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The Mediating Role Of Dynamic Capability On The Influence of Intellectual Capital On Corporate Performance : A Literature Review

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Abstract

This study aims to explore the relationship between intellectual capital (IC), dynamic capability (DC), and corporate performance (CP) while identifying gaps in the existing literature. IC, comprising human capital, structural capital, and relational capital, serves as a strategic resource for driving competitive advantage and sustainable corporate performance. Meanwhile, DC, which encompasses sensing, seizing, and reconfiguring capabilities, acts as the primary mediator in leveraging IC to respond to environmental dynamics. This study also reviews relevant literature to construct an integrative theoretical framework based on the Resource-Based View (RBV) and Dynamic Capability View (DCV). Practically, the research provides insights for companies to enhance performance through the optimization of IC and strengthening of DC. The findings identify trends, offer directions for future research, and recommend the development of strategic frameworks applicable across various sectors.

Keywords: Intellectual capital, Corporate performance, Dynamic Capability.

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INTRODUCTION

In today's knowledge-driven economy, intellectual capital has emerged as a critical factor in organizational development and sustainable competitive advantage (Chang & Hsieh, 2008). The market value of companies is increasingly determined by their intangible assets, such as knowledge, expertise, and innovation, rather than their physical assets (Chang & Hsieh, 2008).

Intellectual capital encompasses the sum of an organization's intangible and knowledge-based resources that are utilized to generate value. Seminal works in strategic management have highlighted the importance of these organizational properties as the primary source of sustainable competitive advantage. (Chang & Hsieh, 2008) Practitioners and academicians alike have recognized the role of knowledge for global competitiveness, and they believe that intellectual capital is the key to maintaining competitive advantage and sustainable corporate performance. (- & Mohan, 2017)

Numerous studies have explored the relationship between intellectual capital and firm performance, with evidence suggesting that increased investments in intellectual assets can significantly translate into superior organizational outcomes. For instance, a study on Taiwanese firms found that intellectual capital plays a crucial role in enhancing firm value. (Ni et al., 2020) Similarly, a review of empirical studies on intellectual capital and firm performance concluded that intangible assets are crucial for a firm's success and the wealth of the modern economy. (- & Mohan, 2017).

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study on Taiwanese firms found that intellectual capital plays a crucial role in enhancing firm value. (Ni et al., 2020) Similarly, a review of empirical studies on intellectual capital and firm performance concluded that intangible assets are crucial for a firm's success and the wealth of the modern economy. (- & Mohan, 2017).

The dynamic capabilities perspective has emerged as a dominant approach to understand how firms can continuously adapt to changing external circumstances (Keller et al., 2022) (Wójcik, 2015). Dynamic capabilities are considered as learned and pattern-based organizational processes that enable firms to purposefully renew their resource base so as to achieve congruence with a dynamically evolving environment. (Keller et al., 2022) In today's rapidly changing business world, firms can no longer rely solely on their resources to maintain their competitive position. Instead, they must be able to combine resources in new ways, gain additional resources, and dispose of unessential resources, and to do this continually and rapidly if they want to compete successfully. (Michaelis et al., 2020).

The dynamic capabilities perspective posits that a firm's success is largely driven by its ability to adapt to a changing environment to secure value-creating potential and, thus, achieve a competitive advantage (Wójcik, 2015). Numerous studies have corroborated the strategic significance of dynamic capabilities by showing how long-established organizations develop and use specific processes, such as new product development, outlet proliferation, or alliance management, to create, extend, or modify their resource base, and hence, successfully cope with technological and market changes. (Keller et al., 2022).

In today's rapidly evolving business landscape, the ability of organizations to adapt and thrive is critical for success. Scholars have increasingly recognized the importance of dynamic capabilities, which refer to a firm's capacity to integrate, build, and reconfigure internal and external competencies to address changing environments. (Wójcik, 2015) Intellectual capital, encompassing the knowledge-based resources of a firm, has also been identified as a key driver of corporate performance. (Krzakiewicz, 2013).

The dynamic capabilities perspective posits that a firm's success is largely driven by its ability to adapt to a changing environment, securing value-creating potential and achieving a competitive advantage. This perspective has gained significant attention in the strategic management literature, as it provides a useful theoretical construct for understanding competition in the current global environment.

Importantly, the logic of dynamic capabilities aligns with recent advancements in the field of knowledge management, particularly the concept of "knowledge-creating

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companies" and the management of intellectual capital. Dynamic capabilities are distinct from operational capabilities in their emphasis on change management, enabling firms to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. (Krzakiewicz, 2013).

Problem Statement

1. What is the relationship between the variables of intellectual capital (IC), dynamic capability (DC), and corporate performance (CP)?
2. What gaps in previous research does this study aim to address?

Research Objectives

1. The systematic review of literature to analyze the relationship between IC, DC, and CP.
2. Identify research trends and future research directions.

Research Contribution

1. **Theoretically**, this research strengthens the theoretical foundation by integrating the Resource-Based View (RBV) and Dynamic Capability View (DCV) to explain how intellectual capital (IC) functions as a strategic resource that supports competitive advantage, while dynamic capability (DC) serves as the main driver in managing and leveraging IC in response to environmental changes. Furthermore, this study addresses a literature gap by highlighting the mediating role of DC in the relationship between IC and corporate performance (CP). It also encourages further empirical research by providing a strong theoretical basis for deeper examination of the relationships between these variables.
2. **Practically**, this research offers actionable insights for business practitioners to improve organizational performance through the optimal management of IC, which includes the development of human capital, enhancement of structural capital, and strengthening of relational capital. The study demonstrates that investment in IC can have a positive impact on corporate performance when supported by the strengthening of DC, which encompasses sensing, seizing, and reconfiguring capabilities to respond to changes in the business environment. Additionally, this research provides a strategic framework for companies to design IC and DC-based strategies to achieve sustainable performance and enhance competitiveness in dynamic markets. For executives, this study serves as a guide for strategic

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decision-making by understanding the importance of managing IC through the development of DC, thereby improving effectiveness in a competitive business environment. The specific benefits of this research also include opportunities for cross-disciplinary collaboration among academics and practical guidance for companies in managing intangible assets and improving organizational agility to navigate global business uncertainties.

LITERATURE REVIEW

Intellectual Capital (IC)

Intellectual capital has emerged as a critical asset for organizations in the modern business landscape (Ni et al., 2020). It encompasses the intangible and knowledge-related resources that organizations leverage to generate value and maintain a competitive edge. (Ni et al., 2020) (- & Mohan, 2017) Intellectual capital is often categorized into three main dimensions: human capital, structural capital, and relational capital.

Human capital refers to the knowledge, skills, and capabilities of an organization's employees (Ni et al., 2020). It represents the individual competencies, expertise, and experience that employees bring to the organization. Structural capital, on the other hand, encompasses the organizational systems, processes, and infrastructure that support and enable the effective utilization of human capital. Relational capital, the third dimension, pertains to the organization's relationships and connections with external stakeholders, such as customers, suppliers, and industry partners (- & Mohan, 2017) (Kamath, 2015) (Shairi et al., 2021) (Ni et al., 2020).

Numerous studies have highlighted the importance of intellectual capital for firm performance and value enhancement. Intellectual capital is seen as a key driver of innovation, productivity, and sustainable competitive advantage in the modern knowledge-based economy. Firms that effectively leverage their intellectual capital are better equipped to navigate the challenges of the fourth industrial revolution and ensure long-term success.

The critical role of intellectual capital is further emphasized in the present era of the fourth industrial revolution, where the survival and success of organizations depend heavily on their ability to harness and manage their intangible assets (Shairi et al., 2021). Intellectual capital has become a crucial factor in driving the competitive advantage and sustainable development of organizations in the medium and long term. (Nguyen & Lu, 2023)

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Dynamic Capability (DC)

Dynamic capabilities have become a prominent concept in strategic management research, offering insights into how firms can adapt and respond to changing market conditions (Gremme & Wohlgemuth, 2017). This paper explores the relationship between the dynamic capabilities perspective and other theoretical concepts within the strategic management field, with a particular focus on the role of dynamic capabilities as a mediator between various organizational factors.

The dynamic capabilities view posits that a firm's success is largely driven by its ability to adapt to a changing environment in order to secure value-creating potential and achieve a competitive advantage (Wójcik, 2015). This perspective has attracted significant scholarly attention in recent decades, as reflected in the proliferation of conceptual and empirical studies in the strategic management literature. (Wójcik, 2015).

Yet, the relationship between dynamic capabilities and other theoretical concepts within the strategic management field remains limited. This paper aims to synthesize the existing literature and develop a clearer understanding of the connections between dynamic capabilities, resources, assets, competencies, and static capabilities.

The dynamic capabilities perspective has been proposed as a means of addressing the perceived shortcomings of the resource-based view of the firm, which has been criticized for its static nature and inability to fully explain how organizations adapt to changing environments (Wójcik, 2015). The dynamic capabilities view, in contrast, emphasizes the firm's ability to sense, seize, and reconfigure its resource base in response to evolving market demands. (Wilden et al., 2018)

Corporate Performance (CP)

Corporate performance is the degree to which a company successfully achieves its goals and generates long-term value for its shareholders and other stakeholders (Kaplan & Norton, 1996). Performance is a general term used to describe various actions or activities undertaken by a company over a specific period of time.

The performance of a company can be analyzed using various financial analysis tools to determine its financial condition and the success of its business operations. As described by Elena-Iuliana et al., corporate performance consists of three key outcomes: financial performance, market performance, and shareholder return. (Aithal, 2021).

The term "corporate performance" refers to the extent to which a company is able to meet its goals and objectives (Megawati et al., 2020). Measuring corporate performance is crucial for evaluating the success of a company's operations and

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identifying areas for improvement. One of the most commonly used measures of corporate performance is return on equity, which reflects the company's ability to generate profits from the capital invested by its shareholders. Other important metrics for measuring corporate performance include: (Susanti & Restiana, 2018) (Megawati et al., 2020).

This can be measured through a variety of financial and non-financial metrics, including profitability, market share, shareholder value, and customer satisfaction. Companies that demonstrate strong corporate performance are typically able to generate sustainable profits, maintain a competitive edge, and provide satisfactory returns to their shareholders. (Susanti & Restiana, 2018) (Aithal, 2021). of the key measures of corporate performance is return on equity, which reflects the company's ability to generate profits from the capital invested by its shareholders. Other important metrics include sales growth, market share, and various measures of efficiency and productivity. (Aithal, 2021) (Susanti & Restiana, 2018) In recent years, there has been a growing emphasis on measuring corporate performance in terms of sustainability and societal impact, in addition to traditional financial metrics. (Grewal & Serafeim, 2020)

Several factors can influence a company's corporate performance, both internally and externally. Internal factors include the quality of leadership and management, the efficiency of operations, the effectiveness of marketing and sales strategies, and the company's ability to innovate and adapt to changing market conditions. External factors, on the other hand, may include the state of the economy, industry trends, competitive landscape, and regulatory environment. (Aithal, 2021) (Grewal & Serafeim, 2020).

To achieve and maintain strong corporate performance, companies must continuously evaluate their strategies, processes, and practices, and make necessary adjustments to adapt to the evolving business environment.

Theoretical Relationship Between IC, DC, and CP

1. **The Influence of Intellectual Capital on Corporate Performance**

   Intellectual capital (IC) has a significant impact on corporate performance due to its role as an intangible asset that supports efficiency, innovation, and the competitiveness of a company. IC comprises three main components: human capital, structural capital, and capital employed, each of which contributes to the improvement of financial and market performance. For example, research in the Colombian banking sector shows that IC, measured through the Value Added Intellectual Coefficient (VAIC), has a positive relationship with financial

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performance indicators such as Return on Assets (ROA) and Market to Book Value (Castro, *et al*. (2020). In the context of the information technology sector in India, human capital serves as a crucial element driving innovation and productivity, directly enhancing the competitiveness of companies in the global market (Joshi and Aggarwal : 2024). Furthermore, a study on manufacturing companies in Russia found that while IC, particularly structural capital, contributes positively to efficiency, the use of physical assets remains the primary focus for profit generation (Skhivendiani : 2023). In conclusion, IC plays a pivotal role in creating competitive advantages and ensuring sustainable corporate performance, with its impact varying depending on the sector and geographical context.

2. **The Influence of Intellectual Capital on Corporate Performance Mediated By Dynamic Capability**

Intellectual Capital (IC) has an indirect influence on Corporate Performance through Dynamic Capability. The study by Nhon et al. (2020) indicates that IC, which consists of Human Capital, Social Capital, and Organizational Capital, can enhance a company's Dynamic Capabilities, including Learning Capability, Integration Capability, and Reconfiguration Capability. Among these three capabilities, Learning Capability plays the most significant mediating role in improving corporate performance. In other words, companies with strong Intellectual Capital are better equipped to develop effective learning mechanisms, enabling them to adapt to changes in the business environment and enhance their performance. Therefore, investing in skill development and organizational learning is crucial for companies to fully leverage their Intellectual Capital (Nhon et al., 2020).

Meanwhile, Wang et al. (2019) examined the relationship between Intellectual Capital and Technological Dynamic Capability, which also acts as a mediator in improving corporate performance in the manufacturing sector. In this study, Intellectual Capital is divided into Human Capital Efficiency (HCE), Organizational Capital Efficiency (OCE), and Capital Employed Efficiency (CEE). The findings reveal that IC positively impacts Technological Dynamic Capability, allowing companies to be more adaptive to technological changes and enhance their competitiveness. Interestingly, this positive effect is stronger in state-owned enterprises compared to private firms, indicating that organizational structure and access to resources influence the relationship between Intellectual Capital and dynamic technological capabilities. Consequently, companies must focus on

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strengthening flexible technological capabilities to maximize the benefits of Intellectual Capital and improve Corporate Performance (Wang et al., 2019).

Overall, both studies confirm that Intellectual Capital does not directly enhance corporate performance but does so through the mediating role of Dynamic Capability. Companies aiming to optimize their Intellectual Capital must develop strategies based on learning, integration, and technological innovation to be more responsive to changes in the business environment. Therefore, Dynamic Capability serves as a key factor in translating Intellectual Capital into competitive advantage and improved business performance.

RESEARCH METHODOLOGY

This study uses Systematic Literature Review (SLR) to identify, evaluate, and synthesize evidence related to the topic being researched. SLR is a structured approach aimed at providing an objective and comprehensive overview, reducing bias in literature selection, and producing more valid and accountable conclusions (Tranfield *et al*., 2003). The process involves formulating research questions, systematic literature search, selecting relevant studies, assessing quality, and synthesizing results. SLR ensures transparency and allows the research to be replicated by other researchers. In this study, SLR is used to provide a solid evidence base and identify research gaps.

RESULT AND DISCUSSION

Tren Penelitian tentang IC, DC, dan CP

Over the past decades, the focus of business research has shifted from traditional factors of production, such as land, labor, and financial capital, to intangible assets as critical drivers of competitive advantage and organizational performance (Costa et al., 2014). This shift has led to a growing body of literature exploring the concept of intellectual capital and its impact on firm performance.

Intellectual capital, which encompasses the knowledge, skills, and capabilities inherent in an organization, has been recognized as a key determinant of a firm's ability to innovate, adapt to changing market conditions, and ultimately, achieve superior financial and operational outcomes. As the global business environment becomes increasingly complex and dynamic, the value created by intangible assets like intellectual capital has become at least as important as that of tangible assets in providing sustainable earnings and guiding the future development of enterprises. (Ni et al., 2020).

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Empirical studies have investigated the relationship between intellectual capital and firm performance, with varying degrees of consensus. Some researchers have found that investment in intellectual capital can yield twice the returns of investment in physical assets, underscoring the critical role of intangible resources in value creation. (- & Mohan, 2017) However, the measurement and quantification of intellectual capital's impact on firm performance remains a challenge, as traditional accounting practices often fail to adequately capture the value of such intangible assets. (- & Mohan, 2017).

In a similar vein, the concept of dynamic capability has emerged as a complementary framework for understanding how firms can adapt and thrive in rapidly changing environments. Dynamic capability refers to the firm's ability to integrate, build, and reconfigure internal and external competencies to address changing market conditions. (Ni et al., 2020) (- & Mohan, 2017) (Costa et al., 2014) The dynamic capability perspective suggests that firms can achieve sustained competitive advantage not only through the possession of valuable resources, but also through their ability to continuously reconfigure those resources in response to evolving circumstances.

As the global economy continues to evolve, the interplay between intellectual capital, dynamic capability, and corporate performance has become an increasingly important area of research. Scholars have explored the ways in which firms can leverage their intellectual capital to build dynamic capabilities and, in turn, enhance their overall performance and competitiveness. (Ni et al., 2020) (- & Mohan, 2017) (Chang & Hsieh, 2008) (Shairi et al., 2021)

Intellectual capital to dynamic capability

Researcher and Year	Supporting Theory	Findings	Research Gap
Hsu and Wang (2010) (Hsu and Wang)	Resource-Based View (RBV), Dynamic Capability View (DCV)	Dynamic capability mediates the relationship between *intellectual capital* (IC) and firm performance, focusing on R&D and marketing.	Study limited to high-tech sectors; lacks exploration of other dimensions of dynamic capabilities.

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Singh and Rao (2016) (Singh and Rao)	RBV,Knowledge-Based View (KBV), DCV	Human and social capital significantly influence dynamic capabilities, while organizational capital shows negative effects.	Unclear role of organizational capital in reconfiguring dynamic capabilities.
Singh and Verma (2024) (singh)	RBV, DCV	Learning capability is the primary mediator between IC and firm performance in the Indian banking sector.	Study confined to the banking sector; effects of other dynamic capability dimensions are underexplored.
Wang et al. (2019)	System Dynamics, RBV	IC efficiency significantly impacts *dynamic technological capability* in Chinese manufacturing firms.	Focused only on technological dynamic capability; other sectors and non-technological dimensions remain unexamined.

Previous studies highlight that *intellectual capital* (IC) significantly impacts firm performance, with *dynamic capability* as a key mediator. Hsu and Wang (2010) revealed that dynamic capabilities, particularly in R&D and marketing, play an important role, but their study is limited to high-tech sectors. Singh and Rao (2016) emphasized the strong influence of *human* and *social capital* on dynamic capabilities, while organizational capital showed negative results, indicating an unclear role for this dimension. Singh and Verma (2024) identified *learning capability* as the primary mediator in the Indian banking sector, though other dimensions of dynamic capabilities were not extensively explored. Wang et al. (2019) demonstrated the significant effect of IC efficiency on technological dynamic capability in Chinese manufacturing firms, but their study was restricted to technology-based capabilities. Overall, there is a need to explore other dimensions of dynamic capabilities and the impact of IC in non-technological and cross-regional contexts.

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The Relationship Between Intellectual Capital and Dynamic Capability

From various reviewed articles, the relationship between intellectual capital (IC) and dynamic capability (DC) can be summarized as follows:

1. **The Role of Intellectual Capital as the Basis for Dynamic Capability**:
   1) According to Hsu and Wang (2010) IC, comprising *human capital*, *relational capital*, and *structural capital*, serves as the foundation for building dynamic capabilities. For example, *human capital* supports innovation and decision-making, while *relational capital* strengthens external relationships to adapt to market changes.
   2) IC enables firms to develop dynamic capabilities through knowledge accumulation, R&D, and marketing, ultimately improving firm performance.
2. **IC Dimensions Supporting DC**:
   1) Singh and Rao (2016) demonstrated that *human capital* and *social capital* strongly influence the development of dynamic capabilities such as *learning*, *integration*, and *reconfiguration*. However, *organizational capital* sometimes has a negative effect, particularly in the context of resource reconfiguration.
   2) Singh and Verma (2024) emphasized the importance of *learning dynamic capability* as the primary mediator in the relationship between IC and firm performance in the banking sector.
3. **Impact of IC on Dynamic Technological Capability**:
   1) Wang et al. (2019) explained that IC efficiency, including *human capital* and *organizational capital*, significantly contributes to dynamic technological capabilities. This study highlights that IC helps firms leverage technological innovation opportunities and respond to external changes.
4. **IC Mechanisms Supporting DC**:
   1) Hsu and Wang (2010) found that DC acts as a bridge between IC and firm performance by helping firms adapt to dynamic business environments. Organizational learning is a crucial component in developing dynamic capabilities.

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Dynamic Capability to corporate performance

Researcher and Year	Supporting Theory	Findings	Research Gap
Chien an Tsai (2012)	Resource-Based View (RBV), Dynamic Capability Theory	Dynamic capabilities are mediated by learning mechanisms in influencing firm performance in the fast-food sector.	Study limited to one industry (fast food); generalization to other industries is needed.
Martins (2023)	Digitalization, Dynamic Capability	Digitalization strengthens the relationship between dynamic capabilities (sensing, seizing, transforming) and SME performance during the COVID-19 pandemic.	Focused only on the pandemic era; long-term effects of digitalization on dynamic capabilities remain unclear.
Prester (2023)	Strategic Management, Operations Management	Dynamic capabilities partially mediate operational capabilities and business performance in global manufacturing firms.	Lack of consistent measurement models for dynamic capabilities; relevance to non-manufacturing sectors remains unexplored.
Dangol (2012) (Ramesh)	Resource Complementarity Theory	Dynamic capabilities contribute through resource reconfiguration and involve dual-purpose capabilities (operational and dynamic).	Study does not cover how dynamic capabilities influence small and medium enterprises (SMEs).
Tseng and Lee (2014)	Knowledge Management (KM),	KM enhances dynamic capabilities, which in	Focused only on the relationship between

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	Dynamic Capability Theory	turn improve organizational performance.	KM, dynamic capabilities, and performance without considering external factors like competitive environments.

Previous studies highlight the importance of dynamic capabilities in enhancing organizational performance, though results vary depending on context and approach. Chien and Tsai (2012) found that learning mechanisms mediate the relationship between dynamic capabilities and performance, but their study is limited to the fast-food sector. Martins (2023) revealed that digitalization strengthens dynamic capabilities during the pandemic, yet long-term impacts remain underexplored. Prester (2023) emphasized the partial mediating effect of dynamic capabilities on operational and business performance in global manufacturing firms, but consistent measurement models are lacking. Dangol (2012) stressed the role of dual-purpose capabilities but did not address dynamic capabilities in SMEs. Tseng and Lee (2014) concluded that knowledge management enhances dynamic capabilities, ultimately improving performance, but external factors like competitive pressure were not considered. Overall, further research is needed to explore cross-industry contexts, long-term effects, and external factors influencing the relationship between dynamic capabilities and firm performance.

The Relationship Between Dynamic Capability and Corporate Performance

Based on the analyzed articles, the relationship between dynamic capability (DC) and corporate performance (CP) can be summarized as follows:

1. **Enhancing Organizational Adaptability**:
    1) Tseng and Lee (2014) demonstrated that dynamic capabilities enable organizations to respond rapidly to environmental changes by integrating, renewing, and reconfiguring internal and external resources. This directly enhances corporate performance in terms of operational efficiency and innovation.
    2) Wang and Hsu (2010) found that dynamic capabilities in R&D, marketing, and production significantly impact corporate performance in the high-tech sector. They also identified moderating factors, such as governance and competitive strategies, that influence this relationship.

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2. **Importance of Internal and External Alignment**:
    1) Wilden et al. (2013**)** highlighted that dynamic capabilities contribute to corporate performance through internal alignment with organizational structure and external alignment with competitive intensity. Dynamic capabilities enable firms to adapt their resources to market changes, thereby improving competitiveness and cost efficiency.
    2) Ringov (2017) noted that the impact of dynamic capabilities on corporate performance depends on the complexity of a firm's asset base and its exposure to environmental dynamism. This emphasizes the need for a contingency approach to understanding the relationship between dynamic capabilities and corporate performance.
3. **Mediating Effects of Dynamic Capabilities**:
    1) Prester (2023) found that dynamic capabilities partially mediate the relationship between operational capabilities and business performance. While their direct contribution is significant, their impact is amplified through integration with operational capabilities.
4. **Strategic Contribution to Competitive Advantage**:
    1) Martins (2023) observed that dynamic capabilities, such as sensing, seizing, and transforming resources, are particularly critical during disruptions like the COVID-19 pandemic. Digitalization strategies strengthen this relationship by enhancing organizational efficiency and flexibility.

Intellectual capital to corporate performance

Researcher and Year	Supporting Theory	Findings	Research Gap
Chu et al. (2011)	Resource-Based View (RBV)	Found a relationship between *intellectual capital* (IC) components and business performance, but results were inconsistent.	Lack of confirmation across different geographic and industrial contexts; IC focus remains limited.

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Kalkan et al. (2014)	RBV, Organizational Strategy	IC, innovation, and organizational strategy significantly impact firm performance.	Study limited to firms in one region (Turkey); unclear relationship between IC and specific performance dimensions.
Parlak (2021)	Value Added Intellectual Coefficient (VAIC)	IC significantly influences the financial performance of participation banks in Turkey.	Focused only on the banking sector; non-financial dimensions of performance remain unexplored.
Olarewaju (2021)	VAIC Model	IC affects insurance companies' performance in South Africa, with an inverse relationship for physical capital.	Lack of regional studies in the insurance sector; other IC dimensions like relational capital are underexplored.
Santoso (2011)	Intellectual Capital Framework	IC has a moderate relationship with banking performance in Indonesia, primarily through human capital efficiency.	Research limited to banking; no exploration of relational capital or innovation roles.

Previous studies highlight that *intellectual capital* (IC) plays a critical role in influencing firm performance, though with varying results. Chu et al. (2011) found inconsistent relationships between IC and business performance, emphasizing the need for further studies across different geographic and industrial contexts. Kalkan et al. (2014) stressed IC's role in supporting innovation and organizational strategies, though their study was confined to a specific region. Parlak (2021) and Olarewaju (2021) demonstrated IC's significant influence on financial performance in the banking and insurance sectors, but limited attention was given to non-financial performance and relational capital dimensions. Santoso (2011) highlighted a moderate relationship between IC and banking performance in Indonesia via human capital efficiency, yet neglected aspects like innovation or relational capital. Overall, there is a need for more

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comprehensive cross-sectoral and regional studies to identify IC's broader roles, including its innovation and relational dimensions.

The Relationship Between Intellectual Capital and Corporate Performance

Based on the analyzed articles, the relationship between intellectual capital (IC) and corporate performance can be summarized as follows:

1. **The Contribution of Intellectual Capital to Financial Performance**:
    1) Research by Chu et al. (2011) found that IC components such as *structural capital* and *capital employed efficiency* significantly influence corporate financial performance, especially on indicators like *return on equity (ROE)* and *market-to-book value (MB)*. However, *human capital* showed a negative correlation with certain financial performance indicators.
    2) Olarewaju (2021) revealed that in South Africa's insurance industry, *human capital* and *structural capital* positively influence financial performance, such as *return on assets (ROA)*, while *capital employed* did not show a significant effect.
2. **Diverse Impacts in Specific Sectors**:
    1) Studies in the banking sector, such as those by Parlak (2021) and Santoso (2011), demonstrated that IC efficiency significantly contributes to financial performance, emphasizing the importance of *human capital* in organizational value creation(parlak)(santoso).
    2) Joshi and Aggarwal (2024) found that in India's IT sector, IC significantly affects financial performance, highlighting the importance of innovation driven by *human capital* in knowledge-based businesses.
3. **Moderation Effects and Regional Variations**:
    1) Cahyono and Ardianto (2024) emphasized that the relationship between IC and corporate performance in Indonesia can be moderated by political connections, showing that contextual factors can amplify or diminish IC's impact on performance.
    2) Research by Skhvediani et al. (2023) highlighted that the impact of *structural* and *human capital* on Russian manufacturing firms' performance is lower than that of *capital employed*, indicating regional variations in IC effectiveness.

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4. **Measurement Models and Analytical Approaches**:
    1) Many studies used the Value Added Intellectual Coefficient (VAIC) model to evaluate IC's impact on firm performance. This model helps identify the contribution of each IC component to value creation(Sumedrea, 2013).

CONCLUSION AND RECOMMENDATION

Previous studies indicate that **intellectual capital (IC)** and **dynamic capability** play critical roles in improving firm performance, although results vary depending on context and approach. **Hsu and Wang (2010)** highlighted the role of dynamic capabilities in R&D and marketing, but their study was limited to the high-tech sector. **Singh and Rao (2016)** found strong effects of *human* and *social capital*, yet the role of *organizational capital* remains unclear. **Singh and Verma (2024)** emphasized the importance of *learning capability* in the Indian banking sector, while **Wang et al. (2019)** focused on IC efficiency in dynamic technological capabilities within Chinese manufacturing firms. Other studies, such as **Chu *et al*. (2011), Kalkan et al. (2014),** and **Santoso (2011),** demonstrated varying relationships between IC and performance, underscoring the need for cross-sectoral studies and exploration of non-financial dimensions. Research has also identified that **dynamic capability** is mediated by learning (**Chien and Tsai, 2012)** or supported by digitalization (**Martins, 2023**), yet long-term effects remain underexplored. Further research is needed to investigate cross-industry contexts, external factors, and the development of consistent measurement models.

Previous research highlights a significant relationship between intellectual capital (IC) and dynamic capability (DC) and their impact on corporate performance. IC, comprising *human capital*, *relational capital*, and *structural capital*, serves as the foundation for building DC. *Human capital* supports innovation and decision-making, while *relational capital* helps firms adapt to market changes through external relationships. IC components, such as structural capital efficiency, also influence financial performance, though variations exist across sectors like banking and insurance.

Dynamic capability plays a critical role in enhancing corporate performance by helping firms reconfigure internal and external resources to respond to environmental changes. Studies show that DC directly contributes to operational efficiency and innovation, further strengthened by internal alignment with organizational structures and external alignment with competitive intensity. Additionally, DC mediates the relationship between operational capabilities and business performance.

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Overall, DC and IC provide a competitive advantage, especially during disruptions such as the pandemic, where digitalization strategies and innovation are key to improving organizational flexibility.

Future studies are encouraged to expand cross-industry exploration, particularly in under-researched sectors such as education, healthcare, and small-scale manufacturing, to understand the impact of **intellectual capital (IC)** and **dynamic capability (DC)** in various contexts. Additionally, deeper analysis is needed to evaluate contextual factors, such as organizational culture, government policies, and digitalization levels, which may act as moderating factors in the IC-DC relationship. Longitudinal research is also essential to observe the development of IC and DC and their influence on corporate performance in ever-changing business environments. Finally, the integration of digitalization should be a key focus, particularly in strengthening the IC-DC relationship and helping firms address external disruptions such as pandemics or regulatory changes.

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