



# SME Competitiveness: The influence of the Qualities of Leadership on Competitive advantage

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## Abstract

*The purpose of this essay is to study the connection between attributes of leadership and a durable advantage in competitiveness. The investigation was carried out at both small and medium-sized establishments in the city of Erbil. This research investigated the relationship between small and medium-sized businesses' ability to maintain a sustainable competitive edge and certain leadership attributes, including behavior-focused methods, natural reward strategies, and constructive thought patterns. The researchers used a simple regression analysis to examine the influence of each independent variable on the sustained competitive advantage of small and medium-sized enterprises in the city of Erbil in Kurdistan. There were a total of 110 questionnaires distributed, but only 96 respondents provided valid information on them. The results showed that behavior-focused strategies were the leadership trait that had the most effect on a company's ability to keep a sustainable competitive advantage, while constructive thinking patterns were the trait that had the least effect.*

## 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 (Jatmiko et al., 2021).

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 (Antony et al., 2021). 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 (Anwar, G., & Shukur, 2015).

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 (Mulligan et al., 2021), 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 (Pan et al., 2021). The management competence

of SME managers is among the factors affecting the competitiveness of SMEs (Anwar, 2016).

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 (Faeq, 2022), 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 (Hameed & Anwar, 2018) 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 (Khan & Ullah, 2021). 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 (Anwar, 2017).

**Conceptual Framework**

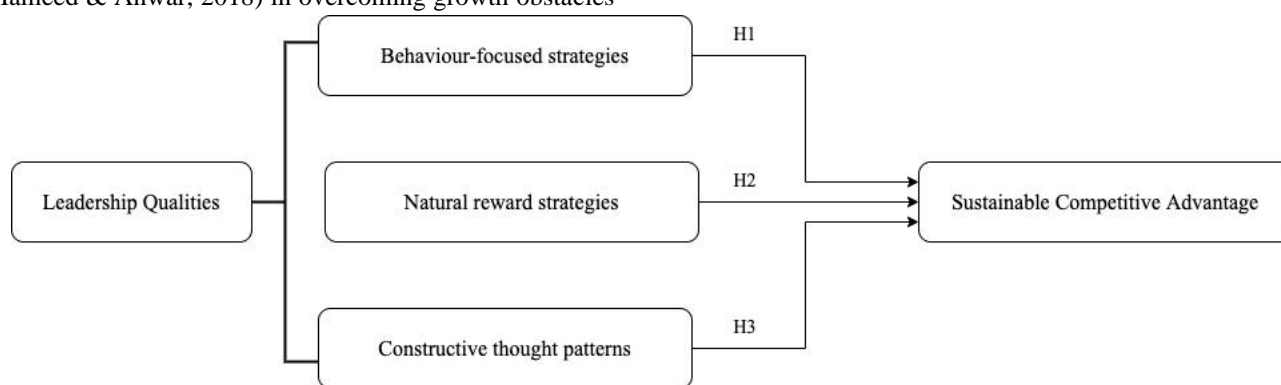


Fig.1: Conceptual Framework

**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**

Organizational management and leadership entail a wide variety of roles. While leaders work to improve institutions, it is the managers' job to ensure that they continue to function smoothly. Different companies have different demands for these positions at various times throughout their histories (Faeq et al., 2020). Anwar & Shukur (2015), the success of any organization depends on the leaders' ability to read and navigate their environment and to come up with novel solutions. In addition, as Vrontis et al. (2021) point out, leaders use a wide range of influence techniques,

from subtle persuasion to the direct use of power, to ensure that their followers are both motivated and clear on their objectives. They regularly restructure the workplace to make it easier for workers to accomplish company goals, such as by reallocating resources and changing how people interact with one another (Faeq et al., 2021).

Traits, attitudes, authority, contact habits, professions, partnerships, and administrative roles are just a few of the many words that have been used to describe what it means to be a leader. Kryscynski et al., (2021) define leadership as the capacity to guide and inspire followers to act in ways that increase organizational effectiveness. Silva et al., (2021), define leadership as a two- or more-person power mechanism. They signify that the impact campaign's target audience must attribute and recognize the campaign's success to a particular individual. Some authors have endeavored to characterize leadership as a comprehensive process. For example, leadership is described by Faeq et al. (2021) as "the essence of the influencing process and its consequences between a leader and followers," which includes the leader's dispositional characteristics and attitudes, the followers' expectations and attributions, and the setting in which the influencing takes place (Mertens et al., 2021).

Leadership, according to this analysis, is the practice of influencing others to attain goals, which is different from the definitions offered by the vast majority of leadership experts, who have instead focused on manipulating and directing followers. In addition, a leader must be accountable for coordinating the process change, charting a direction, and motivating employees to push past setbacks and realize the organization's best possible future (Anwar & Shukur, 2015).

Leaders inspire their teams and keep things running smoothly through the power of their influence. Every department, not just the executive office, has its own set of leaders. Specifically, French and Raven identified five channels or points of authority that a leader can tap into to accomplish this goal: legitimate (power of position in the organization), 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) (Abdullah et al., 2017). Furthermore, different leadership models have different ideas about how to best recognize leaders' traits and mindsets in relation to the leadership process. Then, the most popular leadership theories that focus on leaders' qualities will be discussed (Faeq et al., 2022).

Existing leadership quality literature has tended to focus on concepts relevant to the aforementioned framework, such as leaders' ability to maintain innovation and flexibility in high-velocity, unpredictable settings (Azeem et al., 2021). Leadership, as described by Chang et al. (2021), is similar to transformational leadership in that the leader inspires his or her people to perform at a higher level by catering to their aspirations. Team-oriented leadership theories are commonly associated with leadership because they emphasize leaders' abilities to elicit increasing levels of group involvement and commitment from team members by emphasizing the relationships between leaders and staff members (Faeq et al., 2022). As a subset of leadership, value-based leadership is characterized by leaders who set lofty goals for their followers and have faith in their ability to accomplish them (Anwar, 2017).

Leaders are charismatic, intellectually aroused individuals who command human attention. They can thrill, motivate, and inspire followers to go above and beyond to achieve the group's objectives, and they can raise followers' awareness of hurdles by helping them perceive old difficulties in new ways. According to Faeq et al. (2022), transformational leaders have intellectual inspiration, inspiring direction, and individualized thoughts for their followers as part of their charisma. Leaders also create a strategic vision, share it with followers using metaphors and framing, act as an example,

and stay true to the goal in order to win over followers' commitment to the vision. In addition, the higher expectations placed on leaders by their followers result in higher productivity thanks to transformative leadership (Anwar, 2016). More importantly, this study suggests that transformative leadership may coexist with various styles of leadership. Initially, they create an environment conducive to learning by providing one-on-one attention in the workplace. Second, by enabling employees to build and share information, they inspire creativity and increase productivity (Odeh et al., 2021).

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

In recent years, one of the most prominent research issues in the field of strategic literature has been how a company may achieve and keep a competitive advantage. The creation of strategic advantages for a company can be done in one of two ways, according to the observations of a large number of specialists working in the field of strategy management. The resource-based interpretation (Mostafiz et al., 2021) and structural philosophy are the two approaches that are being considered here (Anwar & Surarchith, 2015). According to RBV, a company's sole possible source of a competitive edge is the amount of money it has. It also explains the qualities and attributes that a company's capital must have in order for it to be a source of a sustained competitive advantage for the company. According to the findings of Faeq (2022), businesses operating with valuable but limited capital would be in a position to gain a competitive advantage and improve their efficiency in the short term. It is necessary for a company's capital to be unique and unreplaceable if these advantages are to be maintained over time. The significance of the firm's capital and competencies as a source of competitive advantage has been recognized by a great deal of academic and analytical research. Different strategic initiatives need their own unique organizational resources, competencies, and settings in order to make a positive contribution to the expansion and maintenance of the company's profitability (Sadq et al., 2020).

The ability to negotiate a dynamic network of relationships is the foundation of better export efficiency, and it can be used to enhance the expertise and resource base viewpoint, which is the foundation of long-term competitive advantage. According to the concept, the ability to do so is the foundation of better export efficiency. In addition, the idea of "core competency" as the internal capital of an organization has developed as a key one in the realm of strategic strategy (Nguyen et al., 2021).

Grinerud et al. (2021) investigate the connection between organizational performance, core competencies, and competitive advantage. Even if the statistics show that core

competency has a clear and positive influence on competitive advantage and organizational performance, the data also show that competitive advantage has a major effect on the efficiency with which an organization operates. The authors of the aforementioned study, Sadq et al. (2021), emphasize the significance of leadership in the process of developing a competitive advantage for a company. Leadership is widely acknowledged to be an essential component of an organization's success and a significant driver of competitive advantage. Anwar & Ghafoor (2017) conducts research in a manner analogous to that described above to investigate the influence that leadership skills have on a company's level of competitive advantage. According to the findings of the study, leadership competencies had a substantial influence on the competitive advantage of Jordanian telecommunications companies, and there was a correlation between leadership competencies and competitive advantage (Faeq, 2022).

Anwar (2017) looked into how small and medium-sized manufacturing businesses might reap financial benefits from exporting their operations. The purpose of this paper is to demonstrate, with the help of observational evidence from thirteen small and medium-sized manufacturing businesses located offshore in Canada, that a globally dispersed co-production network could maximize market share and benefit. The study also found that small and medium-sized businesses (Faeq et al., 2021) can benefit from outsourcing some of their operations to organizations located in other countries when the "tasks" being outsourced can be completed for a lower cost in those countries.

According to Iqbal & Ahmad (2021), the process by which businesses make the most of the competitive advantages they already possess while at the same time looking for new customers As a consequence of this, they believe that future competitive advantages will be contingent on the degree to which businesses are able to master the art of successfully combining the most effective aspects of strategic management with innovative practices. Anwar & Climis (2017) investigated the importance of entrepreneurial social competency in the formation of business networks as well as in the enhancement of the competitive advantage and success of small and medium-sized businesses. The phrase "entrepreneurial social competence" is a new concept that was created as a result of the research because it combines the concepts of entrepreneurship and social competence. The findings of this research show that entrepreneurial social competency has a significant impact on the market network, competitive advantage, and success of small and medium-sized businesses (Sadq et al., 2020). According to Mey et al. (2021), the purpose of this study is to investigate the impact of aligning management functional connections with generic competitive strategies. This is accomplished by

taking a multifaceted approach to generic competitive strategies, which includes low-cost leadership and a variety of differentiation-based methods. Higher performance can be inferred from having management-relational interactions that are aligned with the requirements of particular simplified or composite techniques. The alternative perspective on strategic advantage routes offered by institutional philosophy is provided by this phrase. According to this point of view, a company might not have the necessary financial resources to gain a competitive advantage in its industry. According to the structural theory, these services are either governed by different organizations or are not governed at all by the organization that needs them in the first place. According to Kuo et al. (2022), a company's potential for growth is directly proportional to its financial resources. A company's strategy may be helped or hindered by the external environment, depending on how it is interpreted and reacted to. When there is a strong desire to adhere to a particular set of laws, regulations, and theories, it may have a beneficial impact on an organization's performance, particularly in terms of the quality of the products and services that are provided. As a result, the institutional hypothesis investigates how businesses acquire fundamental capabilities that can serve as a source of competitive advantage over time (Anwar & Louis, 2017).

As a result, the study of institutional philosophy focuses on how businesses respond to the environments in which they operate. This environment encompasses the entirety of the market, in addition to governmental agencies, consumers, and producers. The institutional principle is bolstered by Porter's Five Forces Model, which explains how a company evaluates how competitive the market is in which it competes and how this informs business strategy. Consequently, if the environment of the market was pleasant, open, and inclusive, then small and medium-sized businesses (Faraj et al., 2021) would be more innovative, lucrative, and competitive. It is essential for small and medium-sized enterprises (KM et al., 2021) to acquire, maintain, and expand competitive advantage using whatever capital they own and insure. This is because competitive advantage improves the market efficiency of SMEs by increasing their profits, sales, and customer base. On the other hand, small and medium-sized enterprises (Elisa et al., 2022) have an obligation to have an understanding of the external environment that affects their efficiency. This research would utilize both internal (qualities of good leadership) and external (assistance from the government) strategies in order to achieve and sustain a competitive advantage (Faeq, 2022).

## Competitive Advantage

Establishing a competitive advantage is essential for the success and victory of a firm, as it is the only way to produce revenues. The firm has an advantage over its rivals in terms of competitiveness as a result of the greater customer service it provides. There are numerous interpretations that can be given to the phrase "competitive edge." According to Porter's definition from 1985, a company's competitive advantage is its relative positioning superiority in its industry, which gives it the ability to outperform its competitors (Faeq & Ismael, 2022).

While Abbas et al. (2021) defined competitive advantage as a company'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 company'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. In other words, competitive advantage is defined as the formulation and implementation of a plan that leads to superior success. As a result, the term "competitive advantage" refers to the preparedness of a company to deliver a better value to its customers than its rivals do, thus earning an advantage over those rivals. Some industry professionals are of the opinion that a competitive advantage is only worthwhile if it can be directly linked to a quality that is highly valued by customers (Faeq & Ismael, 2022).

Customers have to be able to discern a distinct difference, in terms of crucial characteristics, between the products or services offered by the manufacturer and those offered by competitors. It's possible that certain product and delivery attributes, which are among the most important market buying criteria, are to blame for these inequities (Pitelis & Wagner, 2019). The assessment of an organization's resources in order to discover and capitalize on market opportunities that are to the advantage of the organization's customers is an example of what is meant by the term "competitive advantage" (Ismael, 2022). For instance, Sony et al. (2021) describe competitive advantage as the capability to recognize appealing possibilities in the marketplace and the abilities necessary to profit from these chances. Another definition of competitive advantage is the ability to create value for customers. The subject of how an organization might improve its future status in comparison to the competition is addressed by other researchers, such as Chatterjee et al. (2021), who argue that strategic advantages are the answer to this question. In addition, the author proposes that sources of competitive advantage include the consolidation and reinforcement of knowledge, the

development of improved resources, and the production of value for the customer or visitor.

A company's policy formulation process that strives to deliver value to customers and ultimately results in a temporary competitive advantage might result in the creation of a competitive advantage for the organization. In spite of the fact that Ismael (2022) maintain that having a CMA is insufficient in a world that is increasingly globalized, firms are required to have a durable competitive advantage. It ensures that the company that is putting a value-creating strategy into action is aware that the strategy is not being used simultaneously by any present or potential competitors. This helps to prevent other companies from replicating the advantages that can be gained from the plan. According to Muisyo et al. (2021), "strategic competitive advantage" (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 for competitors to reproduce the strategy's advantages. In other words, SCA is the advantage that comes from adopting a value-creating strategy that no other competitors are using. This study considers competitive advantage to be the consequence of a corporation's policy creation process with the goal of providing value to consumers. This, in turn, results in a competitive advantage over time for the firm over its competitors. Based on the preceding, this study considers competitive advantage to be the consequence of the preceding. In highly competitive markets, having a strategic advantage is generally seen as one of the most important factors contributing to the success of a company (Kršlak & Ljevo, 2021). The significance of maintaining a competitive advantage in today's business environment cannot be emphasized enough because many organizations have neglected this aspect of their business in favor of focusing on innovation and diversification (Chau et al., 2021).

In the year 2020, having a competitive advantage will be essential for all firms, and those who do not have one will need to figure out how to obtain one. According to the findings of a number of different researchers, the term "competitive advantage" is one that has a great deal of importance. In addition, a company that has a competitive advantage not only generates more revenue than its rivals, but it also grows at a faster rate, which enables it to seize a greater portion of the market share, either immediately from its competitors or indirectly through the expansion of its total business. (Jatmiko et al., 2021). In 2019, small and medium-sized businesses (Antony et al., 2021) need to embrace a global mindset in order to achieve global sustainability. Small and medium-sized businesses (Mulligan et al., 2021) are very good at finding possibilities and concentrating on their customers, but they are not as

good at establishing the strategic advantage that is necessary to make the most of the opportunities they find. As a result, it is necessary for small and medium-sized enterprises (Pan et al., 2021) to acquire, maintain, and extend their competitive advantages across all available resources (Anwar, G., & Shukur, 2015).

It is the product of a company's policy development process that strives to give customers value and place them in a stronger position to compete over time. This results in the competitive advantage that the company has. They have been approached from a variety of angles throughout the body of research that has been done on positive roles. One piece of research, for instance (Anwar, 2016), focuses on the two primary aspects of a firm's competitive advantage, which are its versatility (the firm's purpose and capability to produce firm-specific real alternatives for the configuration and reconfiguration of appreciably superior consumer value propositions) and its responsiveness (the firm's capacity to respond quickly to customer needs and wants). In the year 2020, the key to gaining a competitive advantage will be to have distinctive offers, demand sensing capabilities, and quick market reactions (from customers and competitors). The low prices and high quality of goods and services, as well as the price-quality ratio, the utilization of distribution networks, and after-sales consumer services, are all characteristics that differentiate the competitive advantage that SMEs enjoy in each field of business. It also includes the quality of the company's staff, the link the organization has with the political and economic framework in which it operates, the quality of management that is utilized, the image of the company, and its ability to innovate (Faeq, 2022).

Pricing is the third-most major difficulty facing SMEs today, behind the efficiency with which they handle their commodity inventory and the quality of the service they provide to their customers. In addition, Hameed & Anwar (2018) emphasize the significance of innovation and business differentiation benefits for the purpose of increasing market competitiveness and, consequently, financial performance.

Alternately, Khan & Ullah (2021) asserted a diverse approach to generic strategic approaches, such as low-cost leadership, and a number of differentiation-based initiatives, such as innovation differentiation and brand

differentiation. They referred to this as a "diverse approach" to generic strategic approaches. This analysis would focus on market differentiation and cost advantage as the key competitive advantage dimensions, as discussed above. This is because marketing differentiation and cost advantage are two common strategies that may be used by any organization in manufacturing or facilities, regardless of size (Vrontis et al., 2021).

### III. METHOD

In order to make sense of this investigation, we used a quantitative approach. This research analyzed how several types of leadership (behavior-focused, natural reward, and constructive thought patterns) affected the competitive advantage of small and medium-sized businesses over the long term. The current thesis was assessed through the use of a questionnaire. What is meant by "sample design" here is the tactic or method by which the researcher selects things to be surveyed. The study's sample was drawn at random, and fieldwork took place all throughout the Kurdish city of Erbil. Only 96 out of 110 respondents provided complete data on their questionnaires. The goal of this study is to learn how sustained competitive advantage in Iraq is affected by leadership attributes (behavior-focused strategies, natural reward systems, and constructive thought patterns). Participants were asked to rate the significance of each topic on a scale from "not important at all" to "very important."

### IV. FINDINGS

The current research focused on assessing the impact of leadership qualities (behavior-focused strategies, natural reward strategies, and constructive thought patterns) to measure their influence on sustained competitive advantage in small and medium businesses in Erbil, Kurdistan. The researchers used three independent variables to assess leadership qualities as intangible resources for long-term competitive advantage: behavior-focused strategies, natural reward strategies, and constructive thought patterns. The researchers applied simple regression analysis to measure the influence of each independent variable separately on sustainable competitive advantage for small and medium enterprises in Erbil, 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	96		5127.2	.000
2	Natural Reward Strategies	10	96			

3	Constructive thought patterns	11	96	.899		
4	Sustainable Competitive Advantage	11	96			

Due to the fact that the outcome of KMO is .899, which is greater than .001, it can be deduced that the sample size that was utilized for the current investigation was more than

sufficient. This can be seen in Table (1). In addition, the result of the Chi-Square test is 5127.2, and the level of significance is 0.000.

Table 2: Factor Analysis

No	Components	N of Items	N	Eigenvalue	Rotation Sums of Squared Loadings	
					% of Variance	Cumulative
1	Behaviour-focused strategies	12	96	3.211	21.157	19.784
2	Natural Reward Strategies	10	96	4.025	20.521	32.521
3	Constructive thought patterns	11	96	1.258	12.528	39.632
4	Sustainable Competitive Advantage	11	96	2.74	12.251	41.012

Table 2 displays a dependent variable in addition to three independent factors (behavior-focused methods, natural reward schemes, and constructive thought patterns) (sustainable competitive advantage). As for behavior-focused techniques as the first competence of the leadership quality, which had twelve items that explained 21.157% of the total variation in the data, this competency included a total of twenty-one items. Regarding natural reward strategies as the second quality of leadership competence,

there were ten different aspects that collectively accounted for 20.521% of the overall variance. When it comes to constructive thought patterns as the third talent of leadership quality, there were eleven elements that together explained 12.528% of the overall variance. And finally, with regard to the dependent variable of sustainable competitive advantage, there were eleven different factors that together 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

Table 3 shows the reliability analysis for the 44 items used to measure the influence of leadership qualities (behavior-focused strategies, natural reward strategies, and constructive thought patterns) on sustained competitive advantage in small and medium businesses in the Kurdistan region's city of Erbil. The aforementioned 44 questions

were broken down as follows: 12 questions were asked about behavior-focused strategies; 10 questions were asked about natural reward strategies; 11 questions were asked about behavior-focused strategies; and 11 questions were asked about sustainable competitive advantage. The researchers utilized reliability analysis to determine the

degree of dependability associated with each aspect; the results revealed the following information: The Alpha was discovered to be the best strategy for behavior-focused approaches. 798 out of a possible 1000 for a total of 12 questions indicated that all 12 questions used to test behavior-focused strategies were reliable for the purpose of this study. The alpha value for natural reward methods was found to be 732 for 10 questions, which showed that all 10 questions used to test natural reward strategies were reliable for the current study. On the other hand, the Alpha was determined to be for behavior-focused strategies. 749 for 11 questions, which suggested that all 11 questions used to

evaluate behavior-focused strategies were reliable for the current study, and finally, as for sustainable competitive advantage as the dependent variable, it was discovered that the alpha to be was 803 out of a possible 1000 for 11 questions, which revealed that each of the 11 questions used to measure sustainable competitive advantage as the 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	96	96
Behaviour-focused strategies	Pearson Correlation	.776**	1
	Sig. (2-tailed)	.000	
	N	96	96

\*\* . 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	223.96	.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 =223.96, indicating that there is a significant relationship between Behaviour-focused strategies and sustainable competitive advantage (223.96>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	96	96
Natural Reward Strategies	Pearson Correlation	.698**	1
	Sig. (2-tailed)	.000	
	N	96	96
**. 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	96	96
Constructive thought Patterns	Pearson Correlation	.747**	1
	Sig. (2-tailed)	.000	
	N	96	96

\*\* . 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

The purpose of this essay is to study the connection between traits of leadership and a sustained advantage in competitiveness. Erbil was chosen as the location for the study because of its concentration of small and medium-sized businesses. This research investigated the relationship between small and medium-sized businesses in the Kurdistan region of Iraq and their ability to maintain a sustainable competitive advantage by focusing on

leadership qualities such as behavior-focused strategies, natural reward strategies, and constructive thought patterns. The researchers used a simple regression analysis to examine the impact of each independent variable on the sustained competitive advantage of small and medium-sized enterprises in the Kurdistan region of Iraq. The purpose of this study was to investigate different aspects of leadership in order to determine how different talents may be utilized as assets by small and medium businesses in Erbil in order to acquire and maintain a competitive advantage. It is necessary to cultivate and maintain a combination of these three leadership skills in order to stay one step ahead of the competition. The method of theoretical study that was used in this work makes a contribution to the current body of information regarding the qualities of effective leadership and the advantages of long-term strategic planning. According to the findings, the leadership quality that had the

most influence on a company's ability to maintain a sustainable competitive advantage was behavior-focused strategies, whereas the leadership quality that had the least influence was constructive thinking patterns.

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