

## أثر التدريب والتطوير على أداء الموظفين في الشركات الصغيرة والمتوسطة العاملة في إقليم كردستان العراق

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### Abstract

This paper examines the effect of training and development on employee performance in small and medium organizations operating in Kurdistan Region, Iraq as well as Baghdad, while considering motivation of employees as the mediating variable. Even though SMEs are believed to be the engine of private sector development and the economic recovery in Iraq, little empirical research is available on how human capital goal setting affects employee behaviors or outcomes in developing emerging post-conflict economies. Building on Human Capital Theory and Self-Determination Theory, this paper theorizes that successful training programs increase knowledge skills and worker readiness; then, to the extent they induce intrinsic and extrinsic motivation, performance is enhanced. Quantitative research design was used and collected information from 384 employees of SMEs via personal surveys and a network-based approach. We used Smart PLS to test the structural relations, mediating effects and measure the discriminant validity of the model. The results indicate that training and development positively affect employee motivation and performance, with motivation as a partial mediator. These findings add to the emerging research on HRM practices in Iraq and moreover extract that a well-developed training system would be able to improve the skill level of human resources, particularly for resource-scarce SMEs. The study provides policy implications for decision-makers, SME managers and government to invest in formal training and motivation practices to enhance organizational competitiveness.

**Keywords:** Training and Development, Employee Motivation, Employee Performance, SMEs in Iraq, Human Capital Theory.

### ملخص

تبحث هذه الورقة البحثية أثر التدريب والتطوير على أداء الموظفين في المؤسسات الصغيرة والمتوسطة العاملة في إقليم كردستان العراق، وكذلك في بغداد، مع اعتبار دافعية الموظفين متغيراً وسيطاً. على الرغم من الاعتقاد السائد بأن المؤسسات الصغيرة والمتوسطة هي محرك تنمية القطاع الخاص والانتعاش الاقتصادي في العراق، إلا أن الدراسات التجريبية المتوفرة حول كيفية تأثير تحديد أهداف رأس المال البشري على سلوكيات الموظفين أو نتائجهم في الاقتصادات الناشئة بعد النزاعات قليلة. وانطلاقاً من نظرية رأس المال البشري ونظرية تقرير المصير، تقترح هذه الورقة أن برامج التدريب الناجحة تزيد من المعارف والمهارات وجاهزية العاملين؛ وبالتالي، بقدر ما تحفز هذه البرامج الدافعية الداخلية والخارجية، يتحسن الأداء. وقد استُخدم تصميم بحث كمي، وجمعت المعلومات من 384 موظفاً في مؤسسات صغيرة ومتوسطة من خلال استبيانات شخصية ومنهجية قائمة على الشبكات. واستُخدم برنامج Smart PLS لاختبار العلاقات الهيكلية، والتأثيرات الوسيطة، وقياس الصلاحية التمييزية للنموذج. تشير النتائج إلى أن التدريب والتطوير يؤثران إيجاباً على دافعية الموظفين وأدائهم، حيث تُعدّ الدافعية عاملاً وسيطاً جزئياً. تُضيف هذه النتائج إلى الأبحاث الناشئة حول ممارسات إدارة الموارد البشرية في العراق، وتبيّن أيضاً أن نظام تدريب متطوراً قادر على تحسين مستوى مهارات الموارد البشرية، لا سيما في الشركات الصغيرة والمتوسطة ذات الموارد المحدودة. تُقدّم الدراسة توصيات سياساتية لصناع القرار ومديري الشركات الصغيرة والمتوسطة والحكومة للاستثمار في التدريب الرسمي وممارسات التحفيز لتعزيز القدرة التنافسية للمؤسسات.

### 1. Introduction:

SMEs are a cornerstone of the Iraqi economy, especially in KRI and Baghdad, where they create jobs and contribute significantly to Gross Domestic Product (GDP). But despite this significance, a considerable number of Iraqi SMEs are suffering from inefficiency high employee performance as a result from lack off skills and capacities for managing human resources as well as having low investments for business in general and HRM particularly (Abdullah, 2021).

Training and development are one of the most researched factors affecting employee performance as it offers employees the necessary skills to perform their job, leading to effectiveness. Employees who have received organized training have better job performance, adaptability and organizational commitment (Nawaz & Gomes, 2019). Similarly, (Kumar et al., 2022) revealed that more structured training programs, can improve human performance in terms of technical and behavioral aspects and thus increases SME's productivity and overall performance. In addition to the direct impact of training, employee motivation is seen as a central psychological mechanism that connects HR practices with performance. Motivated employees invest more effort, engagement and persistence in their work contributions (Ryan & Deci, 2020) and several studies have reported that training enhances motivation through self-efficacy development (Zaidan et al., 2024), goal clarity and perceived career advancement prospects (Ekhsan & Setiawan, 2021). Notwithstanding the international evidence, there has been a shortage of empirical studies that have tested this relationship in the Iraqi context, particularly for SMEs located in post-conflict societies marked by economic instability, technological limitations and management issues. This gap brings the necessity to see how training affects performance through motivation in areas like Kurdistan and Baghdad as they have different economic situation but contribute significantly. Considering this, the present study attempts to fill this gap by investigating whether employee motivation mediates the link between training and performance, contributing to human resource management literature and providing practical implications for SME competition in Iraq.

## **2. Literature Review**

### **2.1 Training and Development**

Training and development are some planned activities or programmes undertaken by an organization to improve the skills (knowledge aspects), knowledge, abilities (technical skills) and attitudes (behavior aspects) of their employees in general. Past research showed that the training helps sharpen employees' skills in performing tasks, adopting new technologies and fulfilling organizational expectations (Kumar et al., 2022). Human Capital Theory, for instance, posits that trained individuals are more productive as their training investments upgrade cognitive, teaching and behavioral capacities (Becker, 1993). Studies carried out in emerging countries have also proven that on-going training programmed can effectively lower operational mistakes and increase the efficiency of tasks as well as improve job quality (Nawaz & Gomes, 2020).

Several empirical studies have reported a positive relationship between training and job performance. For instance, there are significant results regarding the development of training programs for service organizations: Jehanzeb, & Bashir (2013) and Nawaz & Gomes (2020) observed that effective means of learning can bring employee satisfaction and enhance performance in jobs. Similarly, Falola et al. (2014) also found that employees competences and performances in Nigerian organizations were improved through training interventions, whilst indicating that for sustainable competitive advantage, training is inevitable. In the Middle Eastern region, Al-Tit (2017) and Zaidan & Raju, (2021) found that training was also a significant predictor of performance with employees in Jordan's SMEs and this is highly relevant to how things work for SMEs in Iraq. In Saudi SMEs, formal and on-going training enhanced employee productivity and motivation levels of employees which means that training has had both direct and indirect effect on employee performance (Kumar et al., 2022) and the proposed hypotheses:

*H1: Training and development have a positive and significant effect on employee performance.*

*H2: Training and development have a positive and significant effect on employee motivation*

### **2.2 Employee Motivation**

Employee motivation is the mental process that leads individuals to active volition when they receive a reward accordant to their needs. Motivation is said to be either intrinsic (arising from interest or enjoyment) or extrinsic (resulting from rewards, such as salary, recognition and promotion). Carl Ray Ryan and Edward Deci (@carlryan) According to Self-Determination Theory, motivated workers are more committed, persistent, and perform better at work (Ryan & Deci, 2020).

Most empirical research strongly advocates that motivation fully mediates the relationship between HR practices and employee outcomes. (Ekhsan & Setiawan, 2021) found out that transformational leadership, training sessions promote intrinsic motivation which in turn leads to increased job performance of employees. The same was observed by (Imran & Tanveer, 2015) while studying the role of motivation between training opportunities and job performance in public sector employees' same findings were reported by studies on Pakistani government organization with Jehanzeb & Bashir, (2013) and Younus, (2022).

In institutions such as Iraq, motivation is influenced by the working environment, support from management and development prospects (Massoudi & Zaidan, 2025). A study by Hasan et al. (2025) discovered that if employees consider training as being useful and career-beneficial, they become more motivated which further supports the relationship between HR practices and performance. Another study by (Sayal & Banerjee, 2017) also determined that motivated employees tend to be more engaged and are able to contribute to the success of the organization, particularly within SMEs in turbulent environments. In addition, motivation was found to mediate the relationship between training as well as HR practices and employee performance in Ghanaian small businesses (Ekhsan & Setiawan, 2021) and our postulated hypotheses denote real expected relations among constructs.

H3: Employee motivation positively influences employee performance.

H4: Employee motivation mediates the relationship between training and development and employee performance.

### 2.3 Employee Performance

Employee performance is defined as the effectiveness with which employees do their work functions, meet job requirements and quality standards, and fulfill work goals. (Motowidlo et al., 2014) conceptualize performance in two dimensions: task and contextual performances are the task related duties, specific to the job and contextual performance deals with behaviors that ensure organizational climate including teamwork, initiative and citizenship behavior. (Ekhsan & Setiawan, 2021)

Prior studies have also backed up the effect of HR and psychological elements on performance. For example, Danish and Usman (2010) concluded that engaged workers demonstrate better performance because of their increased involvement and commitment (Zaidan et al., 2024). What is more, training programs develop the employees' ability to execute something and motivation boosts up their intention or willingness to utilize new knowledge and skills (Jehanzeb & Bashir, 2013). With limited resources, the performance of employees becomes vital for survival and competition in SMEs (Afriyie et al., 2024).

In those geographic locations, including the Middle East, employee performance is a function of access to work training, job clarity and support at work. Training was also found to be a strong predictor of enhanced employees' performance in Jordan (Al-Tit, 2017), Saudi Arabia and Turkey (Nawaz & Gomes, 2020). These results demonstrate the significance of HRD in Iraqi center for research training and technology and other competitive-deprived economies (Siam et al., 2022).

### 2.4 Conceptual Framework

The theoretical approach is built on Human Capital Theory (Becker, 1993), which explains that training increases the knowledge and skills of employees in the firm leading to better performances. It is also consistent with Self-Determination Theory, which posits that employees who feel competent and supported in turn are intrinsically motivated and ultimately perform better (Ryan & Deci, 2020). Consistent with these theoretical inputs, the model postulates that training and development (IV) leads to greater employee's task performance (DV) and that this relationship is mediated via employee motivation. The intervening process holds that employees have the feeling of capability, identification and occupation values in their training work, when they receive relevant training and feel high degree to be trained and then will improve ability for effective work. Empirical evidence from the previous research reveals that HRM plays a vital mediating role in relation to motivation and performance determining (Imran & Tanveer, 2015) and therefore this conceptual framework is highly applicable among SMEs where workforce capability seems essential. In terms of theory, the model places training as a strategic HR tool that not only develops human capital but also improves psychological energy to better performance results (Zaidan, 2025).

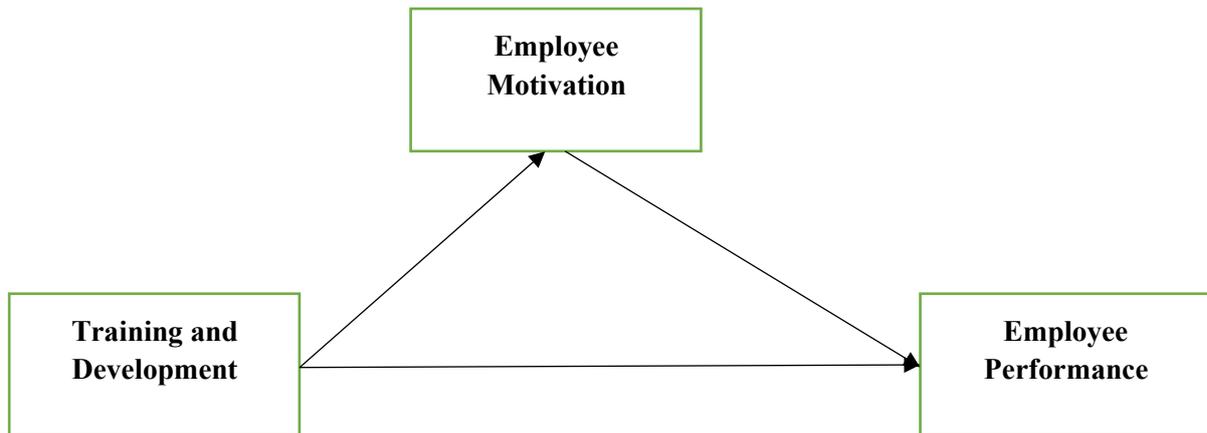


Figure 2.1 Conceptual Framework Linking Training and Development, Employee Motivation, and Employee Performance

### 3. Methodology

The current study follows quantitative approach under a descriptive research design to explore the impact training development on employee performance with mediating effect of employee's motivation in small and medium sized enterprises (SMEs) of Erbil and Baghdad, Iraq (Younus & Zaidan, 2022). Quantitative methods are frequently stretched in HRM research that takes causal links between workplace practices and behavioral outcomes into account, but also to provide statistical tests and models checks, as well as to generalize the findings (Creswell & Creswell, 2017; Hair et al., 2021). The sample includes workers in SMEs in manufacturing, business services and trade sectors. We employed convenient and snowball sampling techniques, which are widely used in the post-conflict settings or resource-limited environment when access to organization is difficult (Bryman, 2016) while recruiting 384 participants. Data was gathered by conducting a face-to-face survey from SMES that were working in the urban area

of Erbil and Baghdad, as well as an online questionnaire through email, WhatsApp or social media. The use of a mixed distribution technique also had significant impact by enhancing the response rates and the tweets from both urbanicity (urban and semi-urban zone) following methodological recommendations for developing countries (Sekaran & Bougie, 2020).

All the constructs Training and Development, Employee Motivation, and Employee Performance were gauged with the help of validated instruments from previous studies. Training and Development items were adapted from (Kumar et al., 2022) and the Employee Motivation from Ryan and Deci's Self-Determination Theory scales (Ryan & Deci, 2020), as well as Employee Performance variables based on Koopmans et al. (2014). A 5-point Likert scale from "strongly disagree" to "strongly agree" was used. The software used for empirical data analysis is Smart PLS 4 and Partial Least Squares Structural Equation Modeling (PLS-SEM). PLS-SEM was preferred as it is appropriate for complex mediation models, the non-normal state of the data set, and small-to-medium sample sizes that are typical in SME research settings (Hair et al., 2021). The analysis procedure was sequential in two steps: examination of the measurement model (reliability, convergent validity and discriminant validity) and investigation of the structural model (path coefficients,  $R^2$  values and mediations). And bootstraps were used to ascertain significance. This methodological approach is consistent with best practice in international research on HRM and offers strong findings about the causal mechanisms that connect training, motivation and performance.

## 4, Result

### 4.1 Demographic

Variable	Category	Frequency	Percentage (%)
<b>Gender</b>	Male	230	59.9
	Female	154	40.1
<b>Age Group</b>	18–25 years	72	18.8
	26–35 years	184	47.9
	36–45 years	93	24.2
	Above 45 years	35	9.1
<b>Educational Level</b>	High School	58	15.1
	Diploma / Institute	96	25.0
	Bachelor's Degree	178	46.4
	Master's Degree	42	10.9
	Doctorate	10	2.6
<b>Work Experience</b>	Less than 1 year	41	10.7
	1–3 years	128	33.3
	4–7 years	146	38.0
	More than 7 years	69	18.0
<b>Employment Type</b>	Full-time	267	69.5
	Part-time	52	13.5
	Contractual	40	10.4
	Temporary	25	6.5
<b>SME Sector</b>	Retail & Trade	142	37.0
	Manufacturing	63	16.4
	Services	132	34.4
	Construction	29	7.6
	Other	18	4.6
<b>Monthly Income</b>	< 500,000 IQD	57	14.8
	500,000–1,000,000 IQD	154	40.1
	1,000,000–1,500,000 IQD	117	30.5
	> 1,500,000 IQD	56	14.6
<b>Workplace Location</b>	Erbil	206	53.6
	Baghdad	165	42.9
	Other	13	3.5

Variable	Category	Frequency	Percentage (%)
Job Position	Employee	258	67.2
	Supervisor	61	15.9
	Middle Manager	49	12.8
	Senior Manager	16	4.1
	Organization Size		
	Micro (1–9 employees)	99	25.8
	Small (10–49 employees)	183	47.7
	Medium (50–249 employee)	102	26.6

#### 4.2 Reliability, Validity, and Outer Loadings

The model of measurement shows good reliability and convergent according to the criteria proposed by Hair et al. (2024). The Internal consistency reliability for all constructs-Training and Development (0.909), Employee Motivation (0.878) and Employee Performance (0.919)-is above the threshold level of 0.70 as suggested by Cronbach's alpha. Similarly, Composite Reliability (CR) values for all the constructs fall between 0.913 and 0.939, which is higher than the acceptable level of 0.70, but less than the recommended upper limit of 0.95, thus confirming that indicator items adequately measure their respective constructs. The Average Variance Extracted (AVE) for Employee Motivation (0.683), Employee Performance (0.755) and Training and Development (0.733) is above 0.50 cut-off points, thus establishing the convergent validity approach to show that more than 50% of variance in the construct's items are explained by the model items ones (Hair et al., 2024). In addition, most of the outer loadings are higher than the recommended threshold (0.708), confirming robust indicator reliability. An ideal threshold was only reached by one item (EM3 = 0.567), nevertheless Hair et al. (2024) suggest that for a situation where AVE and CR are still good and the item contributes to content validity, it may be retained if its loading ranges between 0.40-0.70. A high overall construct reliability and the AVE was still higher than 0.50, indicate that it is acceptable to keep EM3. Taken together, the sum of these findings provide substantial evidence that the measurement model fulfills reliability and validity criteria as required to conduct a structural model test.

**Table 4.2 Measurement Model Results: Reliability, Validity, and Outer Loadings**

Construct	Indicator	Outer Loading	Cronbach's $\alpha$
Employee Motivation	M1	0.881	0.878
	M2	0.819	
	M3	0.567	
	M4	0.900	
	M5	0.913	
Employee Performance	P1	0.864	0.919
	P2	0.865	
	P3	0.848	
	P4	0.878	
	P5	0.888	
Training and Development	D1	0.837	0.909
	D2	0.861	
	D3	0.876	
	D4	0.848	
	D5	0.860	

#### 4.3 R<sup>2</sup>

The structural model shows a high explanatory power that surpass the R<sup>2</sup> levels proposed by Hair et al. (2024). For 'Employee Motivation' R<sup>2</sup> is equal 0.743, meaning that 'Training and Development' explain around 74.3% variance in motivation, high level of explanatory power. Likewise, with Employee Performance the R<sup>2</sup> = 0.772 suggests that Training and Development and Employee Motivation jointly explain 77.2% of the variance in performance. Hair et al. (2024) define R<sup>2</sup> as 0.75 a substantial, 0.50 a moderate and 0.25 a weak impact in behavioral organizational research. As such, both constructs in the model are classed as having substantial explained variance indicating that predictors have a meaningful explanation of employee outcomes in SMEs. The R<sup>2</sup>-adjusted values of 0.742 and 0.770

for Employee Motivation and the PLS states are quite close to the original coefficient, which represents that predictive power is not being inflated due to adding predictors in the model, significance less than [less than or equal to].001]. Altogether, these findings suggest that the model has strong predictive validity and meets the commonly proposed standard for the adequacy of structural models in PLS-SEM.

**Table 4.3 R<sup>2</sup> and Adjusted R<sup>2</sup>**

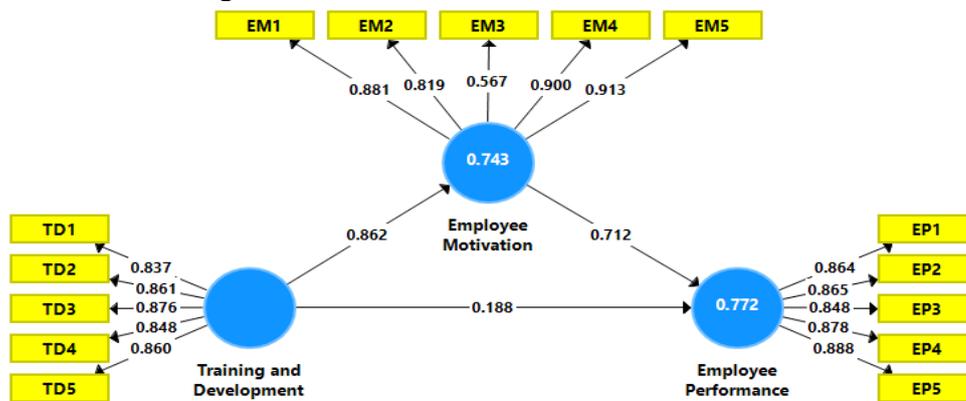
Endogenous Construct	R <sup>2</sup>	Adjusted R <sup>2</sup>
Employee Motivation	.743	0.742
Employee Performance	.772	0.770

**Note.** R<sup>2</sup> values  $\geq 0.75$  indicate **substantial explanatory power** (Hair et al., 2024).

#### 4.4 structural Model

The results of the PLS-SEM as presented in the model, satisfy the recommended evaluation criteria according to Hair et al. (2024) for the measurement and structural models. In the first place, all constructs present acceptable convergent validity as most of indicator loadings being above the minimum level (0.708), suggesting that items strongly reflect their latent variables. While a single loading (EM3) is less than optimal, Hair et al. (2024) suggest that if there are loadings between 0.40 and 0.70, then indicators can still be kept if a constructs CR or AVE is at an acceptable level – which it is in this study. The CR and AVE estimates support sufficient reliability and convergent validity for all constructs.

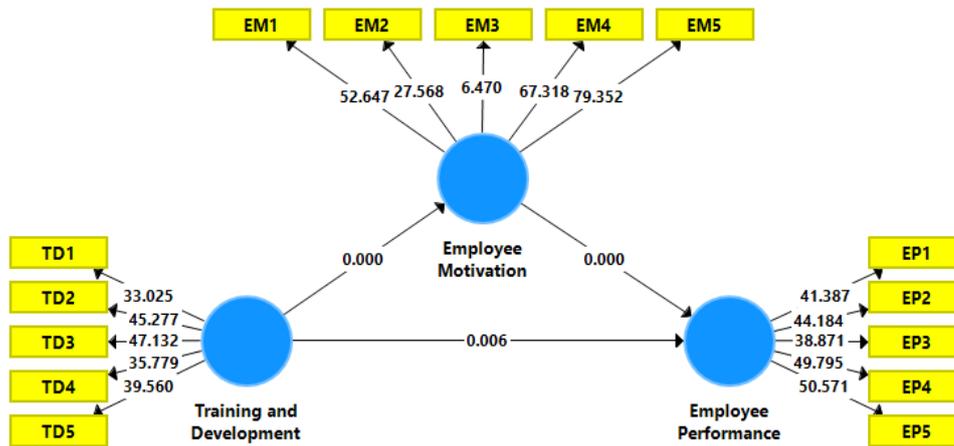
For the structural model, R<sup>2</sup> for both Employee Motivation and Employee Performance have substantial explanation power as with Hair et al. (2024) classification indicate that Training and Development is a significant predictor of motivation; in addition, between motivation and training the latter covers for itself much of the variance in outcomes. The path coefficients are significant and higher than the recommended cutoff, thus demonstrating meaningful and theoretically consistent relationships. Training & Development has a strong influence on Employee Motivation and Motivation is also a significant predictor of Performance. The direct impact of Training and Development on Performance is weaker but significant, signifying the presence of both direct and indirect (mediated) paths. According to Hair et al. (2024), The large combined direct and indirect effects suggest partial mediation, consistent with the model. On the whole, the outcomes meet the criteria for reliability, validity and structural significance indicating that the model is a sound one following PLS-SEM standards



**Figure 4.1. Structural Equation Model**

As the bootstrapping results in Table confirm, all manifest and structural paths satisfy the Hair et al. (2016) recommended critical ratios threshold for significance. (2024). There is a strong stability of item loadings on the bootstrap samples (indicated by high t-value), implying that indicators make a substantial contribution to the constructs. EM3 has a relatively lower t-value however, Hair et al. (2024) suggest that indicators with less loading can be kept when overall construct reliability and AVE are still greater than acceptable values, as it is for the current model. The direct paths from Training and Development to Employee Motivation, and from Employee Motivation to Employee Performance show the bootstrapped t-values as being particularly high, which validate their robustness on scores of theoretical lines. The less strong indirect effect, but still favorable corridor from Training and Development to Employee Performance is also statistically significant as satisfied with the existence of direct and indirect (mediated) effects. In general, the results of bootstrapping support the robustness of indicator loading and structural relationship in the PLS-SEM model.

Figure 4.2. Bootstrapping Validation of Measurement and Structural Relationships



#### 4.5 Hypothesis Development

The findings of the structural model show that all the direct and indirect paths in our model are statistically significant using Hair et al. (2024). There is a significant and positive path from Employee Motivation to Employee Performance ( $\beta = 0.712$ ,  $t = 11.423$ ,  $p < 0.001$ ), indicating that the higher motivation contributes significantly to employee performance in SMEs. The impact of Training and Development on Employee Motivation is highly significant ( $\beta = 0.862$ ,  $t = 42.058$ ,  $p < 0.001$ ), indicating that training is one of the most important antecedents to motivation as well in line with both Human Capital Theory and Self-Determination Theory. Second, the relationship between Training and Development and Employee Performance is direct; the main effect of Training and Development on employee performance appears to be weak ( $\beta = 0.188$ ,  $t = 2.787$ ,  $p = 0.006$ ) however, which is still significant at the level of less than 0.01.

According to Hair et al. (2024), t-values exceeding 1.96 ( $p < .05$ ) represent the paths as being significant, whereas t-values greater than 2.58 ( $p < .01$ ) indicate stronger significance. All paths exceed these thresholds. Mediation Analysis The mediating role indicates that Training and Development has a significant indirect effect on Employee Performance through Employee Motivation ( $\beta = 0.614$ ,  $t = 10.463$ ,  $p < 0.001$ ). With the direct effect ( $\beta = 0.188$ ,  $p < .01$ ) is significant by including the indirect effect, is a case of partial mediation according to Hair et al.'s classification. These findings imply that training impacts performance through motivation, and at the same time has some direct effect on it. In general, this structural model exhibits good explanatory and predictive power in line with recommended SEM reporting guidelines.

Table 4.4 Path Coefficients (Direct and Indirect Effects)

Path	Path Coefficient	Sample Mean (M)	Standard Deviation (STDEV)	t-value
Training & Development → Employee Motivation	0.862	0.862	0.021	40.95
Employee Motivation → Employee Performance	0.712	0.715	0.062	11.42
Training & Development → Employee Performance	0.188	0.184	0.067	2.79
Training & Development → Employee Motivation → Employee Performance (Indirect Effect)	0.614	0.617	0.059	10.46

Note. All effects are significant at  $p < .01$ . The indirect effect confirms partial mediation according to Hair et al. (2024).

#### 4.6 Discussion

The results of this study offer substantial empirical evidence to support the proposed relationships between training & development, employee motivation and employee performance in case of Iraqi SMEs, which confirm established theories and previous empirical studies. The findings reveal that training and development has a statistically significant impact on employee motivation, this is in line with SDT (Self-Determination Theory) as workers who experience useful learning are more likely to feel more autonomous, competent and intrinsically motivated toward their work tasks (Ryan & Deci, 2020). Pragmatically, however, for all employees in SMEs in Erbil or Baghdad participating in organized skills enhancement courses and activities e.g. digital literacy workshops, customer-service role plays and safety briefings, employee confidence increases; a feature that is inevitably associated with higher motivation levels. This relationship is also consistent with the findings of precedent studies that effective training programs enhance employee motivation and their dedication to work in developing countries (Sultana et al., 2012; Jehanzeb & Bashir, 2013). The analyses also indicate the overwhelming effect of employee motivation on

performance which has previously been reported in HRM literature; motivated employees are better performers, have a higher level of initiative and creativity on problem-solving tasks (Gagné et al., 2015). Take proactive behaviors for purpose of illustration, energized employees in SMEs are more likely to help colleagues or customers, service quality and customer satisfaction can be enhanced without doubt, and the performance seems to be better improved.

Furthermore, the effect of T&D on employee performance is also direct, however it's weaker than that through motivation. This finding indicates that whilst there is an improvement in knowledge and ability, its application benefit appears to be well enhanced when employees also feel a psychological need and want to apply what they have learnt. This is consonant, with previous explorations which indicate that training is most effective when it is reinforced by a workplace environment in which new competencies can be applied (Saks & Burke-Smalley, 2014). The mediation findings also demonstrate the significance of employee motivation as a mediating variable in one's translation of training into job performance, consistent with previous studies on the explanatory role of motivation in the transformation process by which HR practices contribute to behavioral and outcome changes (Alagaraja, 2013). In this paper, to overcome the resource deficiencies, informal HRM structure and lack of opportunities for employee development seeing its SMEs we emphasize the helpfulness of nurturing motivation climates so that training investment pays off in terms of meaningful performance increments. In conclusion, the results extend current HRM research into a post-conflict temperament of economics and emphasize that stronger employee motivation is still crucial for leveraging the strategic benefits of training in SMEs.

## 5. Conclusion

The results of the present study reveal that motivational and employee performance through training and development adds to researcher in SMEs context as found from Erbil and Baghdad operations. In line with the Human Capital Theory, training increases the knowledge, skills and job readiness of employees, leading to higher levels of productivity and performance (Becker, 1993). They are also consistent with Self-Determination Theory which suggests that good training packages tap into both intrinsic and extrinsic motivation, which then results in better behavioral and task performance (Ryan & Deci, 2020). Mediation analysis indicated that employee motivation partially mediates the effect of training on employee performance, indicating that training impacts both directly and indirectly through enhancing motivational states. These results provide evidence from the understudied case of the Iraqi SME sector that formal training programs represent an essential investment for post-conflict economic recovery and competitiveness. In general, the findings suggest that SMEs achieving continuous improvement and motivation systems is likely to result in a more skilled employees who are satisfied with their job, increased productivity and sustained good overall organizational performance.

### 5.1 Limitations

Despite these interesting findings there are limitations to the study. First, the study depends upon a non-probability sampling which restricts the generalizability to all Iraqi SMEs; this practice is usual in unstable and inaccessible business contexts (Bryman, 2016). Second, common method bias might be introduced by the exclusive use of self-report questionnaires even after efforts to guarantee anonymity and control for social desirability influence. Third, the cross-sectional nature of the study does not allow for the establishment of long-term cause-and-effect inferences; training and empowerment effects may change over time, which is impossible to be captured by a single measurement point. Fourth, possible organizational and cultural differences between SMEs in Erbil and Baghdad might affect training outcomes; however, the study did not capture these through a comparative/multi-group comparison. Lastly, the analysis is limited to training, motivation and performance without including other HRM factors such as leadership, work environment, and remuneration that might either from or moderate this relationship. These constraints also point to some ways of enhancing future research methodology, but do not detract from the importance of the current findings.

### 5.2 Recommendations

Based on findings, some practical implications for SME managers, policymakers and HR practitioners are suggested. First, SMEs need to incorporate formalized training programs for technical skills, problem-solving, digital literacy and customer service as part of the organization's system since this directly benefits enhancing performance. Training is an integral part of life in a well-organized organization and has been found to improve the skill levels of employees, thus improving organizational performance (Saks & Burke). Second, goal and feedback orientation is needed in training programs and should be complemented by achievement motivation-promoting elements such as recognition and career development in order to provide both intrinsic and extrinsic motivation. Third, the SME owner should have a budget focused on continuous development to create durable long-term human capital, given that there is always shortage of skilled labor in post-conflict nations. Politicians in Erbil and Baghdad would also be well advised to establish government-funded training subsidies, fellowships with universities, cooperation agreements with chambers of commerce, and international organizations among SMEs on the implementation of modern HRM methods. Lastly, longitudinal and multi-method designs must be incorporated to investigate how training affects employee results overtime and for a more in-depth understanding of the cultural dynamics that influences motivation

within Iraq's SMEs. These measures will in turn lead to better employee retention, productivity and organizational competitiveness.

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