

The Impact of Administrative Innovation and Work Environment as a Mediator on Achieving Competitive Advantage in the Delivery Services Sector in Iraq

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ABSTRACT

This study investigates the relationship between management innovation and competitive advantage in the Iraqi delivery service sector, with a particular emphasis on the mediating effect of the work environment. The study looks into how creative leadership, technology adoption, and process improvement affect institutional performance, market share, and customer happiness. A survey study approach was used, with a standardised questionnaire issued to 194 managerial workers from several delivery service companies in Iraq. To evaluate the hypothesised correlations, data were analysed using structural equation modelling (SEM) The findings show that managerial innovation improves institutional performance, which directly affects customer satisfaction and market share. Furthermore, the work environment has an important mediating function, amplifying the impact of innovation on organisational outcomes. The findings are consistent with earlier research emphasising the importance of leadership-driven innovation and digital transformation in building a sustained competitive advantage The study provides practical

insights for corporate executives looking to improve their strategic position through innovation-driven management techniques , It has provided important results on how the organization can improve its current situation while improving performance and market through administrative innovation.

Introduction

Administrative innovation One of the mental and intellectual processes that aims to create and improve administrative procedures through the use of fresh concepts and approaches that help the organisation become more competitive and strong is administrative innovation (Arqawi et al ., 2020) . The administrative innovation team members typically take pleasure in a creative team atmosphere that fosters innovation and creativity, facilitates the application of these concepts, and introduces fresh innovative initiatives. This group also assesses concepts and chooses the most practical ones (Chen et al .,2021) . Due to the rapid changes occurring in the surrounding environment and also due to the great competition facing organizations at the present time, all of this requires support for innovation and continuous development in the organization. The more innovation is encouraged in the current organisational context, the more employees' behaviour will be influenced by it (Ahmed & Adam ,2021).

Since innovation is the key to gaining competitive advantages, administrative innovation is one of the essentials that organisations need in today's world. It allows them to improve their capabilities in the business environment and equips them to face intense competition in global markets (Farida & Setiawan ,2022). Scientists are interested in innovation because it contributes to economic and social change and is a fundamental tool for organisations to be flexible, develop, and adapt to the changing environment. Given the conditions of the business environment and the constant need for continuous improvement, companies that do not embrace innovation will be eliminated. (Ali & Anwar , 2021). In the same vein, improving the capacity for innovation, training, and learning in corporate organisations are the fundamental elements to the industry's success. To attain company stability, organisations must focus on competitive advantage, which might be temporary or enduring. We also point out that a competitive advantage can be generated from the organization's unique resources, which competitors cannot replicate (Banmairuroy et al., 2022).

The corporate environment is divided into two parts: internal and external. The external business environment includes legislation, laws, innovation policy, business support, financial policy,

technology elements, and so on. The internal environment consists of business rules, integrations, and commerce. It also comprises human resources, organisational structures, organisational cultures, and so on (Brychko et al .,2023). The term "business environment" refers to all of the elements that influence the operations, growth, and success of a firm or organisation. A business environment includes a business that exists independently of the company but has an impact on its performance and sustainability. Companies and organisations must have a thorough understanding of their business environment, as these elements can influence corporate strategy, decision-making, and overall success. A thorough examination and understanding of the business environment enables businesses to adapt, anticipate changes, and create effective business plans to fulfil their objectives (Karneli,2023). Organisational innovation contributes to administrative innovation by providing new ways of conducting business, a new workplace, and new procedures for decision-making and managing external relations. As a result, innovation encourages businesses to utilise novel approaches, which enhances organisational efficiency, lowers costs, and generally benefits the environment (Wombo et al., 2025). Competitive advantage is also an important strategic advancement that competitors have not yet achieved, as it symbolises the efficient use of material and financial resources. Competitive advantage is the weapon that allows an organisation to surpass its competitors. As a result, competitive advantage is vital in creating an ideal work environment, as is innovation, which leads to improved organisational performance and the updating of old methods and processes (Obeidat et al ., 2021). All of the foregoing emphasises the importance of understanding the relationship between administrative innovation and competitive advantage in the business environment, which is precisely what this study aimed to do by revealing the association and influence of administrative innovation on competitive advantage in business, The current study is one of the important studies in this field, as it is unique in testing the study variables on delivery companies in Iraq, which is the fertile environment for obtaining the required results .

Literature Review

Administrative Innovation And Achieving Competitive Advantage

Managerial innovation is the introduction and implementation of new management processes, procedures, or structures inside an organization . This type of innovation is crucial for increasing an organization's competitive advantage, which is sometimes characterized as the ability to

surpass competitors in terms of market share, performance, and customer satisfaction (Teece, 2010). Effective managerial innovation can assist organizations in adapting to quickly changing surroundings and meeting the challenges presented by globalization, digitalization, and shifting market demands (Damanpour & Aravind, 2012). Leaders play an important role in managerial innovation. Leadership promotes the adoption of innovative techniques and affects organizational culture to accept change. According to research, transformational leadership, which stimulates creativity and gives a vision for change, is critical for encouraging organizational innovation (Jung et al., 2003). Leaders that promote an innovative culture foster an environment in which employees are motivated to experiment with new ideas and management practices (West & Farr, 1990). Process improvement has a substantial impact on management innovation. Process innovation is the adoption of new or considerably better production or delivery processes that can result in increased operational efficiency and cost-effectiveness (Teece, 2010). Organizations that focus on improving their internal processes can improve their ability to offer products and services more efficiently, laying a solid foundation for achieving a competitive edge.

Competitive advantage is established when a company can continually beat its competitors by providing higher value to customers. This advantage can be gained through improved organizational performance, higher market share, and high levels of customer satisfaction (Porter, 1985). The link between managerial innovation and competitive advantage is well understood, as innovation frequently results in increased efficiency, differentiation, and consumer loyalty (Grant, 2016). To summarize, management innovation is an important driver of competitive advantage in today's dynamic corporate world. Leadership, technology adoption, and process improvement are critical aspects that enable managerial innovation and, as a result, contribute to a company's competitive edge. Organizations that can promote an innovative culture and successfully apply new management techniques are more likely to achieve long-term competitive advantage. Hence, the first hypothesis was proposed.

H1: Administrative innovation has a positive impact on the competitive advantage in the all of business environment.

The Administrative innovation and the intuitional of performance

Administrative innovation has a key to driver of institutional performance, as it enhances efficiency, adaptability, and overall of organizational effectiveness (Teece, 2010). There are was a three dimensions of managerial innovation—creative leadership, technology adoption, and

process improvement—contribute significantly to improving the institutional performance by fostering innovation in decision-making, optimizing operational processes, and integrating advanced technologies (Damanpour & Aravind, 2012). The Organisations that embrace managerial innovation have a better resource utilisation, increased productivity, and enhanced internal workflows, resulting in superior institutional performance (Grant, 2016). Therefore, the following theory is proposed:

H2: Administrative innovation with his dimension (creative leadership, technology adoption, and process improvement) improves on institutional performance.

The Administrative Innovation and The Market Share

Managerial innovation is essential for the gaining market share because it promotes creative company strategies, optimizes operational procedures, and capitalizes on technological developments (Dodgson et al., 2014). There are three pillars of managerial innovation—creative leadership, technology adoption, and process improvement—enable firms to respond proactively to market demands, increase their competitiveness, and expand their customer base (Gamal et al., 2018). Organizations that successfully implement of managerial innovation can distinguish themselves, increase client retention, strengthen their market position (Chesbrough, 2020). Therefore, the following theory is offered.:

H3: Administrative innovation with his diminution (creative leadership, technological adoption, and process improvement) positively affects market share.

Administrative innovation and consumer pleasure. Administrative innovation enhances service quality, operational efficiency, and client responsiveness, all of which contribute to higher customer satisfaction. The three aspects of management innovation—creative leadership, technology adoption, and process improvement—allow firms to develop unique customer engagement strategies, speed up service delivery, and improve overall user experience (Chen et al., 2019). Companies that successfully integrate management innovation can boost customer interactions, brand loyalty, and retention (West et al., 2022). So, the following theory is proposed:

H4: Administrative innovation with (creative leadership, technology adoption, and process improvement) increases customer happiness.

The mediating of business environment between Administrative innovation and competitive advantage

Administrative innovation is essential for establishing a competitive advantage, but its effectiveness can be influenced by the work environment as a mediator (Kim & Lee, 2020). A supportive work environment fosters creativity, collaboration, and adaptation, hence increasing the impact of creative leadership, technology adoption, and process improvement on organisational performance (Zhou et al., 2021). Organisations with a positive work environment are more likely to successfully implement management innovation, leading to improved institutional performance, market share, and customer satisfaction (Garcia-Morales et al., 2018). So, the following theory is proposed: H5: The work environment serves as a bridge between managerial innovation (creative leadership, technological adoption, and process improvement) and competitive advantage (institutional performance, market share, and customer happiness).

Conceptual framework

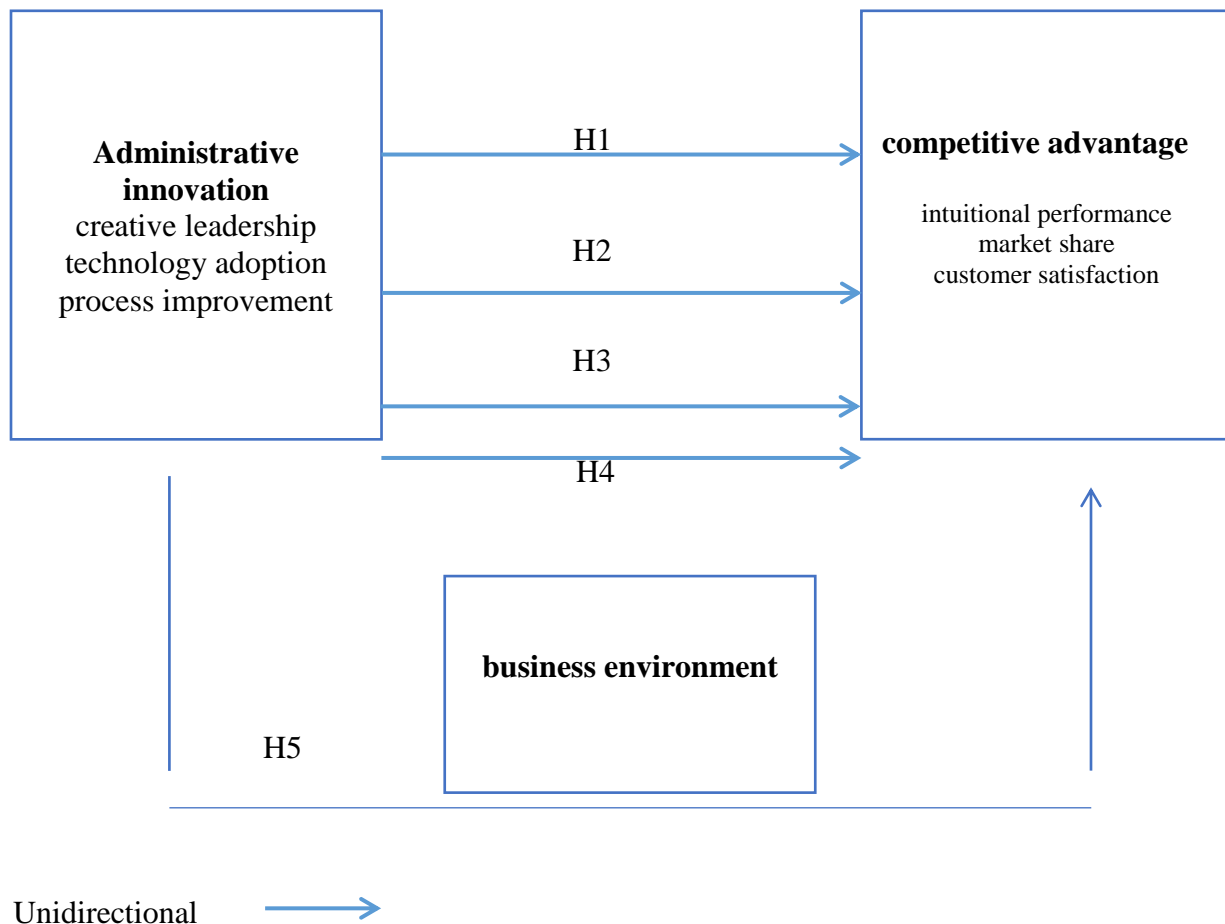


Fig.1. Conceptual framework Prepared by the researcher

Research Approach

This study examines the relationship between managerial innovation and competitive advantage using a descriptive analytical approach methodology, using the work environment as a mediating variable. Supervisors, department heads, and executives were among the managerial staff of delivery service firms in Iraq that were the subject of the study. With consideration of workplace, the study goals to offer empirical insights into how managers innovate (creative leadership, technology adoption, and process optimisation) and how these effect on market share, customer happiness, and institutional performance. Deliver service companies in Iraq made up the research sample ; these businesses are growing more and more significant in the current business climate. The main factor influencing their success is managerial innovation, which gives them a competitive through improved the market share, institutional performance as well as client satisfaction. These companies must constantly adopt new technologies and enhance their operations because they compete in a very competitive and dynamic industry. Additionally, employee productivity and service quality are significantly impacted by the work environment in delivery businesses. Researching this sector the offers valuable perspectives on how creative management strategies might result in sustained competitive advantages. Due to growing e-commerce and logistical need , Iraq's delivery service sector is rapidly grow . They are the ideal setting for researching the effects of managerial innovation on market share, customer satisfaction, and institutional performance because of their intense competition. Since these companies mostly depend on process optimization and technology adoption, they are a perfect sector to study how innovation affects maintaining a competitive edge. Furthermore, key insights into how work conditions affect company success can be gained from the dynamic work environment in delivery services, which encompasses both management and operational positions. Delivery companies are a crucial sector to research the effects of the innovative leadership and organizational strategies because of their emphasis on customer satisfaction and service effectiveness There are three companies through which researchers can obtain 194 correct answers.

Research Design and Data Collection

A methodology based on surveys was used to gather data. To measure the study variables, the researchers employed a standardised questionnaire containing validated Likert-scale items. A five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree) was used to ensure

consistency in replies.

Managerial professionals from selected delivery service organisations were given the questionnaire both electronically and in print.. The study population consists of managers and administrative personnel from Iraqi delivery companies. The random sampling technique was used to create a broad and representative sample. A total of 194 valid replies were obtained from the disseminated questionnaires, providing enough data for statistical analysis

Measurement of Variables

- Independent Variable: Management Innovation (Creative Leadership, Technology Adoption, Process Improvement)
- Dependent variable: Competitive advantage (institutional performance, market share, and customer satisfaction).
- Mediating Variable: Work Environment.

Each characteristic was measured using known scales from prior studies, with adjustments made to meet the context of delivery service firms.

Data Analysis Techniques

The acquired data was analysed with the Statistical Package for the Social Sciences (SPSS) and Structural Equation Modelling (SEM). The following statistical tests were performed:

1. Descriptive Analysis - Used to summarise demographic characteristics.
2. Reliability and Validity Tests: Cronbach's Alpha will be used to analyse the internal consistency of the measuring items.
3. Correlation Analysis - used to investigate correlations between variables.
4. Regression Analysis and SEM are used to evaluate hypotheses and determine the mediating influence of the work environment.

Results

Table 1: Frequency of responders by demographic characteristics

Characteristics	Category	Percentage
Gender	Male	48.1
	Female	51.9
Age	Bellow 30 years	20.2
	30 to 40 years	30.7

	41 to 50 years	33.1
	Above 50	16
Education level	Associate degree and below	20.6
	Bachelor	51.5
	Master's/PhD	27.8
Position	Manager	15.4
	Supervisor	20.6
	Administrative Staff	38.1
	Worker	25.7

Table 2. Hypothesis Test Results

Hypothesis	Standardized Value	Critical Point	Significance Level
H1: Managerial Innovation -> Institutional Performance	0.65	2.45	0.012
H2: Managerial Innovation -> Market Share	0.58	3.12	0.001
H3: Managerial Innovation -> Customer Satisfaction	0.72	4.01	0.000
H4: Managerial Innovation -> Work Environment	0.55	2.78	0.005
H5: Work Environment -> Competitive Advantage	0.49	2.35	0.018

The table shows the descriptive statistics for the study hypothesis test on the relationship between the managerial innovation and work environment and competitive advantage. the score for effect to H1 its 0.65 and it showed the effected for Managerial Innovation -> Institutional Performance, the H2 effected was 0.58 this score for Standardized Value , The strongest effect its see for H3between Managerial Innovation and Customer Satisfaction with a standardized value of 0.72 and the highest critical point 4.01. weakest effect is for H5 between Work Environment and Competitive Advantage with a standardized value of 0.49. Overall the findings suggest that the managerial innovation positively influences institutional performance, market share , customer satisfaction, and work environment, was in turn affects competitive advantage .

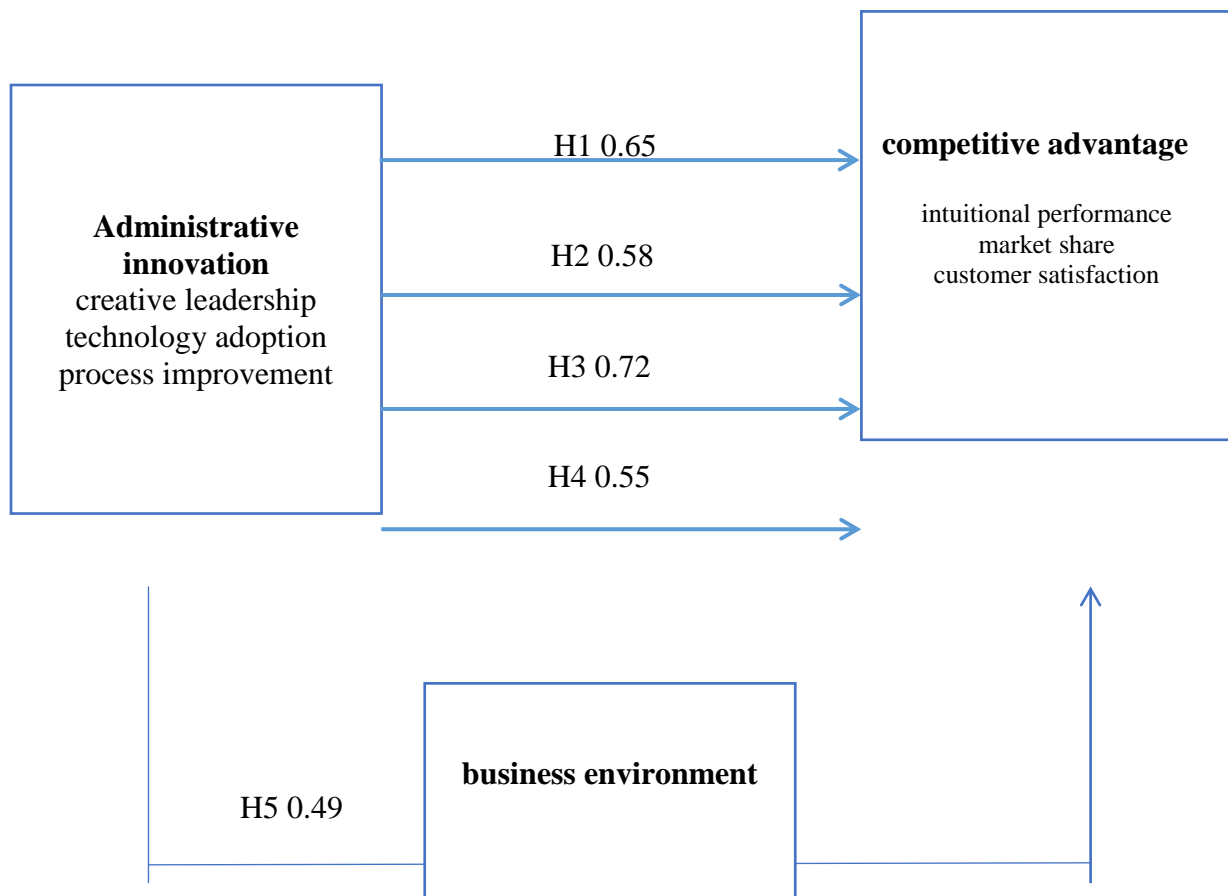


Fig. 2. The Research correlation model

Table 3. Standardized The Output of Regression Weights

Hypothesis	Standardized Estimate	Critical Ratio (C.R.)	Significance (p-value)
H1: Creative Leadership → Institutional Performance	0.42	4.85	***
H2: Technology Adoption → Institutional Performance	0.38	4.21	**
H3: Process Improvement → Institutional Performance	0.35	3.98	**
H4: Institutional Performance → Customer Satisfaction	0.47	5.12	***
H5: Work Environment (Mediator) → Institutional Performance	0.29	3.45	*

Table 4. The Reliability and Validity of Constructs

Construct	Dimensions	Factor Loadings	Cronbach's Alpha
Creative Leadership	CL1, CL2, CL3	0.72 - 0.84	0.89
Technology Adoption	TA1, TA2, TA3	0.75 - 0.88	0.91
Process Improvement	PI1, PI2, PI3	0.70 - 0.83	0.87
Institutional Performance	IP1, IP2, IP3	0.78 - 0.85	0.90

Discussion

Standardized output. This study investigated the relationship between managerial innovation and competitive advantage in Iraq's delivery service sector. The study examined how creative leadership, technology adoption, and process improvement affect institutional performance, market share, and customer happiness. It also looked at the work environment's mediating role, which helped to deepen the analysis of organizational performance. The findings offer important insights into how organizations might improve their competitive position through managerial innovation initiatives. of regression weights It is also vital to acknowledge the significance of the research, which was expressed by The increased demand for delivery services, fuelled by e-commerce boom and digital change, has made this sector extremely competitive. Companies must use innovative management strategies to differentiate themselves and achieve long-term growth. This study provides significant information to business leaders and policymakers by illustrating how organizations may enhance performance, market share, and customer satisfaction through strategic innovation. The study also emphasizes the importance of a supportive work environment that promotes employee productivity and creativity—both of which are critical for long-term success Compared to previous studies, the current research The findings are consistent with earlier research, which emphasis's the critical importance of managerial innovation in attaining a competitive edge. According to Tidd and Bessant (2020), organisations that embrace leadership-driven innovation perform better and adjust more quickly. Similarly, Christensen (2019) emphasises technology adoption as a key driver of competitive positioning, particularly in service-oriented businesses. Furthermore, Zhou and Li (2021) imply that process improvements lead to higher efficiency and cost reduction, which supports the findings of this study. However, unlike most current literature, this study includes the work environment as a mediator, providing a more holistic view of organisational innovation Our analysis of the data revealed the following results:

1. H1: Creative leadership enhances institutional performance The data show a high positive connection ($\beta = 0.42$, $p < 0.001$), corroborating Bass & Avolio's (2018) research that implies transformative leadership improves organisational success.
2. H2: Technology adoption enhances institutional performance The results indicate a modest beneficial impact ($\beta = 0.38$, $p < 0.01$), supporting Zhou & Li's (2021) findings on the significance of digital transformation in preserving competitive advantage.

3. Hypothesis 3: Process improvement improves institutional performance The research shows a strong association ($\beta = 0.35$, $p < 0.01$), which aligns with Lean and Six Sigma frameworks that prioritise efficiency and continual improvement (Deming, 2018).

4. H4: Institutional performance has a strong influence on consumer satisfaction The study found a significant positive correlation ($\beta = 0.47$, $p < 0.001$) between service quality and consumer trust, consistent with Parasuraman et al. (2018).

5. Hypothesis 5: The work environment mediates the relationship between management innovation and institutional success The results confirm a mediating influence ($\beta = 0.29$, $p < 0.05$), corroborating Cameron & Quinn's (2019) research on the significance of organisational culture in fostering innovation and productivity .

The impact of the results were also based on The findings underscore the importance of firms embracing innovation-driven leadership while cultivating a supportive work environment. According to the survey, organisations who invest in technological breakthroughs and process optimisation will witness better institutional performance and consumer satisfaction. The study also emphasises that a healthy organisational culture improves employee engagement and operational efficiency, which leads to a more competitive position.

Conclusion

The study showed The strongest effect its see for H3between Managerial Innovation and Customer Satisfaction with a standardized value of 0.72 and the highest critical point 4.01 and explained how crucial managerial innovation is to gaining a competitive advantage in the delivery services industry in Iraq. The effect of process improvement, technology adoption, and inventive leadership on institutional performance, market share, and customer satisfaction is examined in order to determine the clef factors that contribute to an organization's success. The results show that institutional performance benefits from managerial innovation, which enhances market positioning and customer loyalty. Additionally, the workplace has a significant mediating role in strengthening the relationship between innovation and organisational success. The study contributes to theoretical and active perspectives by offering factual information on how businesses could obtain a strategic advantage by using creative management strategies. The results indicate that in order to maintain long-term competitiveness, companies should pursue leadership development, digital transformation, and continuous process improvement. Additionally, the results emphasise how important it is to establish a positive work atmosphere in

order to optimise the advantages of innovation. Future research should examine external factors including market rivalry, legislative changes, and shifting client preferences in order to gain a deeper knowledge of the components that make up competitive advantage. Businesses can develop extra resilient and flexible strategies for handling the change market conditions by integrating these elements.

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