

The Role of Intellectual Capital Strategies in Raising the Level of Organizational Performance: Field Research in the Directorate of Municipalities of Anbar

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This research has highlighted two main variables: intellectual capital strategies and organizational performance. The first is a modern tool that is very reliable in raising the levels of the future performance of the organizations, as it tried to provide an ideological and philosophical framework for the most prominent of the scientific writers and researchers in the literature of management and organization to the extent whether, sample of (125) individual were applied on them from different administrative levels in the Directorate of Municipalities of Anbar. The independent variable represents intellectual capital strategies through three areas (human capital strategy, structural capital strategy, and relative capital strategy), while the approved variable represents organizational performance through its four perspectives (Financial Perspective, customer Perspective, Internal processes Perspective, Environmental Perspective, and Learning, growth and creativity Perspective). Questionnaire used in research as a main tool for collecting data and information. It sought to test the main and sub-research hypotheses between the correlation variables and the effect to answer the questions of the problem and achieve the goals set. the data was processed using some statistical methods and tool appropriate to the nature of research. A positive relationships and effects were found of intellectual capital strategies in raising the level of organizational performance, which came in line with the hypotheses.

Key words: *Intellectual capital Strategies, Human capital Strategy, Structural Capital Strategy.*



Introduction

Today's organizations belong to a highly dynamic and changing environment. As they grow in the first decade of the 21st century, events have made it difficult for organizations to control them. Even today's organizations are the age of knowledge economy, globalization, contemporary production, acute competition and the revolution in information and communication systems,

As a result of the pressures imposed by these events, organizations had to shift to new organizational patterns that were flexible, focused on knowledge and on intangible assets or so-called intellectual capital in generating value. After the physical capital was the main production element in the industrial societies, in the age of informatics, knowledge and wisdom, the situation changed as the organizations that owned the knowledge became the master, and those who did not have this knowledge emerged from the competition market. Interest in intellectual capital has increased, and has become seen as the only indicator of successful organizations, helping to achieve excellence.

Intellectual capital represents the outstanding capabilities of human resources and the customer-related structural assets of the relationship between the organization and its clients, which in turn will reflect on the performance of organizations, which is now one of the real indicators to judge the future of these organizations and their uniqueness and thus improve their performance.

On this basis, the idea of this research came up with its contemporary subjects (intellectual capital strategies, organizational performance), which were produced by the nature of the stage, being decisive factors of success for any organization in light of the challenges that it faces and which may be the reason for making any organization far from competitive, Perhaps even further of the Organization's survival and continuity is doubtful.

Our environment and Iraqi organizations are need for such research and studies, the aim of the present research is to review theoretical, philosophical and intellectual proposals in the theoretical aspect, and to answer the questions of the problem on the field side, which is the relationship and impact of intellectual capital strategies in organizational performance.

In order to achieve the desired objectives, the research divided into four topics, the first dealt with the research methodology, the second topic is the theoretical framework, while the third was devoted to the field framework and the fourth included the conclusions and recommendations reached by the research.

The first topic: research methodology and some previous cognitive efforts

First: research methodology

1. Research problem

Many international and Iraqi organizations still lack a clear vision of the importance of intellectual capital strategies and their contribution to raising the organizational performance of organizations and how to employ them in a way that ensures their success. The research came to answer a vital and important question (what is the role of strategies Intellectual capital in raising the level of organizational performance?) This question is divided into:

- a. What is the level of intellectual capital strategies in the organization in question? What is the level of interest of organizations in their basic components?
- b. What is the role of intellectual capital strategies in increasing efficiency of performance?
- c. Is the opportunities for raising the level of organizational performance increase as organizations become more interested in intellectual capital strategies?

2. Research importance

- a. Intellectual capital is an important and vital subject that research dealt with, intellectual capital as one of the most important assets to achieve a high level of organizational performance.
- b. Try to raise the interest of the organizations management on the existence of knowledge and intellectual capital and alert them to the role played by intellectual capital strategies in organizational performance.
- c. Highlighting the need for organizations to acquire expertise and knowledge and attract the most important to maintain a high level of performance or even to improve the status of the current organization.

3. Aims of research

- a. The formation of a philosophical theoretical framework on the concept, characteristics and components of intellectual capital strategies and raising some arguments in this field.
- b. To identify the extent to which organizations understand the concept of intellectual capital strategies and the extent of their contribution in raising the level of organizational performance.
- c. Develop a scale for organizations based on intellectual capital strategies to help raise the level of current and future performance.
- d. To identify the nature of correlation and influence relationships between important variables (human capital strategy, structural capital strategy, relational capital strategy) and organizational performance.

4. Hypothetical chart of research

Hypothetical chart illustrates the research variables depending on the assumptions between research variables:

1. The explanatory variable: intellectual capital strategies, which includes its elements (human capital strategy, structural capital strategy, relational capital strategy).
2. Respondent variable: organizational performance which includes perspectives (financial perspective, customer's perspective, internal operations perspective, environmental perspective, learning perspective, growth and innovation perspective).

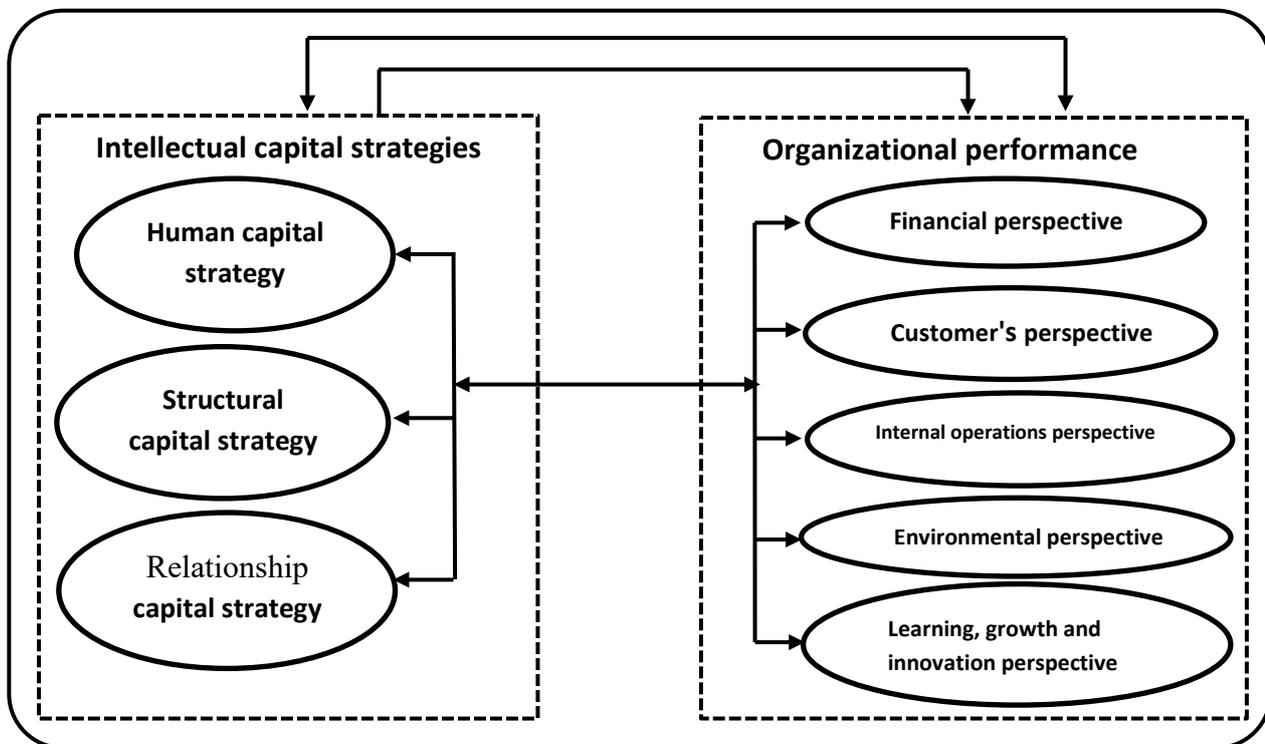


Figure (1) Hypothetical chart of research

5. Research hypothesis

- a. **The first main hypothesis:** There is a relationship of significant between the intellectual capital strategies types and organizational performance.
- b. **The second main hypothesis:** There is a significant impact of intellectual capital strategies types on the organizational performance.

6. The research community and its sample

The research community in the municipality of Anbar as an applied field for this research is then one of the public service establishments operating in the Iraqi service sector and its great importance for this sector and other sectors on the one hand and its importance to society on the other hand. The sample of the study was a purposeful sample that included all department, divisions, administrative and technical units' officials In the Directorate above, and with (125) individual.

7. Research tools

The researchers depend on various tools and methods in the collection of data and information as the following:

- a. **Resources and references available:** books, thesis's, dissertation, researches, articles and conferences related to the subject of the current research used in the theoretical side.
- b. **Questionnaire:** As the main tool for collecting data and information in the practical side, which was prepared on the basis of the (Handzic & Ozurk,2010), (Kaplan & Norton,2005), (Emadzadeh et al,2013) and (Ghafeer,2015) and adapted to the current research trends, objectives and hypotheses. The researchers used Likert scale quintet, in which the answers are classified into five grades (5-1) include fully agreed - do not fully agree.

Table (1) Questionnaire criteria of research

| Main variable | Perspective branches | Number of paragraphs | Paragraph number | Reference |
|---------------------------------|---|----------------------|------------------|------------------------|
| Intellectual capital strategies | Human capital strategy | 6 | 1-6 | Handzic & Ozurk , 2010 |
| | Structural capital strategy | 6 | 7- 12 | |
| | Relationship capital strategy | 6 | 13- 18 | |
| Organizational performance | Financial perspective | 6 | 19- 24 | Kaplan & Norton, 2005 |
| | Customers perspective | 8 | 25- 32 | |
| | Internal operations perspective | 7 | 33- 39 | Emadzadeh et al,2013 |
| | Environmental perspective | 6 | 40- 45 | Ghafeer,2015 |
| | Learning, growth and innovation perspective | 6 | 46- 51 | |

- c. **Personal interviews:** A number of interviews were conducted with the target sample individuals to explain and clarify some questions about the questionnaires to ensure the accuracy and objectivity of the answers.
- d. **The validity and consistency measurement:** the consistency of the measuring instrument can be verified by the consistency of the questionnaire paragraphs, The Cronbach's alpha test was used to calculate the consistency coefficient of the scale (0.83). This value indicates good consistency of the scale based on (Harden, 2013: 75) When Alpha Cronbach's values are not less than (0.70) become reliable and dependable, the validity of the measuring instrument is done through validity from the consistency coefficient, validity represents the root of the consistency coefficient, and calculated by the following equation: $\text{validity} = \text{square root of consistency} = 0.91$, a high level of validity of the scale.

8. Approved statistical methods

The following statistical tools have been adopted:

1. Mean: to measure the level of research variables.
2. Standard deviation: To measure the degree of dispersion in the answers from the mean.
3. Spearman's rank correlation coefficient: to determine the type of relationship between explanatory and responsive research variables.
4. Simple linear regression coefficient: to measure the effect of the explanatory variable in the responder variable.

Second: previous cognitive efforts

In this paragraph, the researchers will discuss the most important studies related to the subject of the current study, as follows:

1. Intellectual capital and business performance in Malaysian industries (Bontis,2000)

This empirical study is to investigate the three elements of intellectual capital, i.e. human capital, structural capital, and customer capital, and their inter-relationships within two industry sectors in Malaysia. The main conclusions from this particular study are that: human capital is important regardless of industry type; human capital has a greater influence on how a business should be structured in non-service industries compared to service industries; customer capital has a significant influence over structural capital irrespective of industry; and finally, the development of structural capital has a positive relationship with business performance regardless of industry.

2. Intellectual Capital and Business Performance: An Empirical study for the Greek Listed Companies (Maditions et al,2009).

The aim of this study is to empirically examine the four elements of intellectual capital (human capital, customer capital, structural capital and innovation capital) and their relationship with business performance in Greek, sample represented by 319 companies and the study concluded that the human capital is important and positively associated to customer capital in both service and non-service industries, the customer capital has an influence in structural capital rather than in non-service industries, the innovation capital seems to have an important and positive relationship to structural capital, regardless of the industry type; and structural capital has a positive relationship to business performance in both industry types, and especially in nonservice industries.

3. The Effects of Organizational Performance on the Intellectual Capital Accumulation of Taiwan-listed Biotechnology Companies: Organizational Citizen Behavior as a Moderator (Chien,2013).

The study is primarily intended to verify the effects of intellectual capital accumulation on the organizational performance of Taiwan-listed biotechnology companies, with organizational citizen behavior being the moderating variable, Interviews were conducted on the staff in section-chief or higher-level positions from financial and marketing departments at the aforementioned companies, obtaining the company ROE data from Taiwan Economic Journal database. This study's author used Simple Random Sampling to do the sampling from the population, and tested the goodness-of-fit effects of the overall model, structural model, and measurement model using Structural Equation Modeling (SEM) and identified a significantly positive interactive effect of organizational citizen behavior on the relationship between intellectual capital accumulation and organizational performance of Taiwan-listed biotechnology companies.

4. The role of intellectual capital in achieving Superior university performance: An analytical study (Rashid and Alzaidi,2014)

This study examined the role of intellectual capital in achieving superior university. The study used a questionnaire as a main tool for measuring its variables. It attempted to provide theoretical framework for some of what writers and researchers had introduced about its variables, a practical analysis of the opinions of (34) educational leaderships in a sample faculties of Al-Qadisiya university. Intellectual capital as independent variable three components (Human capital, Structural capital, and relational capital), and superior university performance as well as there is a significant statistical effect of intellectual capital with its three components on superior performance.

5. The Impact of Applied Intellectual Capital Strategy on Improving Human Resource Efficiency : An Empirical Study of Ain Shams University (Rifa'i and Khairallah,2014)

This research deals with the issue of Intellectual Capital Management and its relationship capabilities competitiveness of governmental universities, represented by the role of intellectual capital management and from the human capital in improving the performance of human resources depending on questionnaire and interview, which included the college, administrative staff and students in three faculties representing the university with (1290) responders, The study relies on descriptive analytical approach to reach specific goals which were built to combine theoretical and the field study. The results supported that there is a strong positive relationship between the independent variables representing different perspectives of intellectual capital (human capital – structural capital - relationship capital), which reflects the need to pay attention to the development of institutional performance.

The second topic: theoretical framework for research

First: Intellectual capital strategies

1. The concept of intellectual capital strategies

Many researchers have contributed to the development of a comprehensive concept of intellectual capital because it is one of the relatively modern topics, which is still full of ambiguity and therefore it is difficult to find a comprehensive and integrated concept. We will clarify some of the researches on this topic. (Stewart, 1999: 70) Intellectual capital is a property, information, intellectual property, and experience that can be put into use to create wealth. According to view (Veltri et al,2011) Intellectual capital strategies is dynamic system of Intangible Assets available for the Organization, effective management is guarantee of the enterprise, as a competitive advantage create value of the organization.

(Bulconitz,1997:78) mentioned that the intellectual capital strategies consist of three main components:

1. Human Capital Strategy: It is the knowledge, skills, competencies and other characteristics embodied in individuals that have been acquired through their lives and used in product production.
2. Structured capital strategy: includes the organization's ability to meet market requirements and stimulate the development of initiatives by taking into consideration new expectations and recognizing new ideas, concepts, and tools adapted to change.
3. capital Relationship strategy: It includes the total information about customers and their relations with the organization.

The intellectual capital is one of the most important administrative places that have received wide attention as it is a strategic resource for the organization and a real wealth, a source of innovation as well as an indicator of the organization's performance and their excellence (Ghorbani et al., 2012: 5208). (Bradley,1997: 53) recorded its the organization's ability to transform knowledge and intangible assets into resources capable of creating wealth both in the organization and in the economy as a whole. "(Rastogi, 2003: 228) emphasized that intellectual capital is a holistic energy and wealth creation by investing knowledge as an essential asset, (Carroll & Tansey,2000: 297) noted that intellectual capital is the innovative knowledge of the implementation of the business strategy of the organization that maximizes shareholder value.

(Li et al., 2006: 4) consider the Intellectual capital is the organization's possession of knowledge, Skill and new relationships that help to create a competitive advantage, this is confirmed by(Shakina & Barajas, 2012: 8), when he said that the intrinsic advantage of intellectual capital is its ability to enhance the high efficiency of other resources in the organization and the ability to add value by offering products distinct and high profitability.

2. Components of intellectual capital strategies

Despite the divergence of the researchers' views on deviating from the basic components of intellectual capital, there is agreement by most of them on the components of intellectual capital (Salleh & Selamat,2007: 75), (Muhammad et al, 2015:224), (Abdullah et al, 2012: 8), which are as follows:

a. Human capital strategy

Human capital is the most important element of intellectual capital, the element that determines the basic skills, abilities that characterize the individual (Ferreira, 2010:125), (Daft, 2003: 408) noted that the human capital is the economic value of knowledge Experiences and capabilities of employees. (Ghorbani,2012: 5209) add that the achievements of the organization depend heavily on the intellectual capabilities possessed by its members.

Human capital is no longer just an important resource owned and maintained by the organization but has become a long-term investment (Zerenler et al., 2008: 32). Human capital occupies distinct importance because it is a source of innovation and organizational renovation. It can be developed through brainstorming and laboratories (Bontis,1998: 40). (Bontis,2000: 4) noted that human capital is an engine of innovation in a knowledge economy that requires a deep understanding of high levels of skills and expertise as a necessary requirement for the sustainability of an organization.

(Lothgren,1999: 215) states that there are three specific types of human capital:

- Creativity: the ability to offer new solutions rather than old ideas.
- Professional competence: the level of learning and experience that employees have.
- Social competence: the ability to harmonize with others is a high measure of performance.

b. Structural Capital Strategy

Structural capital is the second element of intellectual capital, which is a mechanism of work and structures of the organization that enables achieving a distinct level of performance. This means that having an intellectual capital means having the ability to create a cultural and creative regulatory environment by giving workers more freedom to put forward their views and ideas (Bontis,2000: 5). (Salleh & Selamat,2007: 269) added that structural capital is the organization's storage of databases, maps, organizations, and routines that give the organization high value.

Structural capital is a comprehensive system of procedures to find solutions to complex problems and create value (Gilaninia & Matak,2012: 22). Structural capital is what remains for the organization after employees leave their homes and can unite with human capital as the capital of relations. (Brooking,1997: 1) notes that structural capital has been established after activities in the Organization, including:

- Management philosophy: represented by what managers believed in their organizations, especially in what is the mission and organizational goals.
- Organization culture: how the organization performs work according to patterns and values. Culture must reflect the vision of the organization and must be consistent with the mission and organizational goals.
- Management processes: mechanisms in which the organization can implement mechanisms and address managers for their problems and quality control processes.
- Technical Information Systems: The databases needed to make knowledge use technical processes to accomplish their goals.
- Networking: covering all individuals working in the organization and knowing what is happening inside and outside the organization.

C. Relationship capital strategy

The relationship capital or customers is sometimes referred to as the organization's network of relations, which represents its external relations with customers and reflects their satisfaction and loyalty, which includes the knowledge process of distribution channels and suppliers (Bontis,2000: 5),(Chang & Lee,2012:82) confirm that the relational capital is the initiative to maintain customers and develop relationships with suppliers and business partners.

Relationships are two-fold (internal and external). The internal aspect is the satisfaction of customers, employees, and stakeholders in the organization, while external relations with suppliers, processors and other distribution channels and others.

(Bocheli et al.,2012: 9) pointed out that relative capital is related to the extent to which the organization is able to possess productive knowledge based on social networks, and it also reflects the social interaction with the business community in order to create wealth. (Abdulali,2012: 1) referred that the relational capital consists of all accumulated knowledge assets through the organization's relationships with its long-term clients.

(Seleim & Ashour, 2004: 333) mentioned that the growth of the relative capital depends on human capital and structural capital and relative capital is the bridge between them.

Second: Organizational Performance

1- The concept of organizational performance

The issue of performance is one of the most important topics of interest to the management of industrial or service organizations, because by measuring performance, the organization is determined where to achieve the goals it seeks to achieve both in the short term and in the long term, It considers it appropriate to achieve all the planned objectives (Al-Mahayawi,2006: 357). According to (Daft,2003: 12), performance is the organization's ability to achieve its goals through the use of available resources in an efficient and effective manner. (Wheelen & Hunger,2004: 243) stated that performance is the end result of organization activities. In the same vein, (Lebens and Euske,2006: 71) emphasized that the performance is a set of financial indicators that provide adequate information on the extent to which the organization is able to achieve goals

In the last few years, organizational performance has become a central theme in the management of organizations (Simone,2014: 46). As a result of the variable factors faced by organizations in the markets, and to maintain competitive advantage under such circumstances, organizations must strive to improve their business performance increasingly gain an insight into which the organization can develop its human resources as well as improve its measurement of performance (Caliskan,2010: 107)

Organizational performance is the measure and indicator that measures the organization's ability to achieve objectives. Organizational performance is also matched by product quality, customer attractiveness, customer satisfaction as well as the relationship between individuals and management, and vice versa (Singh and Kassa,2016:644) And the organizational performance is linked to the financial factors of the organization. (Kazimoto,2016: 519) believes that the financial factors of the organization have a significant impact on achieving effective performance in the organization as well as highlighting the participation of workers

which considering the most important factors to achieve effective performance and for a long term.

The organizational performance also refers to the outcomes of the overall interaction of organization activities with its resources, which is the organization's ability to obtain good people and retain good results (Schermerhorn et al., 2000: 26).

Organizational performance is the product output of the system in terms of items/services (Mustaffa,2012: 10). If the operational performance of the organization depends largely on a set of factors, all of which contribute to achieving organizational performance as a whole to achieve the objectives of the organization. The interaction of a group of individuals, technology, operations, as well as the availability of sufficient skills and capabilities to achieve that interaction, which in turn leads to the provision of high-quality products within a specified time period.

The performance evaluation process is an important process because it is conducted to enable each individual in the organization to analyze and study performance and compare it to the planned goals (Mccourt and Derek, 2003: 209).

(Sampe,2012: 47) has introduced the concept of organizational performance according to several aspects. The organizational performance of investors is high returns on capital and high-profit levels and high confidence in the capabilities of the management team. It also means reasonable prices, high output, quality of services and quick delivery. The organizational performance of employees means compensation, good remuneration, support, respect, and fair dealing as well as repeat work, increase sales, and organizational performance of stakeholders means compliance with rules, openness, and honesty in dealing as well as social responsibility and prosperity.

2. Objectives of organizational performance

The process of evaluating the organizational performance of the organizations is very necessary to manage them in particular, where it can achieve several goals, the most important of which are: (Al-Mahayawi,2006: 359).

- A) Helps to know the degree to which the resources available to the Organization are utilized in relation to the objectives to be achieved.
- B) Determine the internal situation in terms of strengths and weaknesses, as well as the opportunities and threats that surround the organization in its external environment.
- C) Develop future plans for the organization.
- D) help rationalize management decisions in different areas of the organization; (Al-Karkhi,2001: 41) added many of the goals that the performance seeks to achieve, including the following:

- a. Enable higher management of the organization to obtain a clear picture for a comprehensive evaluation review;
- b. Rational use of available resources to achieve the highest returns and the lowest costs and good quality.
- c. A comprehensive assessment of the national economy based on the results of the evaluation of each project.
- d. Formation of a large information base used in the design of balanced and realistic scientific policies and plans.
- e. Identify the sites of imbalance and weakness in the activity of the Organization and work to get rid of them through the development of appropriate solutions to them after analysis and knowledge of the causes.

(Armstrong,2008: 71) argues that human resource represented by training, performance assessment, and development lead to enhanced personnel efficiency, which in turn leads to higher levels of organizational performance. *Figure 2* illustrates this.

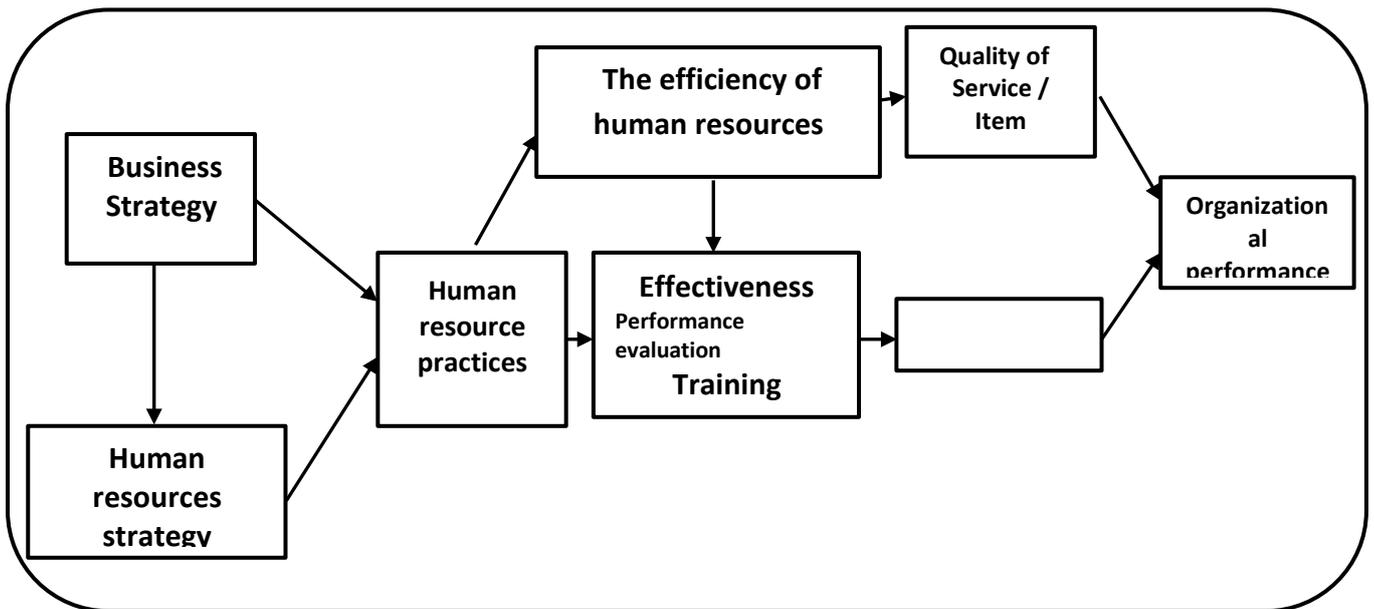


Figure (2) HR practices in raising organizational performance levels
Source: (Armstrong,2008:71)

3 - The perspectives of organizational performance

The researchers differed in determining the perspectives of organizational performance. The reason for this is the importance of the organizational performance of the organizations as well as the entry of this concept to all levels of the organization and its objectives. (Al-Mahamid et al., 2015: 577): The perspectives of organizational performance are composed of several sections including the **financial perspective**, which reflects the economic results resulting

from the implementation of the strategy of the economic unit and the standards that consider under this axis, most often include operating income, return on investment, Sales growth, cash flow, economic value added, and customer perspective and is related to the extent of the company's ability to meet the requirements and needs of customers of goods and services added value containing the characteristics of the product or service provided exceed the price paid and customer expectations and this refers to that value-added products and services will achieve customer satisfaction and loyalty, which will reflect positively on market share. **Internal Processes Perspective**, Internal operations are all the internal activities of the organization from other organizations through which the needs of the customers are met and the objectives of the owners. Therefore, the scales associated with the internal operations of the balanced performance is supposed to emanate from processes that have the greatest impact on customer satisfaction. **The perspective of learning, growth, and creativity**; This perspective focuses on developing the capabilities of employees as their infrastructure, which builds and develops the organization, as well as the nature and quality of regulatory systems and procedures, which ultimately lead to the goals of customer satisfaction. Here, emphasis must be placed on employee satisfaction, keep them and their productivity. (Kalling,2003: 74), when he said that the perspectives of organizational performance are: **financial performance, customer satisfaction, the efficiency of operational performance, and opportunities for learning and growth**. (Reimann et al., 2011; Wu and Lu, 2012; Ernst et al., 2011) noted that the perspectives of organizational performance are divided into: **financial perspective**; which reflects the economic consequences of the regulatory implementation of the economic unit, **Customers perspective**; this reflects the organization's ability to meet customer requirements, **Internal processes perspective**; All the internal activities and activities of organizations that recognize it from other organizations, **learning, and growth perspective**; developing the capabilities of the workers within the organization as the main factor in the development, building, and advancement of the Organization (Al-Mahamid et al.,2015: 569). In this context, (Ghafeer,2015: 33-42) specify the perspectives of the balanced score card in six perspectives: **Financial perspective, customer's perspective, internal operations perspective, a perspective of learning, growth, and creativity, environmental perspective, and social responsibility perspective**. For the purposes of this research, the following five perspectives of organizational performance were adopted: **financial perspective, customer's perspective, internal operations perspective, learning perspective, learning, growth and creativity perspective, environmental perspective**. Being the most comprehensive and agreed upon by most writers and researchers.

Third: Interrelationships between intellectual capital strategies and organizational performance

In this section, the researchers explore the interrelationships between the research variables. The main concern is to discuss the views of the researchers and to form a comprehensive vision for analyzing the philosophy of the relationship between the research topics, by reference to

the visions and philosophical assumptions in the previous studies and cognitive efforts, whether theoretical, conceptual or experimental.

Organizations have long relied on the building of intellectual capital strategies as a critical success factor for all organizations of all types and forms, including public organizations, which use intensive knowledge for greater levels of performance, as well as providing better services to society (Frusinoiu et al., 2017: 1001) He explained that the role of intellectual capital in performance is two formulas. Figure (3)

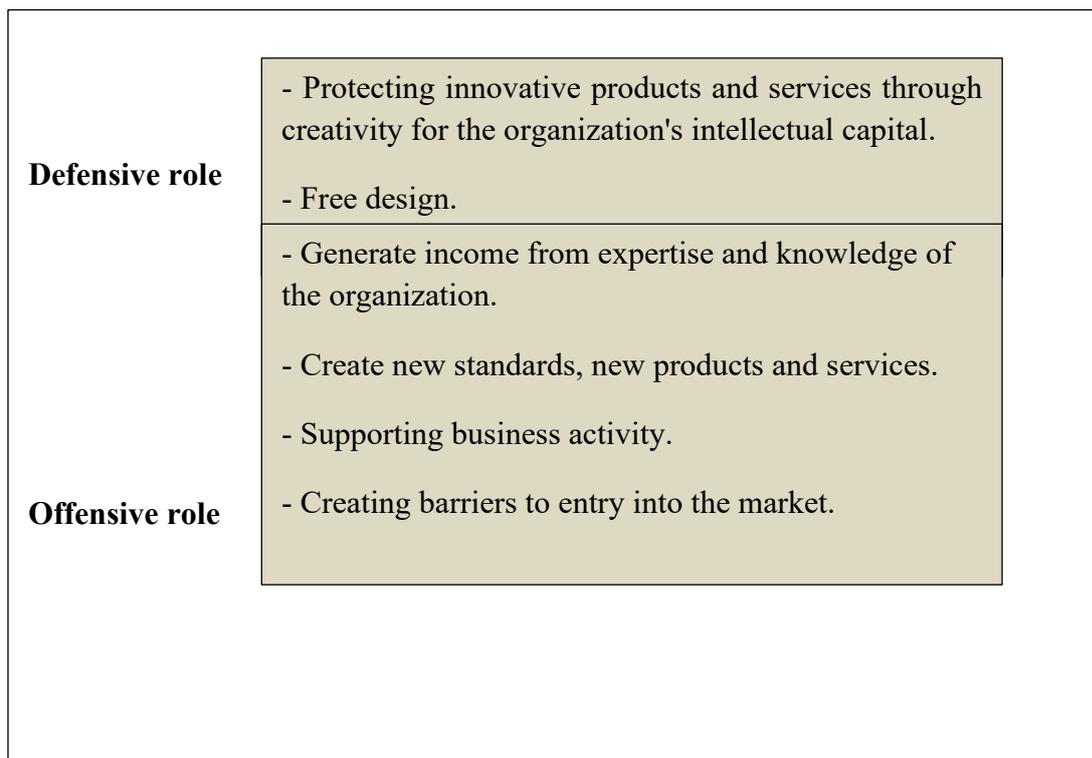


Figure (3) the role of intellectual capital in the performance of organizations
Source: (adapted from Sullivan, 2000).

In their study of the impact of working capital on the performance of four factories in Iran, (Emadzadeh et al., 2013: 98-103) noted that intellectual capital as intangible assets has a greater impact on today's knowledge-based economy, with organizations focusing on capital Intellectual advantage is competitive to generate profits and create value.

They noted that intellectual capital has a very positive effect on all performance indicators used for the Balanced Scorecard entry. This indicates the importance of the role of intellectual capital in performance, so the internal resources and capacities of the organizations must be more concerned.

In his assessment of the relationship between the sub-components of intellectual capital and performance in small companies for the electrical and electronic industries in Pakistan,

(Muhammad et al., 2015: 228-238) concluded that there is an adaptation of intellectual capital perspectives to their impact on organizational performance, while the only one that has not shown its impact on the performance of these companies is human capital.

The researchers conclude that there are signs of the role of intellectual capital strategies in the organizational performance of the intellectual and practical nature, which requires the building of competitive strategies with intellectual capital to raise and improve the level of performance in organizations.

The third topic: Analysis of the answers of the sample members and Testing hypotheses

First: Analyzing the responses of the research sample members on the strategies of intellectual capital

The following table shows that the mean of the variable of intellectual capital strategies reached (2.91), which is a mean of a slightly less than the theoretical mean. This indicates the weak to medium interest by the members of the research sample in intellectual capital with standard deviation (0.84). This indicates the good harmony in the responses of the members of the research sample on the paragraphs of this variable. This is confirmed by the coefficient factor (28.98%), while the strategies of this variable were as follows:

Table (2) The results of the variable of intellectual capital strategies

| Perspectives | Mean | Standard deviation | Coefficient of variation |
|--------------------------------------|-------------|---------------------------|---------------------------------|
| Human Capital Strategy | 2.92 | 0.77 | 26.36 |
| Structural capital strategy | 2.95 | 0.86 | 29.43 |
| Relationship capital strategy | 2.88 | 0.90 | 31.42 |
| Total number of variable | 2.91 | 0.84 | 28.98 |

- 1. Human Capital Strategy:** The mean for the human capital (2.92), which is slightly less than the hypothetical mean. This indicates the poor interest of the research sample in the human capital in the sample, and the standard deviation reached (0.77). On the good harmony in the answers of the members of the research sample on the questions, as confirmed by the variation coefficient at (26.36%).

2. **Structural Capital Strategy:** The organizational mean of the structural capital (2.95). It is a mean of a slightly less than the mean hypothetical mean. This indicates the weak interest of the research sample in the structural capital in this directorate. This indicates the good harmony in the answers of the members of the research sample on the questions that are pending in this organization. This is confirmed by the variation coefficient (29.43%).
3. **Relationship Capital Strategy:** The organizational mean of the relational capital (2.88) which is the mean less than the hypothetical mean. This indicates the poor interest of the research sample in the relational capital in the sample, and the standard deviation reached 0.90. Indicates a very good harmony in the responses of the sample of the research on the outstanding questions of this organization, as confirmed by the variation coefficient (28.98%). *Figure 4* illustrates this.

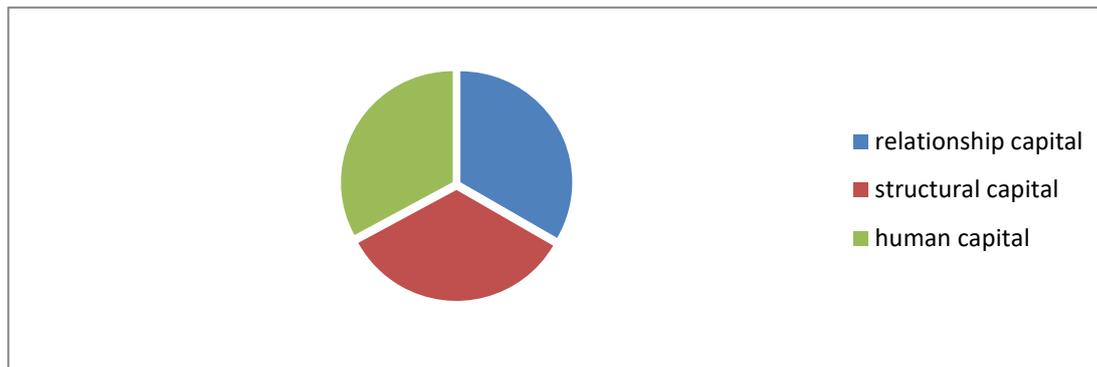


Figure (4) Summary of results

Second: Analysis of the answers of the members of the research sample on the organizational performance variable

In the table below, we conclude that the mean of the organizational performance variable reached 3.06, which is a mean of slightly higher than the mean hypothetical mean. This indicates the interest of the sample in organizational performance and the attempt to improve it. The standard deviation of this variable is 0.88, which indicate good homogenous of answers of research sample which confirmed by variation coefficient (28.95%), while the perspectives of this variable were as follows:

Table (3) The results of the variable of organizational performance

| Perspectives | Mean | Standard deviation | Variation coefficient % |
|---------------------------------|-------------|--------------------|-------------------------|
| Financial | 2.98 | 0.951 | 30.70 |
| Costumers | 3.47 | 0.88 | 25.52 |
| operational processes | 3.00 | 0.87 | 29.04 |
| Learning, growth and innovation | 3.06 | 0.83 | 27.23 |
| Environment | 3.01 | 1.00 | 33.44 |
| Total number of variable | 3.06 | 0.88 | 28.95 |

- The financial perspective:** The mean of this perspective (2.98) is slightly lower than the mean hypothetical mean. This indicates the weakness of interest by the sample members in the financial perspective of the directorate. The standard deviation of this perspective is (0.951), which indicates the good harmony in individual answers (30.70%).
- The customers perspective:** The mean of this perspective (3.47), which is higher than the hypothetical mean and this is evidence of the interest of the directorate to provide renewable and active services for customers (community), the standard deviation (0.88) This confirms the good harmony in answers of sample on the paragraphs of this perspective, and confirmed by the variation coefficient at (25.52%).
- The internal operations process perspective:** It was found that the mean of this perspective reached (3.00), which is equal to the hypothetical. This indicates the average interest of research sample by the Directorate in internal operations, and the standard deviation reached (0.87) In the answers of the sample on this perspective, and confirmed by the variation coefficient, which reached (29.04%).
- The learning, growth and innovation perspective:** mean of this perspective reached (3.06), which is approximately equal to the hypothetical mean. This indicates the average interest of the sample in learning and innovation to provide new services, and the standard deviation reached (0.83) In the answers to the sample, confirming by the variation coefficient at (27.23%).
- Environmental perspective:** It was found that the mean of this perspective reached (3.01), which is equal to hypothetical mean and this indicates the average interest of the sample to the environment and the pursuit of its sustainability. The standard deviation of this perspective is (1.00) which indicate homogenize answers of research sample on the paragraphs of this perspective, as confirmed by the variation coefficient (33.44%). *Figure 5* illustrates this.

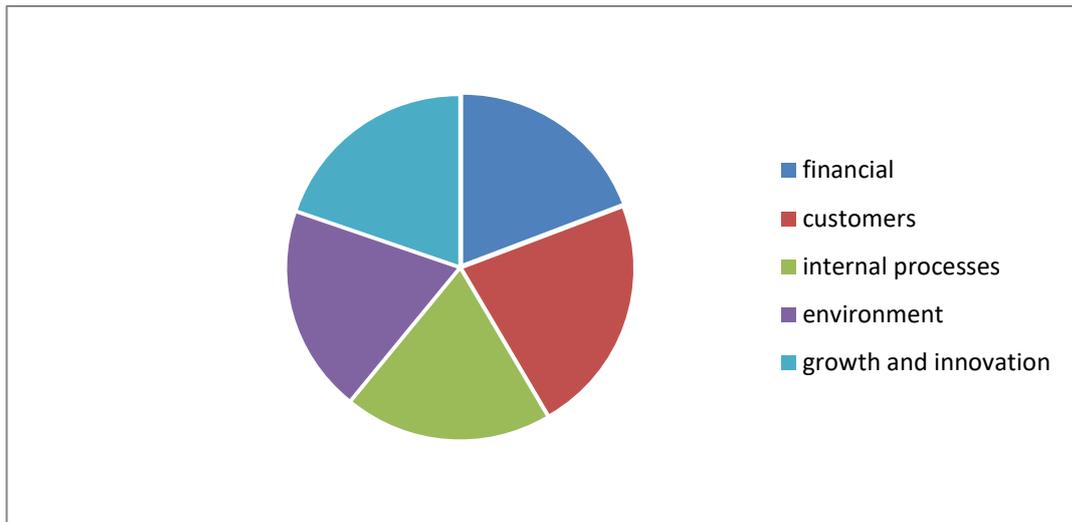


Figure (5) Summary of results

Third: Test the hypothesis of correlation

Table (4) The results of analysis of Correlation

| Respondent variable explanatory variable | Financial perspective | Costumers perspective | Internal processes | Learning, growth and innovation | Environmental perspective | Total organizational performance |
|---|------------------------------|------------------------------|---------------------------|--|----------------------------------|---|
| Human capital | 0.441** | 0.372* | 0.462** | 0.511** | 0.335* | 0.481** |
| Structural capital | 0.351** | 0.472** | 0.357* | 0.482** | 0.437** | 0.500** |
| Relationship capital | 0.360* | 0.427** | 0.462** | 0.411** | 0.338* | 0.436** |
| Total of intellectual capital | 0.453** | 0.471** | 0.437** | 0.488** | 0.401** | 0.520** |

** 0.01

*0.05

From the table above we conclude:

1. All correlation between intellectual capital strategies and organizational performance perspectives were moderate with significant differences between (0.01) and (0.05).
2. The correlation between intellectual capital strategies and Learning, growth and innovation perspective was the strongest relationship (0.488**), which is a significant (0.01). This indicates the importance of innovation, growth, and learning for intellectual capital in the surveyed directorate.
3. The total correlation between the strategies of intellectual capital and organizational performance (0.520 **) at a significant level (0.01).
4. From all this, we conclude from the validity of the first main and the hypotheses emanating from them, which states (the existence of a relationship of significant statistical significance

between the strategies of intellectual capital and organizational performance in the investigated directorate).

Fourth: test the impact hypotheses

Table (5) The results of analysis of Regression

| dependent variable independent variable | Organizational performance | | | |
|--|----------------------------|----------------|-------|------|
| | F | R ² | B | T |
| intellectual capital | 23.901 | 0.341 | 0.400 | 6.76 |

Df (1,123)= 6.84

From the table above we conclude:

1. The calculated value of (F) was 23,901, which is higher than the value of F-table. This confirms the relationship between the strategies of intellectual capital and organizational performance.
2. The value of (R²) has reached (0.341). This means that intellectual capital strategies explain 34.1% of changes in organizational performance and the remaining 65.9% are due to the effect of other variables not included in the sample of current search.
3. The value of (β) has reached (0.400) This means that the change in intellectual capital strategies by one unit leads to a change in organizational performance by (40%).
4. The significance of t (calculated) was 6.76, which is higher than the value of t-table.
5. From all this, we conclude from the validity of the second main hypothesis that (there is a relationship with statistical significance for strategies of intellectual capital on organizational performance).

Conclusions

1. Generally, the sample of the study pays a clear attention to the strategies of intellectual capital which would positively affect a good level of performance.
2. The sample of the study focuses attention on achievement of good performance through paying good attention to operations, client's satisfaction, and learning and growth as well.
3. The sample of the study shows a varying degrees of attention to the dimensions of the strategies of intellectual capital which indicates that the sample of the study has priorities as far as human capital, relational capital, and structural capital are concerned.
4. Directorate of Anbar Municipality employed its good attention to intellectual capital to achieve good levels of performance and this is due to the attention it paid to human, relational, and structural capital.



5. A good correlation was found between strategies of intellectual capital and organizational performance on one side and the dimensions of intellectual capital strategies and organizational capital on the other side.
6. The researchers found out that the collective attention to strategies of intellectual capital and their dimensions have great role in achieving good levels of performance.

Recommendations

1. Pay more attention to the strategies of intellectual capital in general and necessity of highlighting the significance of this capital and the significance of achieving high levels of performance.
2. Highlight all fields that can raise the levels of performance and achieve quality of services.
3. Utilize the good correlation between strategies of intellectual capital and organizational performance on one hand and dimensions of intellectual capital strategies and organizational performance on the other hand for the good of the directorate of Anbar Municipality and further strengthen this correlation through the stimulation of its staff to achieve high levels of performance.
4. Utilize the impact of strategies of intellectual capital and their dimensions on organizational performance to improve the services presented to the citizens.
5. Hold training courses to cultivate human and intellectual potentials and stimulate the performance of the staff.



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