

# Leadership Qualities and Sustainable Competitive Advantage: Analyzing Small and Medium-Sized Businesses in Erbil

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Received: 24 Jun 2022; Received in revised form: 12 Jul 2022; Accepted: 19 Jul 2022; Available online: 25 Jul 2022

**Abstract**— This article seeks to investigate the connection between leadership qualities and sustainable competitive advantage. The research was conducted at small and medium-sized businesses in Erbil. This study assessed the influence of leadership qualities (behaviour-focused strategies, natural reward strategies, and constructive thought patterns) on small and medium-sized firms' sustainable competitive advantage. The researchers employed basic regression analysis to determine the impact of each independent variable on small and medium-sized businesses' sustained competitive advantage in the Erbil City of Kurdistan. There were a total of 280 questionnaires sent, but only 228 individuals accurately filled them out. The findings suggested that behaviour-focused strategies as a leadership quality on sustainable competitive advantage had the largest effect, while constructive thinking patterns as a leadership quality on sustainable competitive advantage had the smallest influence.

**Keywords**— Behaviour-focused, Natural reward, Constructive thought patterns, leadership quality, sustainable competitive advantage.

## I. INTRODUCTION

National economies have seen significant transformations since the age of globalisation. Large organisations are accustomed to operating in a dynamic environment that embraces new technology. Many nations have shifted their focus to small and medium-sized enterprises (SMEs), perceiving them as the most effective means of addressing the challenges faced by large firms. SMBs are affected by economic fluctuations and shifts. They have also become more adaptive to environmental changes (Fang et al., 2022). Numerous economies seek to protect small and medium-sized enterprises by monitoring their transactions and providing them with vital support. In the majority of industrialised and developing nations, small and medium-sized enterprises (SMEs) are employed to spur economic growth. They contribute to employment, income growth, and the gross domestic product. Small and medium-sized enterprises (SMEs) provide jobs in both urban and rural regions, as well as ensure the economy's long-term survival and innovation. Additionally, a substantial

number of individuals depend on these firms. As they strive to stay afloat, SMEs are confronted with significant obstacles. They are limited by a lack of financial capital, technological obstacles, a lack of competent human resources, a lack of attention, and harsh treatment by politicians as a result of unfair policies (Lestari et al., 2020).

These constraints inhibit the growth of small firms unwittingly. SMEs often struggle with a dearth of business knowledge, management expertise, and infrastructural access. In addition, government policies frequently favour large businesses over small and medium-sized enterprises (SMEs), and SMEs have a higher staff turnover rate due to lower compensation and greater workloads. Using structural theory and the resource-based perspective, this study suggests that leadership quality and government financing have a significant influence on the competitive advantage of small and medium-sized enterprises (SMEs). The management competence of SME managers is among

the factors affecting the competitiveness of SMEs (Gemed & Lee, 2020).

SMEs must engage in entrepreneurial activities in order to obtain a competitive edge and improve their performance. Due to the significance of small and medium-sized enterprises (SMEs), governments must boost their access to finance and provide a favourable economic environment in order to maximise their potential. Governments should design suitable policy measures, such as better financial access, market support, and education expenditures, in order to boost labour skills. Effective policy tools may aid small and medium-sized enterprises (SMEs) in

overcoming growth obstacles and fostering competitiveness and entrepreneurship. In addition, before realising the benefits of globalisation, SMEs must enhance their management abilities, product consistency, and distribution capacity (Alqatawenh, 2018). There will also be a government initiative to help small and medium-sized enterprises be competitive competitors. Consequently, SMEs should update their managerial abilities and establish strong relationships with government officials and other company managers in order to enhance their strategic advantage and successfully manage themselves (Lee et al., 2021).

### Conceptual Framework

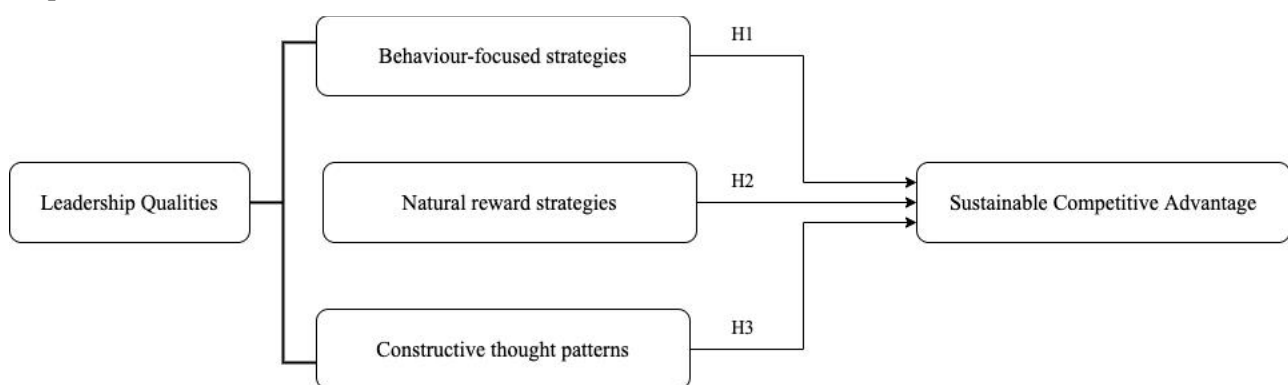


Fig.1: Conceptual Framework

### Research Hypotheses

Research Hypothesis (1): Behaviour-focused strategies as a leadership quality has a positive and significant influence on sustainable competitive advantage.

Research Hypothesis (2): Natural reward strategies as a leadership quality has a positive and significant influence on sustainable competitive advantage.

Research Hypothesis (3): Constructive thought patterns as a leadership quality has a positive and significant influence on sustainable competitive advantage.

## II. LITERATURE REVIEW

### Leadership

There are several jobs for leaders and administrators inside organisations. Managers are responsible for maintaining and overseeing institutions while leaders strive to reform them. Organizations have varying needs for these jobs at various phases and eras of their existence. (Muoz-Pascual & Galende, 2020). Leaders must adapt to and traverse their surroundings and innovate for businesses to prosper. Moreover, Hutabarat et al. (2021) underline that leaders utilise a variety of methods of influence, ranging from

indirect manipulation to overt application of power, to guarantee that followers have the motivation and task clarity required to achieve certain objectives. They frequently reorganise the workplace, such as by distributing funds and altering communication patterns, to make it simpler for employees to achieve business objectives (Asgari et al., 2020).

Various terms have been used to define leadership, including traits, attitudes, authority, contact habits, occupation, partnership, and administrative position. According to Lee and Park (2020), leadership is the ability to direct, motivate, and inspire people to contribute to the productivity and advancement of the organisations to which they belong. Leadership is characterised as a two-or more-person power mechanism in Lee et al. (2021). They indicate that the recipient of the impact campaign must attribute and recognise it to a specific individual. Some authors have sought to characterise leadership as a comprehensive process. For instance, Teece (2018) defined leadership as the essence of the influencing process and its consequences between a leader and followers, as well as how these influencing processes are characterised by the leader's dispositional characteristics and attitudes, follower

expectations and attributions, and the context in which the influencing process occurs (Aboelmaged & Hashem, 2019). While the majority of leadership scholars have defined leadership as the method of manipulating others and directing them toward desired ends, this analysis defined leadership as the process of influencing others to achieve goals. Furthermore, orchestrating the process shift, establishing a course, and inspiring people to overcome obstacles and move the organisation toward its ideal future are all essential responsibilities (Lopez-Cabrales & Valle-Cabrera, 2020).

Leaders use influence to motivate their followers and manage the workplace so that employees can accomplish their duties more effectively. There are leaders in the executive office and across the organisation. French and Raven defined five outlets or bases of control that a leader can use to achieve this objective: legitimate (power of position in the organisation), coercive (power based on the ability to punish or control), reward (power to give positive benefit or reward), expert (power based on expertise, special skills or knowledge), and referent (power that arises due to a person's desirable resources or personal connections) (Jones et al., 2018). Moreover, diverse leadership models have divergent perspectives on the best method for recognising the attributes and attitudes of leaders in relation to the leadership process. Then, we'll examine the most prevalent leadership quality-related leadership theories (Chouaibi, 2020). Based on the existing leadership theory literature, leadership quality leaned toward ideas applicable to the aforementioned framework, such as leadership's capacity to sustain innovation and adaptability in high-velocity, uncertain environments (Kakan et al., 2020).

According to Abid et al. (2020), leadership resembles transformational leadership in that the leader elicits greater achievement by reacting to the followers' higher interests. By stressing the connections between leaders and staff members, leadership is typically aligned with team-oriented leadership theories, which emphasise leaders' ability to elicit increased levels of group involvement and commitment from team members (Heyler & Martin, 2018). Linked to leadership, value-based leadership is characterised by the leader's capacity to develop a vision with high expectations and demonstrate confidence in the followers' ability to realise it (Akkaya, 2020).

Leaders are charismatic, intellectually stimulated people who command human attention. This leader may increase followers' awareness of obstacles by helping them see old problems in new ways, and they can excite, motivate, and inspire followers to go above and beyond to achieve the group's objectives. According to Venb ad et al. (2020),

transformational leaders have intelligent inspiration, inspiring guidance, and personalised thoughts for their followers as part of their charisma. Leaders also develop a strategic vision, express the vision through framing and metaphors, model the vision, and function faithfully, all while fostering vision loyalty. In addition, transformational leadership elicits greater performance through its contribution to the higher demands of followers. Moreover, according to this research, transformative leadership is compatible with leadership in other ways. First, they establish a workplace that stimulates academic stimulation by giving employees individual attention. Second, they encourage their staff to innovate and achieve greater success by encouraging them to construct and share knowledge (Singjai et al., 2018).

### **The Sources of Competitive Advantage**

Achieving and maintaining a competitive advantage for a corporation has become an important research issue in strategic literature. Numerous experts in the field of strategy management have seen the emergence of two approaches to creating strategic advantages for a corporation. The two perspectives are the resource-based interpretation (Khan et al., 2019) and structural philosophy (El-Tabal et al., 2020). According to RBV, the only source of competitive advantage for a company is its money. It also describes the features and characteristics that a firm's capital must possess in order to be a source of sustainable competitive advantage. Lorenzo et al. (2018) reached the conclusion that enterprises with valuable and limited capital would acquire a competitive advantage and boost their efficiency in the short run. To preserve these benefits over time, a company's capital must be distinctive and irreplaceable. Numerous academic and analytical studies have acknowledged the importance of the firm's capital and capabilities as a source of competitive advantage. To contribute to the growth and defence of the firm's profitability, various strategic initiatives require distinct organisational capital, capabilities, and environments (Ogbeibu et al., 2020).

According to the concept, the capacity to negotiate a dynamic network of relationships is the foundation of better export efficiency and may be utilised to enhance the expertise and resource base viewpoint that is the foundation of long-term competitive advantage. In addition, core competency as an organization's internal capital has emerged as a significant concept in strategic strategy (Hamadamin & Atan, 2019). Hartani et al. (2021), examine the relationship between core competencies, competitive advantage, and organisational performance. Although the data indicate that core competence has a clear and positive influence on competitive advantage and

organisational performance, the data also indicate that competitive advantage also has a significant effect on organisational efficiency. According to Haseeb et al.(2019), underline the significance of leadership in creating a strategic advantage for a company. Leadership is usually recognised as the backbone of a business and a significant source of strategic advantage. Collins (2021) analyses the influence of leadership qualities on competitive advantage in a similar manner. The study indicated that leadership competencies had a significant impact on the competitive advantage of Jordanian telecommunications businesses and that there was a correlation between leadership competencies and competitive advantage (Asif et al., 2019).

Swanson et al.(2020) investigated how manufacturing SMBs may obtain cost benefits by exporting their activities. Using observational evidence from thirteen Canadian offshore manufacturing SMEs, this paper aims to demonstrate that the worldwide dispersed co-production network could optimise market share and benefit. The study also indicated that small and medium-sized enterprises (SMEs) can profit from outsourcing a portion of their operations to overseas organisations when such "tasks" can be performed at a lower cost (Pitelis & Wagner, 2019).

According to Saranga et al. (2018), the method through which firms capitalise on their existing competitive advantages while simultaneously searching for prospective clients. As a result, they believe that future competitive advantages will be a function of how successfully organisations learn to combine the best of strategic management with innovation. Jia et al. (2018), examined the significance of entrepreneurial social competency in the establishment of a business network and the improvement of the competitive advantage and success of small and medium-sized enterprises. The study combines entrepreneurship with social competence to create the innovative phrase entrepreneurial social competence. The outcomes of this study demonstrate that entrepreneurial social competency has a substantial influence on the market network, competitive advantage, and success of small and medium-sized enterprises (SMEs). Lee et al. (2021), stated that using a multifaceted approach to generic competitive strategies that includes low-cost leadership and a range of differentiation-based methods, this study examines the impact of aligning management functional connections with generic competitive strategies. When management relational interactions are aligned with the requirements of certain simplified or composite techniques, the outcomes indicate higher performance. Institutional philosophy provides an alternative perspective on strategic advantage routes. According to this

perspective, a corporation may lack the essential funds to acquire a competitive advantage. The structural theory posits that these services are administered by other organisations or are not governed by the organisation that requires them. According to Efrat et al. (2018), the more financial resources a firm has, the greater its expansion potential. The external environment can have either a beneficial or detrimental effect on a company's strategy. When there is a strong desire to adhere to a set of laws, regulations, and theories, it may have a beneficial impact on an organization's performance, especially in terms of product and service quality. Consequently, the institutional hypothesis investigates how firms gain fundamental abilities that serve as a source of competitive advantage over time (Bag et al., 2021).

Consequently, institutional philosophy investigates how firms react to their environment. This environment includes the entire market, government agencies, customers, and producers. Porter's five forces model supports the institutional principle by explaining how a corporation analyses the competitiveness of the market in which it participates. Therefore, small and medium-sized enterprises (SMEs) would be more lucrative, innovative, and competitive if the market atmosphere was pleasant, open, and inclusive. Due to the fact that competitive advantage increases the market efficiency of SMEs by boosting profits, sales, and customers, it is essential for SMEs to obtain, maintain, and expand competitive advantage with whatever capital they own and insure. SME, on the other hand, must comprehend the external environment that influences their effectiveness. This study would rely on both internal (leadership quality traits) and external (government assistance) methods to attain and maintain competitive advantage (Astuti et al., 2020).

### Competitive Advantage

To succeed and win, businesses must establish a competitive edge in order to generate profits. The corporation has a competitive edge by delivering superior customer service compared to its competitors. There are several definitions of the phrase "competitive edge." Porter (1985) defines competitive advantage as a company's relative positional supremacy in its industry, which enables it to outperform its rivals (Raharso, 2020). While Odero et al. (2019) defined competitive advantage as a firm's formulation and implementation of a plan that leads to superior success in comparison to other competitors in the same market or the industry average, Odero et al. (2019) defined competitive advantage as a firm's formulation and implementation of a plan that leads to superior success in comparison to other competitors in the same market or the industry average. Therefore, competitive advantage refers



to a company's readiness to provide higher value to its consumers than its competitors, thereby gaining a competitive edge. Some experts believe that a competitive advantage is relevant if it is tied to a market-valued trait (Meng & Berger, 2019). Customers must see a clear contrast between the producer's goods or services and those of competitors in terms of essential attributes. These inequalities may be attributable to specific product/delivery features that are among the most essential market buying factors (Pitelis & Wagner, 2019).

Competitive advantage is defined as the examination of an organization's resources in order to find and capitalise on market possibilities that benefit the organization's customers (Singh et al., 2019). Javed et al. (2018), for instance, define competitive advantage as the capacity to identify attractive possibilities in the marketplace and the competencies necessary to profit from these chances. Other researchers, such as Bag et al.(2021), contend that strategic advantages are the answer to the question of how an organisation might increase its future standing in comparison to the competition. Additionally, the author argues that combining and enforcing knowledge and building better resources while creating value for the visitor are sources of competitive advantage.

A competitive advantage is the consequence of a company's policy creation process that aims to offer value to consumers, resulting in a temporary competitive edge. Although Assensoh-Kodua (2019) believes that having a CMA is inadequate in a global world, businesses must have a sustainable competitive advantage. It guarantees that the firm implementing a value-creating strategy is aware that the approach is not being used simultaneously by any current or prospective competitors in order to avoid other businesses from copying the strategy's advantages. Ying et al.(2019), SCA is defined as the long-term advantage of adopting a specific value-creating strategy that is not being used by any current or future competitors, as well as the impossibility of competitors to reproduce the strategy's advantages. Based on the preceding, this study considers competitive advantage as the consequence of a corporation's policy creation process with the goal of giving value-added to consumers, resulting in a competitive advantage over time for the firm over its rivals. Strategic advantage is seen as a crucial element of a company's success in competitive marketplaces. After many companies have lost sight of competitive advantage in their pursuit of innovation and diversification, the importance of competitive advantage today cannot be emphasised enough (Li et al., 2019).

In the year 2020, competitive advantage is crucial for all businesses, and those without it must discover ways to

acquire it. According to certain researchers, competitive advantage is a particularly significant term. Moreover, a firm with a competitive advantage is not only more lucrative than its competitors, but it also develops more rapidly, allowing it to capture more market share, either directly from rivals or indirectly via total business growth. (Udriyah et al., 2019).SMEs must adopt a global perspective in order to achieve global sustainability in 2019. SMEs are adept at identifying opportunities and focusing on the customer, but they are less adept at developing the strategic advantage required to capitalise on those chances. Consequently, attaining, sustaining, and expanding competitive advantages across all available resources is essential for SME's (Alayoubi et al., 2020).

Competitive advantage is the result of a company's policy development process, which aims to provide customers with value and place them in a stronger position to compete over time. In the literature on positive roles, they have been handled in a number of ways. Some research, for instance (Asgari et al., 2020), is centred on the two main dimensions of competitive advantage: versatility (firm's purpose and capability to produce firm-specific real alternatives for the configuration and reconfiguration of appreciably superior consumer value propositions) and responsiveness (firm's capacity to respond quickly to customer needs and wants).Competitive advantage in the year 2020 will consist of distinct offers, demand sensing, and marketreactivity (customers and competitors). The low pricing and quality of goods and services, the price-quality ratio, the utilisation of distribution networks, and after-sales consumer services are all aspects that differentiate the competitive advantage of SMEs by field of business. It also comprises personnel quality, the company's relationship with the political and economic context, the quality of management applied, the company's image, and its capacity to innovate (Akkaya, 2020).

SME's strategic advantages now are derived mostly from commodity efficiency and customer service, with pricing being the third most significant challenge. Moreover, Gemeda & Lee(2020) highlight the significance of innovation and business differentiation benefits for enhancing market rivalry and, therefore, financial performance.

Alternatively, Jones et al. (2018)claimed a diverse approach to generic strategic approaches, including low-cost leadership and a number of differentiation-based initiatives, including innovation differentiation and brand differentiation. Since marketing differentiation and cost advantage are two common strategies that may be used by any organisation in manufacturing or facilities, large or small, this analysis would focus on market differentiation

and cost advantage as the key competitive advantage dimensions, as discussed above.

### III. METHOD

A quantitative method was employed for the purpose of interpreting this analysis. This study assessed the influence of leadership qualities (behaviour-focused strategies, natural reward strategies, and constructive thought patterns) on small and medium-sized firms' sustainable competitive advantage. Using a questionnaire, the current thesis was evaluated. Sample design refers to the strategy or procedure that the researcher is able to use when picking objects for the survey. The study sample was selected using a random sampling technique and was conducted in many places around the Erbil City of Kurdistan. There were a total of 280 questionnaires sent, but only 228 individuals accurately filled them out. To investigate the effect of leadership qualities (behaviour-focused tactics, natural reward schemes, and constructive thought patterns) on small and medium-sized firms' sustainable competitive advantage Iraq. On a five-point

scale ranging from inconsequential to extremely important, participants were asked to assess the value of each item.

### IV. FINDINGS

The current research focused on assessing the impact of leadership qualities (Behaviour-focused strategies, Natural reward strategies, and Constructive thought patterns) to measure the influence on sustained competitive advantage in small and medium businesses in Erbil City of Kurdistan. In order to measure leadership qualities as Intangible resources for sustainable competitive advantage, the researchers set three independent variables as leadership qualities, these variables are (Behaviour-focused strategies, Natural reward strategies, and Constructive thought patterns) on the other hand sustainable competitive advantage. The researchers applied simple regression analysis to measure the influence of each independent variable separately on sustainable competitive advantage as small and medium enterprises in Erbil City of Kurdistan.

*Table.1: KMO and Bartlett Sphericity Test of Self-rating Items*

| No | Factors                           | N of items | Sample | KMO  | Bartlett test |      |
|----|-----------------------------------|------------|--------|------|---------------|------|
|    |                                   |            |        |      | Chi-Square    | Sig  |
| 1  | Behaviour-focused strategies      | 12         | 228    | .899 | 5127.2        | .000 |
| 2  | Natural Reward Strategies         | 10         | 228    |      |               |      |
| 3  | Constructive thought patterns     | 11         | 228    |      |               |      |
| 4  | Sustainable Competitive Advantage | 11         | 228    |      |               |      |

As we can see in table (1), the outcome of KMO is .899 which is higher than .001 this indicates that the sample size used for the current study was more than adequate. Furthermore, the result of Chi-Square is 5127.2 with the significant level .000.

*Table 2: Factor Analysis*

| No | Components                        | N of Items | N   | Eigenvalue | Rotation Sums of Squared Loadings |            |
|----|-----------------------------------|------------|-----|------------|-----------------------------------|------------|
|    |                                   |            |     |            | % of Variance                     | Cumulative |
| 1  | Behaviour-focused strategies      | 12         | 228 | 3.211      | 21.157                            | 19.784     |
| 2  | Natural Reward Strategies         | 10         | 228 | 4.025      | 20.521                            | 32.521     |
| 3  | Constructive thought patterns     | 11         | 228 | 1.258      | 12.528                            | 39.632     |
| 4  | Sustainable Competitive Advantage | 11         | 228 | 2.74       | 12.251                            | 41.012     |

Table (2) demonstrates three independent variables (Behaviour-focused strategies, Natural Reward Strategies, and Constructive thought patterns) and a dependent variable (Sustainable Competitive Advantage). As for

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Behaviour-focused strategies as first skill of leadership quality, which had twelve item explained 21.157% of the total variance. As for Natural Reward Strategies as second skill of leadership quality, which had ten items explained 20.521% of the total variance. As for Constructive

thought patterns as third skill of leadership quality, which had eleven items explained 12.528% of the total variance. And finally, as for Sustainable Competitive Advantage as dependent variable, which had eleven items explained 12.251% of the total variance.

Table 3: Reliability analysis

| Reliability Statistics            |                  |            |
|-----------------------------------|------------------|------------|
| Factor                            | Cronbach's Alpha | N of Items |
| Behaviour-focused strategies      | .798             | 12         |
| Natural Reward Strategies         | .732             | 10         |
| Constructive thought patterns     | .749             | 11         |
| Sustainable Competitive Advantage | .803             | 11         |

As seen in table (3), the reliability analysis for 44 items used to measure the influence leadership qualities (Behaviour-focused strategies, Natural reward strategies, and Constructive thought patterns) to measure the influence on sustained competitive advantage in small and medium businesses in Erbil City of Kurdistan. The above 44 questions were distributed as follow; 12 items for Behaviour-focused strategies, 10 items for Natural Reward Strategies, 11 items for Behaviour-focused strategies, and 11 items for Sustainable Competitive Advantage. The researchers applied reliability analysis to find out the reliability for each factors, the findings revealed as follow: as for Behaviour-focused strategies was found the Alpha to be .798 for 12 questions which indicated that all 12 questions used to measure Behaviour-focused strategies were reliable for the current study, as for Natural Reward Strategies was found the Alpha to be

.732 for 10 questions which indicated that all 10 questions used to measure Natural Reward Strategies were reliable for the current study, as for Behaviour-focused strategies was found the Alpha to be .749 for 11 questions which indicated that all 11 questions used to measure Behaviour-focused strategies were reliable for the current study, and finally as for Sustainable Competitive Advantage as dependent variable was found the Alpha to be .803 for 11 questions which indicated that all 11 questions used to measure Sustainable Competitive Advantage as dependent variable were reliable for the current study.

### First Research Hypothesis

Research Hypothesis (1): Behaviour-focused strategies as a leadership quality has a positive and significant influence on sustainable competitive advantage.

Table 4: Correlation analysis between Behaviour-focused strategies and sustainable competitive advantage

| Correlations   |                     |                                   |                              |
|--|---------------------|-----------------------------------|------------------------------|
| Variables  | Pearson Correlation | Sustainable Competitive Advantage | Behaviour-focused strategies |
| Sustainable Competitive Advantage                            | Pearson Correlation | 1                                 | .776**                       |
|  | Sig. (2-tailed)     |                                   | .000                         |
|  | N                   | 228                               | 228                          |
| Behaviourfocused strategies                                  | Pearson Correlation | .776**                            | 1                            |
|  | Sig. (2-tailed)     | .000                              |                              |
|  | N                   | 228                               | 228                          |
| **. Correlation is significant at the 0.01 level (2-tailed). |                     |                                   |                              |

As it can be seen in table (4), the correlation analysis between behaviour-focused strategies as a skill of self-leadership as a tangible resource to measure its influence on sustainable competitive advantage in small and medium businesses in Erbil City of Kurdistan. The finding

revealed that the value of Pearson correlation ( $r = .776^{**}$ ,  $p < 0.01$ ), this indicated that there is positive and strong correlation between behaviour-focused strategies as leadership quality and sustainable competitive advantage.

*Table 5-Model Summary of Behaviour-focused strategies*

| Model Summary   |                   |          |                   |                            |
|---|-------------------|----------|-------------------|----------------------------|
| Model   | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1   | .768 <sup>a</sup> | .721     | .711              | .20711                     |
| a. Predictors: (Constant), Behaviour-focused Strategies |                   |          |                   |                            |

Regression analysis is the study of interactions between variables.  $Y = f(x_1, x_2, \dots, x_c)$  The aim of regression analysis is to determine how Y can affect and alter X. The Behaviour-focused Strategies approach is treated as an independent variable in this section, while sustainable competitive advantage is treated as a dependent variable. The volatility of a comparative advantage will be used to calculate its total difference. The variations are determined by calculating the sum of the squares of the

expected competitive advantage values by the overall mean divided by the number of participants. After dividing the variance by the overall variance of comparative benefit, the researcher discovered the sum or percentage of total differences or variances that are compensated for using regression analysis. The number can range from 0 to 1 and is defined by R Square. The value of R square = .721 as seen in Table (5), indicating that 77 percent of total variation has been clarified.

*Table 6-ANOVA of Behaviour-focused Strategies*

| ANOVA  |            |                |     |             |         |                   |
|--|------------|----------------|-----|-------------|---------|-------------------|
| Model  |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
| 1  | Regression | 144.682        | 1   | 143.239     | 223.228 | .000 <sup>b</sup> |
|  | Residual   | 44.3825        | 785 | .045        |         |                   |
|  | Total      | 189.0645       | 786 |             |         |                   |
| a. Dependent Variable: Sustainable Competitive Advantage |            |                |     |             |         |                   |
| b. Predictors: (Constant), Behaviour-focused strategies  |            |                |     |             |         |                   |

Table (6) shows that the F value for Behaviour-focused strategies as an independent variable = 223.228, indicating that there is a significant relationship between Behaviour-focused strategies and sustainable competitive advantage ( $223.228 > 1$ ).

*Table 7-Coefficients Analysis Behaviour-focused strategies and sustainable competitive advantage*

| Coefficients   |                             |                             |            |                           |        |      |
|--|-----------------------------|-----------------------------|------------|---------------------------|--------|------|
| Model  |                             | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|  |                             | B                           | Std. Error | Beta                      |        |      |
| 1  | (Constant)                  | .297                        | .051       |                           | 3.521  | .000 |
|  | Behaviourfocused strategies | .791                        | .017       | .801                      | 52.125 | .000 |
| a. Dependent Variable: Sustainable Competitive Advantage |                             |                             |            |                           |        |      |



Table (7) shows the implications of the first hypothesis: Behaviour-focused strategies strongly predicts sustainable competitive advantage (Beta is weight 0.801, p.001), implying that Behaviour-focused strategies would have a clear beneficial relationship with sustainable competitive advantage based on these findings.

### Second Research Hypothesis

Research Hypothesis (2): Natural Reward Strategies as a leadership quality has a positive and significant influence on sustainable competitive advantage.

Table 8: Correlation analysis between Natural Reward Strategies and sustainable competitive advantage

| Correlations   |                     |                                   |                           |
|--|---------------------|-----------------------------------|---------------------------|
| Variables  | Pearson Correlation | Sustainable Competitive Advantage | Natural Reward Strategies |
| Sustainable Competitive Advantage                            | Pearson Correlation | 1                                 | .698**                    |
|  | Sig. (2-tailed)     |                                   | .000                      |
|  | N                   | 228                               | 228                       |
| Natural Reward Strategies                                    | Pearson Correlation | .698**                            | 1                         |
|  | Sig. (2-tailed)     | .000                              |                           |
|  | N                   | 228                               | 228                       |
| **. Correlation is significant at the 0.01 level (2-tailed). |                     |                                   |                           |

As it can be seen in table (8), the correlation analysis between natural reward strategies as a skill of self-leadership as a tangible resource to measure its influence on sustainable competitive advantage in small and medium businesses in Erbil city. The finding revealed that

the value of Pearson correlation ( $r = .698^{**}$ ,  $p < 0.01$ ), this indicated that there is positive and strong correlation between natural reward strategies as leadership quality and sustainable competitive advantage.

Table 9-Model Summary of Natural reward strategies

| Model Summary  |      |          |                   |                            |
|--|------|----------|-------------------|----------------------------|
| Model  | R    | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1  | .671 | .632     | .618              | .18625                     |
| a. Predictors: (Constant), Natural Reward Strategies |      |          |                   |                            |

Regression analysis is the study of interactions between variables.  $Y = f(x_1, x_2, \dots, x_c)$  The aim of regression analysis is to determine how Y can affect and alter X. The natural reward strategies approach is treated as an independent variable in this section, while sustainable competitive advantage is treated as a dependent variable. The volatility of a comparative advantage will be used to calculate its total difference. The variations are determined by calculating the sum of the squares of the expected

competitive advantage values by the overall mean divided by the number of participants. After dividing the variance by the overall variance of comparative benefit, the researcher discovered the sum or percentage of total differences or variances that are compensated for using regression analysis. The number can range from 0 to 1 and is defined by R Square. The value of R square = .632 as seen in Table (9), indicating that 66 percent of total variation has been clarified.

Table 9-ANOVA of Natural Reward Strategies

| ANOVA  |            |                |     |             |         |                   |
|--|------------|----------------|-----|-------------|---------|-------------------|
| Model  |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
| 1  | Regression | 131.078        | 1   | 129.649     | 293.198 | .000 <sup>b</sup> |
|  | Residual   | 38.219         | 469 | .038        |         |                   |
|  | Total      | 169.297        | 470 |             |         |                   |
| a. Dependent Variable: Sustainable Competitive Advantage |            |                |     |             |         |                   |
| b. Predictors: (Constant), Natural Reward Strategies     |            |                |     |             |         |                   |

Table (10) shows that the F value for natural reward strategies as an independent variable =293.198, indicating that there is a significant relationship between natural reward strategies and sustainable competitive advantage ( $293.198 > 1$ ).

Table 11-Coefficients Analysis Natural reward strategies and sustainable competitive advantage

| Coefficients   |                           |                             |            |                           |        |      |
|--|---------------------------|-----------------------------|------------|---------------------------|--------|------|
| Model  |                           | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|  |                           | B                           | Std. Error | Beta                      |        |      |
| 1  | (Constant)                | .331                        | .049       |                           | 5.129  | .000 |
|  | Natural Reward Strategies | .703                        | .028       | .719                      | 51.638 | .000 |
| a. Dependent Variable: Sustainable Competitive Advantage |                           |                             |            |                           |        |      |

Table (11) shows the implications of the second hypothesis: Natural reward strategies strongly predicts sustainable competitive advantage (Beta is weight 0.719,  $p.001$ ), implying that natural reward strategies would have a clear beneficial relationship with sustainable competitive advantage based on these findings.

### Third Research Hypothesis

Research Hypothesis (3): Constructive thought Patterns as a leadership quality has a positive and significant influence on sustainable competitive advantage.

Table 12: Correlation analysis between Constructive thought Patterns and sustainable competitive advantage

| Correlations   |                     |                                   |                               |
|--|---------------------|-----------------------------------|-------------------------------|
| Variables  | Pearson Correlation | Sustainable Competitive Advantage | Constructive thought Patterns |
| Sustainable Competitive Advantage                            | Pearson Correlation | 1                                 | .747**                        |
|  | Sig. (2-tailed)     |                                   | .000                          |
|  | N                   | 228                               | 228                           |
| Constructive thought Patterns                                | Pearson Correlation | .747**                            | 1                             |
|  | Sig. (2-tailed)     | .000                              |                               |
|  | N                   | 228                               | 228                           |
| **. Correlation is significant at the 0.01 level (2-tailed). |                     |                                   |                               |

As it can be seen in table (12), the correlation analysis between constructive thought patterns as a skill of self-leadership as a tangible resource to measure its influence on sustainable competitive advantage in small and medium businesses in Erbil city. The finding revealed that

the value of Pearson correlation ( $r = .747^{**}$ ,  $p < 0.01$ ), this indicated that there is positive and strong correlation between constructive thought patterns as leadership quality and sustainable competitive advantage.

*Table 13-Model Summary of Natural reward strategies*

| Model Summary  |      |          |                   |                            |
|--|------|----------|-------------------|----------------------------|
| Model  | R    | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1  | .751 | .698     | .618              | .20154                     |
| a. Predictors: (Constant), Constructive thought Patterns |      |          |                   |                            |

Regression analysis is the study of interactions between variables.  $Y = f(x_1, x_2, \dots, x_c)$  The aim of regression analysis is to determine how Y can affect and alter X. The constructive thought patterns approach is treated as an independent variable in this section, while sustainable competitive advantage is treated as a dependent variable. The volatility of a comparative advantage will be used to calculate its total difference. The variations are determined by calculating the sum of the squares of the expected competitive advantage values by the overall

mean divided by the number of participants. After dividing the variance by the overall variance of comparative benefit, the researcher discovered the sum or percentage of total differences or variances that are compensated for using regression analysis. The number can range from 0 to 1 and is defined by R Square.

The value of R square = .698 as seen in Table (13), indicating that 69 percent of total variation has been clarified.

*Table 14-ANOVA of Constructive thought Patterns*

| ANOVA  |            |                |     |             |         |                   |
|--|------------|----------------|-----|-------------|---------|-------------------|
| Model  |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
| 1  | Regression | 118.211        | 1   | 112.001     | 118.206 | .000 <sup>b</sup> |
|  | Residual   | 21.682         | 722 | .033        |         |                   |
|  | Total      | 139.893        | 723 |             |         |                   |
| a. Dependent Variable: Sustainable Competitive Advantage |            |                |     |             |         |                   |
| b. Predictors: (Constant), Constructive thought Patterns |            |                |     |             |         |                   |

Table (14) shows that the F value for constructive thought patterns as an independent variable = 118.206, indicating that there is a significant relationship between constructive thought patterns and sustainable competitive advantage ( $118.206 > 1$ ).

*Table 15-Coefficients Analysis Constructive Thought Patterns and sustainable competitive advantage*

| Coefficients |            |                             |            |                           |       |      |
|--------------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model        |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|              |            | B                           | Std. Error | Beta                      |       |      |
| 1            | (Constant) | .212                        | .029       |                           | 3.541 | .000 |

|  |      |      |      |        |      |
|--|------|------|------|--------|------|
| Constructive thought Patterns                            | .671 | .018 | .689 | 32.784 | .000 |
| a. Dependent Variable: Sustainable Competitive Advantage |      |      |      |        |      |

Table (15) shows the implications of the third hypothesis: constructive thought patterns strongly predicts sustainable competitive advantage (Beta is weight 0.689, p.001), implying that Constructive thought Patterns would have a clear beneficial relationship with sustainable competitive advantage based on these findings.

## V. CONCLUSION

This article seeks to investigate the connection between leadership qualities and sustainable competitive advantage. The research was conducted with small and medium-sized businesses in Erbil. This study assessed the influence of leadership qualities (behaviour-focused strategies, natural reward strategies, and constructive thought patterns) on small and medium-sized firms' sustainable competitive advantage in the Kurdistan area of Iraq. The researchers employed basic regression analysis to determine the impact of each independent variable on small and medium-sized businesses' sustained competitive advantage in the Kurdistan area of Iraq. This study examined leadership qualities to evaluate how each talent will be leveraged as an asset by small and medium enterprises in Erbil to achieve and maintain competitive advantage. A combination of three leadership qualities must be developed and maintained in order to keep a competitive edge. The theoretical research technique utilised in this work contributes to the existing body of knowledge about leadership quality and long-term strategic advantage. The findings suggested that behaviour-focused strategies as a leadership quality on sustainable competitive advantage had the largest effect, while constructive thinking patterns as a leadership quality on sustainable competitive advantage had the smallest influence.

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