

The Mediating Role of Organizational Culture in the Relationship Between Management Financial Information and Organizational Performance in Kurdistan Manufacturing Companies

Yousif Mohammed Babakr HajiEbrahim

Graduated Master, Department of Banking and Accounting, Near East University, North Cyprus.

Email: Usf1982@gmail.com.

Barzan Mohammed Qader

Graduated Master, Department of Banking and Accounting, Near East University, North Cyprus.

Email: barzanmqader@gmail.com.

Sardar Jalal Braim

Department of Accounting and Finance, College of Administration and Economics, Lebanese French University, Erbil, Kurdistan Region Iraq.

Email: Sardar.jalal@lfu.edu.krd.

ARTICLE INFO

Article History:

Received: 6/6/2024

Accepted: 21/7/2024

Published: Spring 2025

Keywords:

Financial management, management financial information systems, manufacturing companies, mediating role, organizational culture and organizational performance.

ABSTRACT

This study aims to explore the intricate interplay between organizational culture, management financial information systems and organizational performance within Kurdistan manufacturing companies. Despite the well-established importance of financial information in decision-making and performance evaluation, limited attention has been given to how organizational culture mediates this relationship, especially in the unique context of Kurdistan. As a result, a structural equation model was estimated using 186 responses collected from a randomly selected cluster of manufacturing companies in Erbil, Kurdistan. According to the results, the significantly positive interplay between management financial information systems (MFIS) and organizational culture suggests that MFIS not only transform organizational processes but also foster a culture that is conducive to continuous improvement and strategic

Doi:

10.25212/lfu.qzj.10.1.51

success. The study showed that the anticipated benefits of MFIS might not be realized uniformly across organizations, possibly due to variations in the existing organizational frameworks, cultural readiness, or the level of system integration. Apart from proving that organizational culture significantly mediates MFIS' impact on organizational performance, our findings reinforce the established understanding that organizational culture is a pivotal factor in determining organizational performance. When implementing MFIS, organizations should adopt a holistic approach that integrates cultural change management with technological deployment.

1. Introduction

In the contemporary business landscape, organizations continuously seek to enhance their performance and competitive edge. Along such lines, the effective management of financial information has emerged as a critical determinant of organizational decision-making and performance (Kozioł-Nadolna & Beyer, 2021; Mehmood et al., 2023; Rashid, Rasheed & Amirah, 2023). Financial data and analyses provide vital insights into an organization's financial health, profitability and strategic direction. Meanwhile, organizational culture encompasses the shared values, beliefs, norms and practices that define the behavioral patterns and interactions within an organization (Stein, 2021). According to Alvesson and Sveningsson (2015), organizational culture reflects the collective identity and ethos of the organization, shaping employee attitudes, behavior and decision-making processes. Key elements of organizational culture include leadership styles, communication channels, reward systems, organizational structure and the organization's approach to innovation and risk-taking. Just like any organization, organizational culture plays a pivotal role in driving organizational performance and success. To reinforce this notion, Driskill (2018) attest that a strong and positive organizational culture fosters employee engagement, motivation and commitment, leading to higher productivity and performance levels. Stein (2021) also highlights that organizational culture facilitates

effective communication, collaboration and knowledge sharing among employees, promoting innovation, creativity and continuous learning within the organization.

The major problem with this study is that existing studies often overlook the nuanced interplay between management financial information systems (MFIS), organizational culture and their combined impact on organizational performance, especially concerning Kurdistan's unique cultural and business environment. Moreover, the extent to which organizational culture mediates the relationship between management financial information and organizational performance remains a relatively underexplored area, particularly within the context of Kurdistan manufacturing companies. Such effects are not captured in previous examinations (Kozioł-Nadolna & Beyer, 2021; Mehmood et al., 2023; Rashid, Rasheed & Amirah, 2023), hence, greater and additional knowledge is required to uncloud organizational performance judgements and dispel the notion that organizational culture dynamics are country and organization-specific contests (Driskill, 2018). Consequently, there is a pressing need for comprehensive research that delves into these dynamics to offer a deeper understanding of how organizational culture influences the relationship between MFIS and organizational performance. As a result, this research aims to investigate the intricate relationship between these factors and their collective impact on organizational performance, specifically focusing on Kurdistan manufacturing companies. This research sets out to address the aforementioned research gap and contribute to the scholarly discourse on organizational behavior, financial management and performance enhancement. The objectives of this study are as follows:

- The first objective focuses on exploring how management financial information systems directly influence organizational performance. MFIS encompass the tools, processes and technologies used by organizations to gather, analyze and report financial data. Understanding the relationship between MFIS capabilities and performance outcomes is crucial for identifying areas of improvement in financial management practices and leveraging data-driven insights to drive strategic decision-making and operational efficiency.

- The second objective delves into understanding the direct impact of organizational culture on organizational performance. Cultivating a strong, positive organizational culture has been linked to improved employee morale, enhanced teamwork and better organizational outcomes. By examining the influence of culture on various performance metrics, including financial, operational and market-based indicators, this study aims to elucidate the significance of organizational culture as a driver of overall organizational success.
- The third objective of this study is to explore whether organizational culture plays a mediating role in the relationship between management financial information systems and organizational performance. Organizational culture encompasses the shared values, beliefs and practices that guide behavior and decision-making within an organization. Through an examination of the influence of organizational culture on the utilization and efficacy of financial information systems, this study endeavors to elucidate the mechanisms by which culture acts as a mediator in the influence of MFIS on firm performance.

By fulfilling these objectives, this research aims to provide significant contributions to the domains of organizational behavior, financial management and performance evaluation. The anticipated findings are poised to enlighten organizational leaders, policymakers and scholars regarding the intricate dynamics among organizational culture, management financial information systems and organizational performance. Such insights can guide strategic endeavors directed towards augmenting overall organizational efficacy and competitiveness.

2. Literature review

2.1 Theoretical Foundation

The Social Exchange Theory (SET) provides a robust framework for understanding the mediating role of organizational culture in the relationship between MFIS and organizational performance in Kurdistan manufacturing companies. This theory posits that individuals engage in social exchanges based on the expectation of mutual benefits and reciprocity, shaping their attitudes, behaviors and decisions within



organizational contexts. Within the social exchange paradigm, trust and commitment are foundational elements (Cook et al., 2013). Organizational culture shapes the trust employees place in financial information provided by management. A culture of transparency, integrity and accountability fosters trust in the accuracy and reliability of financial data. This trust, in turn, influences employees' commitment to using financial information effectively to enhance organizational performance. Drawing from Cropanzano et al. (2017), it can be seen that the SET emphasizes the role of norms and expectations in guiding social interactions but at the same time organizational culture establishes norms related to financial reporting, analysis and decision-making. For instance, a culture that values data-driven decision-making and emphasizes financial performance metrics sets expectations for how employees should engage with management financial information. These cultural norms shape employees' attitudes and behaviors concerning the utilization of financial data for performance improvement. As noted by Cropanzano et al. (2017), the SET highlights the principle of reciprocity, where individuals expect fairness and equitable exchanges. Organizational culture influences perceptions of fairness in the distribution of financial information and rewards based on performance outcomes. A culture that promotes fairness and equity in resource allocation and recognition for contributions encourages employees to actively engage with financial information systems to achieve organizational goals. The SET also notes that effective communication and information sharing are central to social exchanges (Cropanzano et al., 2017) Organizational culture shapes communication patterns regarding financial information dissemination and utilization. A culture that encourages open communication, knowledge sharing and collaboration enhances the flow of financial information across departments and levels of the organization. This fosters a shared understanding of financial goals and strategies, leading to improved organizational performance. In essence, the Social Exchange Theory underscores how organizational culture acts as a mediator in the relationship between management financial information and organizational performance. A positive organizational culture that promotes trust, transparency, fairness and effective communication facilitates the utilization of financial information systems and drives performance improvements in

Kurdistan manufacturing companies. Having illustrated the theoretical connections linking organizational culture and MFIS with organizational performance, we proceeded in the next section to explore their related empirical examinations.

2.2 Previous Studies

2.2.1 The impact of management financial information systems on organizational culture

The implementation of management financial information systems, such as workflow management systems, can significantly impact an organization's culture, particularly in the areas of customer orientation, flexibility, and quality focus (Doherty, 2019). This impact is further influenced by the organization's culture, with a strong influence on the success of the information system (Kuraesin, 2017). In addition, the influence of business strategy and organizational culture on management accounting information systems has been found to be significant, with organizational culture having a particularly strong effect (Marlina, 2023 & Sardar, 2022). Amid such observations, we proposed the following hypothesis as a result, the following hypotheses were formulated to cater for such observations:

- **Hypothesis 1:** Management financial information systems have a significantly positive effect on organizational culture Kurdistan Region.

2.2.2 The impact of management financial information systems on organizational performance

Research consistently demonstrates the positive influence of management financial information systems on organizational performance. For instance, a study conducted in Nigeria underscored the significant enhancement in corporate performance resulting from investments in accounting information systems (Olaofe-Obasesin, 2020). Likewise, research in Indonesia emphasized the strong correlation between the overall organizational framework and the quality of accounting information systems, directly impacting financial performance (Anggraeni, 2021). Hastuti (2019) further elucidated that an effective financial management system empowers

companies to gain a comprehensive understanding of their financial performance landscape. Additionally, the pivotal role of well-structured and operational accounting information systems in fostering reliable business structures was highlighted in a study exploring the influence of financial accounting and reporting on organizational management (Guliyeva, 2021).

- **Hypothesis 2:** Management financial information systems have a significantly positive effect on organizational performance Kurdistan Region.

2.2.3 The impact of organizational culture on organizational performance

Organizational culture has a significant impact on organizational performance, as evidenced by several studies. Al-Dalaien (2017) found a strong correlation between organizational culture and employee performance in Indian automobile companies. Similarly, Valentina (2017) highlighted the role of organizational culture in improving firm performance, particularly through the implementation of motivational tools. Romanescu (2016) emphasized the importance of organizational culture in the success of a company's activities, while Zhang (2016) underscored its role in fostering innovation and indirectly influencing performance. These studies collectively suggest that a strong organizational culture can lead to improved performance. As a result, the following hypotheses were formulated to cater for such observations:

- **Hypothesis 3:** Organizational culture has a significantly positive effect on organizational performance Kurdistan Region.

2.2.4 The mediating impact of organizational culture

Organizational culture plays a crucial role in the relationship between management financial information and organizational performance. Bani-Hani (2020) found that the dominant culture of an organization influences the choice of management accounting systems, which in turn impacts performance. This is supported by Berson (2005), who demonstrated that different types of organizational cultures mediate the relationship between CEO values and performance. In another study by Kwarteng and

Aveh (2018) found that ethical culture-shaped accounting information system and financial reporting practice lead to corporate performance in Ghanaian firms. Le (2020) further emphasized the positive effect of management’s cultural orientation and accounting information on innovation capability and performance. Van der Post, De Coning and Smit (1998) highlighted the significant impact of organizational culture on financial performance, underscoring the need for further statistical evidence in this area. Bani-Hani, Auzair and Amiruddin (2020) discovered that firms with dominant flexible culture positively affect choices of broad, timeliness, aggregated and integrated management accounting information which in turn enhanced the organizational performance. It is from these examinations that we can infer that organizational culture has a positive mediating role on the relationship between MIS and organizational performance. Following the development of the study hypotheses, a conceptual framework shown in Figure 1 was developed for further examination.

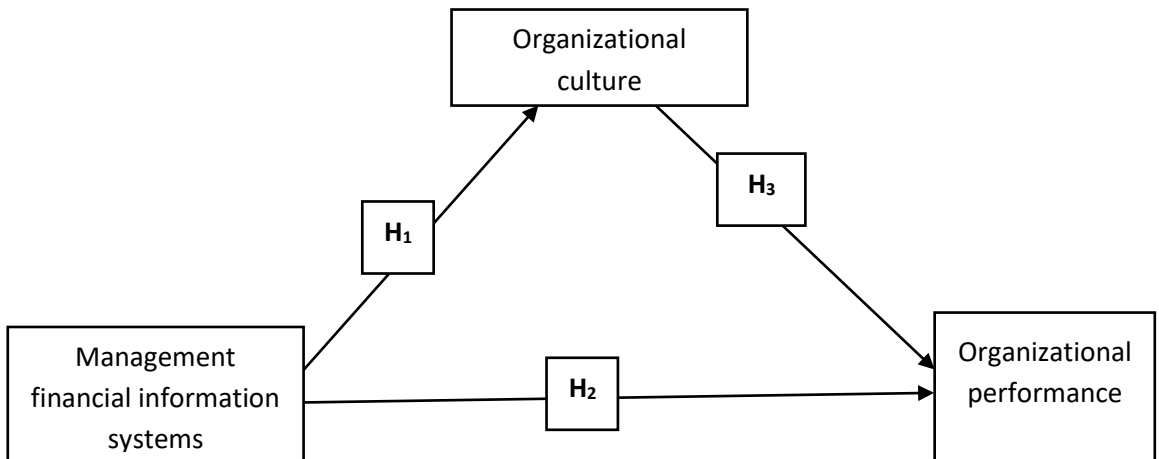


Figure 1: Conceptual framework

3. Research methodology

The study is conducted specifically in Kurdistan manufacturing companies, adding a valuable contextual dimension to the research. This allows for the exploration of how the mediating role of organizational culture operates within a specific cultural, economic, and organizational context, contributing insights that can be more directly applied to the region. The majority of studies examining these constructs have been conducted in Western organizational contexts, potentially limiting the applicability and generalizability of findings to diverse settings such as Kurdistan manufacturing companies. Understanding the mediating role of culture in different cultural and contextual settings is crucial for developing context-specific strategies. Besides, the exploration of leadership styles on employee engagement is widely concentrated in countries like Ethiopia and South Korea (Gemedu & Lee, 2020) and countries like Kurdistan are barely covered

The methodologies employed in previous studies often lack sophistication in assessing the mediating effect of organizational culture. More advanced statistical techniques, such as Structural Equation Modeling (SEM) or longitudinal studies, are needed to comprehensively examine the mediation pathways. Therefore, a quantitative analysis approach involving the application of a SEM approach was applied. This is because by applying such an approach, the study fills the gap about the lack of a comprehensive understanding of the underlying processes through which leadership styles influence organizational culture, and subsequently, how organizational culture affects employee engagement.

3.1 Method

Ringle et al. (2020) describe Structural Equation Modeling (SEM) as a statistical approach that permits researchers to analyze complex relationships among numerous variables concurrently. Integrating SEM into the study offers a comprehensive understanding of how organizational culture, management financial information systems and organizational performance interact. SEM facilitates the simultaneous investigation of various pathways and the estimation of both direct and indirect impacts, making it well-suited for studying the mediating role of

organizational culture. The versatility of SEM lies in its ability to model intricate relationships involving multiple variables. In the context of this study, where the focus is on the connections between organizational culture, management financial information systems and organizational performance, SEM allows for a unified examination of these elements.

The research utilizes a mediation analysis within the SEM framework to explore how organizational culture mediate the impact of management financial information systems on organizational performance. Through examining the mediating function of organizational culture, the study enhances our understanding of the intricate processes that influence organizational performance specifically in Kurdistan manufacturing companies.

Incorporating organizational culture, management financial information systems and organizational performance as pivotal elements in the SEM model demonstrates an intricate approach that recognizes the multifaceted nature of organizational dynamics. This approach aims to offer a thorough comprehension of the various factors that impact organizational performance. The conceptual model illustrated in Figure 1 will guide the structural equation model, and the hypotheses developed will be analyzed using the Smart PLS data analysis tool as depicted in Figure 1.

3.2 Reliability and validity tests

The reliability of organizational culture, management financial information systems, and organizational performance was evaluated using the Cronbach's alpha test, where variables with Cronbach's alpha values exceeding 70% were deemed reliable (Ringle et al., 2020). Additionally, the composite reliability test was employed to assess reliability, with variables having composite reliability values greater than 70% considered reliable (Ringle et al., 2020).

Discriminant validity, which ensures that unrelated tests are indeed unrelated (Ringle et al., 2020), was evaluated using the Fornell and Larcker criterion. The Average Variance Explained (AVE) was utilized to assess convergent validity, ensuring that related tests are indeed connected (Ringle et al., 2020). Variables with AVE values

above 0.50 were considered valid based on the results of the AVE test (Ringle et al., 2020).

3.3 Model fitness tests

The Standardized Root Mean Square Residual (SRMR) was employed to evaluate the absolute fit of the estimated model, with SRMR values below 0.08 considered indicative of a good fit (Sarstedt et al., 2020). Additionally, the model's adequacy was assessed using a significant Chi-square value and a Normed Fit Index (NFI) exceeding 0.90, indicating a satisfactory fit (Sarstedt et al., 2020). Furthermore, the D_G and D_ULS criteria were applied, following the guidelines of Ringle, Da Silva, and Bido (2015), to gain a deeper understanding of the model's suitability.

3.4 Population and sampling procedures

The study population comprised manufacturing companies in Kurdistan. Focusing on this specific population allows for a targeted examination of organizational dynamics within the manufacturing sector, enhancing the study's applicability to the region's industrial context. Understanding the organizational culture and management financial information systems and dynamics in Kurdistan manufacturing companies can have practical implications for enhancing organizational performance. The study's findings may inform targeted interventions and strategies that align with the unique characteristics of the study population.

The choice of the study population and sample size was driven by the desire to provide insights that are contextually relevant to Kurdistan manufacturing companies. The participants included individuals representing various roles within the Kurdistan manufacturing companies. Among such respondents were CEOs, financial managers, information technology (IT) managers, human resources managers and general employees within the manufacturing companies. This comprehensive approach enhances the study's validity, reliability, and practical relevance in exploring the mediating role of organizational culture in the relationship between management financial information and organizational performance. Consequently, we selected a random sample of 20 well-regarded companies in Erbil

and distributed 10 questionnaires to each, ensuring broad coverage and in-depth insights. In total, 200 questionnaires were disseminated across these 20 randomly chosen manufacturing firms.

3.5 Data collection

To gather the necessary data, questionnaires were personally distributed and retrieved from each of the 35 chosen manufacturing companies in Erbil. This process spanned one month, from October 1st to October 31st, 2023. The variables were designed based on information from previous studies on management of financial information systems (Mbondji et al., 2014) and organizational performance (Oliver, 2018). The constructs for organizational culture were developed based on Wahyuningsih et al.'s (2019) analysis using Denison's model for international business competitiveness. Consequently, 14 constructs for management of financial information systems, 12 for organizational culture and 15 for organizational performance were created. These constructs were evaluated using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Three participants were randomly chosen from a group including managing directors, chief financial officers, finance managers, internal auditors, financial accountants, and financial analysts for the focus group. After receiving satisfactory feedback with minor improvements, the questionnaires were distributed to the participants within the specified period.

4. Results and Discussion

4.1 Demographic analysis

In this investigation, a total of 186 questionnaires were collected, including responses from 120 male and 66 female participants. Table 1 indicates that the respondents had a high level of academic qualifications (Bachelor's degree: n=74; Master's degree: n=100; PhD degree: n=12), which contributed significantly to the study's capacity to gather pertinent and robust insights given their in-depth knowledge of MFIS, organizational culture, and organizational performance. Similarly, the participants' experience levels were notable, with individuals having 4-6 years (23.66%), 7-9 years (47.31%), and 10 years or more (16.33%) of experience.

Table 1: Demographic details

Variable	Description	Frequency	Percentage
Gender	Male	120	64.52
	Female	66	35.48
	Total	186	100
Academic qualification	Bachelor’s degree	74	39.78
	Master’s degree	100	53.76
	PhD degree	12	6.45
	Total	186	100
Years of experience	Less than 1 year	6	3.23
	1-3 years	18	9.68
	4-6 years	44	23.66
	7-9 years	88	47.31
	10 years and above	30	16.33
	Total	186	100
Employment position	CEOs	12	6.45
	Financial managers	16	8.60
	IT managers	18	9.68
	Human resources managers	20	20.75
	General employees	120	64.52
	Total	186	100
Manufacturing sector	Pharmaceuticals	45	24.19
	Mining	46	24.78
	Petroleum	38	20.43
	Chemical	40	21.51
	Other	17	9.14
	Total	186	100

The study involved 12 CEOs, 16 financial managers, 18 IT managers, 20 human resources managers, and 120 general employees from various sectors, including pharmaceuticals (45 companies), mining (46 companies), petroleum (38 companies), chemical (40 companies), and other manufacturing (17 companies), as outlined in Table 1.

4.2 Factor analysis

The research successfully established the interconnectedness among organizational culture, employee engagement, supportive leadership, empowering leadership, and transformational leadership through factor analysis. Nine constructs for MFIS, nine for organizational culture, and seven for organizational performance were identified as pertinent using the 0.70 standard (Ringle, Da Silva & Bido, 2015), as evidenced in Table 2. These variable constructs were then utilized to estimate the planned structural equation model.

Table 2: Factor analysis

Constructs	Loadings		Constructs	Loadings
Organizational Culture (OC)			Management of financial information systems (MFIS)	
OC1	0.787		MFIS3	0.800
OC2	0.810		MFIS4	0.804
OC3	0.802		MFIS5	0.798
OC4	0.806		MFIS8	0.740
OC6	0.820		MFIS9	0.790
OC8	0.822		MFIS10	0.809
OC9	0.809		MFIS12	0.855
OC10	0.809		MFIS13	0.864
OC12	0.802		MFIS14	0.789
Organisational Performance (OP)				
OP7	0.736			
OP8	0.845			
OP9	0.893			
OP10	0.887			
OP11	0.756			
OP12	0.856			
OP14	0.704			

MFIS= management financial information systems; **OC**=organizational culture and **OP**=organizational performance.

4.3 Validity test

According to the results presented in Table 3 using the Fornell-Larcker Criterion, the diagonal values exceed their respective underlying values (Ringle et al., 2020), thus confirming discriminant validity. Subsequently, the study evaluated the convergent validity and reliability of the variables.

Table 3: Fornell-Larcker Criterion

	MFIS	OC	OP
MFIS	0.793		
OC	0.672	0.714	
OP	0.557	0.566	0.609

MFIS= management financial information systems; **OC**=organizational culture and **OP**=organizational performance.

Table 4 shows AVE values surpassing the 0.50 threshold, signifying the achievement of convergent validity as per Ringle et al. (2020). Regarding variable reliability, Cronbach’s alpha, rho_A, and composite reliability values all exceeded the typical 70% benchmark (Ringle et al., 2020). This indicates high reliability of the variables in elucidating the mediating influence of organizational culture in the correlation between leadership styles and employee engagement.

Table 4: Convergent validity and reliability test

	AVE	Cronbach’s Alpha	rho_A	Composite Reliability
MFIS	0.785	0.840	0.850	0.865
OC	0.741	0.898	0.901	0.914
OP	0.701	0.880	0.892	0.896

MFIS= management financial information systems; **OC**=organizational culture and **OP**=organizational performance.

4.4 Model fitness test

The adequacy of the model’s fit was assessed using the data presented in Table 5. This evaluation considered multiple indicators, including the SRMR value, which is below the threshold of 0.08 as recommended by Sarstedt et al. (2020). Additionally,

the Chi-square value, which is 8.161* and significant at the 1% level, and the NFI value, which exceeds 0.90, both suggest a reasonable fit according to Sarstedt et al. (2020). Furthermore, the propositions D_G and D_ULS, as per Ringle, Da Silva and Bido (2015), are greater than their corresponding confidence interval values, further supporting the conclusion of a good fit for the model.

Table 5: Model fitness test

	SRMR	NFI	Chi-Square	d_G	d_ULS
Saturated Model	0.053	0.971	8.161*	0.933	1.218
Estimated Model	0.053	0.971	8.161*	0.933	1.218

4.5 Path analysis

Concerning the direct effects, the provided findings depicted that the adoption of MFIS significantly improves organizational culture ($\beta_1=0.457$; $p=0.000$) and insignificantly boost organizational performance ($\beta_2=0.382$; $p=0.089$). As a result, hypotheses 1 was accepted while hypotheses 2 was rejected. By demonstrating that improvements in organizational culture significantly boost organizational performance ($\beta_3=0.206$; $p=0.089$), our findings validated hypothesis 3 as shown in Table 6.

Table 6: Path analysis results

	Estimate	P Values	Impact	Hypothesis
Direct relationships				
MFIS -> OC	0.457	0.000	Significant	H ₁ : Supported
MFIS -> OP	0.382	0.089	Insignificant	H ₂ : Not supported
OC-> OP	0.206	0.000	Significant	H ₃ : Supported
Mediating effects				
MFIS -> OC-> OP	0.108	0.000	Significant	H ₄ : Supported

MFIS= management financial information systems; **OC=**organizational culture and **OP=**organizational performance.

The primary focus of the study was to investigate how organizational culture mediates the connections between MFIS and organizational performance. As evidenced by Table 6, Hypothesis 4 ($\beta_4=0.108$; $p=0.000$) was confirmed, indicating that organizational culture plays a modest yet significant mediating role in the MFIS-organizational performance relationship, thus supporting Hypothesis 4.

5. Discussion

The study discussions were primarily centered on the need to analyze the mediation role of organizational culture between leadership styles and employee engagement within Kurdistan manufacturing companies. As a result, the following discussions were made:

The significant impact of MFIS on organizational culture, as indicated by the 0.457 value, is supported by the principles of Social Exchange Theory and corroborated by the studies of Doherty (2019), Kuraesin (2017) and Marlina (2023). This interplay suggests that MFIS not only transform organizational processes but also foster a culture that is conducive to continuous improvement and strategic success. Theoretically, this affirms that an organization's culture not only influences but is also shaped by the successful implementation of MFIS. This reciprocal relationship indicates a cyclical enhancement where culture and technology reinforce each other. Therefore, unlike Kuraesin (2015) suggesting that organizational culture influences management information system, this research underscores the importance of a supportive and adaptive organizational culture as a prerequisite for the successful deployment and utilization of MFIS.

Concerning hypothesis 2, the findings revealed that MFIS has an insignificant impact of on organizational performance of 0.382. Based on the SET, the insignificant impact implies that the anticipated benefits might not be realized uniformly across organizations, possibly due to variations in the existing organizational frameworks, cultural readiness, or the level of system integration. The literature indicates that the success of MFIS in enhancing performance is contingent upon specific contextual factors. Olaofe-Obasesin (2020) notes significant performance improvements from accounting information systems in Nigeria, suggesting regional or industry-specific

factors may play a role. Similarly, Anggraeni (2021) and Hastuti (2019) highlight the importance of a strong organizational framework and comprehensive system understanding for realizing performance benefits in SMEs. Guliyeva (2021) emphasizes the need for well-structured and operational systems. Therefore, the insignificant result indicates that without a robust organizational structure and strategic alignment, the potential of MFIS to enhance performance remains unrealized.

Our findings reveal that organizational culture has a significant impact on organizational performance, with an effect size of 0.206. This aligns with existing literature, which consistently emphasizes the critical role of organizational culture in shaping various aspects of performance. Al-Dalaien (2017) demonstrated a strong correlation between organizational culture and employee performance in Indian automobile companies. This suggests that a well-developed organizational culture can enhance employee performance by fostering a positive work environment, aligning employee behavior with organizational goals, and promoting effective communication. Our finding of a 0.206 impact supports this notion, indicating that even a moderate influence of culture can significantly boost overall performance. Valentina (2017) highlighted how organizational culture improves firm performance through the implementation of motivational tools. A culture that prioritizes employee motivation and engagement can lead to higher productivity, better job satisfaction, and reduced turnover rates. The impact size of 0.206 in our study suggests that such cultural elements, when effectively integrated, contribute to enhanced organizational outcomes by motivating employees to perform at their best. Romanescu (2016) emphasized the importance of organizational culture in the success of a company's activities. This perspective is validated by our findings, as the positive impact of culture on performance underscores its role in driving successful business operations. A strong culture provides a framework for consistent practices, ethical behavior, and strategic alignment, all of which are essential for sustaining high performance levels. Zhang (2016) underscored the role of organizational culture in fostering innovation, which indirectly influences performance. Our research corroborates this view by showing that a positive cultural environment encourages innovation and creativity,

leading to improved processes, products, and services. The 0.206 impact indicates that even a modest enhancement in cultural attributes can significantly affect an organization's ability to innovate and compete effectively.

Lastly, hypothesis 4 was validated as it showed that organizational culture significantly mediates MFIS' impact on organizational performance by 0.108. This can be reinforced by Bani-Hani's study (2020) findings that found that the dominant culture of an organization influences the choice of management accounting systems, which in turn impacts performance. To further support our findings, Kwarteng and Aveh (2018) found that ethical culture-shaped accounting information system and financial reporting practice lead to corporate performance in Ghanaian firms. Le (2020) further emphasized the positive effect of management's cultural orientation and accounting information on innovation capability and performance. In another study that supports this finding, Bani-Hani, Auzair and Amiruddin (2020) discovered that firms with dominant flexible culture positively affect choices of broad, timeliness, aggregated and integrated management accounting information which in turn enhanced the organizational performance. Thus, unlike studies using on the Burke-Litwin model (Olivier, 2018), focusing on SMEs (Hastuti, 2019), hospitality firms (Mehmood et al., 2023) and countries like Ghana (Le, 2020), this study adds to existing literature by providing these novel insights within the context of a Middle Eastern country, Kurdistan Region of Iraq.

6. Conclusion

The study aimed to address gaps and gaps in existing knowledge regarding the complex interplay among MFIS, organizational culture, and organizational performance. Consequently, the study addressed empirical issues related to the lack of consensus on these interactive dynamics, leading to the following conclusions:

- The significantly positive interplay between MFIS and organizational culture suggests that MFIS not only transform organizational processes but also foster a culture that is conducive to continuous improvement and strategic success.

- The anticipated benefits of MFIS might not be realized uniformly across organizations, possibly due to variations in the existing organizational frameworks, cultural readiness, or the level of system integration.
- Organizational culture is a pivotal factor in determining organizational performance.
- Organizational culture significantly mediates MFIS' impact on organizational performance.

Practical implications

- Practically, hypothesis 1's findings suggest that manufacturing companies should invest in fostering a culture that supports innovation, flexibility, and responsiveness before implementing MFIS. This involves training, leadership development, and initiatives that encourage a culture of continuous improvement. Additionally, when implementing MFIS, organizations should adopt a holistic approach that integrates cultural change management with technological deployment. This ensures that the new systems are effectively embedded within the organization's existing cultural framework. Moreover, manufacturing companies must regularly assess the organization's culture to ensure it remains aligned with the strategic objectives and technological advancements.
- Concerning hypothesis 2, companies must assess the current organizational framework, cultural readiness, and existing systems to identify potential barriers to MFIS integration. They can also tailor the MFIS implementation strategy to fit the specific needs and context of the organization, considering industry-specific requirements and regional factors. Most importantly, they can establish strong and efficient organizational processes that support the seamless integration and operation of MFIS. To enforce this, companies must also ensure that leadership is actively involved in the MFIS implementation process, providing direction and support to foster a culture of acceptance and utilization.

- Regarding hypothesis 3, it is substantial enough to warrant attention from organizational leaders and policymakers. Investing in cultivating a strong, positive organizational culture can yield meaningful improvements in performance, aligning with the broader consensus in the literature that a supportive cultural environment is essential for achieving sustained organizational success.
- About hypothesis 4, the study recommends companies to align MFIS integration with cultural norms via customized implementation and targeted training, promoting collaboration and shared goals across departments. Companies can also empower employees for innovation, implement continuous evaluation and feedback mechanisms, secure strong leadership support, and foster a learning culture that adapts to industry benchmarks and best practices.

Constraints and Limitations Encountered:

- Because of its cross-sectional nature, the study can impede a comprehensive understanding of temporal connections, which can adversely affect efforts to establish causal relationships and directionality.
- Challenges related to cross-cultural differences within Kurdistan's manufacturing companies can influence the interpretation and relevance of findings across different organizational settings, presenting potential limitations.

Areas for Future Studies:

- Future studies could utilize longitudinal methodologies to monitor the evolution of MFIS, organizational culture, and organizational performance across time, offering insights into causal factors and dynamic interactions.
- Integrating qualitative approaches such as interviews or focus groups alongside quantitative analyses could yield a more comprehensive understanding of manufacturing companies' perspectives of the interactive

effects of MFIS and organizational culture on organizational performance within the organizational setting.

- Further investigation into additional mediators or moderators that impact the connection between MFIS, organizational culture and organizational performance could enhance comprehension and depth of analysis.

References:

1. Al-Dalaien, B. O., & Khan, A. (2017). Impact Assessment of Organizational Culture on Employee Performance. *Scholars Bulletin*, 3(2), 62-66.
2. Alvesson, M., & Sveningsson, S. (2015). *Changing organizational culture: Cultural change work in progress*. Routledge.
3. Anggraeni, A. F., & Winarningsih, S. (2021). The effects of accounting information system quality on financial performance. *Economic Annals-XXI/Ekonomičnij Časopis-XXI*, 193.
4. Bani-Hani, A., Auzair, S. M., & Amiruddin, R. (2020). The effect of organizational culture on firm performance: the mediating role of management accounting systems. *South East Asia Journal of Contemporary Business, Economics and Law*, 21(1), 32-41.
5. Cook, K. S., Cheshire, C., Rice, E. R., & Nakagawa, S. (2013). Social exchange theory. *Handbook of social psychology*, 61-88.
6. Cropanzano, R., Anthony, E. L., Daniels, S. R., & Hall, A. V. (2017). Social exchange theory: A critical review with theoretical remedies. *Academy of management annals*, 11(1), 479-516.
7. Doherty Neil (2001). The cultural impact of workflow management systems in the financial services sector. *Loughborough University Journal contribution*. Available at <https://hdl.handle.net/2134/8345>
8. Driskill, G. (2018). *Organizational culture in action: A cultural analysis workbook*. Routledge.
9. Guliyeva, L. (2020). The Influence of Financial Accounting and Reporting on the Management of a Business Organization and A Case Study. *Scholedge International Journal of Management & Development*, 7(9).

10. Hastuti, T. D. (2019). The Effect Of Business Age, Financial Management, Potential Investment And Information Technology On The Financial Performance Of SMEs: Study On Lasem Batik Entrepreneurs.
11. Kozioł-Nadolna, K., & Beyer, K. (2021). Determinants of the decision-making process in organizations. *Procedia Computer Science*, 192, 2375-2384.
12. Kuraesin, A. D. (2015). The influence of organizational culture on management information system. *Int. J. Sci. Technol. Res*, 4(8), 140-141.
13. Kwarteng, A., & Aveh, F. (2018). Empirical examination of organizational culture on accounting information system and corporate performance: Evidence from a developing country perspective. *Meditari Accountancy Research*, 26(4), 675-698.
14. Le, H. M., Nguyen, T. T., & Hoang, T. C. (2020). Organizational culture, management accounting information, innovation capability and firm performance. *Cogent Business & Management*, 7(1), 1857594.
15. Marlina, R., Hertati, L., & Putri, A. U. (2023). The Influence of Business Strategy and Organizational Culture on Management Accounting Information Systems. *Journal Of Humanities, Social Sciences And Business*, 2(2), 500-514.
16. Mbondji, P. E., Kebede, D., Soumbeiy-Alley, E. W., Zielinski, C., Kouvidila, W., & Lusamba-Dikassa, P. S. (2014). Resources, indicators, data management, dissemination and use in health information systems in sub-Saharan Africa: results of a questionnaire-based survey. *Journal of the Royal Society of Medicine*, 107(1_suppl), 28-33.
17. Mehmood, K., Zia, A., Alkatheeri, H. B., Jabeen, F., & Zhang, H. (2023). Resource-based view theory perspective of information technology capabilities on organizational performance in hospitality firms: a time-lagged investigation. *Journal of Hospitality and Tourism Technology*, 14(5), 701-716.
18. Olaofe-Obasesin, M. (2020). Effects of Accounting Information System on Organization Performance In Nigeria. *International Journal of Software Engineering and Computer Systems*, 6(2), 18-22.
19. Olivier, B. (2018). Psychometric validation of an Organisational Performance Questionnaire (OPQ) based on the Burke-Litwin model. *Journal of Psychology in Africa*, 28(1), 46-51.
20. Rashid, A., Rasheed, R., & Amirah, N. A. (2023). Information technology and people involvement in organizational performance through supply chain collaboration. *Journal of Science and Technology Policy Management*.

21. Ringle, C. M., Sarstedt, M., Mitchell, R., & Gudergan, S. P. (2020). Partial least squares structural equation modeling in HRM research. *The International Journal of Human Resource Management*, 31(12), 1617-1643.
22. Ringle, C., Da Silva, D., & Bido, D. (2015). Structural equation modeling with the SmartPLS. *Bido, D., da Silva, D., & Ringle, C. (2014). Structural Equation Modeling with the Smartpls. Brazilian Journal Of Marketing*, 13(2).
23. Romanescu, M. L. (2016). Influence of Organizational Culture on Company Performances. *Annals of the University Dunarea de Jos of Galati: Fascicle: I, Economics & Applied Informatics*, 22(3).
24. Sarstedt, M., Hair, J. F., Pick, M., Liengaard, B. D., Radomir, L., & Ringle, C. M. (2022). Progress in partial least squares structural equation modeling use in marketing research in the last decade. *Psychology & Marketing*, 39(5), 1035-1064.
25. Sardar Jalal Braim, & Rebin Bilal Mohammed. (2022). The Impact of Audit Committee Composition and Performance on Financial Reporting Quality in Kurdistan's Industrial Companies. *QALAAI ZANIST JOURNAL*, 7(4), 1051–1070. <https://doi.org/10.25212/lfu.qzj.7.4.42>
26. Stein, H. F. (2021). *Listening deeply: An approach to understanding and consulting in organizational culture*. Routledge.
27. Valentina, M., & Ileana, P. O. (2017). The Influence of Organizational Culture on Company Performance. *Ovidius" University Annals, Economic Sciences Series*, 17(2).
28. Bryar Sami Abdulrahman, & Sardar Jalal Braim. (2024). The mediation role of Information Technology between Artificial Intelligence and Modern Accounting: Opportunities and Challenges. *QALAAI ZANIST JOURNAL*, 9(3), 1312–1335. <https://doi.org/10.25212/lfu.qzj.9.3.53>
29. Van der Post, W. Z., De Coning, T. J., & Smit, E. V. D. M. (1998). The relationship between organisational culture and financial performance: some South African evidence. *South African Journal of Business Management*, 29(1), 30-40.
30. Zhang, X., & Li, B. (2016). Organizational culture and organizational performance: a brief review. *Journal of Advances in Social Science and Humanities*, 2(5), 16-21.

رۆلی نیوه‌ندگیری پۆشنیبری پیکراوهیی له په‌یوه‌ندی نیوان زانیاری دارایی کارگێری و ئەدای پیکراوهیی له کۆمپانیاکانی به‌رهمه‌پێنان له کوردستاندا

پوخته:

ئەم توێژینه‌وه‌یه ئامانجی لیکۆلینه‌وه له په‌یوه‌ندییه ئالۆزه‌کانی نیوان که‌لتوری پیکراوه‌یی، سیسته‌می زانیاری دارایی به‌رپۆه‌بردن و ئەدای پیکراوه‌یی له‌ناو کۆمپانیاکانی به‌رهمه‌پێنانی کوردستاندا. سه‌ره‌پای گرنگی جی‌گه‌رکراوی زانیاری دارایی له‌بیراردان و هه‌سه‌نگاندنی ئەدای کاردا، به‌لام گرنگیه‌کی سنووردار دراوه به‌ چۆنیه‌تی نیوه‌ندگیری که‌لتوری پیکراوه‌یی ئەم په‌یوه‌ندییه، به‌تایبه‌تی له‌ چوارچۆه‌ی ناوازه‌ی کوردستاندا. له‌ ئەنجامدا مۆدێلیکی هاوکێشه‌ی بیکهاته‌یی به‌ به‌کاره‌ینانی ۱۸۶ وه‌لام که‌ له‌ پۆلیکی هه‌رپه‌مه‌کی هه‌لبژێردراوی کۆمپانیاکانی به‌رهمه‌پێنان له‌ هه‌ولێری کوردستان کۆکرا‌بوونه‌وه، خه‌ملێندرا. به‌پێی ئەنجامه‌کان، په‌یوه‌ندییه ئه‌رنیه‌یه به‌رچاوه‌کانی نیوان سیسته‌می زانیاری دارایی به‌رپۆه‌بردن (MFIS) و که‌لتوری پیکراوه‌یی ئەوه‌ پێشان ده‌دات که‌ MFIS نه‌ک ته‌نها پرۆسه‌کانی پیکراوه‌یی ده‌گۆرێت به‌لکو که‌لتوووریکێش په‌روه‌رده ده‌کات که‌ له‌بار بێت بۆ باشتروکردنی به‌رده‌وام و سه‌رکه‌وتنی ستراتیژی. توێژینه‌وه‌که‌ ده‌ریخست که‌ په‌نگه‌ سووده‌ پێشبینیکراوه‌کانی MFIS به‌ شیوه‌یه‌کی یه‌کسان له‌ سه‌رانسه‌ری پیکراوه‌کاندا به‌دی نه‌هێنرێت، له‌وانه‌یه به‌هۆی گۆرانکاری له‌ چوارچۆه‌ پیکراوه‌یه‌کانی ئیستا، ئاماده‌یی که‌لتوووری، یان ئاستی یه‌کخستنی سیسته‌مدا بێت. جگه‌ له‌ سه‌لماندنی ئەوه‌ی که‌ که‌لتوری پیکراوه‌یی به‌ شیوه‌یه‌کی به‌رچا و ناو‌بژێوانی کاریگه‌رییه‌کانی MFIS له‌سه‌ر ئەدای پیکراوه‌یی ده‌کات، دۆزینه‌وه‌کانمان ئەو تیگه‌یشتنه‌ دامه‌زراوه‌ به‌هیز ده‌که‌ن که‌ که‌لتوری پیکراوه‌یی هۆکاریکی سه‌ره‌کییه بۆ دیاریکردنی ئەدای پیکراوه‌یی. له‌ کاتی جێبه‌جێکردنی MFIS، پیکراوه‌کان پێویسته‌ رێبازیکی گشتگیر بگرنه‌به‌ر که‌ به‌رپۆه‌بردنی گۆرانکاری که‌لتوووری له‌گه‌ڵ بلاوکردنه‌وه‌ی ته‌کنه‌لوژی تیکه‌ل بکات.

الدور الوسيط للثقافة التنظيمية في العلاقة بين المعلومات المالية الإدارية والأداء التنظيمي في شركات التصنيع في كردستان

الملخص:

تهدف هذه الدراسة إلى استكشاف التفاعل المعقد بين الثقافة التنظيمية وأنظمة المعلومات المالية الإدارية والأداء التنظيمي داخل شركات التصنيع في كردستان. على الرغم من الأهمية الراسخة للمعلومات المالية في عملية صنع القرار وتقييم الأداء، فقد تم إيلاء اهتمام محدود لكيفية توسط الثقافة التنظيمية في هذه العلاقة، خاصة في السياق الفريد لكردستان. ونتيجة لذلك، تم تقدير نموذج المعادلة الهيكلية باستخدام 186 إجابة تم جمعها من مجموعة مختارة عشوائياً من شركات التصنيع في أربيل، كردستان. ووفقاً للنتائج، فإن التفاعل الإيجابي الكبير بين نظم المعلومات المالية الإدارية (MFIS) والثقافة التنظيمية يشير إلى أن نظم المعلومات المالية الإدارية لا تحول العمليات التنظيمية فحسب، بل تعزز أيضاً ثقافة تفضي إلى التحسين المستمر والنجاح الاستراتيجي. وأظهرت الدراسة أن الفوائد المتوقعة من أنظمة التمويل الأصغر قد لا تتحقق بشكل موحد عبر المنظمات، ربما بسبب الاختلافات في الأطر التنظيمية القائمة، أو الاستعداد الثقافي، أو مستوى تكامل النظام. وبصرف النظر عن إثبات أن الثقافة التنظيمية تتوسط بشكل كبير تأثير أنظمة التمويل الأصغر على الأداء التنظيمي، فإن النتائج التي توصلنا إليها تعزز الفهم الراسخ بأن الثقافة التنظيمية هي عامل محوري في تحديد الأداء التنظيمي. عند تنفيذ نظام MFIS، يجب على المنظمات اعتماد نهج شامل يدمج إدارة التغيير الثقافي مع نشر التكنولوجيا.