 2017:4), they define strategic creativity as the radical discovery of new business models in the current industry that lead to market growth by attracting and attracting new consumers and customers.

(Markides, 2021:2) confirms that strategic creativity enables organizations to redefine their businesses, deliver more value to customers than monetary value and at a high and effective operational level, and leads to changing the nature of competition in the center of the industry and profit growth in the current competitive environment, which is characterized by instability and instability, in order to create another new strategic creativity. (Palmer&Kaplan,2017:3) see strategic creativity as creating growth strategies, new product types, and developing business models that change the rules of the competitive game in the industry and provide new benefits to customers, consumers, and the organization. It is a difficult path that challenges the organization to look beyond its current business boundaries and creatively explore the potential and opportunities that can be achieved. (Saswati, 2008:2) describes strategic creativity as a process that makes the organization look beyond its open mental models, and leads to the creation of new business models that include a new value chain, or the creation of new markets, or the reshaping of existing markets, or the creation or increase of value for both the customer and the organization, or for all of these goals combined. (Drejer, 2018:144)

Based on the above, strategic creativity can be described as:

- Strategic excellence that achieves sustainable competitive advantage.
- Challenging traditional logic that radically changes the rules of competition.
- Discovering the foundations of business models, creating new markets, or reshaping existing markets.
- A method for delighting and comforting customers and creating exciting and new value for them and for the organization.

### **2.1.2. The importance of strategic creativity and how it occurs**

- It emphasizes novel perspectives that strengthen mechanisms of competition and aid in breaching the established industry norms through inventive demolition techniques, which result in the expulsion of companies from the industry because they fail to innovate or produce new goods (Markides, 2021: 1).

- Because they have information that can be applied in this way, innovative firms are a serious danger to non-innovative organizations.

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- It serves as the foundation for formulating a plan to shift the organization's place in the market while maximizing its current position, considering the organization's whole environment, including competitors and current and potential customers, as well as positioning the organization's strengths and weaknesses within its available resources and leveraging them to carve out a new market distinct from the one that already exists. (Drejer,2018:145).

The importance of strategic creativity is highlighted by the need for it, as both (Anderson & Markides, 2019: 132) and (Davis&Devinney, 2016: 3) confirm.

### **2.1.3. Strategic Creativity Capabilities and Their Dimensions**

In order to distinguish between the terms of capabilities, it is important to define their basic concepts to cover the subject from a definitional perspective. Core Competences are a set of distinctive skills, complementary assets, and procedures that provide organizations with a sustainable competitive advantage in a given environment (Markides,2021:4). (Drejer, 2018: 147) confirmed that core capabilities represent the knowledge that provides the organization with a competitive advantage, and consist of resources, skills, knowledge, values, administrative procedures, and technical systems. As for dynamic capabilities, they are the organization's continuous direction with the aim of renewing, rearranging, and integrating its resources and core capabilities, in response to the changing environment in order to survive and sustain (Palmer&Kaplan, 2017: 5). (Koivisto, 2015:52) emphasized that strategic creativity talents are the capacity to continuously convert all ideas and information into new systems, products, and processes that benefit the firm and its stakeholder groups . (Davis&Devinney,2016:5) believe that strategic creativity capabilities can be described as a high-level integration capability. (Palmer&Kaplan, 2017:6) confirm that it represents the organization's ability to develop new products or markets, by adapting strategic creativity trends with creative processes and practices. (Markides, 2021:11) indicates that strategic creativity capabilities enable small companies to compete with large companies without the need for technological innovations, through the penetration strategies generated by strategic creativity. Obstacles to creativity can be perceived through strategic creativity capabilities, which are linked to strategic vision, thinking methods that include concepts, mental models, strategic intent, and administrative decisions that play a central role in implementing strategic creativity and change processes (Koivisto, 2015:9). Administrative capabilities are also important as part of strategic creativity capabilities, as they include the process of perceiving and evaluating environmental change, the contents of the strategy, and decision-making that contributes to the strategic creativity process (Drejer,2018:148). (Covindarajon&Trimble,2014:68) confirm that strategic creativity capabilities lie in the experiences and expertise of organizations that result from learning and work teams, as they are of great importance in developing the organization's intangible resources that reflect, through their development, new ideas that enable the organization to excel and continue

#### **a- Strategic learning mechanisms for dynamic capabilities :**

Dynamic capabilities represent the organization's ability to build, integrate, and reshape its internal and external core capabilities to confront and address changing environments

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(Teece et al., 2017:516). Dynamic capabilities include administrative procedures and organizational and strategic processes, through which the organization addresses its core capabilities to develop products, create new ones, and find new markets (Eisenhardt&Martin, 2020:1107). Dynamic capabilities are developed through various methods related to administrative procedures, organizational processes, as well as developing subsequent procedures, to transform the entire organization into an organizational skill, because dynamic capabilities represent the basis of creativity thinking in general, and strategic creativity thinking in particular, as they are capable of renewing and developing strategic creativity capabilities (Zahra & George, 2022: 186).

- **Organizational Characteristics**

Govindarajan & Trimble, 2014:67 indicated that dynamic capabilities are developed through research into the internal relationships between the organization's strategy and its organizational environment. (Bergman,2016:73), confirms that strategic learning mechanisms provide the organization with an integrated system for creating a superiority strategy, supported by various organizational side conditions that make it work practically and efficiently, namely organizational culture and organizational structure, which will be explained later.

**A- Organizational Culture:** Organizational culture is one of the important forces that contribute to directing the behavior of employees in the organization, and represents the social fabric that connects the parts of the organization and determines desired and undesirable behavior. Robbins, 2023:525, defined it as an integrated system of values, assumptions, traditions and rules that all members of the organization share in perceiving, expressing and believing in, regardless of their job level. (Berghman, 2016:265) emphasized that the importance of organizational culture is that it is one of the supporting means that the organization relies on to achieve the required organizational learning.

**B- Organizational Structure:** It is a set of procedures used to divide an organization into discrete tasks and coordinate between them. It also serves as an official organizational map, outlining the official relationships and responsibilities between divisions and individuals within the organization, determining the number of hierarchical levels within the organization, and classifying individuals into official divisions. Modifying these procedures may result in changes to the organizational structure. , and not all organizations can have a similar structure, because these organizations grow and change their strategies, and add new products, and there is no organizational structure for a specific strategy, due to the difference and change in external environmental conditions and the difference in internal environmental factors between organizations. The organizational structure also affects the strategy, which should be workable. If the new strategy requires major structural changes, this will not be an attractive option. In this way, the organizational structure can formulate the choice of strategies (David, 2021: 246).

**c- Supply Chain Characteristics:** The supply chain operates by continuously linking primary and supporting activities that add value to products within and outside the organization. through the way these activities are interconnected to achieve sustainable

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competitive advantage. Added value is created by motivation through the supply chain climate and motivation through customers and distributors (Berghman, 2016: 76).

## **2.2. Sustainable Competitive Advantage**

### **2.2.1. The concept of sustainable competitive advantage**

(Drejer, 2018: 149) indicated that the view of competitive advantage is no longer just something used within the strategy, but rather it is the goal of the strategy and a dependent variable, and that superior performance is a factor related to competitive advantage, and achieving it will lead to high performance. (Pitt&Lei, 2016: 68) explained that competitive advantage is “related to the ability of an organization to exploit its internal strengths in carrying out its activities and create value that its competitors cannot match”. In this regard, (Lynch, 2020: 153) points out that competitive advantage is the difference and uniqueness of an organization from competing organizations. Sustainability is characterized by the continuity and communication of excellence through the continuous and lasting renewal and development of resources. (Kazem&Lynch, 2019:48). According to Palmer and Kaplan (2017), a sustainable competitive advantage is one that helps an organization stand out from the competition and turn a profit by setting itself apart in terms of cost, price, and product emphasis. According to Macmillan and Tampose (2020:120), a sustainable competitive advantage is achieved by combining diverse technologies, processes, and resources through the use of administrative or technological subsystems and core competences, resulting in a distinctive competitive advantage. In this regard, (Hoffman, 2020: 10) He pointed out that it is the long-term benefits that work to implement a special strategy to create continuous value, which gives financial confidence and distinguished performance to the organization, and is built by integrating the organization's basic resources and skills in permanent and unique ways, in terms of which competitors cannot imitate or copy them in the future. As for (Hitt et al, 2021: 5), he believes that sustainable competitive advantage is achieved when the organization achieves a benefit that other organizations cannot copy or find an alternative to.

### **2.2.2. The importance of sustainable competitive advantage**

The importance and significance of sustainable competitive advantage lies in the fact that it is a must for prosperous businesses to set themselves apart by developing novel and distinctive models that are challenging to copy or duplicate their advantages (MacMillan & Tampos, 2020:89). When an organization adapts and expands its knowledge and capacity to satisfy consumer wants in the future in a competitive manner, it will have a sustainable competitive advantage that will be its most potent weapon against the market and other organizations operating in the same industry, by being able to control the surrounding environment and adapt to the available opportunities and seize them (Al-Ani, 2004: 82). It is also an important criterion for organizations that rely on a strategy of growth and survival. The more obstacles to imitation are placed and the greater the standards, the more the organization will continue and maintain its sustainability, as accelerating knowledge and successful innovations make the competitive advantage more sustainable (Hill&Jones,2021:122).

Competitive advantage is a positive indicator of an organization's strong position in the market by gaining a larger market share than its competitors and increasing sales profits. Its importance is evident through: (Nayef, 2018: 6) (Hill, 2009: 209)

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- It comes from within the company thanks to its fundamental resources and distinctive abilities and results in excellence and supremacy over rivals.
  - demonstrating its worth by providing value to clients, which is a requirement for prosperous businesses looking to endure and expand.
  - Addressing market issues and competition requires the business to secure a lasting competitive advantage through its capacity to capitalize on available opportunities and mitigate weaknesses. The benefit achieved by this advantage is difficult for competitors to imitate, which makes these advantages embedded in the skills and resources of the organization's culture.
  - It is a standard for successful organizations that distinguish them by possessing unique characteristics.
  - It is a crucial and fundamental element in the operations of various companies.
  - It is a key to the success of business organizations.

### **2.2.3. Sources of sustainable competitive advantage**

The sources of “sustainable competitive advantage” are the organization's core resources and supporting skills (Hoffman, 2020: 1), which means that they stem from the organization's internal resources. (Adams&Lamont,2003:143) emphasized that the organization should use the resources efficiently and effectively to develop and sustain its competitive advantage. (Drejer, 2018: 155) indicated that the organization's resources are supposed to be valuable, rare, non-substitutable, and difficult to imitate, in order to provide the organization with competition (Johnson & Scholes, 2017: 138) explained that the organization's resources supporting its strategy consist of both inside and outside the organization, and should be distinctive and difficult to imitate. Accordingly, the sources of sustainable competitive advantage are divided into:

**1- Internal resources:** They consist of essential resources and the skills and competencies that support them (Hoffman, 2020:1). The organization's resources can be classified into material resources, which are capital resources, and their usefulness in gaining sustainable competitive advantage is determined by their location, age, and capacity; human resources, which are evaluated by the number and types of their different skills, their adaptability and learning; financial resources, which include sources and uses of money and managing their relationships; and finally, intangible resources, which are difficult to imitate and emulate (Johnson & Scholes, 2017: 143). As for activities and skills, they relate to the management methods carried out by the organization (Pits & Lei, 2013: 69). (Huselid, & Barnes, 2013:6) added that organizations compete with the core capabilities and unique set of resources they possess that enable them to perform outstandingly and continuously to gain competition. Human capital is also an important source of sustainable competitive advantage when it achieves creation, innovation and outstanding performance to provide a distinctive strategy. (Pfeffer, 2015: 95-99) indicated that human resources achieve a “sustainable competitive advantage” for the organization, and therefore attention must be paid to their possession of knowledge and information, and their skills must be developed through training.

**External sources:** The external environment is a source of “sustainable competitive advantage”. (Palmer&Kaplan,2017:8) indicated that the structure of the industry may be a source that distinguishes the organization from its competitors. (Pitts, & Lei, 2016: 69)

confirmed that the external environment, which includes political, economic, demographic and technological factors, affects organizations negatively or positively. In this regard, Czepiel (1992) added that chance sometimes constitutes a source of competitive advantage, as he considered it among four sources of it, which are “the competitive failure of others, the unique skills of the organization, its core resources, and luck.” The researcher believes that luck is not relied upon much in the process, as the development of information systems and communications technology and the cognitive and technological development achieved by organizations in this field, there is no chance for luck in the process, but rather its adoption of strategic creativity that leads to breaking the rules of traditional competition, and providing high value to the customer and the organization, which leads to achieving a sustainable competitive advantage.

### **3. Methodology**

The study adopts a descriptive analytical approach, as it focuses on opinion polls. This approach has a comprehensive view as long as the description of the situation is coupled with its analysis, and the process leads to extracting the basic results and indicators. The description was utilized to gather the data and information needed for the study's requirements. The questionnaire, the primary instrument in this study, was utilized to gather data and information pertinent to the applied element. Most of its paragraphs were designed according to ready-made scales in research and studies close to the research topic.

#### **3.1.Objectives**

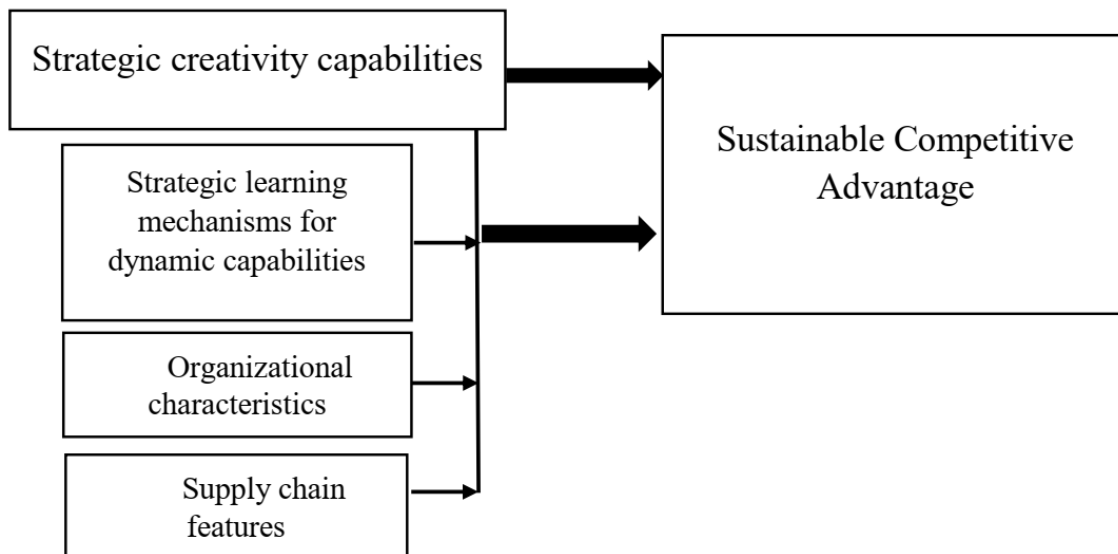
The study seeks to build a theoretical scheme that describes the form of the relationship and influence between its main and sub-variables, and to verify the credibility and scientific and practical feasibility of the hypothetical scheme in order to reach the necessary conclusions and recommendations, to enable private banks to recognize their success and ability to continue and develop. As well as defining the “capabilities of strategic creativity, social capital, and sustainable competitive advantage”, as important variables in business management, and building a philosophical cognitive framework related to these variables. To complete this goal, the researcher will link the study variables in the field within the framework of a descriptive analytical study. As well as revealing the reality of sustainable competitive advantage with the presence of the two independent study variables, or without their presence, in order to possess an applied cognitive foundation by moving these variables to influence the reality of their competitive advantage.

The study will provide an information base for those interested in the study variables and for senior management in private banks that may contribute to developing their future visions, in addition to what Iraqi organizations can benefit from to achieve sustainable competitive advantage through strategic creativity capabilities.

#### **3.2. Research Model and Hypothesis:**

The research hypothesis was formulated, which is (Strategic innovation capabilities with their dimensions represented by “organizational characteristics, strategic learning mechanisms for

dynamic capabilities, and supply chain characteristics” affect the “sustainable competitive advantage” in Iraqi private banks). Figure 1 shows the hypothetical research model.



### 3.3. Sample

Determining the location where the study is conducted is of utmost importance, and to test the hypotheses in the field in an Iraqi work environment, the researcher chose private banks (national) that were established before the year (2000) and operating exclusively in the city of Baghdad, for the following reasons.

- Banking services have become more mature in a comparison with other sectors compared .
- There is high flexibility and greater freedom for private banks in a comparison with other sectors compared .
- The high competition enjoyed by the banking sector, which requires adopting and achieving a sustainable competitive advantage.
- The long history and experience of banks that were established before the year (2000) was the reason for choosing them for their ability to build competition by achieving the capabilities of “strategic creativity and social capital”.

### 3.4. Measures

The number of banks that were subjected to the study is (9) banks, which are well-established, experienced, and registered in the Baghdad Stock Exchange. As for the study sample, it was represented by the senior management consisting of the managing director and one of his deputies, the middle management consisting of sector managers and department managers in the general departments of the banks, and the supervisory departments represented by branch managers . Thus, the study sample is a random stratified sample that the researcher intends to represent the majority or the average of the community, as its selection was consistent with the nature of the study, which requires a deep understanding and awareness of dealing with the questionnaire paragraphs and the possibility of others evaluating them. Accordingly, the

sample was limited to these levels, and the sample size reached (85) managers, which constitutes (44.5%) of the study community of (191) managers, as the number of senior management managers reached (9) managing directors and (14) deputies for the managing director. The authorized directors constitute (100%) of their number, and their deputies constitute (64%) of their number, and together they constitute (78%) of the senior management and (21%) of respondents. As for the middle management, their number reached (37) directors, constituting (44%) of the total number of department and sector directors, which amounted to (83) directors, and they constituted (41%) of respondents. As for the supervisory departments in the sample, their number reached (35) managers representing (41%) of the total number of branch managers, which amounted to (85) managers, and constituted a percentage of (39%) of the total sample, where the researcher distributed (90) questionnaires, as the sampling fraction was adopted by distributing the questionnaire after excluding the authorized managers from the senior management, which amounted to (9) from this percentage, because they represent the basis for achieving strategic creativity and sustainable competitive advantage, as the questionnaire included them all and the sampling fraction was adopted for the remaining number, which amounted to (81) managers. The results of distributing the questionnaire that was distributed in each bank, and (86) questionnaires were returned, one questionnaire was found to be invalid, so the actual size of the study sample became (85) managers, and thus the response rate for the Total study sample constituted (94%), which is a distinguished and acceptable response for the purposes of the research and its resulting applications.

### **3.7. Results and discussions**

The main hypothesis was set "Strategic innovation capabilities with its dimensions of strategic learning mechanisms for dynamic capabilities (X1), organizational characteristics (X2), and supply chain features (X3) affect the sustainable competitive advantage (Y) with a positive statistically significant effect on the sustainable competitive advantage at the level of private Iraqi banks." "In light of this hypothesis, a functional relationship was formulated between the real value of the dependent variable competitive advantage" (Y) and the main independent variables (X) and the three sub-variables (X1), (X2), (X3) as (Y) is a function of those dimensions that affect (Y), and the regression equations were as follows:

$$Y = \alpha + \beta X$$

$$Y = \alpha + \beta X1$$

$$Y = \alpha + \beta X2$$

$$Y = \alpha + \beta X3$$

Table (1) Analysis of the impact between variables

Model	Sum of Squares	df	Mean Square	(f)
Regression	5.710	1	5.710	67.17
Residual	7.055	83	.085	
Total	12.765	84		
$R^2 = 0.447$	$\beta = 0.669$		$a = 1.39$	

The data in Table 2 indicates that the computed value of F for strategic creativity (X) is 67.17, exceeding the critical value of 6.96 at a (sig. <0.01). This suggests a significant impact of strategic creativity capabilities on, sustainable competitive advantage. the regression curve effectively characterizes the connection between (X) and (Y). Table (2) also indicates that ( $\alpha = 1.39$ ) which refer to constant of (1.39), even when the value of (X) is zero. The coefficient of determination ( $R^2$ ) as a descriptive metric that quantifies the efficacy of the regression equation in value estimation. It denotes the percentage reduction in errors attributable to the regression equation and reflects the proportion of variance in observed values elucidated by the regression line that calculable via a specific equation. The coefficient of determination ( $R^2$ ) for strategic creativity capabilities was 0.447, indicating that 44.7% of the variance in “sustainable competitive advantage” is attributable to the strategic creativity capabilities (X) included in the model, while 55.3% is explained by other factors not incorporated in the regression model. The value of  $\beta$  for X (0.669) refer to change (1) lead to change of 0.669 in competitive advantage.

Table (2) also shows the analysis of the impact between the dimensions of strategic creativity capabilities and the dependent variable sustainable competitive advantage.

Table (2) Analysis of the impact between the dimensions of the independent variable (strategic creativity capabilities of dynamic capabilities) and the dependent variable (sustainable competitive advantage)

Table (2) Analysis of the impact between the dimensions of the independent variable (strategic innovation capabilities of dynamic capabilities) and the dependent variable (sustainable competitive advantage)

Strategic creativity capabilities (X)															Sustainable Competitive Advantage (Y)
Supply chain characteristics (X3)					Organizational characteristics (X2)					Strategic learning mechanisms for dynamic capabilities (X1)					
DF	F	$R^2$	$\beta$	a	DF	F	$R^2$	$\beta$	a	DF	F	$R^2$	$\beta$	a	
3.112	26.76	0.24	0.49	2.45	2.65	21.76	0.20	0.45	2.56	6.75	2.739	0.52	0.72	1.50	

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Table (3) indicates that the calculated (F) value for the sub-variables of strategic innovation capabilities reached (39.27, 21.76, 26.76) respectively, and these values were greater than their tabular value (6.96) at a significance level of (0.01), that refer to the effect of dimensions on the sustainable competitive advantage. Also, (R<sup>2</sup>) for the strategic learning mechanisms for dynamic capabilities, which reached (0.52), indicates the existence of an effect of (0.52) in the variable (sustainable competitive advantage), and that (0.48) is explained by other factors. As for the value of the coefficient of determination (R<sup>2</sup>), it is (0.20) for the characteristics of the organization, which means that (0.20) of the variable “sustainable competitive advantage” is explained by the characteristics of the organization, and (0.80) is explained by other factors. As for (R<sup>2</sup>) for the characteristics of the supply chain, which amounted to (0.24), which means that (0.24) explained by (sustainable competitive advantage) is explained by the characteristics of the supply chain, and (0.76) is explained by other factors. The moral value of all variables appeared to be very low, which indicates the existence of a high impact . Through the tests mentioned above, we conclude that first sub hypothesis has been achieved, which is that (strategic innovation capabilities in their dimensions “strategic learning mechanisms for dynamic capabilities, organizational characteristics, and supply chain characteristics” affect the construction of sustainable competitive advantage. Table (20) indicates that the calculated (F) value for the dimensions of strategic innovation capabilities (strategic learning mechanisms for dynamic capabilities, organizational characteristics, and supply chain characteristics) amounted to (39.27, 21.76, 26.76) respectively, and these values were greater than their tabular value (6.96) at a significance level of (0.01), which means that there is impact of the dimensions on the dependent variable “sustainable competitive advantage”, This suggests that the regression curve effectively characterizes the connection between the independent sub-dimensions and the dependent variable. Also, the value of (R<sup>2</sup>) for the strategic learning mechanisms for dynamic capabilities, which amounted to (0.52), indicated that (0.52) of the variance in “sustainable competitive advantage” explained by dynamic capabilities that entered the model, and that (0.48) is a variance explained by other factors. As for (R<sup>2</sup>), it is (0.20) for the characteristics of the organization, which means that (0.20) of the variance in “sustainable competitive advantage” is explained by "organizational characteristics in the model, and (0.80) is explained by other factors. As for the value of the (R<sup>2</sup>) for the characteristics of the supply chain, which amounted to (0.24), which means that (0.24) of the variance in “sustainable competitive advantage” is explained by the characteristics of the supply chain, and (0.76) is explained by other factors. The significant value shown by the outputs of the electronic calculator through the (SPSS) system for all variables appeared to be very low, which indicates the existence of a high impact between variables. Through the tests mentioned above, we conclude that the first sub-hypothesis of the second main hypothesis has been achieved, which is that”(strategic innovation capabilities with their dimensions (strategic learning mechanisms for dynamic capabilities, organizational characteristics, and supply chain characteristics” affect the construction of sustainable competitive advantage.

### **3.8. Conclusion:**

The intensity of high competition has reached its peak due to the markets reaching a level of maturity, and achieving competitive advantage is no longer possible, via making low prices and profits with high quality, in addition to their ability to imitate and copy, which prompted strategic leaders and creative researchers to think of new ways to compete by achieving creative innovations, through which organizations can achieve profits that exceed industry rates, and from here a new idea called strategic innovation emerged. Strategic innovation is characterized as a transformative shift arising from a revolutionary mindset, resulting in the dismissal of conventional competitive norms within the industry. This paradigm shift encourages organizations to transcend established mental frameworks, facilitating the development of novel business models or markets, or the reconfiguration of existing markets, thereby generating substantial value for both the customer and the organization. . Strategic creativity occurs when an organization discovers market gaps, which are represented by new, undiscovered customer segments or those that have been ignored by competitors, or the emergence of new customer needs, or new methods of production, distribution or marketing, and its ability to form new markets by exploiting these gaps and filling them and meeting customer needs.

The importance of strategic creativity emerged through a set of reasons that forced business organizations to adopt its ideas, considering it an urgent need in this rapid and continuous environmental change, which requires finding new rules to change the existing industry map, which requires small organizations to adopt the concepts of strategic creativity similar to large organizations, to be able to survive and avoid the risk of exiting the industry, as strategic creativity does not only mean finding a new product or discovering advanced technology, but also through ways to reach the customer and achieve exciting value for him.

Organizations achieve radical changes through their keenness to establish strategic creativity capabilities, which require a conscious understanding of the environment, and adopting strategic learning mechanisms for “dynamic capabilities, organizational characteristics and supply chain features”.

Strategic learning has become a strategic importance for organizations, not an option among a set of options, and its mechanisms for dynamic capabilities through cognitive, absorption and transformational capabilities of knowledge, which lead to the development of strategic creativity capabilities, as a high-level integration capability, which, for the benefit of the company and stakeholder groups, is embodied by the capacity to consistently turn information and ideas into new systems, processes, and products. Organizations' pursuit of building a sustainable competitive advantage is done through the successful formulation of a specific competitive strategy, and its effective and efficient management to achieve an increase in the added value of the organization's competitive position within the environment in which it operates.

It appeared that there were nine correlations out of nine relationships for strategic creativity capabilities, all of which were significant, which confirms the validity of the model, and that strategic creativity capabilities and social capital across their dimensions contribute to enhancing the success of banks and building the requirements for sustainable competitive advantage.

It appeared that banks benefited from strategic creativity capabilities across their dimensions in general due to their impact on building sustainable competitive advantage, as banks were able, through “strategic learning mechanisms for dynamic capabilities, organizational characteristics, and supply chain features”, to bring about clear changes in their success factors, especially in the quality of the market, by forming strategic alliances or partnerships with other banks in Arab countries and increasing their experience through that, developing and enhancing their creative culture, and increasing the use of information technology.

It appeared that six models of influence through six effects of strategic creativity capabilities in the proposed influence model for the study were significant and of varying degrees of strength, which confirms the validity of the model, and that strategic creativity capabilities across their elements affect building sustainable competitive advantage. The researcher noted that the banks studied are characterized by an organizational structure that follows the centralized pattern, and that any action taken must be referred to the highest authority, which indicates a lack of delegation of powers that negatively affects the empowerment of employees and the creation of creative initiatives.

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