

The Role of Corporate Characteristics in Creating Competitive Advantage: An Applied Study of Some Industrial Sector Companies Listed on the Iraq Stock Exchange for the Period (2014-2023)

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Abstract : The study aims to explore the impact of corporate characteristics on creating a competitive advantage in industrial companies listed on the Iraq Stock Exchange. The study adopted an analytical implementation approach, where data were collected from the financial statements and performance reports of the relevant companies and analyzed using appropriate statistical tools. Several sample data were used for the study, including a number of companies listed on the Iraq Stock Exchange. The number of companies is (10) (Al-Mansour Pharmaceutical Industries, Baghdad Soft Drinks, Iraqi Dates Manufacturing and Marketing, Iraqi Engineering Works, Iraqi Carpets and Furnishings, Modern Sewing Company, Al-Kindi Company for the Production of Vaccines and Veterinary Medicines, Modern Chemical Industries Company, Ready-Made Garments Production Company, Baghdad Packaging Materials) for the period (2014-2023). To validate the hypotheses from which the study was based, statistical methods (SPSS.v.29, AMOS.v29.) and computer programs (Excel) were used to analyze the data. In light of these tests, several conclusions were reached, the most important of which are that some company characteristics, such as size, resources, and methods, Management, and the degree of innovation, play an important role in enhancing competitive advantage.

Keywords: Corporate characteristics, competitive advantage, Industrial companies listed on the Iraqi market

INTRODUCTION: In recent years, the global economic environment has witnessed rapid fluctuations and changes, requiring companies to continuously develop and refine their strategies to ensure survival and excellence in competitive markets. In this context, achieving a competitive advantage is one of the key factors enabling companies to improve their performance and respond effectively to market demands. A company's competitive success depends on a number of factors, including its internal characteristics related to resources, capabilities, management style, organizational culture, and other attributes that distinguish it from its competitors. Understanding how a company's characteristics affect its competitive capabilities contributes to developing effective strategies that enhance its competitiveness. This study aims to understand the relationship between company characteristics and the creation of a competitive advantage. It focuses on the industrial sector in the Iraq Stock Exchange, where a number of industrial companies were selected to explore the extent to which theories and concepts are applied in the local economic environment. The study seeks to provide practical insights that help investors and management make more effective decisions, in addition to enriching the scientific literature with data and applied evidence that highlights the importance of company characteristics as a key element in achieving success. Previous studies have indicated that using the corporate characteristics approach is an important method for enhancing competitive advantage. They also indicated that business analytics significantly improves strategic decision-making, operational efficiency, and innovation, providing companies in emerging markets with a solid foundation for maintaining a competitive advantage.

Research Methodology

First: Research Problem

The corporate problem revolves around the extent to which companies can leverage their internal characteristics to enhance their competitive advantage. Understanding the relationship between corporate characteristics, such as company size, financial leverage, and shareholder wealth, is essential for achieving competitive superiority. Companies often face challenges in translating these characteristics into an actual competitive advantage. This raises confusion about the extent to which internal structures and characteristics respond to market and technological changes, and whether these characteristics are used effectively to enhance performance and achieve a competitive advantage in a changing and diverse business environment. Therefore, the study's problem can be formulated in the form of a question: "What role do corporate characteristics play in creating a competitive advantage?"

Second: Importance Of Research

Companies are gaining significant importance in studying the role of their characteristics in creating a competitive advantage, as they are the fundamental elements that determine their ability to excel and survive in globalized and changing markets. Corporate characteristics, such as company size, operating leverage, and shareholder wealth, are crucial tools for enhancing competitive advantage and increasing market share by effectively leveraging these characteristics. Therefore, the importance of the current study lies in the following:

- 1-Clarifying the relationship between corporate characteristics and competitive advantage In developing capabilities that enhance performance and adapt to market changes and modern technological developments.
- 2-Corporate characteristics are a key component in creating a competitive advantage, as they represent the main pillar of success and survival.
- 3-Corporate characteristics help determine a company's ability to differentiate itself from competitors.
- 4-Studying a company's characteristics is essential for understanding how to leverage them to create a competitive advantage.
- 5- Investing in developing a company's characteristics contributes to strengthening its market position and helps it adapt to technological changes and market needs.
6. By effectively investing in their characteristics, companies can increase their efficiency and profitability.

Third: Research Objectives

The objectives of the current study are summarized as follows:

- 1-Analyze the concept of company characteristics and competitive advantage for industrial companies listed on the Iraq Stock Exchange.
- 2- Evaluate the extent to which company characteristics reflect the competitive advantage of selected companies from the industrial sector.
- 3-Identify the factors that influence the achievement of competitive advantages within industrial companies in the Iraqi market.
- 4-Provide practical recommendations for industrial companies on how to develop and improve company characteristics and competitive advantages.
- 5-Provide an analytical framework for measuring company characteristics and their impact on competitive advantage, which can be applied to other sectors.

Fourth: Study Hypotheses

After defining the problem and choosing the hypothetical framework for the study, it is necessary to formulate hypotheses that constitute preliminary or temporary solutions. These hypotheses are tested using various statistical methods and means to verify or refute their validity. Formulating hypotheses represents the first step in building a theory. A set of hypotheses may be formed as a result of multiple factors affecting the study problem. Accordingly, the following hypotheses were formulated and tested to measure the degree of correlation between variables with a normal distribution (Pearson) using SPSS.V.29.

The First Main Hypothesis: There is a significant correlation between company characteristics and competitive advantage. Several hypotheses emerge from this:

- 1-There is a significant correlation between company size and competitive advantage, as measured by its indicators (return on assets, net profit margin, profitability, and sales volume)
- 2-There is a significant correlation between financial leverage and competitive advantage, as measured by its indicators (return on assets, net profit margin, profitability, and sales volume)

3-There is a significant correlation between shareholder wealth and competitive advantage, as measured by its indicators (return on assets, net profit margin, profitability, and sales volume)

Fifth: Study Community and Sample

A- Study Community: The target population for the study is determined before selecting the sample, ensuring that its components and characteristics are consistent. The study community is defined in light of what achieves the study objectives, and then the method of selecting the sample from it is determined. The study community represents the industrial sector listed on the Iraq Stock Exchange, comprising 28 companies listed in the industrial sector of the Iraq Stock Exchange.

B- Study Sample: The study sample was selected in accordance with the requirements of the current study. A sample of (10) Iraqi companies listed in the industrial sector of the Iraq Stock Exchange was selected for the period (2014-2023). This period was chosen due to the complete availability of all financial data for the selected period compared to previous periods. The financial data are more accurate and reliable, facilitating reliable analysis and reducing the possibility of errors or missing data. These companies were selected based on their importance in the stock market and their large capital, in addition to the availability and disclosure of financial and non-financial information during the period under study.

Table (1) Study sample companies

N:	Company Name	Company Capital	Date of Establishment
1	Al-Mansour Pharmaceutical Industries	8,000,000	1989/4/19
2	Baghdad Soft Drinks	70,000,000	1989/7/18
3	Iraqi Dates Manufacturing and Marketing	50,000,000	1989/1/29
4	Iraqi Engineering Works	8,000,000	1985/10/1
5	Iraqi Carpets and Furnishings	5,000,000	1989/10/2
6	Modern Sewing Company	6,000,000	1988/9/12
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	15,000,000	1990/1/10
8	Modern Chemical Industries Company	149,500	1946/6/19
9	Ready-Made Garments Production Company	1,500,000	1976/5/31
10	Baghdad Packaging Materials	250,000	1962/5/27

Sixth: Study Limits

1-Spatial Limits: (10) Industrial companies listed on the Iraq Stock Exchange were selected for the period (2014-2023)

2-Temporal Limits: The study extended from January 1, 2014, to December 31, 2023, which constituted the basis for data collection and analysis.

Seventh: Data Collection Tool

To achieve the purpose of this study, several tools were used to collect data and information, as follows:

A. Theoretical Aspect Tools

This section focuses on explaining the methods used to enrich the theoretical aspect of the study. In light of these tools, research, books, and foreign university dissertations were adopted, in addition to the use of websites (the Internet)

B. Practical Aspect Tools

The data collection tool focused on the financial aspects, which will be adopted by the researchers, relying on data imported from the Iraq Stock Exchange, including the reports and indicators presented. The table (2) shows the financial methods used.

Table (2) shows the financial methods used.

Variables	Indicators	equation	Source
Company Characteristics	Company Size	Logarithm of Total Assets	Tijjani& KAfiya,2023
	Financial Leverage	Total Debt ÷ Total Equity	Darsani& Sukartha,2021

	Shareholder Wealth	Shareholders' Wealth = Market Value per Share * Number of Shares Owned	Khan& Hussanie,2018
Competitive Advantage	Return on Assets	Net Profit / Total Assets	Mulyasari& Murwaningsari,2019
	Net Profit Margin	Net Profit / Revenue	Wijayanto et al.,2019
	Return on Equity	Net Income (Earnings After Interest and Taxes) / Equity	Martinsa& Eid,2015
	Sales Volume	Comparing Current Sales to Previous Sales	Bel,2018

Literature Review

First: Concept of Firm Characteristics

Concepts of firm characteristics vary from one study to another depending on the criteria used to define them. Most studies seem to agree that firm characteristics are related to the firm's resources and organizational objectives (Mgeni & Nayak, 2016: 1). Firm characteristics refer to the basic features and connotations that reflect the nature of a firm's business, how it is organized, and how it interacts with the environment in which it operates. Understanding these characteristics helps clarify how firms differ from other commercial entities and the factors that influence their performance (Dioha et al., 2019: 16). Firm characteristics vary from one commercial entity to another, as firm characteristics can be determined based on the relevant information disclosed in its financial statements for a given accounting period (Badriyah et al., 2015: 868)

Ogbe et al., 2021: 180, hypothesized that firms that can align firm characteristics with environmental characteristics perform better than other firms. Soliman (2013:72) indicated that company characteristics are key factors that determine a company's performance and business success. These variables include company age, size, growth, earnings volatility, profitability, liquidity, ownership, and non-debt tax protection. Adebayo (2022:28) defined the concept of company characteristics using various variables, typically including company size, growth, liquidity, interest coverage ratio, investment opportunity, profitability, risk, and tangibility. Other characteristics include company age, size, cash flow, earnings, leverage, operating expenses, and internal governance mechanisms. On the other hand, Atsango (2018:2) stated that company characteristics are the individual variables within a company that influence its performance. These characteristics are influenced by the choices made by management and the board of directors. These variables also fall within the company's control and vary from one company to another. Corporate characteristics, also known as corporate attributes, include the distinctive qualities and identities that distinguish an organization from its competitors. These characteristics serve as critical criteria for understanding and characterizing the company. Most studies agree that corporate characteristics are related to the company's resources and organizational goals (Tanko et al., 2024:26).

Second: Importance of Company Characteristics

A company's characteristics play a vital role in its success and sustainability. Each of these characteristics contributes to shaping corporate identity and enhancing organizational effectiveness (Harvie et al., 2010:2). Furthermore, a company's characteristics significantly impact its performance and long-term success. By focusing on these characteristics, companies can strengthen their market position and ensure continued growth and development (Loukis et al., 2017:964). Company and industry characteristics can play an important role in explaining the quality of earnings at the company level worldwide, in addition to country characteristics (Nandi & Ghosh, 2013:46)

Degryse et al., 2012:432, indicated that companies represent an essential part of the economic structure and contribute significantly to the development of the economy and the labor market. Company characteristics are a pivotal part of business organization and the embodiment of investor relations. Understanding the profits and benefits of each type of company helps investors gain greater clarity when starting new ventures. On the other hand, Cho & Lee (2004:436) indicated that firm size is a typical characteristic that potentially influences firm behavior and strategic direction decisions. Different firm sizes and industry types will respond differently to a given situation because firms have different assertions regarding their strategic positions. Large firms tend to adopt a defensive approach due to their established systems and resources, which allow them to make profitable decisions with lower risks (Žufan et al., 2020:102).

Third: Company Characteristics Indicators

Company characteristic indicators reflect a company's financial position and performance. Previous studies have agreed that company size, financial performance, financial leverage, and shareholder wealth are among the most important of these factors. These can be explained in some detail as follows (Tijjani & Kafiya, 2023: 61):

1- Company Size

Companies are classified as large, medium, and small. Large-sized companies, such as joint-stock companies, are characterized by the large volume of their economic transactions in the financial market, whether at the level of trading their shares on the stock exchange or at the level of the volume of transactions related to current and investment activity. Company size is measured by the natural logarithm of the firm's assets, or capital intensity, which is measured by the ratio of fixed assets to total assets, or the degree of concentration within the industry. The larger the firm's size, the greater its sensitivity in choosing accounting methods that lead to a reduction in profits to avoid the political repercussions resulting from high profit rates (Zadeh & Eskandari, 2012: 11).

2- Financial Leverage

From the perspective of agency theory, companies with high debt ratios tend to disclose risks in their annual financial reports to reduce information asymmetry between management and creditors. From the perspective of signaling theory, risk disclosure is an important signal to creditors and various stakeholders about a company's ability to manage various risks and repay short-term obligations. In light of signaling and agency theories, the relationship between financial leverage and accounting risk disclosure can be expected to be positive. This means that the larger the company, the higher the debt ratio, and the greater the risk disclosure. Meanwhile, the relationship between financial leverage and trading volume can be expected to be negative. The higher the debt ratio, the lower the trading volume (Al-Ahdal et al., 2022: 122).

3- Shareholder Wealth

Shareholder wealth is a fundamental concept in the world of business and finance. Shareholder wealth refers to the total value of the equity held by shareholders in a given company (Wasilewski et al., 2021: 2).

Fourth: Concept of Competitive Advantage

Our world today is witnessing a set of shared technological, economic, and social changes, particularly the transition of many countries toward a market economy, the explosion of the information revolution, and the remarkable progress in the economy, which has required further liberalization of international trade. This development has prompted many enterprises to seek new methods, approaches, and fields that ensure their survival, continuity, and superiority over their competitors (Mäntymaa, 2013: 12). The economist Chamberlain (1939) is credited with developing the concept of competitive advantage, followed by Selznick (1959), who linked competitive advantage to competitiveness. Following these two writers, Schindler and Hoover defined the concept of competitive advantage, stating that competitive advantage is the distinct position a company works to develop to compete with its competitors through the efficient exploitation of various available resources to ensure its ability to compete with diverse competitors (Bellner, 2014: 36). Competitive advantage is defined as anything an organization does that distinguishes it from others, particularly when compared to its competitors. It is represented by an organization's ability to do something that competitors cannot do, or by possessing something that competitors desire but find difficult to achieve (David, 2011:9)

Mogo & Mach aria (2020:38) stated that competitive advantage arises when a company can offer the same benefits as its competitors at a lower cost (cost advantage) or better benefits than competing products (differentiation advantage). Sihite et al. (2016:26) indicated that a company's competitive advantage is what is most required by the company's performance, which is gained through acquiring a competitive advantage. From a business perspective, the Department for Enterprise, Trade and Employment in the United Kingdom defined it as a company's ability to provide goods and services consistently and profitably, distinguishing them from other goods and services provided by competitors (National Competitiveness Observatory, 2011:8). A company with a competitive advantage is one that possesses the characteristics and resources to achieve superior performance compared to similar companies (Choiriah & Sudibyo, 2020:482). Competitive advantage is also linked to performance. It states that companies achieve higher than usual performance when they generate greater than expected value from the resources they employ. Competitive advantage is measured using indicators such as market coverage, market share, profitability, and efficiency (Mugo, 2020: 32).

Mortazavi & Taheran (2024:121) argue that a company enjoys a competitive advantage when it offers the same benefits as its competitors, but at a comprehensive strategic level: a low-cost advantage or a differentiation advantage. The concept of competitive advantage analyzes the economics of a company's activity, focusing primarily on its ability to generate a significantly higher return on invested capital and link the company's strategy to key financial markets over an extended period (Farida & Setiawan, 2022:164). Competitive advantage exists when a company possesses and develops a set of specific characteristics that allow it to outperform its competitors and increase its competitiveness. An effective competitive strategy is required to implement these activities and ensure the company has an advantage over its competitors. A competitive strategy is a summary of the vision a company realizes in the face of its competitors (Li et al., 2022:489).

Fifth: Importance of Competitive Advantage

According to the resource theory proposed by Penrose (1959), a competitive advantage makes a company more valuable than its competitors. A company has a unique competitive advantage if it is able to create higher economic value derived from its corporate resources than any other company in its industry (Rochmadhona et al., 2018: 322). Barney & Hesterly (2019: 3) indicated that each company possesses unique knowledge, skills, values, and solutions (intangible resources) that can be converted into market value.

Porter (2015: 359) indicated that competitive advantage does not, as traditionally assumed, depend on foundations such as natural resources, technology, or economies of scale, because these foundations are increasingly easy to imitate. They help companies adapt to changes in the market and better meet customer needs (Wijayanto et al., 2019: 36).

Sixth: Competitive Advantage Indicators

1-Return on Assets

Return on Assets is a measure of a company's ability to generate a profit on all of its assets (Sunaryo, 2020: 200). Return on Assets is a measure that describes a company's effectiveness in utilizing all of its assets and resources to generate profit. Return on Assets can be used to assess a company's financial performance; the higher the return on assets, the better the company's performance. Managers strive to achieve their goals during financial evaluations. Measuring the use of a company's assets (return on assets) is one of the techniques used to assess its profitability (Wicaksari et al., 2024: 4146)

2-Net Profit Margin

This is an indicator that can demonstrate a company's performance in utilizing its resources and generating profit. The profit margin is an indicator used to describe the relationship between net profit and total sales. This ratio measures the amount of net profit a company has generated from the number of sales made using operating costs. The net profit margin can indicate a company's financial efficiency because it links net profit to total sales (Wicaksari et al., 2024: 4145).

3- Profitability

Current and future profits remain one of the strongest indicators of a company's current and future success. They are a critical input for evaluating companies and directly impact share prices. Common stock prices on the stock market reflect the market's assessment of expected profits over time and the risks associated with those future profits (Arslan, 2020: 12)

4-Sales Volume

This measure of sales growth is an integral part of a company's adoption of a specific marketing strategy. It is expressed in units or quantities sold and can be measured by achieving a profit margin (Ndem & Ezekiel, 2019: 61). Sales volume refers to the number of units sold over a specific period of time. Knowing how to calculate sales volume helps a company determine the required production volume and is the foundation of a company's successful performance (Hasniati et al., 2022: 11).

Part Three: The Applied Research Aspect

First: Calculating Company Size

Company size is a measure used to estimate a company's size and mass numerically, reflecting its economic strength or the scale of its financial operations. Therefore, calculating company size using the natural logarithm of its total value (total assets) is a common method for reducing exponential or large-scale values, facilitating comparisons between different companies.

Table (3) Size of study sample companies for the period (2014-2023)

N:	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	9.912	9.903	9.911	9.906	9.978

2	Baghdad Soft Drinks	11.295	11.356	11.421	11.508	11.544
3	Iraqi Dates Manufacturing and Marketing	10.348	10.352	10.322	10.300	10.416
4	Iraqi Engineering Works	9.241	9.199	9.134	9.105	9.112
5	Iraqi Carpets and Furnishings	9.501	9.446	9.442	9.496	9.497
6	Modern Sewing Company	9.066	9.215	9.214	9.274	9.447
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	9.805	9.798	9.801	9.823	9.844
8	Modern Chemical Industries Company	9.897	9.717	9.692	9.686	9.664
9	Ready-Made Garments Production Company	9.437	9.434	9.330	9.355	9.640
10	Baghdad Packaging Materials	9.044	9.004	9.019	9.024	9.017
N:	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	9.842	9.744	10.043	10.234	10.293
2	Baghdad Soft Drinks	11.606	11.875	11.747	11.748	11.808
3	Iraqi Dates Manufacturing and Marketing	10.427	10.419	10.386	10.384	10.640
4	Iraqi Engineering Works	9.101	9.050	9.006	9.002	8.966
5	Iraqi Carpets and Furnishings	9.566	9.609	9.578	9.620	9.660
6	Modern Sewing Company	9.437	9.437	9.494	9.699	9.749
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	9.872	9.873	9.869	9.870	9.867
8	Modern Chemical Industries Company	9.715	9.694	9.691	9.684	9.677
9	Ready-Made Garments Production Company	9.929	9.929	9.914	9.652	9.646
10	Baghdad Packaging Materials	9.027	9.029	9.033	9.035	9.035

Second: Financial Leverage

Financial leverage reflects the extent to which a company relies on debt to finance its assets. This indicator is used to measure a company's tolerance for financial risk. A high ratio indicates that the company relies heavily on debt, which increases risk but enables it to finance larger expansions. A low ratio indicates that the company is less reliant on debt and less risky, but may be less able to optimally invest its financing.

Table (4) Financial leverage for the study sample companies for the period (2014-2023)

N:	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	0.118	0.052	0.082	0.062	0.236
2	Baghdad Soft Drinks	0.256	0.027	0.088	0.032	0.323
3	Iraqi Dates Manufacturing and Marketing	0.108	0.176	0.229	0.301	0.251
4	Iraqi Engineering Works	0.026	0.289	0.034	0.036	0.099
5	Iraqi Carpets and Furnishings	5.285	4.014	0.460	0.346	0.179
6	Modern Sewing Company	0.119	0.196	0.342	0.155	0.250
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	0.027	0.018	0.017	0.017	0.105
8	Modern Chemical Industries Company	0.497	0.001	0.016	0.016	0.016
9	Ready-Made Garments Production Company	0.528	0.549	0.215	0.243	0.692
10	Baghdad Packaging Materials	0.017	0.005	0.037	0.046	0.012
N:	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	0.023	0.063	0.072	0.080	0.186

2	Baghdad Soft Drinks	0.174	0.249	0.254	0.275	0.346
3	Iraqi Dates Manufacturing and Marketing	0.300	0.266	0.276	0.247	0.234
4	Iraqi Engineering Works	0.090	0.098	0.027	0.027	0.030
5	Iraqi Carpets and Furnishings	0.190	0.215	0.316	0.243	0.312
6	Modern Sewing Company	0.169	0.169	0.146	0.104	0.174
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	0.042	0.044	0.037	0.039	0.048
8	Modern Chemical Industries Company	0.034	0.021	0.027	0.027	0.027
9	Ready-Made Garments Production Company	2.793	27.932	2.522	0.139	0.083
10	Baghdad Packaging Materials	0.017	0.016	0.018	0.010	0.010

Third: Shareholder Wealth

Shareholder wealth simply reflects the total value of shareholders' equity. It is calculated by multiplying the market value of each share by the number of shares owned. It is important in assessing market performance, as it shows how investors assess a company's value in the market.

Table (5) Shareholder wealth for the sample companies for the period (2014-2023)

N :	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	31.056	49.172	43.349	44.643	41.408
2	Baghdad Soft Drinks	40.002	52.038	44.25	47.436	63.543
3	Iraqi Dates Manufacturing and Marketing	21.844	22.704	28.38	15.136	24.047
4	Iraqi Engineering Works	79.65	32.382	8.89	19.224	34.008
5	Iraqi Carpets and Furnishings	163.88	255.088	268.315	741.15	579.348
6	Modern Sewing Company	902.3	260.736	577.116	2865.52	497.952
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	1647.198	698.745	2495.689	503.5	3934.125
8	Modern Chemical Industries Company	363	200.2	3850	114	139.15
9	Ready-Made Garments Production Company	562.77	911.872	645.33	353.831	21744.45
10	Baghdad Packaging Materials	151.81	249.163	886.8984	163.944	1404
N :	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	61.4555	925.067	183.7196	98.9757	115.7951
2	Baghdad Soft Drinks	583.317	735.795	878.49	674.19	792.684
3	Iraqi Dates Manufacturing and Marketing	200.1	207	200.1	169.05	272.55
4	Iraqi Engineering Works	439.825	461.725	675.25	885.125	766.5
5	Iraqi Carpets and Furnishings	2375.95	2300.92	2250.9	3426.37	3851.54
6	Modern Sewing Company	245.025	99	98.01	120.0375	111.375
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	214.555	214.555	444.714	401.803	546.14
8	Modern Chemical Industries Company	252.4417	257.8128	300.7816	537.11	316.8949
9	Ready-Made Garments Production Company	471.573	471.573	1217.97	1842.57	1077.435
10	Baghdad Packaging Materials	215.622	217.8	217.8	217.8	544.5

Fourth: Return on Assets

Return on Assets (ROA) is an important indicator for measuring a company's efficiency in using its assets to generate profits. It is considered an indicator of competitive advantage because it reflects the company's ability to effectively manage its resources to generate returns, compared to competitors.

Table (6) Return on assets for the study sample companies for the period (2014-2023)

N:	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	0.052	0.063	0.000	0.002	0.008
2	Baghdad Soft Drinks	0.112	0.026	0.024	0.117	0.120
3	Iraqi Dates Manufacturing and Marketing	0.004	0.042	-0.009	0.004	0.123
4	Iraqi Engineering Works	-0.096	0.135	0.129	-0.114	0.039
5	Iraqi Carpets and Furnishings	0.060	0.070	0.067	0.086	0.112
6	Modern Sewing Company	0.119	0.198	0.091	0.229	0.212
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	-0.037	0.003	0.006	0.033	0.010
8	Modern Chemical Industries Company	0.036	0.003	-0.040	-0.012	-0.050
9	Ready-Made Garments Production Company	0.013	-0.072	-0.009	0.025	0.013
10	Baghdad Packaging Materials	-0.033	0.084	0.004	0.002	0.017
N:	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	0.000	-0.052	-0.035	-0.047	0.002
2	Baghdad Soft Drinks	0.126	0.082	0.010	0.097	0.159
3	Iraqi Dates Manufacturing and Marketing	0.003	0.000	-0.085	0.009	0.006
4	Iraqi Engineering Works	0.002	0.122	0.034	0.001	0.100
5	Iraqi Carpets and Furnishings	0.203	0.160	0.197	0.151	0.098
6	Modern Sewing Company	0.143	0.143	0.124	0.246	0.223
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	0.113	0.008	0.024	0.027	0.002
8	Modern Chemical Industries Company	-0.008	-0.034	-0.013	-0.016	-0.017
9	Ready-Made Garments Production Company	0.027	0.023	0.008	0.017	0.018
10	Baghdad Packaging Materials	0.017	0.006	0.077	0.009	0.000

Fifth: Net Profit Margin

This is the ratio of net profit to sales volume. It is a direct indicator of a company's efficiency in converting sales into profits. Through it, the strength and importance of a competitive advantage can be assessed. A company with a high net profit margin is often efficient in managing costs, offering value-added products or services, or has effective marketing strategies.

Table (7) Net Profit Margin for the Companies in the Study Sample for the Period (2014-2023)

N :	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	0.171	0.162	0.000	0.007	0.033
2	Baghdad Soft Drinks	0.916	0.025	2.156	142.575	0.142
3	Iraqi Dates Manufacturing and Marketing	0.011	0.221	-0.037	0.141	1.150
4	Iraqi Engineering Works	-0.653	1.628	2.231	-0.897	0.198
5	Iraqi Carpets and Furnishings	0.248	0.219	0.207	0.501	0.635
6	Modern Sewing Company	0.234	0.398	0.189	0.433	0.566

7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	-0.482	0.035	0.501	0.210	0.071
8	Modern Chemical Industries Company	0.102	0.011	-1.764	-0.221	0.000
9	Ready-Made Garments Production Company	0.012	-0.130	-0.802	0.221	0.000
10	Baghdad Packaging Materials	-0.379	11.265	5.545	0.796	0.363
N:	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	0.000	-0.311	-16.690	0.000	0.018
2	Baghdad Soft Drinks	47.106	25.679	2.366	142.850	0.922
3	Iraqi Dates Manufacturing and Marketing	0.029	0.002	-16.613	0.196	0.178
4	Iraqi Engineering Works	0.005	0.619	0.477	0.006	0.012
5	Iraqi Carpets and Furnishings	0.695	0.709	0.699	6.589	4.358
6	Modern Sewing Company	0.439	0.478	0.451	0.742	0.749
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	0.443	0.055	0.172	0.173	0.008
8	Modern Chemical Industries Company	-0.013	0.000	0.000	0.000	0.000
9	Ready-Made Garments Production Company	0.000	0.000	0.000	0.000	0.000
10	Baghdad Packaging Materials	0.142	0.058	0.723	0.093	0.005

Sixth: Profitability

Profitability is considered one of the most important indicators of a company's competitive advantage, as it reflects its ability to generate profits from its business activities compared to competitors. When a company is consistently and sustainably profitable, this indicates that it possesses effective strategies, low management costs, and added value that makes its products or services desirable in the market. This is measured by the return on equity ratio.

Table (8) Profitability of the companies in the study sample for the period (2014-2023)

N:	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	0.058	0.067	0.000	0.002	0.010
2	Baghdad Soft Drinks	1.163	0.027	0.026	0.123	1.262
3	Iraqi Dates Manufacturing and Marketing	0.004	0.050	-0.012	0.005	0.154
4	Iraqi Engineering Works	-0.099	1.392	0.134	-0.118	0.043
5	Iraqi Carpets and Furnishings	0.910	0.098	0.097	0.129	0.164
6	Modern Sewing Company	0.134	0.246	0.125	0.277	0.288
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	-0.038	0.003	0.006	0.033	0.011
8	Modern Chemical Industries Company	0.055	0.003	-0.041	-0.012	-0.051
9	Ready-Made Garments Production Company	0.019	-0.112	-0.011	0.030	0.028
10	Baghdad Packaging Materials	-0.034	0.084	0.004	0.003	0.017
	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	0.000	-0.057	-0.038	-0.050	0.002
2	Baghdad Soft Drinks	0.286	0.345	0.026	0.265	0.501
3	Iraqi Dates Manufacturing and Marketing	0.004	0.000	-0.011	0.011	0.011
4	Iraqi Engineering Works	0.002	0.134	0.035	0.001	0.103
5	Iraqi Carpets and Furnishings	0.298	0.239	0.274	0.194	0.131

6	Modern Sewing Company	0.175	0.175	0.151	0.285	0.281
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	0.119	0.008	0.025	0.028	0.002
8	Modern Chemical Industries Company	-0.008	-0.035	-0.013	-0.016	-0.018
9	Ready-Made Garments Production Company	0.104	0.888	0.027	0.019	0.020
10	Baghdad Packaging Materials	0.017	0.007	0.078	0.009	0.000

Seventh: Sales Volume

Sales volume is an important indicator of a company's competitive advantage because it reflects its ability to attract customers and expand its market share. A company that achieves a high sales volume often demonstrates that it has products or services in strong demand, a good reputation, and an effective marketing strategy.

Table (9) Sales volume of the study sample companies for the period (2014-2023)

N:	Company Name	2014	2015	2016	2017	2018
1	Al-Mansour Pharmaceutical Industries	0.373	0.501	-0.292	0.152	-0.154
2	Baghdad Soft Drinks	0.900	-0.785	0.129	4.140	0.256
3	Iraqi Dates Manufacturing and Marketing	0.165	-0.385	0.215	-0.890	-0.608
4	Iraqi Engineering Works	0.633	-0.490	-0.400	1.068	0.576
5	Iraqi Carpets and Furnishings	0.333	-0.113	0.253	-0.331	-0.068
6	Modern Sewing Company	0.198	0.097	12.653	1.399	3.895
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	0.269	-0.138	0.551	0.600	-0.088
8	Modern Chemical Industries Company	0.548	-0.467	-0.926	1.338	-1.000
9	Ready-Made Garments Production Company	0.324	-0.632	-0.926	1.338	0.000
10	Baghdad Packaging Materials	0.2621	-0.5126	0.7788	0.4461	-0.2650
	Company Name	2019	2020	2021	2022	2023
1	Al-Mansour Pharmaceutical Industries	-0.764	0.889	-0.962	-1.000	0.000
2	Baghdad Soft Drinks	0.110	0.129	0.279	0.279	0.095
3	Iraqi Dates Manufacturing and Marketing	0.139	3.313	0.324	-0.906	0.780
4	Iraqi Engineering Works	0.628	-0.473	0.814	-0.528	39.167
5	Iraqi Carpets and Furnishings	0.946	-0.153	0.169	-0.107	0.081
6	Modern Sewing Company	-0.233	-0.856	-0.342	19.904	0.062
7	Al-Kindi Company for the Production of Vaccines and Veterinary Medicines	1.027	-0.438	0.100	-0.115	0.488
8	Modern Chemical Industries Company	0.000	-1.000	0.000	0.000	0.000
9	Ready-Made Garments Production Company	-1.000	0.000	0.000	0.000	0.000
10	Baghdad Packaging Materials	0.4197	-0.0450	-0.0484	-0.1092	0.0000

The table of sales volumes for the sample companies from 2014 to 2023 shows a clear variation between companies across years. Some companies, such as the Baghdad Soft Drinks Company and the Iraqi Date Products Company, showed significant fluctuations in sales performance, experiencing periods of growth and decline, with some years having negative or very high values. Other companies, such as the Modern Pharmaceuticals and Chemicals Company, experienced significant fluctuations, with years experiencing significant, and sometimes negative, jumps, such as 2020 and 2021. The figures indicate a clear fluctuation in sales volume across years, reflecting the economic challenges and market changes that impact companies' performance.

Eighth:-Hypothesis Testing

First Main Hypothesis: **There is a significant correlation between company characteristics and competitive advantage.**

The results of Table (10) show a significant correlation between company characteristics and competitive advantage with a strength of (0.759). The correlation strength between company characteristics and competitive advantage indicators also varies, ranging from (0.624) for the net profit margin indicator to (0.822) for the profitability indicator. This means that improving company characteristics can significantly enhance its competitive advantage, especially in areas such as profitability. Companies should also focus on improving characteristics that show the highest correlation with competitive advantages to achieve better results.

Table (10) Correlation matrix for the relationship between company characteristics and competitive advantage

Correlation	Company Size	Leverage	Financial Liquidity	Company Characteristics
Return on Assets				
R	.931^{**}	.826^{**}	.699^{**}	.797^{**}
net profit margin				
R	.816^{**}	.740^{**}	.622^{**}	.624^{**}
Profitability				
R	.809^{**}	.807^{**}	.824^{**}	.822^{**}
Sales volume				
R	.913^{**}	.541^{**}	.592^{**}	.657^{**}
competitive advantage				
R	.767^{**}	.671^{**}	.557^{**}	.759^{**}
Sig. (2-tailed)=0.000	.**Correlation is significant at the 0.01 level (2-tailed).			

The results of the table above indicate that the relationship between the variables in the table shows strong, positive correlations between company characteristics (company size, financial leverage, financial liquidity, and overall characteristics) and the performance of financial indicators, such as return on assets, net profit margins, profitability, sales volume, and competitive advantage. For example, higher company size is strongly associated with higher return on assets ($R=0.931$) and sales profitability, indicating that larger companies have better capabilities to generate profits and competitive advantages. Statistical indications confirm that these relationships are highly significant at the 0.01 level, reinforcing the importance of company characteristics in improving financial performance and competitiveness.

Conclusions and Recommendations**First: Conclusions**

1-The results indicate that companies with advanced technological features and continuous innovation are able to differentiate themselves from competitors, which contributes to enhancing their competitive advantage.

2-Companies with flexible and effective management structures demonstrate their ability to adapt to market changes and develop new strategies, which enhances their competitive advantage.

3-Companies that focus on improving the quality of their products and building a strong reputation enjoy a competitive advantage, as trust and quality increase customer loyalty and reduce the impact of competition.

4-Companies with strong financial resources are better able to invest in product diversification and innovation, which contributes to achieving a long-term competitive advantage.

5-Companies that build sustainable strategies and prioritize social responsibility are better able to attract customers and achieve positive market differentiation.

Second: Recommendations

1- Management should focus on analyzing and evaluating the company's characteristics, such as its unique resources, capabilities, and skills, to identify potential sources of long-term competitive advantage. This should be achieved by conducting a comprehensive study of internal resources and documenting them periodically, using tools such as SWOT and VRIO to analyze strengths, weaknesses, opportunities, and threats. A specialized internal team should be formed to analyze capabilities and identify key sources of competitive advantage.

2-Encourage the continuous updating and development of the company's characteristics to keep pace with market and technological changes. This enhances the ability to maintain a competitive advantage by developing a strategic plan to periodically update technologies and processes, and holding ongoing workshops or training programs to keep pace with technological and market developments.

3- Provide resources for investment in innovation and modern technologies to enhance competitiveness, especially in the industrial sector, where technology is a key factor, by forming partnerships with technological and innovative institutions to leverage the latest technologies.

4- Encourage management to strengthen cooperation with local and global partners and use these partnerships to enhance the company's competitive advantages through the exchange of resources and knowledge, by establishing academic cooperation agreements and shared resources with educational institutions and global experts.

5. Intensifying training and development to enhance operational and administrative capabilities, which will positively impact the more efficient use of resources, by developing clear career paths with criteria for promotion and career development.

6- Working to improve the quality of products and services provided to build a strong reputation that distinguishes the company from competitors and enhances competitive advantages, by leveraging student and beneficiary evaluations and surveys to improve performance.

7- Employing financial and technological analysis tools to analyze market and performance data to make more accurate and effective strategic decisions, by conducting periodic analyses of market and performance data to inform strategic decision-making.

8. Developing policies related to sustainability and social responsibility to enhance the company's public image and attractiveness to investors and customers, enhancing long-term competitive advantage, by spreading a culture of social responsibility among students, faculty members, and management.

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