Impact of Motivation Factors through (Participative leadership, share information, Teamwork) on Sustaining Competitive Advantage through Mediating Empowering employees for Iraqi Private Banks

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Abstract: Many organizations are trying to shift the management practices from a traditional style of command and control toward the participatory management style (Participative leadership). They encourage Teamwork, global mobile telecommuting, flexible hours, and greater participation of employees in the decision-making process in work groups. In this paper, we examine an employee versus a manager conceptual model of employee empowerment program and examine this issue in light of relevant theories of leadership, motivation theories, and cognitive science. The barriers to employee involvement are reviewed and some effective methods to remove these obstacles will be explored. Finally, the notion of delegation of decision making from managers to employees will be addressed in the context of the employee empowerment program.

Keywords: Motivation Factors, Participative leadership, Sharing Information, Teamwork, Employee Empowerment, Sustainable competitive advantage

I. Introduction
In addition to the factors mentioned above, where customers prefer to deal with the banks that able to develop their banking services in an excellent way, and response to their customers requires in a promptly way, especially if we know the similarity took place among these services, where the needs will be required to be distinctive and to achieve a competitive sign with the comparison of other banks. Yet this cannot be achieved for a long term unless the bank has the capability of adaptation to the variable environment in general and the customer's desires in specific, so this led to adopt a comprehensive strategy for adaptation and modify the procedures concerning offering services.

II. Background of the Study
Global banks have built a competitive environment in business. If the organizations want to remain in the market, they must be inventive in lowering costs and value to customers. So, it is essential for an organization to utilize the full potential of its employees. But the employees need power and control to make decisions to fulfill the customer’s needs.

III. The reality of the banking system in Iraq
The Iraqi banking system to pass through several stages started from 1867, and the oldest were the Ottoman Bank, Bank of the Shah of Iran, eastern British Bank, and then the Iraqi national banking stage was started in 1935, which saw the creation of the agro – industrial bank that became after 1940 two banks: the Agricultural Bank, industrial Bank.
In 1941, Rafidain Bank was established as a single commercial government bank and commercial single, then the Central Bank of Iraq in 1947, the Real Estate Bank has been established in 1948, Cooperative Bank and the Bank of mortgages, and many of the Iraqi private banks as Al-Itimad Bank and United Bank and Rasheed Bank, in addition to branches of foreign banks, which exceeded the 15 bank, mostly belonging to the Lebanese banks, and Jordan.

IV. Statement of the Problem
The reform of the Iraq banking system is a challenge, in the light of political and security environment issues, but the evidence from recent years has shown that the results are consistent and many of the solutions have already been implemented.
The banking sector of Iraq is the most underdeveloped banking system in the Middle East North Africa. According to the statistics, more than 80% of the population does not have a bank account (Sansar Capital, 2013). Accounting for 75% of the financial system, in terms of assets and 77% of GDP, the Iraqi banking system is dominated by the state-owned banks (IMF, 2013). The main issues of this segment are related to low capitalization, especially in the case of Rafidain Bank and Rasheed Bank. The banking sector reform, which started in 2006, has provided solutions, in terms of new capital, but the implementation has been very slow. The private banks (50) are small and their activities are short-term orientated to retail trade and wholesale. The professionalism of private banks is questioned by the Central Bank of Iraq officials, in regard to their real potential in supporting economic growth.

V. Motivation Factors

There are numerous motivation theories that have influenced the way organizations manage employees to achieve a motivated work force.

What is most significant about n-Ach theory is McClelland’s claim that the achievement motive can be developed and taught to under-achieving persons or groups in various cultures. (McClelland, 1961) focuses on three human needs (a) need for achievement; a learnt need to excel and succeed in life, (b) need for power, a learnt need to lead and change the behaviours and beliefs of others, (c) need for affiliation, a learnt need for social interaction with others. This theory revealed that intrinsic motivation is far more powerful in promoting performance when compared to extrinsic motivation, as shown in Fig. 1.

Figure 1: McClelland’s Human Motivation Theory (Source: By David McClelland’s)

A. Participative leadership

Participative leadership style in which employees takes part in the decision-making process. Opinions of the group are sought by the participative leader who uses this information to make decisions. The group is kept informed about the future and are allowed to debate and proposed Changes to a long-term policy. Furthermore, the leadership behavior influences the job performance of subordinates by creating very high levels of trust (Huang, Iun, Liu, & Gong, 2009).

B. Sharing Information

Allow employees to recognize the situations are analyzed, Information sharing with trust in the organization, breaking down traditional hierarchical thinking begins and thereby increases the sense of responsibility to workers. And information is the first key to empowering individuals and organizations (Sivolainen, 2017).

C. Teamwork

Teamwork as an important factor that contributes to employee’s performance. An efficient and effective utilization of human resources in an organization is very important to improve its overall efficiency and effectiveness. Teamwork is a mutual activity that aims to achieve a common goal through involving organizational employees in certain groups to share their skills and knowledge with each other (Benrazavi & Silong, 2013).

VI. Employee Empowerment

Herrenkohl, Judson, and Heffner, (1999) argues that employee empowerment refers to employees being self-sufficient and more proactive in supporting an Organization to achieve its goals and objectives (Herrenkohl et al., 1999).
Ganjinia, Gilaninia, Poorali, angSharami, (2013) pointed out that the Employee empowerment is one of the valuable methods for increasing human resources innovation and their productivity as well as most favorable use of individual and teams’ abilities so as to achieve objectives of Organization (Ganjinia et al., 2013). According to (Wanjau, Mung’atu, Gichira, &Wamuyu, 2015) Employee empowerment refers to the authority for an employee to present a solution that meets the needs and expectations of the individual customer; which means giving frontline employees the desire, skills, tools, and authority to serve the customer. The empowerment of the employees requires that they are able to understand and manage failure, as well as customer expectations of appropriate recovery actions (Bhandari, Tsarenko, &Polonsky, 2007).

There was a well-known concept of enabling in the field of Human Resources management, total quality management, and strategic management, this is known of its effectiveness in the services sector more than in goods production sector. Forming empowerment strategy is one of the most important strategies, for it requires the actions, practices and new processes are not familiar previously, establish empowerment culture (empowerment) and the serious pursuit to create the change in a systematic style in accordance with a strategy with clear visions and specific goals and objectives (Taktaz, Shabaani, Kheyri, &Khemipio, 2012).

Melhem, (2004) points out the crucial role played by front-line employees in the service delivery process and in-service encounter relationships, due to the high degree of employee-customer involvement and interaction in the production of services. Realizing the crucial role of these front-line employees, many service organizations develop strategies for empowerment to provide them with sufficient responsiveness and flexibility to satisfy the different needs of customers (Baird & Wang, 2010).

A research has done under the title (Methods and techniques for empowering sports managers) in a number of organizations of sport where (Kriemadis&Papaioannou, 2006) confirmed the immediate need to recognize the importance of the empowerment and make it more efficient and competitive, where he referred to the empowerment as a key factor in the commercial sports business, for it may contribute increasing the feasibility and the profits in the sport organizations, the (empowerment) should not be considered as a simple or practical technique that makes staff feel good about their work but organizational planning needs are extensive, time-consuming and require managers capable and trained to empower the latter so that the latter is a competitive resource for the sporting organization.

Besides, the sense of control resulting from empowerment makes such employees more willing to take responsibility for service encounters, which is integral to quality improvement (Snipes, Oswald, LaTour, &Armenakis, 2005). Specifically, the discretion and latitude offered by empowerment help front-line employees to deliver high quality and create greater customer satisfaction (He, Murrmann, & Perdue, 2010).

Within the service domain, hospitality operations are found to be the most heavily researched by academics in relation to empowerment (Chiang & Jung, 2008). Apart from hospitality operations, other types of service organisation in which empowerment has been studied are call centres Bartram and Casimir, 2007; Carless, 2003; Holdsworth, 2007; Holdsworth and Cartwright, 2003; hospitals Ahmad and Oranye, 2010.

VII. Sustainable Competitive Advantage

The strategic importance of human capital is to achieve organizational performance and competitive advantage based on the resources available to the Organization. There is a positive correlation between human resource capabilities and organizational performance for the positive impact of achieving sustainable competitive advantage (Khandekar& Sharma, 2005).

VII. Related Issues in Employee Empowerment and Sustainable Competitive Advantage

Complex and competitive environment in today’s organizations cause to change in structure of organization and nature of management. This change is kind of movement from centralized organizations with rationality system and based on function to decentralized organizations with corporation and multi functions and based on team making and empowerment. In the present organizations are usually promote advantage competitive, in order to they have to develop their quality of goods/services and increasing customers satisfactory. Every organization need to knowledge, idea, energy, employee support and commitment to success in international business environment. Organizations use empowerment to answer and face with situations of external environment. (Kahreh, Ahmadi, &Hashem, 2011).

VIII. Related Issues in participative leadership, Employee empowerment and Sustainable Competitive Advantage

Ahmad and Oranye, (2010) described the that empowerment is stimulating followers through leadership, enhancing self-efficacy by increasing intrinsic task motivation and reducing powerlessness (Ahmad &Oranye, 2010).
Referred to Bell, Chan, & Nel, (2014) recommends managers to use participative leadership in their efforts to adapt their organizational cultures to achieve a sustained competitive culture. However, directive leadership may be used in certain organizational contingencies that demand it. Leadership is critical for the success of any organization developing a sustainable and competitive culture. Organizational culture mediates the association between leadership styles and organizational performance. However, participative leadership had a stronger effect on organizational culture than when was combined with directive leadership. Bell et al., (2014) recommends managers to use participative leadership in their efforts to adapt their organizational cultures to achieve a sustained competitive culture. However, directive leadership may be used in certain organizational contingencies that demand it (Bell et al., 2014).

Elnaga and Imran, (2014) indicates some advantages results for employee empowerment strategy, such as: communication and teamwork, increasing job satisfaction, effective Team work, reducing conflict with management, human resources participate in creating their own goals, better productivity and profitability, reduces turnover rates (Elnaga& Imran, 2014).

**IX. Related Issues in sharing information, Employee empowerment and Sustainable Competitive Advantage**

Edwin, Ronald, Joel, & Kapkiyai, (2015) referred to despite the intuitive importance of effective sharing information (SI) for team decision – making (Bunderson & Sutcliff, 2002), past research has shown teams often deviate from the optimal utilization of information when making decisions; discussion often serves to strengthen individual pre - discussion preferences rather than as a venue to share new information (Edwin et al., 2015). According to Pfeffer and Veiga, (1999) sharing information is an essential part of high-performance systems (Pfeffer & Veiga, 1999). The sharing of information according to Pfeffer and Veiga, (1999) on aspects like financial performance, strategy, and operational measures convey to the organization’s people that they are trusted. Melhem, (2003) explained that even motivated and trained people cannot contribute to enhancing organizational performance if they don’t share information on important organizational issues and problems (Zeglat, Aljaber, & Alrawabdeh, 2014).

**X. Related Issues in teamwork Employee empowerment, and Sustainable Competitive Advantage**

Kinlaw, (1995) pointed out that Employee Empowerment is the process of achieving continuous improvement in an Organization’s performance by extending and developing the capable effect of human resources and teams over the functions and areas that influence their performance (Kinlaw, 1995). Kennedy and Schleifer, (2006) states that innovation can increase when cooperation takes place and cooperation can occur best when teams are empowered (Kennedy & Schleifer, 2006). Humborstad and Perry, (2011) argues that empowerment have to be directed toward enriching frontline human resources with the skills and abilities to accomplish organizations goals (Humborstad & Perry, 2011). Based on the discussion by Šalkauskienė, (2017) summarizing the ideas of many authors it is possible to claim that the concept of sustainable development cannot be separated from the concept of teamwork, because the concept of sustainability itself implies the ability of the organization to adapt to changes of organization’s environment, apply best practices and achieve as well as sustain competitive advantage. The importance of teamwork when initiating changes within the organization is innovative as well as flexible thinking, creativity, effective information management, ability to communicate and manage conflicts, creating conditions for constant improvement, achieving goals, ability to take responsibility and trust each other. By combining the factors of teamwork (management, leadership, decision-making, role change, coherence of organization’s behavioral models, etc.) and sustainable organization (management and leadership, culture and intellectual capital, etc.) it is clear that the role of teamwork while implementing the ideas of sustainable development within the organization is obvious. However, the practice of sustainable activity also benefits organization – it might be as a competitive advantage hiring and keeping employees, attracting investors (Šalkauskienė, 2017).

**XI. Conclusions and Implications**

This study aimed to understand the Impact of Motivation Factors through (Participative leadership, share information, Teamwork) on Sustaining Competitive Advantage through Mediating Empowering employees in the Iraqi Private Banks. Therefore, this study tried to investigate this relationship by using Empowering employees as Mediating in order to overcome deficiencies in the literature. Accordingly, Iraqi Private Banks should use and implement three types of Motivation Factors (Participative leadership, share information, Teamwork) to Empowering employees for achieve Sustainable competitive advantage.
In this study, it has been observed that sustainable competitive advantage is one of the critical elements for the economic development of any country. It is most important for the Iraq Banking Industry development. Complementary intention towards Banking Industry sustainable competitive advantage can raise the individual, firm performance and as well as well Banking Industry performance. Furthermore, sustainable competitive advantage can increase the customer satisfaction level, which is a problematic area in the Banking Industry of Iraq. Nevertheless, the sustainable competitive advantage in Iraq can improve through the effective usage of Motivation Factors through (Participative leadership, share information, Teamwork) and Empowering employees. Therefore, the current study, findings also guaranty that Motivation Factors and sustainable competitive advantage, playing a contributing role in sustainable competitive advantage. Moreover, the study results presented that Empowering employees was acting like a bridge between Motivation Factors through (Participative leadership, share information, Teamwork) and sustainable competitive advantage. Motivation Factors provides the latest business, environmental knowledge to the firm and help to organizational in term to develop and integrate the resources such as empowerment strategy, according to dynamic business environment, which is giving a sustainable competitive advantage. However, Motivation Factors is helpful to manage the firm resources and sustained the competitive advantage in Iraq context. Therefore, by the assistance of Motivation Factors, it is possible to solve Iraq industrial competitive advantage problems through providing latest information regarding dynamic environment and reduce the complexity of information. Hence, Motivation Factors is one of the promising dynamic capability to mitigate different problems and to increase sustainable competitive advantage. Thus, the current study suggested that for sustainable industrial competitive advantage, owner / manager and policy makers should invest on employee empowerment and organizational learning resource and capability.

Future research in this context can be more beneficial for Iraqi Private Banks, sustainable competitive advantage of Iraq. The current research field is restricted to two factors related to sustainable competitive advantage, further study should explore the other factor such technological advancement, entrepreneurial orientation, total quality management and organizational learning.

### XII. References


