

# THE IMPACT OF DYNAMIC CAPABILITIES ON ACHIEVING A SUSTAINABLE COMPETITIVE ADVANTAGE

**ABSTRACT:** It is critical for organizations to identify the factors that can foster a long-term competitive advantage. Therefore, the primary objective of this study was to investigate the impact of dynamic capabilities on sustainable competitive advantage. This study aimed to investigate the relationship by analysing the dimensions of dynamic capabilities, including resource rearrangement capability, acquisition capability, and sensing capability, in conjunction with sustainable competitive advantage. The research design employed a cross-sectional approach. The questionnaire was distributed to faculty members through a process of random selection. The sample size for the study consisted of 160 respondents. Descriptive statistical methods, such as the weighted arithmetic mean and standard deviation, were utilised in the analysis. Analytical statistical methods, including the simple correlation coefficient (Pearson), the simple linear regression equation, (T) test, and the coefficient of determination (R<sup>2</sup>), were employed to test the research hypotheses. The study's findings indicate a strong correlation and impact between dynamic capabilities and sustainable competitive advantage. These findings are valuable for researchers and scholars to explore in future investigations.

**Keywords:** Dynamic Capabilities, Sustainable Competitive Advantage, Faculty Members, Sensing Capabilities, Resource Capabilities.

## 1. Introduction

The success of companies is influenced by various factors. These factors encompass various challenges and developments that have emerged in recent years (Atatsi, Stoffers, & Kil, 2019). Environmental changes pose significant challenges for organisations. Additional challenges encompass intense competition, advancements in communication technology, the evolution of IT, and the rise of the Internet of Things. These challenges have posed significant difficulties for organisations to thrive in a highly competitive environment, unless they are able to fulfil the necessary requirements to overcome them (Nižetić et al., 2020). It is imperative for organisations to reconsider the conventional approach to conducting business. It can assist organisations in flourishing and thriving in a highly competitive environment. Thus, it is crucial to carry out research that can assist in resolving the fundamental challenges hindering the organization's performance (Çakmak, 2023). This study will be beneficial for the organisation in developing and sustaining a competitive advantage over a longer period of time.

Therefore, maintaining a competitive edge is crucial for the organization's long-term viability. It is the idea that assists the organisation in enhancing economic value and outperforming competitors. Studies have identified two types of competitive advantage: temporary and sustainable. If an organisation possesses resources with unique, scarce, and valuable features, it can establish a

sustainable competitive advantage. Efficient operation is crucial for organisations to meet the competitive demands of the industry (Abbasi Kamardi et al., 2022). It is essential for them to offer services that meet the customers' needs and adhere to high standards. Thus, it is crucial to not only attain comparative advantage, but also to sustain the competitive advantage over the long term. It is crucial for organisations to recognise the importance of excelling in various areas such as human resources, material assets, organisational management, information systems, and innovation (Kahupi et al., 2021). The development of industry plays a crucial role in driving the economy in today's highly competitive environment. Organisations that possess the capacity to acquire and maintain a competitive advantage tend to outperform their competitors in the long run.

The survival of the organizations is also dependent upon the factors of dynamic capability. It is considered as important strategic approach to adapt organizational procedures in order to face organizational challenges. It is also vital to meet the changings of the internal and external environment. It is one of the key factors in context of competition as its effectiveness impacts the adaptability and flexibility to the regular changing environment. The dynamic capability helps the organization to explain the source that helps in gaining competitive advantage with the passage of time (Rotjanakorn, Sadangharn, & Na-Nan, 2020). It also helps the managers in handling the difficult financial situations by guiding them to

Zafar Nasser Hussain<sup>1</sup>, Layla Mohsen Al-Hakeem<sup>2</sup>, Jinan Mahdi Shaheed<sup>3</sup>, Ahmed Abdullah Amanah<sup>4</sup>, Alaa Hussein Fadhil<sup>5\*</sup>

<sup>1</sup> Assistant Professor in Faculty of Administration and Economics, University of Babylon, Iraq.  
ORCID iD: <https://orcid.org/0009-0001-5846-5316>  
Email: [bus.dhafar.naser@uobabylon.edu.iq](mailto:bus.dhafar.naser@uobabylon.edu.iq)

<sup>2</sup> Assistant Professor Dr. in Faculty of Administration and Economics, University of Kerbala, Iraq.  
ORCID iD: <https://orcid.org/0000-0002-6380-0094>  
Email: [layla.alhakeem@uokerbala.edu.iq](mailto:layla.alhakeem@uokerbala.edu.iq)

<sup>3</sup> Assistant Professor Dr. in Faculty of Administration and Economics, University of Kerbala, Iraq.  
ORCID iD: <https://orcid.org/0000-0001-7246-4283>  
Email: [jinan.m@uokerbala.edu.iq](mailto:jinan.m@uokerbala.edu.iq)

<sup>4</sup> Assistant Professor Dr. in Faculty of Administration and Economics, University of Kerbala, Iraq.  
ORCID iD: <https://orcid.org/0000-0001-5092-391X>  
Email: [ahmed.a@uokerbala.edu.iq](mailto:ahmed.a@uokerbala.edu.iq)

<sup>5</sup> Assistant Professor Dr. in Faculty of Administration and Economics, University of Kerbala, Iraq.  
ORCID iD: <https://orcid.org/0000-0002-5418-5464>  
Email: [alaa.hussein@uokerbala.edu.iq](mailto:alaa.hussein@uokerbala.edu.iq)

improve their revenue bases and sources with purpose to maximize the organizational revenue. Organisations must embrace innovative thinking in order to thrive in today's global marketplace, where competition is fierce and innovation is constant. Relying solely on traditional sources of advantage is no longer sustainable.

These conventional sources encompass strategic positions, industry capabilities, standard operating procedures, efficiencies in routines, marketing, manufacturing, and product development (Clauss et al., 2021). Organisations can achieve lasting benefits by cultivating the ability to influence emerging market prospects, capitalise on fresh market prospects, and anticipate upcoming market prospects (Linde et al., 2021). This study aims to explore the correlation between dynamic capabilities and sustainable competitive advantage. It will focus on the dimensions of dynamic capabilities, including resource rearrangement capability, acquisition capability, and sensing capability, in relation to sustainable competitive advantage.

## 2. Literature Review

### 2.1. Dynamic Capabilities (DC)

Dynamic capability is a topic that has been extensively explored in various studies within the field of literature. It is described as the organisational ability to expand, adapt, and innovate its standard capabilities (Fukawa, Zhang, & Erevelles, 2021). According to experts, the organization's approach involves rebuilding, renewing, reconfiguring, and integrating its fundamental capabilities in order to effectively respond to environmental changes. Additionally, it aids the organisation in maintaining its competitive advantage. Past research has described dynamic capabilities as the organisational ability to adapt swiftly in response to evolving circumstances. Experts have highlighted the importance of dynamic capabilities in enabling organisations to surpass conventional methods and achieve long-lasting competitive advantage. The reason dynamic capabilities are valuable is because they prioritise the internal processes that contribute to organisational excellence, enabling the organisation to take advantage of strategic opportunities. It is crucial for organisations to make critical decisions in order to identify various opportunities and capitalise on them once they are recognised (Wendra et al., 2019). Similarly, researchers suggest that companies that have the ability to adapt, adjust, and enhance their operations are more likely to succeed in the market (Laaksonen & Peltoniemi, 2018). While also acknowledging the dynamic capabilities of the organisation as unique abilities that allow the

organisation to go beyond its regular activities and achieve a high level of performance.

According to certain studies, dynamic capabilities have been described as an organization's capacity to effectively adapt, adjust, and purposefully generate resources and operational capabilities in order to successfully navigate external environmental challenges (Bojesson & Fundin, 2021). According to experts, dynamic capabilities are an integral component of an organization's system. They are rooted in strategy and resources, enabling the organisation to gain a competitive edge and outperform its rivals (Ferreira, Coelho, & Moutinho, 2020). In the study by Amanah et al. (2021), they discuss the importance of renewable capabilities in organisations. These capabilities allow organisations to adapt to changes in the environment and gain advantages over their competitors. By investing in opportunities and minimising the negative effects of sudden changes, organisations can maintain their competitive superiority and improve their overall performance. Experts have identified various aspects of dynamic capabilities, such as resource rearrangement, resource acquisition, and resource sensing (Bleady, Ali, & Ibrahim, 2018).

When it comes to sensing resources or capabilities, it involves the organization's capacity to generate new opportunities to fulfil the requirements of environmental monitoring activities. This requires creativity, learning, and interpretation (Konopik et al., 2022). Having a strong sensing capability is crucial for identifying and understanding environmental threats and opportunities. Later, necessary steps are taken to address and minimise them (Zahoor et al. (2022).

When it comes to acquiring resources or capabilities, it is crucial for the organization to seize the perceived opportunities by developing new knowledge, services, or products. Processes are also integral to the activities of marketing and development, as highlighted in some studies (Zahoor et al., 2022). As per Saemundsson and Candi (2017), the development of organizational ability relies on the ability to effectively utilize, integrate, and recognise external information. Researchers emphasized the importance of developing various business models to enable organizations to quickly meet the needs of their customers. It is crucial for value creation, as well as for securing the necessary human resources and materials (Čirjevskis, 2019).

A further vital component of dynamic capabilities involves the rearrangement of resource capabilities.

Following the identification of market opportunities and technological possibilities, this factor encompasses the selection of product characteristics, technologies, and the development of organisational culture, structure, assets, and business models (Priyono & Hidayat, 2022). In this stage, some studies have also explored the re-arrangement of the reward system. At this stage, it is crucial for organisations to grasp the importance of customer needs, creativity, and knowledge. Eze, Bello and Adekola (2017) have provided a definition that highlights the importance of an organization's ability to strategically organise and showcase its structure and assets in order to effectively work towards achieving its goals. In this context, the flexibility of the organisation is crucial. Reorganising the process is crucial for enhancing dynamic capabilities in an ever-changing environment. Flexibility plays a crucial role in re-arranging the operations of the organisation. It also plays a crucial role in strategically reorganising the asset structure of the organisation. Put simply, it enables organisations to adapt to environmental changes and maintain superior performance. Researchers have confirmed that the re-arrangement of organisational capabilities involves making changes to the operations, individuals, and managers within the organisation (Junge, Luger, & Mammen, 2023).

### 2.2. Sustainable Competitive Advantage (SCA)

Having a clear understanding of competitive advantage is crucial for the organisation to thrive in today's highly competitive market (Bazrkar, 2020). Various definitions of competitive advantage are presented by scholars, making it a challenging concept to define. Literature has described it as the organization's capacity to achieve the highest possible return on its investment. When it comes to sustainable competitive advantage, this idea has its roots in the field of strategic management. Researchers have regarded it as the term to oversee the resources of the organisation. Various companies engage in competition for unique, limited, and valuable resources. In order to achieve sustainability, it is important for organisations to have access to unique resources that are different from their competitors. Additionally, these differences in resources should be maintained over the long term (Bekun, Alola, & Sarkodie, 2019).

Studies have incorporated the concept of sustainability into discussions of competitive advantage to emphasise the importance of time in this context. Creating a sustainable competitive advantage ensures long-term success for the organisation by achieving unique value and strategic advantage over competitors for

an extended period. Study describes sustainable competitive advantage as divisions that companies strategically develop to differentiate themselves from competitors. It involves creating patterns and effectively utilising resources to achieve uniqueness (Kuncoro & Suriani, 2018). In the context of business, the concept of sustainable competitive advantage holds great significance, as the survival of organisations hinges upon it. Researchers believe that a competitive advantage becomes sustainable when organisations no longer rely on the resources of their traditional competitors.

Researchers have pointed out that the idea of sustainable competitive advantage is connected to two distinct factors: strategic advantage and competitive advantage. In addition, the establishment of a sustainable competitive advantage is crucial for meeting both internal and external environmental requirements (Papadas et al., 2019). The concept of sustainable competitive advantage can also be explained by the consistent and ongoing benefits it brings to the organisation. It also demonstrates the implementation of organisational strategies that provide a distinct advantage over potential competitors. In order to achieve a sustainable competitive advantage, it is important to consider three key factors: limiting the power of competitors, ensuring convenient access to customers and resources, and effectively targeting the market. When a manager successfully implements their strategies, they can gain a significant competitive advantage over their rivals that is difficult to duplicate (Desfitrina, Zulfadhli, & Widarti, 2019).

There are several concepts that fall under the umbrella of sustainable competitive advantage. These concepts are crucial for achieving a competitive edge by leveraging the organization's resources and capabilities (Mahdi & Nassar, 2021). However, organisations can only gain a competitive edge when they apply unique benefits and values that cannot be replicated by other organisations over an extended period of time. The organization's advantage gained through sustainable competitive advantage is rooted in its capabilities and resources that are relied upon during development and growth (Pahuja et al., 2024). In addition, the organisation achieves success and excellence in their work through the utilisation of these capabilities.

As per the research conducted by Amesho et al. (2022), the level of competition among organisations is intensifying over time. In addition, due to the fast-paced nature of technology advancements, maintaining a competitive advantage is becoming increasingly

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challenging. It can be quite challenging to sustain a competitive advantage due to the responses of competitors to strategic actions. There are several distinct advantages that come with having a sustainable competitive advantage over your competitors. It also enables the organisation to attain optimal results in the form of high performance. It helps to establish a positive perception among customers (Kazemi et al., 2024). Past studies have also emphasised the significance of sustainable competitive advantage for organisations. It strengthens the organisational capacity to prioritise customer needs, increasing the likelihood of success. The organisation's fundamental capabilities serve as its foundation, with ongoing environmental improvements providing support. It provides inspiration and guidance for all employees within the organisation (Duchek, 2020).

Scholars believe that maintaining a sustainable competitive advantage is crucial for organisations, especially considering the rapidly evolving nature of competition in the business world. It is crucial for them to embrace the strategy of sustainable competitive advantage due to the dynamic nature of the environment and the scarcity of natural resources (Mahdi & Nassar, 2021). It is crucial for organisations to prioritise the development of new activities, resources, and capabilities.

**2.3. Dynamic Capabilities and Sustainable Competitive Advantage**

Dynamic capabilities are crucial for gaining a competitive advantage as they systematically introduce valuable changes to organisational activities (Bari, Chimhundu, & Chan, 2022). Enhancing operational efficiency within the organisation and ensuring alignment with the surrounding environment are key factors to consider (Ferreira et al., 2020). Experts have identified three distinct dimensions of dynamic capabilities: transforming, seizing, and sensing. These dimensions give organisations an edge over their competitors by allowing them to leverage innovation, opportunities, and resources more effectively (Marlina et al., 2023). The organization's competitive performance is closely tied to its dynamic capabilities. Organisations often lack sufficient control over uncertainties. Organisations can derive significant advantages by accurately perceiving and understanding both the external and internal environment, and effectively aligning their strategies accordingly (Mariam, Khawaja, & Khan, 2023). Furthermore, sustainable competitive advantage is also associated with three dimensions of dynamic capabilities.

**2.4. Dynamic sensing Capabilities and Competitive Advantage**

The sensing capability involves an analytical system that can calibrate, shape, filter, and detect opportunities. Thus, all the processes are encompassed in sensing, enabling organisations to analyse and gather market information to gain insights into channel members, competitors, and customers (Khristiano et al., 2021). Furthermore, it is crucial for organisations to be able to identify potential opportunities and threats in order to maintain a sustainable competitive advantage (Sulaeman & Kusnandar, 2020). The success of the organisation hinges on identifying potential threats and transforming them into opportunities. Therefore, it is crucial to recognise the environmental challenges as they offer valuable information for organisations to make informed decisions. An organisation can effectively assess market risks by developing strong sensing capabilities. It is also capable of identifying both the defensive and offensive strategies employed by competitors. The fundamental concept revolves around the organization's ability to identify opportunities ahead of their competitors, enabling them to establish a lasting competitive advantage (Mutsvanga, 2021).

H1a: Sensing capability has a significant impact on competitive advantage.

**2.5. Dynamic Acquisition Capabilities and Competitive Advantage**

The organization's operational effectiveness is improved through its dynamic capabilities. Organisations can enhance their ability to capitalise on opportunities by acquiring resources. In addition, this factor can assist the firm in overcoming threats from competitors (Ferreira et al., 2020). The strategic routine and organisational routine are driven by the dynamic capabilities of the organisation. However, organisations have the flexibility to recombine or integrate resources in order to optimise their resource base and enhance the value they bring to various strategies (Ying, Hassan, & Ahmad, 2019).

The organizations having high level of capability to acquire resources show ability to learn from its environment. Later, they perform well by the integration of information that they get from embedded knowledge of organization (Čirjevskis, 2019). Seizing different capabilities means development of building flexible root-cause discovery, opportunity assessment, and boundary determination of the organization, development of digital strategy, cross-functional teams, scenario planning and leveraging competencies. It is also based on management support as well. All these factors play

integral part in achievement of competitive advantage over the competitors. The study by Saeedikiya, Salunke and Kowalkiewicz (2024) revealed that exploiting different kind of opportunities on regular manner plays integral role to achieve competitive advantage.

H1b: Acquisition capability has a significant impact on competitive advantage.

**2.6. Dynamic Resource Rearrangement Capabilities and Competitive Advantage**

Reconfiguring and recombining various organisational resources is crucial for maintaining a sustainable long-term competitive advantage (Lee, Narula, & Hillemann, 2021). It is crucial for organisations to adapt their structure to effectively handle technological advancements and market fluctuations (Lee et al., 2021). The ability to reconfigure requires engaging in various activities, such as combining and reallocating organisational resources. Thus, the ongoing growth of the organisation relies on the restructuring of its capabilities. The reconfiguration of organisational capability involves various activities, such as the recombination and redeployment of organisational resources, which contribute to the continuous development of the organisation (Hu, Hao, & Wang, 2022).

As per experts in the field, dynamic capabilities are instrumental in enabling organisations to adapt and transform, ultimately resulting in the establishment of a sustainable competitive advantage. In addition, there has been an increased demand for organisations to reconfigure and reallocate resources due to changes in customer preferences and advancements in technology. Put simply, dynamic capabilities play a crucial role in achieving a sustainable competitive advantage (Alenazi & Alanazi, 2023). Organisations have the potential to enhance their performance by re-evaluating and

combining their existing capabilities, ultimately leading to the attainment of long-term competitive advantage.

H1c: Resource Rearrangement capability has a significant impact on competitive advantage.

**3. Methodology**

Al-Hilla University College is comprised of 18 scientific departments and over 12 administrative departments. The selection of the university was driven by its strong emphasis on education. This factor carries significant weight in the context of Iraq. This condition holds significant importance in the context of the current study. The data of the current study was gathered from the directors and leaders of the university. The study included a total of 174 participants. Out of the distributed questionnaires, we received a total of 160 usable responses for further study. The response rate of the current study was 91%. The data for the study was collected through judgemental sampling, with the involvement of enumerators in the data collection process. The data was collected through the development of a questionnaire, which included a thorough review of relevant literature. The questionnaire was created using a 5-point Likert scale. The questionnaire was split into two distinct sections. The initial section focused on providing an overview of the respondents' background information. The second phase is dedicated to exploring the variables of the study.

The assessment included 15 items that were divided equally into three dimensions. In contrast, the measurement of SCA was based on a one-dimensional variable comprising 10 items. In order to maintain the integrity and dependability of the questionnaire, a Cronbach alpha test was performed using SPSS. A research model was developed in Figure (1) that describes the role of DC in SCA. It was constructed by gathering management literature that is pertinent to strategic management.

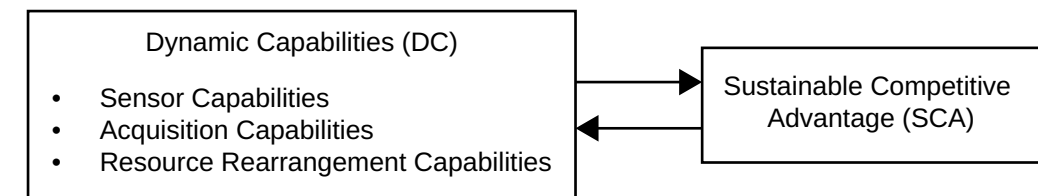


Figure 1: Research Model.

**3.1. Measurement and Methods**

a. **Dynamic Capabilities:** The scale includes dynamic capabilities that are divided into three dimensions: re-arrangement of capabilities, acquisition of capabilities, and sensing capabilities.

The information can be found in table 2.  
 b. **Sustainable Competitive Advantage:** The items of SCA were derived from previous research. Information can be found in table 2.



Table 1: Research Metrics Summary.

Measurement	Item Number	Measurement Resource
<b>Dynamic Capabilities</b>		
Sensing Capabilities	5	(Choi & Moon, 2015; Hou, 2008; Kindström, Kowalkowski, & Sandberg, 2013; Rha, 2013)
Acquisition Capabilities	5	
Resource Rearrangement Capabilities	5	
<b>Sustainable Competitive Advantage</b>	<b>10</b>	
		(Choi & Moon, 2015)

**3.2. Measuring Instrument Validity**

A scale is considered stable due to its lack of contradiction and high level of stability. Therefore, consistent results can be obtained by testing the same sample. Thus, stability demonstrates the reliability of the scale (Sekaran et al., 2003). Cronbach Alpha is a widely used tool for assessing the reliability of a questionnaire. A Cronbach Alpha value below 0.60 indicates a weak level of stability.

Alternatively, a Cronbach Alpha value of 0.70 or higher is deemed satisfactory according to Sekaran et al. (2003). Another crucial aspect to consider is the validity of the questionnaire, which ensures that the measurements on the scale accurately reflect the true values. There are two types of validity that have been discussed in literature: virtual honesty and content validity. The study's reliability and validity are discussed in table 2.

Table 2: Measures of Stability and Reliability of the Scale.

No	Variable	Cronbach's Alpha	Content Authenticity
1	Sensor Capabilities	0.80	0.89
2	Acquisition Capabilities	0.70	0.83
3	Resource Rearrangement Capabilities	0.87	0.93
4	Dynamic Capabilities	0.79	0.88
5	Sustainable Competitive Advantage	0.76	0.87

The values of Table 2 shows that the questionnaire used in the study are reliable and valid as the statistical values are more than required range.

data of the study to be normally distributed. According to Field (2009), a conclusion is deemed unreliable if the data does not follow a normal distribution. The sample size for this study is 160. Therefore, the Kolmogorov-Smirnov test is performed based on the recommendations of Pallant (2020) with a value below 5%. Skewness and Kurtosis tests are commonly used to assess the normal distribution (Field, 2009). The results of this test are presented in table 3, indicating that the data follows a normal distribution.

**4. Results**

**4.1. Normal Distribution Test**

In the current study, parametric statistics are utilised to test the proposed hypothesis. The analysis of the data is based on a fundamental principle, which requires the

Table 3: Data Normal Distribution Test.

No	Variables	Skewness	Std. Error for Skewness	Z	Kurtosis	Std. Error for Kurtosis	Z
1	Sensor Capabilities	0.440	0.913	0.48	-2.097	2.000	-1.04
2	Acquisition Capabilities	-0.133	0.913	-0.14	0.292	2.000	0.14
3	Resource Rearrangement Capabilities	-0.240	0.913	-0.26	-0.160	2.000	-0.08
4	Dynamic Capabilities	-0.155	0.913	-0.16	-1.621	2.000	-0.81
5	Sustainable Competitive Advantage	-0.596	0.913	-0.65	-.594	2.000	-0.29

**4.2. Hypothesis Testing**

It is essential to conduct hypothesis testing in order to assess the correlation between the variables in the study. This study utilised the Pearson correlation test. Table 4 displays the correlation coefficients matrix for all variables and their dimensions in the study. The sig acronym is commonly employed to indicate the importance of correlation. Significance of the correlation

is indicated at the 5-percentile level through (\*). However, it is worth noting that the sign of (\*\*\*) indicates a high level of significance (DeProspero & Cohen, 1979). The range of values between 0.10 to 0.29 indicates a lower level of correlation between the variables, while the range of 0.30 to 0.49 suggests a moderate level of correlation. Correlation values exceeding 0.50 indicate strong correlations.

Table 4: The Evaluation of the Primary Hypothesis.

		Sensor Capabilities	Acquisition Capabilities	Resource Rearrangement Capabilities	Dynamic Capabilities
Sustainable Competitive Advantage	Pearson Correlation	0.451**	0.536**	0.443**	0.542**
	Sig. (2-Tailed)	0.000	0.000	0.000	0.000
	N	160	160	160	160

\*\* Correlation is significant at the 0.01 level (2-tailed)

The results of the main hypothesis are provided in Table 4. There is a significant correlation between DC and SCA. Furthermore, there is a significant correlation among the dimensions of the DC. The correlation values at the 1% significance level are considered significant due to their magnitude being greater than 0.50. The correlation value between DC and SCA is 0.542, indicating a strong level of correlation. When it comes to dimensions, sensor capability and SCA exhibit a correlation of 45.1%, while acquisition and SCA show a strong correlation of 53.6%, indicating a direct relationship. However, the correlation between resource re-arrangement capability and SCA in the present study is 44.3%, indicating the weakest linkage. The study's statistical findings highlight the significant role played by DC and their dimensions - sensing, resource rearrangement, and acquisition - in achieving SCA among universities.

The findings presented in Table 5 display the outcomes of the direct hypothesis testing conducted in this study. The data indicates that the regression coefficient for DC is 0.54. A single unit of DC can modify 54% of SCA. Furthermore, the t value of 6.21 indicates a significant relationship between the variables. The present study has a R square value of 0.29, indicating that the IVs in the study have a 29% impact on the DV.

Given the significance of the variables, it is worth noting that the regression coefficient of 0.45 indicates that a one unit change in sensing capability will result in a 45% alteration in SCA. In addition, the t value of the study exceeds the critical value of 1.96 at a significance level of 5% (4.69). However, this dimension accounts

for a 20% change. On the other hand, the remaining dimensions account for approximately 80% of the remaining variance, as indicated by the value of R2, also referred to as the coefficient of determination. Based on the values provided in table 5, the results indicate a significant impact of sensor capability on competitive advantage. Thus, the hypothesis is deemed valid in this study.

However, a small change in the acquisition capability results in a significant alteration of over 53% in the SCA. The t values indicate a figure of 3.34, which is greater than 1.96. This variable has a significant impact. In addition, this dimension demonstrates a 28% change in SCA. In the study, it is anticipated that the remaining 72% of the alteration in SCA will be influenced by other variables, based on the values of R2 (coefficient of determination). Thus, the study's findings hold great importance, as indicated by the values presented in table 5. The data clearly demonstrates a noteworthy impact of acquisition capability on competitive advantage. Thus, it is deemed acceptable.

The results show a 44% increase in SCA when one unit of the resource rearrange capability is taken into account, as indicated by the regression coefficient of 0.44. In addition, the t value of the study is 5.81, exceeding the critical value of 1.96 at a significance level of 5%. It is evident that the reorganisation of resources plays a crucial role in the context of SCA. The values in table 5 demonstrate that resource rearrangement has a significant impact on SCA. Thus, it is deemed acceptable.

Table 5: Simple Linear Regression between the Research Variables.

Independent Sub-Variables	Sustainable Competitive Advantage (Dependent Variable)					
	B	R <sup>2</sup>	T	T Tabular 5%	F	F Tabular 5%
Sensor Capabilities	0.45	0.20	4.69	1.96	22.08	3.84
Acquisition Capabilities	0.53	0.28	3.34		11.13	
Resource Rearrangement Capabilities	0.44	0.19	5.81		33.77	
Dynamic Capabilities	0.54	0.29	6.21		37.56	

The statistical results showed that DCs, in all their dimensions (types), had a significant impact on the

possibility of achieving SCA. The strength of the effect was as follows:

## 5. Discussion and Conclusions

The primary objective of the current study is to investigate the correlation between dynamic capabilities and sustainable competitive advantage. This study was conducted at Iraqi Hilla University College. The data was collected from the university's employees. In this study, the researchers considered three different dimensions of dynamic capability that were believed to have an impact on sustainable competitive advantage. The study's findings indicate that DC has a notable positive impact on competitive advantage.

According to the study's findings, sensors' capabilities have a positive impact on SCA. This is because when a university has the ability to design various business models using different sources of knowledge generation, it can greatly contribute to the development of its organizational strategy. As a result, a reduction in conflict among the organisational resources is achieved. Therefore, organisations can attain a sustainable competitive advantage. However, the findings also indicate that skill development can have an impact on SCA. The university interprets the data gathered from both external and internal resources. It provides them with a wide range of opportunities. Similarly, a university can gain a lasting competitive edge by strategically utilising, reorganising, and consolidating its existing resources.

There is also experimental evidence that suggests DC can have an impact on the achievement of strategic goals, such as achieving and maintaining CA. This finding aligns with the findings of Saeidi et al. (2019) who emphasised the importance of skill sets in enabling organisations to develop unique capabilities that optimise infrastructure utilisation and ultimately achieve competitive advantage.

Furthermore, this study highlighted the significance of the specific abilities in sustaining CA. These findings are consistent with the results of Hussein, Amanah and Kazem (2023) who also emphasised the importance of various dimensions of competitive advantage for achieving sustainability. The findings of the current study highlight the importance of exploring the components of DC in order to minimise the risk of loss and maximise opportunities. This study has confirmed that the possession of resources by the university will lead to a reduction in conflict. Developing a competitive advantage is crucial for the organisation. The study conducted by Hussain et al. (2024) also reported similar findings.

In order to thrive in a rapidly changing landscape, the academic sector must develop dynamic capabilities and

adopt a strategic approach. This will allow universities and colleges to adapt quickly to internal and external changes, and to proactively seize opportunities that arise. By doing so, they can gain a sustainable strategic competitive advantage over other institutions in the sector. Private learning in Iraq plays a significant role in the higher education system of the country.

Investing in organizational characteristics that promote innovation in generating new creative initiatives ensures the establishment of a sustainable advantage is unmatched. The organizational culture that supports strategy and organizational structure plays a crucial role in fostering dynamic capabilities by influencing administrative procedures and organizational processes.

### 5.1. Limitations, Future Suggestions and Implementations

Regarding limitations, there are several potential constraints of the current research. The data for this study was collected using a 5-point Likert scale. It is recommended that future studies utilise a 7-point Likert scale to gain a more comprehensive understanding of the respondents' opinions. In addition, the data for this study was collected from a higher education institution in Iraq. Collecting data from multiple countries and conducting a comparative analysis would be a fascinating endeavour. In addition, the data collected was analysed using SPSS. There are numerous advanced techniques available for data analysis, such as PROCESS MACROS or AMOS. It is recommended that future research utilise any of these techniques for data analysis.

This study offers theoretical implications that align with previous research. This study emphasises the importance of capabilities in predicting the SCA. In addition, the present study explores the intricate relationship between dimensions of DC, contributing to the existing body of limited literature in this context. There has been a limited number of studies conducted in the past to investigate the factors that can predict SCA within higher education institutes. This research aims to bridge that gap as well. The current research provides valuable insights for Iraqi decision makers and educators in the field of education.

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## Author Contribution

Conceptualization: Zafar Nasser Hussain; Layla Mohsen Al-Hakeem

Data Curation: Jinan Mahdi Shaheed; Alaa Hussein Fadhil

Formal Analysis: Ahmed Abdullah Amanah

Funding Acquisition: Alaa Hussein Fadhil

Investigation: Alaa Hussein Fadhil; Layla Mohsen Al-Hakeem

Methodology: Zafar Nasser Hussain

Software: Ahmed Abdullah Amanah

Validation: Jinan Mahdi Shaheed

Visualization: Jinan Mahdi Shaheed

Writing – original draft: Zafar Nasser Hussain; Layla Mohsen Al-Hakeem

Writing – Review & Editing: Ahmed Abdullah Amanah; Alaa Hussein Fadhil

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