

How to Cite:

Salah, Z. The impact of defining strategic direction on investing and exploiting core capabilities: A case study of Lafarge Cement M'Sila LCM. *International Journal of Economic Perspectives*, 19(3), 681–701. Retrieved from <https://ijeponline.org/index.php/journal/article/view/894>

The impact of defining strategic direction on investing and exploiting core capabilities: A case study of Lafarge Cement M'Sila LCM

Zabi Salah

Dr Management Sciences, Specializing in Strategic management Training
institution: Laboratory of Economic Strategies and Policies in Algeria, Faculty of
Economics, Business and Management Sciences– Msila University, Msila, Algeria

Abstract---The study aimed to identify the impact of defining the strategic direction with its dimensions in investing and exploiting the core capabilities of Lafarge Cement M'sila Company. To achieve this, a questionnaire was developed to collect data, distributed to a random sample of (100) employees. For the purpose of descriptive analysis of the data, the (SPSS) program was used, and to test the hypotheses, structural modeling was relied upon using the SmartPLS4 program. The study found that there is a statistically significant effect at the significance level ($0.05 \geq \alpha$) to determine the strategic orientation with its combined dimensions in exploiting and investing in core capabilities, and that the dimensions of the strategic orientation explain (62.30%) of the dependent variable represented in exploiting and investing in core capabilities. Based on the above, the researcher presented a set of recommendations.

Keywords---Strategic Direction, Core Competencies, Lafarge Cement M'Sila

Introduction

The contemporary environment has witnessed many challenges and fluctuations during the last two decades, in various economic, social, cultural and technological fields, in light of the emergence of increasing environmental and competitive pressures characterized by intense competition, complexity, turmoil and uncertainty, which prompted modern business organizations to search for new ways to confront fierce competition, through which they try to achieve qualitative and quantitative leaps that exceed the ambitions of their counterparts in their work environment. The traditional methods of learning, thinking and

knowledge addition are no longer sufficient in the world of advanced information and digital technology, which has become the manager's partner in leading the organization and continuously qualifying him for creativity and development. Creative mental and intellectual processes have become the most present and influential in untangling the bonds of environmental and organizational complexity with analytical methods and philosophical principles that guarantee the organization's survival and growth. In order for the organization to be able to achieve its mission and goals in the environment in which it operates, it must practice a number of activities and tasks that require different skills, knowledge and behaviors to accomplish them, in a manner that is consistent with its values and culture. Here, the importance of strategic core capabilities and how to build them emerges. And its use as one of the influences that play a major role in supporting and assisting the organization to achieve its goals and the goals of its employees, effective and good control in managing rapid environmental changes, which ensures its continuity and achieving high levels of performance through the management's focus on determining the strategic direction, which is considered the cornerstone for formulating organizational frameworks and the success of any institution, as the strategic direction is one of the modern administrative concepts that are concerned with determining the future of the organization, and the broad goals that it seeks to achieve, as it expresses a realistic understanding of what is happening in the internal environment of the organization, and an attempt to identify its strengths and weaknesses, and an understanding of its external environment and an attempt to identify the opportunities and risks involved, which enables anticipating the future and preparing for it, by formulating a set of strategic alternatives that lead the organization to achieve its goals, and providing better conditions and circumstances that contribute to facilitating the achievement of these goals.

Problem of the study

This research studied the following problem : **What is the impact of determining the strategic direction in investing and exploiting the core capabilities of Lafarge Cement M'Sila ?**

The purpose of the study can be achieved by answering the following questions :

- What is the impact of the strategic vision on investing and exploiting the core capabilities of Lafarge Cement M'sila ?
- What is the impact of the organization's message on investing and exploiting the core capabilities of Lafarge Cement M'sila ?
- What is the impact of formulating strategic objectives on investing and exploiting the core capabilities of Lafarge Cement M'sila ?
- What is the impact of establishing core values on investing and exploiting the core capabilities of Lafarge Cement M'sila ?

Hypotheses

To answer the study problem and its sub-questions, the following hypotheses were formulated :

General hypothesis: There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) to determine the strategic orientation with its dimensions (strategic vision, organization message, strategic objectives, core

values) in investing and exploiting the core capabilities in Lafarge Cement M'Sila Company.

The following hypotheses branch out from this general hypothesis :

- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for formulating the strategic vision in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.
- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for determining the organization's message in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.
- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for formulating the strategic objectives in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.
- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for setting the core values in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.

Importance of the study

The practical importance of this study lies in the fact that it attempts to provide practical proposals to Lafarge Cement M'Sila Company to help its leadership in enhancing strategic thinking among its cadres and employees. The importance of the research also lies in shedding light on the nature of the relationship between determining the strategic direction and investing and exploiting the essential capabilities due to its importance in development and progress in the present era that depends on growth and creativity.

Study objectives

This study also aims to identify the impact of determining the strategic direction in investing and exploiting the core capabilities of Lafarge Cement M'sila Company, and the following sub-objectives emerge from this objective :

- Knowing the level of adoption of the dimensions of the strategic direction in Lafarge Cement M'sila Company.
- Identifying the level of interest in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.
- Providing suggestions and recommendations to decision-makers in light of the results that the study will reach regarding the impact of determining the strategic direction in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.

Study model

Based on the intellectual framework of the study topic, and in light of the study problem and objectives, the researcher prepared a research plan that embodies the relationship between the study variables and the directions of influence therein. The hypothetical model was designed and the study dimensions were adjusted. The following figure shows the hypothetical model of the study:

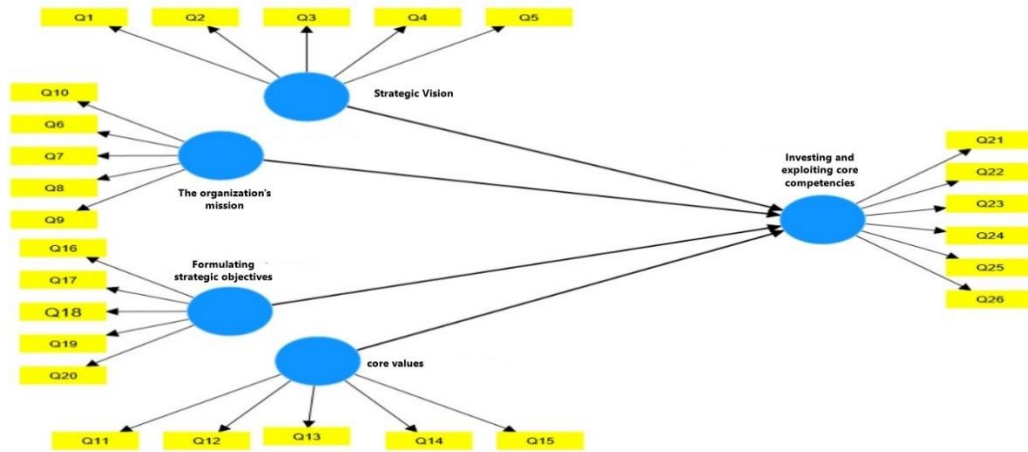


Figure 1. Study Model

Source : Prepared by the author himself based on SmartPLS 4 Program

2. Strategic direction

Determining the strategic direction of the organization means developing a long-term strategic vision for the strategic intent, which in turn reflects the personal views of the inspiring leader. If the strategic leader can clarify his personal viewpoint and involve his subordinates in it, he will gain their support for his strategic vision, which makes the strategic intent a characteristic of the leader, and at the same time it is something common and clear to everyone (Ali Aso & Abbas Hussein , 2016). Those who follow the definitions of strategic orientation will notice the extent of the variation and difference between writers and researchers, as the meanings of the term strategic orientation have multiplied and researchers have employed it in a manner that is consistent with their goals and research directions, and this is evident from the following definitions :

Strategic direction involves defining the image that the organization seeks to develop over time. The ideal long-term strategic direction consists of two parts : a core ideology and an envisioned future. While the core ideology motivates employees through the company's heritage, the envisioned future encourages employees to expand beyond their expectations of achievement and requires significant change and progress in order to achieve it. To define a long-term vision for the organization, managers need to take ample time to think about how to frame it. The areas need an implementation idea that includes an analysis of the organization's internal and external environment and its current performance (Michael, Ireland, & Robert , 2007).

The researcher sees from what was mentioned above that the strategic orientation is a process through which the organization's strategy is formed and formulated. It is a specific approach that the organization applies to achieve superior and continuous performance in the course of its work, as it works to establish an approach followed for the purposes of improving the organization's permanent

performance. The strategic orientation reflects the managers' awareness of the environment surrounding them and their reactions to environmental conditions.

2.1 The importance of strategic orientation :

The importance of defining the strategic direction lies in the fact that it helps define the organization with its environment, justify the legitimacy of its existence, and thus obtain support and backing from the environment. It is also a tool for coordinating all efforts in the organization, as it is a fundamental axis for achieving effective communication between all its levels. Without this communication, organizations can go in any direction. Perhaps the worst behavior is for the organization to go without a specific message or goal, meaning that its senior management or owners do not take the trouble to determine its strategic direction. The strategic direction serves the unity of thinking in the organization, as it is a guide to linking all plans in it, and helps in determining priorities for its activities, so it is a guide for allocating resources (Al-Rikabi , 2004).

The importance of strategic orientation is evident in the following elements (Al-Rubaie, 2017):

- Determining the strategic direction helps in defining the organization's environment and establishing the legitimacy of its existence.
- The strategic direction is a tool that precedes all efforts in the organization because it is a fundamental axis for achieving effective communication between all levels of the organization, and without this communication the organization may go in any direction.
- Determining the strategic direction serves the unity of thinking in the organization as it is a guide in linking all plans in it and helps in determining priorities for its activities, so it is considered a guide for allocating resources.
- Excellence in the financial and strategic performance of the organization while ensuring the development of the overall performance of the organization in the long term.
- The participation of employees contributes to forming the strategy and improving the understanding of the relationship between productivity and motivation in every strategic planning process, which motivates them to work and achieve.

2.2 Features of strategic orientation :

Many writers and researchers agree on the features of strategic orientation, the most important of which can be mentioned as follows (Abu Raden, 2012):

2.2.1 Organization management philosophy: Perlmutter (1969) was able to adopt three philosophical models that accurately determine the path of management in formulating the organization's strategy and policies, which are: a philosophy related to the cognitive aspect, a philosophy related to the political aspect, and a philosophy related to the geographical aspect.

2.2.2 Organizational orientation: There is a link between strategic orientation as an orientation for the organization and the significance of strategy for managers, whether it is a tool for achieving that suits the organization with its environment, or means to confront the state of environmental uncertainty in the future, or whether it changes as a result of changes in the situation, or whether

there is no strategy that will be compatible with all situations, as an organizational orientation it is linked to the analysis of the environment and the formation of the strategy.

2.2.3 Strategy Dynamics : The effectiveness of strategic direction is determined by using managers' thinking and employing their capabilities to understand the dynamics of organizations and their impact on the process of designing their strategies.

2.2.4 Selection approach : It can be used to describe strategic capability by giving preference to the strategic direction in answering two questions :

- ✓ What actions do we hope or want the organization to take ?
- ✓ What approach will the organization take ?

The answer to these two questions is the basis for that ability, which in turn leads to choosing the analyses, plans, decisions and actions that determine the strategic direction of the organization, and then leads to achieving its strategic goals and objectives in the dynamic environment.

2.2.5 Strategy tasks and elements : The strategic direction can be understood through the following strategic tasks :

- Forming the organization's message, including statements of purpose and philosophy.
- Developing the organization's self-file that reflects its internal conditions and readiness.
- Evaluating the organization's external environment, which includes two types of factors : competitive factors and general environment factors.
- Analyzing the organization's options by comparing its resources with its external environment and identifying the most preferred options.
- Implementing strategic options and evaluating the strategic process as inputs for making subsequent future decisions.

2.2.6 Organizational Performance Criteria: The strategic direction can be linked to the organizational performance criteria that the organization's management should consider when establishing its goals and objectives, which are profitability, efficiency, cost reduction, growth, maximizing owner wealth, market leadership (market share), technology leadership (innovation), survival, human resource needs of senior management, ... and others.

2.3 Dimensions of strategic orientation :

The opinions of researchers and writers differed regarding the definition and naming of the elements of strategic orientation. Researchers (Colins & Porras), (Certo & Peter) indicated that the strategic orientation begins with defining the future vision of the business organization, then within the framework of this vision the organization's message is defined, which represents the justification and legitimacy of the existence of the business organization. Within the framework of the vision and message of the business organization, the organization's values are defined, which express the organization's dealings with all internal and external parties, and finally the strategic goals and objectives are

derived. Based on the above, the current study addresses the following elements of the strategic orientation as follows :

2.3.1 Strategic Vision : Having a clear and distinct strategic vision is the cornerstone of building and achieving an effective strategy. Every organization must have its own philosophy and thought that distinguishes it from other organizations. Several concepts of strategic vision have been mentioned. Strategic vision has been defined as the special abilities possessed by managers, such as the ability to visualize and imagine, which are used to plan the future of the organization. It represents the ambition that the strategic manager or executive director focuses his attention on and encourages the organization's members around it as well. Vision is the first component of strategic direction. It is the dream or ambition that the organization draws and tries as much as possible to reach. Vision is a statement about what the organization wants to achieve in the future. It is the future path that determines the destination that the organization wants to reach (Ahmed, 2015).

2.3.2 Organization Message : It is an explicit official statement that explains the reason for the organization's existence and the nature of the activity it practices and represents the unique characteristics of the organization that distinguish it from other similar organizations. It differs from the organization's purpose, which expresses the expected role of the organization in its community. The process of formulating the message is a difficult and time-consuming process, but it is necessary as it provides the organization with a good basis for motivation and allocating its various resources in a more efficient manner. It also contributes to building a single language and an appropriate climate within the organization. To achieve these advantages from the mission, it must have the following basic characteristics (Al-Shamili, 2017):

- To express the organization's philosophy and what it wants to be in the future in a comprehensive and realistic manner.
- To be consistent with the organization's goals and strategic objectives.
- Its ability to create a state of integration between the organization's parts and components.
- Serving consumers and markets.
- Geographical scope of market coverage.
- Technology used.
- Factors related to the organization's survival, growth and profitability.

2.3.3 Strategic Objectives : Objectives are results that are required to be achieved, through the outputs that the organization undertakes to provide in the form of products or services with specific specifications that lead to achieving these results or objectives. Therefore, they refer to the final results of the activities, i.e. what must be accomplished from the work that the organization is doing. The objective is defined as a desired state that is better than the current situation, and that is required to be achieved within a specific period of time. There are a set of characteristics that a good objective must have, including the following (Durra & Jaradat, 2014):

- It should be linked to the organization's independent message and vision.
- It should be practical and realistic, i.e. it can be achieved according to real circumstances and data, not imaginary ones.

- It should be challenging, i.e. it should not be easy to achieve so that it loses its value as a goal.
- It should be measurable.
- There should be a timetable for its achievement.

2.3.4 Establishing the core values of the organization : Organizations that develop prestigious strategic plans are keen to include in the strategy document the core values that they adhere to to guide them in their work and principles that they establish among their employees. They are also behavioral determinants that individuals or groups accept to judge things, people, and situations around them. When the organization is keen to establish core values, it determines the main values to be guidelines for it and for the thinking of its employees, their decision-making process, and their behavior. From the above, it is clear that values are part of the organizational culture, and most of the ideas that have addressed the concept of values emphasize that they are standards, criteria, and judgments that determine the behavior of employees to what is desired. The value system provides us with a vision of the trends of individuals and the nature of the organizational culture. Some see it as a vital source in organizations that inspires all employees at all levels, and the success of the organization depends on it, as organizational values have a great impact on the process of determining the strategic direction in organizations. They affect the determination of goals and the accompanying selection and distribution of priorities for the work that needs to be accomplished. The individual's values also affect the type of information he collects, his confidence in its sources, his awareness of the meanings of this information, and how to interpret it.

3. Investing and exploiting core capabilities

In order for the organization to be able to achieve its mission and objectives in the environment in which it operates, it must practice a number of activities and tasks that require different skills, knowledge and behaviors to accomplish them, in a manner that is consistent with its values and culture. Here, the importance of strategic core capabilities emerges, and how to build and use them, as they are one of the influences that play a major role in supporting and assisting the organization in achieving its objectives and the objectives of its employees.

3.1 The concept of strategic core capabilities :

The topic of core capabilities is considered a relatively new topic in the field of strategic management, which focuses on studying the internal and external environment, and significantly explains the difference in performance between organizations by highlighting the organization's strengths in intangible internal resources that vary from one organization to another according to their form and composition, as the organization's possession of unique resources and the efficiency in employing and developing these resources makes it difficult for any other competing organization to imitate it. Core capabilities are defined by (Parahalad & Hamel) as the accumulated learning that the organization obtains, which deals with how to coordinate multiple production skills, and achieve integration between different types of technology, and thus it is related to

organizing work in the organization, and contributes to creating value (Aino, 2004).

Researchers and specialists in strategic management have provided many definitions of the concept of core capabilities. Among the most prominent of these definitions are the following :

3.1.1 First Definition : Strategic core capabilities are the complex cumulative knowledge, skills, and internal processes that enable organizations to coordinate their operations and reconfigure their assets to create economic value and achieve organizational advantage (Abazeed, 2020).

3.1.2 Second Definition : The organization invests in developing essential features in different functional fields to achieve its strategies, and strategic leaders must clarify that the organization's features are emphasized in the efforts and achievement of the strategy, as these features contribute to activating and activating the organization's energies, its dealing capabilities, its continued survival in the market, and the achievement of its various activities, as they are the spirit of the organization, its dynamism and vitality (Michael, Ireland, & Robert , 2007).

From the above and in light of the previous definitions, the researcher believes that the strategic core capabilities are the product of all the experiences, knowledge and skills accumulated within the organization, as well as the sum of internal operations and good practices at all levels of the organization, which in turn become a core capability specific to the organization and no other.

3.2 Characteristics of strategic core capabilities

The characteristics of strategic core capabilities are multiple due to their connection to all organizational levels in organizations. He pointed out (Alshebli , 2016) the four criteria for determining them, which are :

3.2.1 Valuable capabilities : These are capabilities that few current or potential competitors possess.

3.2.2 Hard-to-imitate capabilities : These are capabilities that other organizations cannot easily develop. These capabilities are created due to one or more of the following reasons: the organization is able to develop capabilities due to distinctive historical conditions, and there is also a link between the organization's capabilities and its competitive advantage in a way that is ambiguous and unclear to other organizations.

3.2.3 Costly capabilities in imitation : The unique value of the organization with relative obscurity through the use of obscure materials, social complexity through the relationships between people and technology and friendship between managers, experts and customers.

3.2.4 Non-substitutable capabilities : These are the strategic value of capabilities, as they become more difficult to replace as they become intangible. The researcher believes that among the most important strategic core capabilities are :

- Effective investment in strategic core capabilities contributes to creating value for all stakeholders.
- The organization helps achieve cooperation between its employees and empowers them, thus becoming a source of creativity and innovation.
- Strategic core capabilities enable them to achieve a high level of performance compared to competitors.
- Strategic core capabilities are an important resource for the organization and a unique source of its distinction.
- Core capabilities open doors for the organization to exploit opportunities available in the external environment.

4. Field study

4.1 Study community and sample :

The study community is represented by all employees in the institution, in order to suit this topic, which is primarily related to determining the general strategic directions of the institution, whether in relation to the independent variable, which is the strategic direction, or the dependent variable, which is the investment and exploitation of core capabilities. Therefore, the research sample was determined by the total number of employees in the institution, where the total research community was 490 individuals. As for the study sample, it was selected from the study community using the random sample method. The size of the study sample was 100 employees, as shown in the following table :

Table 1. Response rate of distributed questionnaires

Ranks	Number of employees	Distributed Questionnaires	Refundable Questionnaires	Recovery rate
Electronically distributed questionnaire	100	100	90	90%

Source : Prepared by the researcher based on human resources documents.

4.2 Characteristics of the study sample individuals :

After determining the appropriate size for each sample, we began distributing the questionnaire, which lasted for only one day, as we relied on an electronic questionnaire sent to the email of the sample concerned on February 5, 2023, and the results were retrieved electronically within a period of approximately 8 days. The demographic characteristics of the study sample individuals included two main variables: age and educational level, in addition to another variable related to the sample's job position or job position. These characteristics can be summarized in the following table:

Table 2. Demographic characteristics of the study population

Variable number	Variable	Categories	Number	Percentage %
1	The Age	Less than 30 years	7	7.8 %
		30 to 39 years	32	35.6 %
		40 to 49 years	42	46.6 %
		50 years and above	9	10 %
		Total	90	100 %
2	Number of years of experience	Less than 5 years	4	4.5 %
		5 to 10 years	10	11 %
		11 to 15 years	25	27.8 %
		16 years and above	51	56.7 %
		Total	90	100 %

Source : Prepared by the author himself based on Spss.V26 program outputs

4.3 Research variables:

In light of the study objectives, its hypotheses, and previous studies, the phrases that are agreed upon and fit the study objectives and are consistent with the concept used in the study were chosen. The researcher used the five-point Likert scale as a way to measure the opinions of the respondents towards the variables under study. The scale is graded so that it gives weight (5) to the phrase “strongly agree” and weight (1) to the phrase “strongly disagree”.

The following is an explanation of the phrases used to measure the variables.

4.3.1 Independent and dependent variables:

Table 3. Study variables

Independent Variable	The field	Expressions used to measure this variable
Strategic direction	1-5	strategic vision dimension
	6-10	the organization's message dimension
	11-15	formulating the strategic objectives dimension
	16-20	establishing the core values dimension
Dependent variable	The field	Expressions used to measure this variable
Investing and exploiting core capabilities	21-26	Investing and exploiting the core capabilities dimension

Source : Prepared by the author himself based on the distributed questionnaire

4.3.2 Statistical methods used in the study of research relationships : In order to achieve the objectives of the study and test its hypotheses, many statistical methods were used through the (SPSS) program, version (26) and the (SmartPLS4) program, where the Cronbach's alpha coefficient was calculated using the (SPSS) program. To evaluate the study model and test the hypotheses,

the structural equation modeling technique was applied using partial least squares (PLS-SEM) and is known in short as (PLS-SEM) based on the (SmartPLS4) program, as the (PLS-SEM) technique includes two basic steps :

- First: Evaluating measurement models, which involves examining indicator loadings, verifying internal consistency reliability, evaluating convergent validity, and evaluating discriminant validity.
- Second: Evaluating the structural model: This involves examining the collinearity between the independent variables, evaluating the fit and significance of the structural model relationships, examining the coefficient of determination (R^2), evaluating the effect size (F^2), and evaluating the predictive fit (Q^2).

4.3.3 Reliability test for the study scale (Chronbach's Alpha) : The test was conducted for the scale as a whole and for each of the study variables separately, and the results were as shown in the following table:

Table 4. Stability rates for study axes

Number	Dimensions	Number of dimension expressions	Chronbach's Alpha
01	Strategic Vision	5	0.880
02	Regular Message	5	0.906
03	Formulating Strategic Objectives	5	0.910
04	Setting Core Values	5	0.901
05	Investing and Utilizing Core Capabilities	6	0.881
Total questionnaire phrases		26	0.895

Source : Prepared by the author himself based on Spss.V26 program outputs

From the previous Table (04), we note that the results of the stability test for the Cronbach's alpha values for all the statements of the independent variable represented by the strategic orientation and the dependent variable represented by the investment and exploitation of the core capabilities are greater than the minimum (60%) in all the questionnaire axes, which means that the values provide a degree of internal stability for all the statements, whether for each statement separately or at the level of all the statements of the scale, as the Cronbach's alpha value for the total scale reached (0.839), which is high stability, indicating the stability of the study tool, as it enjoys internal stability for its statements, which enables us to rely on these answers in achieving the objectives of the study and analyzing its results.

4.3.4 Standard Model Evaluation Convergent Validity Test : Convergent validity is defined as the extent to which the indicators in the path model agree and converge with each other and is measured by three indicators: composite reliability (>0.70), average variance extracted (>0.50), and loading factor (>0.70).

Table 5. Convergent validity test results for the standard model of the study

Dimensions	Indicators	Load factor (>0.70)	Composite reliability (>0.70)	Average variance extracted (>0.50)	Cronbach's alpha	decision towards each indicator
Strategic Vision	Q1	0,898	0,791	0.624	0.880	Not delete
	Q2	0,909				Not delete
	Q3	0,791				Not delete
	Q4	0,947				Not delete
	Q5	0,815				Not delete
Organization's Message	Q6	0,830	0,943	0.734	0.906	Not delete
	Q7	0,903				Not delete
	Q8	0,913				Not delete
	Q9	0,789				Not delete
	Q10	0,950				Not delete
Formulating Strategic Objectives	Q11	0,839	0,799	0.743	0.910	Delete indicator
	Q12	0,867				Not delete
	Q13	0,871				Not delete
	Q14	0,745				Not delete
	Q15	0,883				Not delete
Setting Core Values	Q16	0,867	0,858	0.719	0.901	Not delete
	Q17	0,727				Not delete
	Q18	0,934				Not delete
	Q19	0,843				Not delete
	Q20	0,855				Not delete
Investing and Utilizing Core Capabilities	Q21	0,837	0,867	0.682	0.881	Not delete
	Q22	0,835				Not delete
	Q23	0,779				Not delete
	Q24	0,818				Not delete
	Q25	0,775				Not delete
	Q26	0,783				Not delete

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

From the previous table (05), we notice that all the values of the statements for the composite reliability exceed the value of 0.7, so we can describe the study tool as stable and that the value of AVE is greater than 0.5 for all dimensions of the study, meaning that the convergent validity is achieved, and that all coefficients (Cr) are significant because they are greater than 0.7, and this indicates the existence of a correlation between the study paragraphs in measuring the latent variables, which indicates the existence of good reliability for the measurement model, i.e. it is characterized by internal consistency and model quality.

4.3.5 Discriminant validity: Through this measure, we can know the extent to which the latent variables are distinct from each other and their association with other variables. This is done by comparing the square root of the AVE of the latent variables. Discriminant validity can be evaluated based on the Larcker-Fornell

criterion, where it is required that the square root value of the AVE of the latent variable be higher than the rest of the other latent variables. The table shows this:

Table 6. Discriminant validity according to the Fornell and Larcker Criterion for study indicators

	Strategic Vision	Organization's Message	Formulating Strategic Objectives	Setting Core Values	Investing and Utilizing Core Capabilities
Strategic Vision	0.792	0.000	0.000	0.000	0.000
Organization's Message	0.646	0.788	0.000	0.000	0.000
Formulating Strategic Objectives	0.655	0.640	0.833	0.000	0.000
Setting Core Values	0.656	0.675	0.711	0.789	0.000
Investing and Utilizing Core Capabilities	0.667	0.688	0.661	0.689	0.834

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

We note from Table No. (06) above that each of the latent variables has a value on its own greater than the value of any other latent variable, and accordingly we say that these latent variables are independent, and this proves the existence of discriminant validity for the study model according to the second criterion of Fornell and Larcker. After verifying the condition of convergent validity and discriminant validity, we can say that the measurement model is characterized by high reliability, and accordingly we can move to the second part of the analysis, which is the evaluation of the structural model.

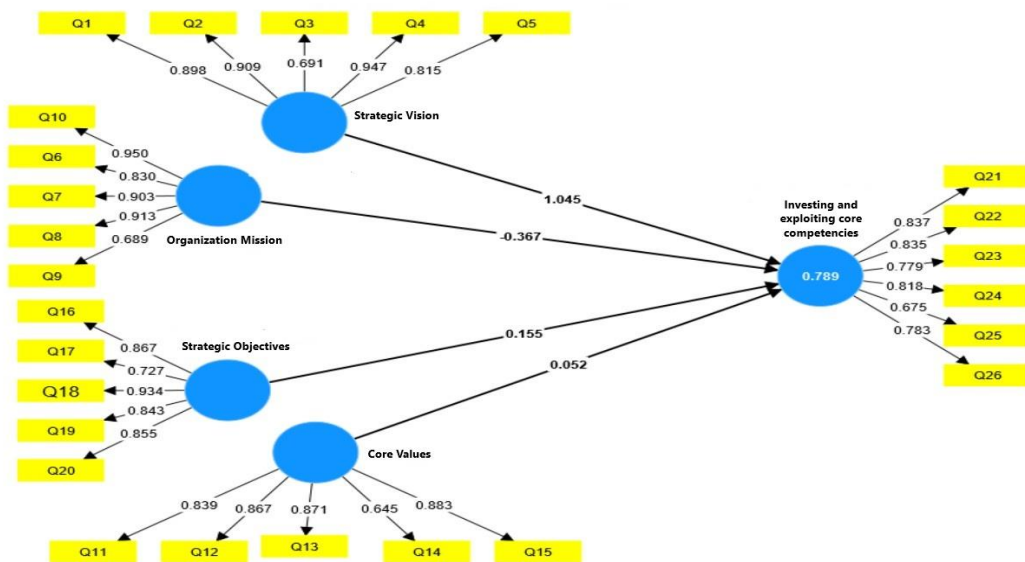


Figure 2. Final Standard Study Form

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

4.4 Structural model evaluation :

The evaluation of the structural model, which is the relationship between the independent variable, represented by the strategic orientation with its dimensions, and the dependent variable, represented by the investment and exploitation of core capabilities, is based on a set of important criteria, represented by the value of the coefficient of determination (R^2), the value of the effect size (F^2), the predictive relevance criterion (Q^2), and the goodness of fit criterion (GoF), which are shown in the following tables:

Table 7. Values of the coefficient of determination R^2 and the adjusted coefficient of determination

Dimensions of the dependent variable	Correlation coefficient R	Coefficient of determination R^2	Adjusted coefficient of determination R^2	Size of explanation (effect)
Investment and exploitation of capabilities	0,789	0,623	0,774	Medium impact

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

From the above table No. (07), it is clear that all the values of the coefficients of determination R^2 are significant and statistically acceptable, such that the four dimensions of the independent variable represented by the strategic orientation together were able to explain 62.30% of the dependent variable represented by the investment and exploitation of core capabilities. The value of R also indicates the existence of a very strong positive direct correlation between the dependent

variable and the dimensions of the independent variable represented by the strategic orientation, which confirms the validity of the values of the coefficient of determination, which indicates the quality and significance of the model.

Table 8. F² effect size values for independent variables

Dimensions of the independent variable	Investment and exploitation of core capabilities	Impact result
Strategic Vision	0.110	Low Impact
Organization Message	0.222	Medium Impact
Formulating Strategic Objectives	0.370	High Impact
Establishing Core Values	0.361	High Impact

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

Overall, the value of the medium and low impact of the independent variables on the dependent variable in the dimension of strategic vision and the organization's Message ranged, and these are values with medium and low levels in their interpretation of the dependent variables, as shown in the table No. (08) above.

Table 9. Predictive Relevance of the model Q²

Dependent Variable Dimensions	Sum of Squared Prediction Errors SSE	Sum of Squared Observed Values SSO	Q ² = (1 - SSE/SSO)	Result
Investing and exploiting core capabilities	331.025	410.000	0.192	acceptable quality

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

From Table No. (09) above, we note that the Q² coefficient is significant and statistically acceptable because it is greater than 0, which indicates that the latent variable present in the current study model has the ability to predict.

Table 10. Goodness of Fit of the Model (GoF)

Study Variables	Coefficient of determination R ²	AVE
Strategic Vision	/	0,624
Organization's Message	/	0,734
Formulating Strategic Objectives	/	0,743
Setting Core Values	/	0,719
Investing and Utilizing Core Capabilities	/	0,682
Arithmetic Average	0,623	0.700
Goodness of Fit of the Model (GoF)	GoF = 0.436	

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

From Table No. (10) above, we note that the value of GoF = 0.436, i.e. it is greater than 0.36, which indicates and proves the existence of good fit in the model between the study variables.

4.5 Determine path coefficients and test study hypotheses:

In order to answer the main question of the study, which is: What is the impact of strategic leadership on readiness for organizational change in the Lafarge Holcim Algeria Group, and thus test the hypotheses, we resorted to examining the path (Path Analysis) using the Smartpls 4.0.7.6 program, through the bootstrapping process.

4.5.1 Testing the general hypothesis of the study H1 : There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) to determine the strategic orientation with its dimensions (strategic vision, organization Message, strategic objectives, core values) in investing and exploiting the core capabilities in Lafarge Cement M'sila Company, as Table No. (11) below shows the significance of the study model after the Bootstrapping process by clarifying the values of the path coefficients and their significance between the latent variables, in addition to the values of the t-test between the statements and their variables.

Table 11. Path coefficients of the main hypothesis H1 (direct effect)

Hypothesis	Relation	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P-Value	Decision
H1	Strategic Direction  Exploiting and investing in core capabilities	0.576	0.538	0.067	6.032	0.000	Accept H1

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

We note from Table No. (11) that the calculated t value ($t=6.032$) is greater than the critical t value ($t=1.96$) at the significance level of 0.05, which indicates that the relationship between the independent variable represented by the strategic orientation and the dependent variable represented by the exploitation and investment of the core capabilities in Lafarge Cement M'Sila Company is statistically significant.

4.5.2 Sub-hypothesis testing : As was addressed in the problem of this study, which included four dimensions of the independent variable represented by the strategic orientation and its impact on the exploitation and investment of core capabilities, the sub-hypotheses were as follows:

- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for formulating the strategic vision in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.
- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for determining the organization's Message in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.

- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for formulating the strategic objectives in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.
- There is a statistically significant moral effect at the significance level ($0.05 \geq \alpha$) for setting the core values in investing and exploiting the core capabilities in Lafarge Cement M'sila Company.

Table 12. Path coefficients of the main hypothesis H1.1 (direct effect)

Hypothesis	Relation	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P-Value	Decision
H1.1	Strategic Direction → Exploiting and investing in core capabilities	0,645	0,963	0,054	1,945	0.000	Accept H1.1
H1.2	Organization's message → Exploiting and investing in core capabilities	0,367	0,351	0,378	0,969	0.770	Refuse H1.2
H1.3	Strategic objectives → Exploiting and investing in core capabilities	0,455	0,491	0,488	1,317	0.001	Accept H1.3
H1.4	Core Values → Exploiting and investing in core capabilities	0,552	0,685	0,378	1,137	0.000	Accept H1.4

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

It is clear to us from the results recorded in the above table No. 12 that the strategic vision dimension has a positive and statistically significant effect on the exploitation and investment of the core capabilities in the company under study, as the p-values = 0.000, which is a significant value because it is less than 0.05, and thus the first sub-hypothesis is accepted. As for the effect of the organization's message on the exploitation and investment of the core capabilities, the results show that there is no statistically significant effect, as the p-values = 0.077, which is greater than 0.05, and accordingly we reject the second sub-hypothesis. As for the third sub-hypothesis, which concerns the relationship of influence between the formulation of strategic objectives and the exploitation and investment of core capabilities, it was accepted due to its significance, as the p-value was 0.001, which is less than 0.05. Therefore, we say that there is an influence of the formulation of strategic objectives on the exploitation and investment of core capabilities in the company under study. The results of the fourth sub-hypothesis indicate the existence of a statistically significant influence of setting core values on the exploitation and investment of core capabilities, as

its significance reached p-values = 0.000, which is less than 0.05, and thus the fourth sub-hypothesis is accepted.

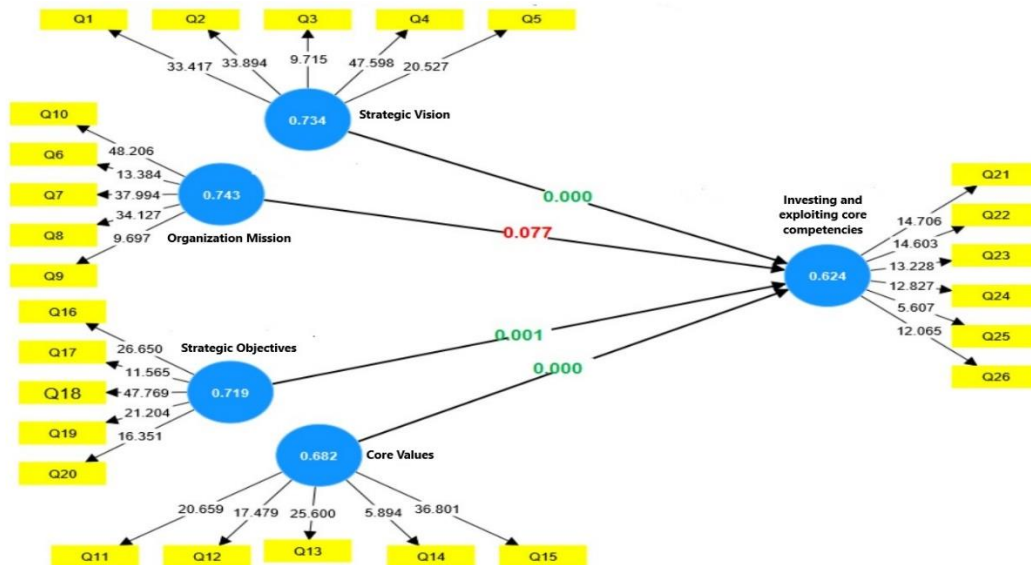


Figure 3. Final structural model of the study

Source : Prepared by the author himself based on Smartpls 4.0.7.6 program outputs

Conclusion

The results of the study indicated the acceptance of the main hypothesis and proving that there is a statistically significant effect between determining the strategic direction and exploiting and investing in the core capabilities in Lafarge Cement M'sila Company at the significance level ($0.05 \geq \alpha$), and by accepting the first sub-hypothesis, as it indicated that there is a statistically significant effect between the strategic vision dimension and exploiting and investing in the core capabilities in the company under study at the significance level ($0.05 \geq \alpha$), and the second sub-hypothesis was rejected as there is no statistically significant effect between the organization's message and exploiting and investing in the core capabilities in the company under study at the significance level ($0.05 \geq \alpha$), and the third sub-hypothesis was accepted as there is a statistically significant effect of setting strategic goals on exploiting and investing in the core capabilities in the company under study at the significance level ($0.05 \geq \alpha$), and the validity of the fourth sub-hypothesis was proven by the existence of a statistically significant effect of the core values on exploiting and investing in the core capabilities in Lafarge Cement Company M'sila at the significance level ($0.05 \geq \alpha$).

Based on the field study at Lafarge Cement Company, M'sila, many conclusions were reached based on the interpretation and discussion of the results, the most important of which are the following:

- Lafarge Cement M'sila attaches great importance to determining its strategic directions, as it develops work policies and procedures, improves the efficiency of existing operations when it faces problems related to its main activities, and maintains its position.

- Determining the correct strategic direction in the company under study is the main determinant of its future, which will only be achieved by supporting effective and influential individuals and investing in them for the purpose of creating and finding essential capabilities that express added value to the organization and a competitive advantage over other competing organizations.
- The management of the company under study is well aware of the importance of determining the strategic direction for the company as a whole due to its importance in keeping pace with the rapid developments and changes in the business environment and what it requires in terms of great and flexible organizational readiness at the same time for the purpose of achieving the set strategic objectives and seizing available opportunities.
- The management of Lafarge Cement M'Sila Company emphasizes the appreciation and dissemination of good practices, as it attaches special importance to the development and advancement of accumulated expertise, knowledge and skills within the organization, as well as the total internal operations and good practices at all levels of the organization, which in turn become an essential value specific to the organization and no other, due to its importance in the process of development, renewal and innovation of new methods and solutions to existing problems within the institution.

Through the results obtained, a set of suggestions were developed which we mention below:

- The need to focus and pay more attention to the good definition of the strategic direction of Lafarge Cement M'Sila, and pay more attention to supporting and developing emerging strategies, and working to explain and simplify its dimensions to employees.
- Work more to discover and bring in the strategic core capabilities and provide opportunities for them to prove themselves, which provide a qualitative addition to the company under study, and then enhance their position within the company to ensure gaining their belonging and loyalty.
- The need to pay more attention to developing and maintaining human capital in general, and developing the capabilities and skills of leaders and enhancing their experiences in particular, by providing a work environment that encourages creativity, innovation and excellence.
- The need for the company to evaluate and manage its organizational and material resources and prepare them in order to follow up on research and development trends.
- The need to instill a culture of excellence, creativity and innovation at all levels of the administrative company, through material and moral motivation for individuals in order to push them to achieve the highest levels of organizational commitment and loyalty.
- The need to work on building unique core capabilities to raise the level of performance in the company under study and then gain a competitive advantage in the field of strategic capabilities.

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