

## THE COORDINATION BETWEEN INTERNAL ENVIRONMENT AND STRATEGIC ORIENTATION TO ENHANCE COMMITMENT BEHAVIOR: EMPIRICAL STUDY IN IRAQI PRIVATE BANKS

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### ABSTRACT

*This study investigate the relationships among charisma leadership, organizational culture, customer orientation, competitor orientation, interfunctional coordination, and commitment behavior in the Iraqi private banks. To sustain the research, a survey questionnaire has been made to put in evidence the investigation based on data collected from 85 mangers that are working in these banks. To test these relationships, the authors examined all the variables by using the software (SPSS V 24) in order to reveal the effect among variables. The results shows that a charisma leadership and organizational culture have a strong effect on strategic orientation of the banks. On the other hand, the organizational culture has no effect on behavior commitment. The results revealed also that there was a certain effect between strategic orientation and behavior commitment. The results shows also that there was no effect between inter-functional and behavior commitment.*

**KEYWORDS:** *charisma leadership, organizational culture, customer orientation, competitor orientation, inter-functional coordination, commitment behavior*

**JEL CLASSIFICATION:** *M19, M31*

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### 1. INTRODUCTION

In Iraq, the banking system, includes state owned banks and private banks licensed to carry out their work in accordance with the estimates of the Central Bank of Iraq and the law of banks, most recently the Central Bank of Iraq. 56 of 2004, article 40, section 8, and banking law No. 94 of 2004, article 4 (CBI, 2016a) .

After the first Gulf War and its economic consequences, beside the existing state-owned banks, the former president iraqi president Saddam Hussein authorized for the first time to be established and licenced private-owned banks.

If at the beginning there were few "special Banks" from 1992, until March 2004, there are now seventeen private banks in Iraq and two additional private banks that are being established and licensed.

As a result, the number of banks in accordance with the licenses of the Central Bank of Iraq for local and foreign banks to work in Iraq, increased significately.

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The private banks through their management use attractive and different ways to satisfy the needs of customers and their wishes, which are constantly changing, and making various efforts to achieve profit and cover costs and ensure their survival and maximize their value.(Al – alak & Tarabieh, 2011) whereas Iraq has witnessed rapid changes in the number of domestic and foreign banks in the last two decades.

The number reached to 57 banks by the end of 2015, consisting of seven public banks, distributed among commercial and other specialized banks, as well as 50 private banks, including 24 commercial banks, 8 Islamic banks and 18 foreign banks (CBI, 2016b).

Under changing environmental conditions and intensified competition, the Iraqi private banks, like other organizations, have adopted strategies to cope with unpredictable environmental conditions. Banks operate in a changing competitive environment resulting from rapid changes in customer needs and desires (Almahamid et al., 2015).

Asikhia (2010) says that banks can stop working completely if these banks cannot monitor the environment in which they operate and not meet the needs of customers fully, which can survive in the market.

Weak financial systems have been the sources of extreme macroeconomic problems in a growing number of developing countries, including Iraq. High interest rate differentials and limited development of financial systems have severely damaged economic growth and development.

In other countries, large losses from defaults have constrained banks' ability to new loans tendency (Alnusairi, 2013) therefore, banks are seeking to increase the amount of their resources to use to finance their investments in financing their assets at the lowest cost and risk.

Deposits are among the most important sources of commercial banks (CBI b, 2016), the ability to identify the cultural features of the organization provides a platform for a better understanding of the organization's operations to improve performance.

Worse, cultural issues are often overlooked, while attention is drawn to activities that may have little or no positive impact on performance (Zakari et al., 2013).

In this paper we've been underline the relationship between the strategic orientation and the commitment behavior, in addition to the relationship between the internal environment represented by the organizational culture and the charismatic leadership on the strategic direction in some private Iraqi banks.

## **2. LITERATURE REVIEW**

The strategic orientation is the center of direction for many researchers, and its importance comes in influencing the profitability of banks (Šályová et al., 2015).

Market orientation as an organizational culture, focuses on the use of co-operation at the bank level to create values for its clients, surpass competitors and ultimately generate greater profits for the bank (Wong and Tong, 2012) likewise (Naidoo, 2010) noted that focusing is on the ability to respond to customers as well as stakeholders such as competitors and employees in order to achieve profitability, business continuity and target growth, despite the strategic orientation is originally conceived of a market orientation, which was popular used to measure the company's performance in management literature (Abdul Adis & Razli, 2009),

The concept of strategic orientation has philosophical foundations in the concept of strategy and marketing and it refers to the philosophy of business management based on the integration and coordination of the activities of the organization to satisfy the needs of the customer and maximize profits in the long term (Kirca, 2011).

Likewise Deutscher et al. (2016) refer that strategic orientation is a set of activities that guide and influence the organization to generate the behavior required to ensure survival and performance.

Theodosiou et al., 2012 refer that strategic orientation is a guide to the principles of the impact of marketing trends and decision-making activities, which reflects the strategic direction implemented by the bank to create the right direction that leads to better performance,

The cultural perspective of strategic orientation is described as the deep roots of a broad organizational culture that creates and improves the values, standards and behaviors necessary to create value for customers (Kirca, 2011).

Despite of the formulation of the strategic orientation may be influenced by environmental factors, such as uncertainty in the market, as well as organizational characteristics, such as the structure, systems and culture of the organization (Zhou et al., 2005),

In this study we focused on cultural perspective to clarify the role of strategic orientation to enhance organizational commitment, therefore we can illustrate these dimensions of this perspective as followed:

### **2.1. Customer orientation**

Customer orientation is a set of beliefs that place customer benefits first without excluding stakeholders such as owners, employees and managers to promote long-term profitability goals (Grissmann et al., 2013).

The bank need to sufficient understanding of the target customers in order to be able to create superior value for them (Theodosiou et al., 2012).

Customer orientation is represented as the key determinant of strategic direction and focuses on creating value for the client (Tutar et al., 2015).

The strategic approach is characterized by two of diagnosis.

One is the personal level, which is connected between the employees and the customers (Lee et al., 2013) insisted, customer orientation is a feature of strong service that creates a customer-centric business culture, which is necessary to guide increasingly competitive processes to achieve market orientation, therefore, this level It gives the workers the ability to help the customers and the quality of the relations between the workers and the customers (Rapp et al., 2012).

Second, the organizational level, which relates to the strategic direction and organization that targets including market (Maurya et al., 2015).

Some researchers in previous studies point out that customer orientation can be enhanced, which can lead to increased focus on their customers as a result of increasing the needs of emerging clients from continuing life requirements, while, (Frambach et al., 2016) consider customer orientation is the heart of a strategic direction that reflects the best concept and essence of modern marketing.

According to Appiah-Adu and Singh (1998) to the above concepts, customer orientation is a concept that falls within the organizational culture by bringing information about the needs of customers that are in line with the set of values and beliefs that improve the customer's position in the organization.

### **2.2. Competitor orientation**

Competitor orientation is a reflection of the bank's ability to understand the long-term strengths and weaknesses of competitors, capabilities and strategies of both current and potential competitors (Theodosiou et al., 2012; Tutar et al., 2015).

The direction of the competitor to the decision maker shows the relative importance of activities associated with competitors' information and analysis methods it reflects the interest spent on attending competitor data.

This is expected to ease the rival. Therefore, the direction of the competitor should reduce the negative impact of available resources on the prospects of success expected to launch a new competitive service, as well as the persevering manager tries to deal with a competitor and he wants to beat others even at the expense of portability, some managers prefer a non-standard preferential term, management can maximize profits or sacrifice them voluntarily to defeat others, for this purpose it is recommended for traditional management and non-coherent. (Debruyne et al., 2010).

Therefore, to meet customer needs than its competitors, the organization is also likely to make its efforts to improve the technical dimension of its new products. (Jeong et al., 2006). Refers that the manager in a competitive direction wants to beat competitors regardless of the costs incurred or profits (Bendle & Vandenbosch, 2014; Dev et al., 2009).

To be noted that, strategic orientation should be focused on customers who deal with them more than competitors. In competitor orientation the organization must determining Short-term strengths and weaknesses and long-term strategic capabilities are exposed to current and potential competitors (Seilov, 2015) whereas, some researchers represented the competitor orientation as contradictory to customer orientation (Zhou et al., 2007).

Some researchers describe competitor orientation through organizational capacity and the desire to determine the analysis is based on competing procedures (Saboo & Grewal, 2013).

Likewise Zhou et al. (2007) noted orientation of competitors may lead to cost advantage because competitive organization tend to closely monitor costs so they can quickly match the marketing initiatives of competitors, in other words competitor orientation can be contradictory to customer orientation when the focus is always on the competitor's strengths by neglecting customer needs (Pinho, 2008).

Although, banks will be able to learn strategically and have a key to future organization success considering their ability to gather information and knowledge faster than competitors besides intention to get a good position in existing markets, in addition to seeking to enter new markets (Jiang & Kortmann, 2014).

Therefore, the claim that a highly competitive environment requires the organization to focus more on competitors, because the environment for customers is in a high risk (Foreman, J., et al., 2014).

Although, the purpose of competitor orientation is to provide a smart foundation for current and prospective competitors for the work of the Organization (Eibe Sørensen, 2009).

The efficiency of the information sensor allows for maximizing information about the critical moments of the organization during the dealing of competitors, as well as obtaining customer information through a network of communications that operate more efficiently (Ingenbleek et al., 2013).

### **2.3. Interfunctional coordination**

Although the strategic orientation is captured in entirely, but this will require measuring the interfunctional coordination and the extent to which they relate to the customer and competitive orientation, (Foreman et al., 2014).

The coordination of functions must be done by more than one unit in the organization that undertake specialized activities to create a common value for customers (Ingenbleek et al., 2013).

Emphasizes that the coordination of the use of the organization's resources and related activities is a customer in all parts of the organization (Zhou et al., 2007), so that the members at all levels and their divisions in the organization work together to create harmony in order to achieve organizational goals, and the members working at all levels in an organization together to create coordinating in order to achieve organizational goals. (Tutar et al., 2015), Naidoo, 2010 discussed that interfunctional coordination relates to the ability of the organization to unify all efforts within the organization to implement and coordinate various tasks.

In addition, Altinay (2010) addresses information exchange among departments within the organization, the implementation of new strategies for the development of activity and the development of new business plans to overcome competitors.

Powpaka (2006) reported that interfunctional coordination depends on customer information and directing competitors and that it involves the entire organization to coordinate efforts and create the best value for customers, therefore, interfunctional coordination includes the use of all resources in all departments or functions in the organization to create value for customers (Rapp et al., 2012).

In order to achieve as much coordination as possible, there is a need to collect internal information about customers and their needs (Pinho, 2008).

Guo et al. (2014) refers that interfunctional coordination represents the direct relationship with performance, while not minimizing customer orientation and performance, Felgueira and Rodrigue (2015) discussed interfunctional coordination which includes information about competitors and the organization's active efforts to create value for customers.

As well as reflects the importance of coordinating activities across the organization and optimizing the use of resources to create greater customer value (Šályová et al., 2015).

In the event of instability of market, interfunctional coordination is the only market-oriented element that has a significant impact, and it essential is associated with changes in customer preferences (Han, J. et al., 1998).

### **3. CHARISMA LEADERSHIP**

Charisma is a unique and behavioral personality that leads to leaders by employees who need organizational support, goals, inspiration, and shared values among staff in organization.

The term "charisma" is used to describe political and organizational leaders, in organizational literature, charismatic leaders are seen as distinguished leaders through a combination of personal characteristics, relationships and behaviors that enhance cooperation with their followers and urge them to provide exceptional performance in enhancing the performance of the organization, (Hayibor et al., 2011).

Many charismatic leaders who have many followers, such as Martin Luther King, have based their vision on the future that vision without charisma will not create followership (Hwang et al., 2005), some researcher points out that they represent the fire that ignites the energy of the followers, (Beugré et al., 2006). Charismatic leadership is more a concept that expresses transformational leadership (Banerji & Krishnan, 2000).

In literature review, the effects of charismatic leadership on variables is tangible results directly related to the mission and objectives of the organization were less empirical.

Previous studies have shown tangible results in the organization's mission and objectives but have not been experimentally tested with strategic orientation and behavioral commitment (Kirkhaug, 2010). Several researchers has been conducted on the feasibility of charismatic leadership in improving the performance of the organization (Tuytens, & Devos, 2012).

Recent theories confirm that charismatic leaders receive partial support through commitment and support through organizational culture (Hayibor et al., 2011).

### **4. ORGANIZATIONAL CULTURE**

The definition of organizational culture as "the pattern of shared values and beliefs that provide the workers with an understanding of organizational values and improve the behavioral standards of the organization (O'Cass, & Viet Ngo, 2007), all organizations, regardless of sector, country or region, have organizational culture that is a strong and consistent organizational culture and often affect the work of the organization and staff behavior in the same way we can defined organizational culture as a group of values, beliefs and hidden assumption that hold from employees (Rus & Rusu, 2015).

The term "culture" generally refers to a relatively stable set of beliefs, values and attitudes in which society is usually involved. (Lim, B., 1995), dimensions and the relationships with performance. The results provide key insights for managers to correctly understand to fit between the culture and strategic orientation of the organization. The results also encourage organizations to assess a balanced view of what appears to be multiple cultural characteristics within the same organization (Prajogo & McDermott, 2011).

It is recognized that the culture in the organization as a means of dealing with the environment of today's turbulence and provide correct flexibility and response to the constant change (Castka et al., 2003). However, many authors agree that the culture of the organization can be transmitted to a set

of values, beliefs and behavior patterns that constitute the basic identity and organizations and help to identify staff behavior".

Abdul Rashid, Sambasivan, and Johari (2003) indicated that there is an association between organizational culture and organizational commitment each type of organization culture and organizational commitment.

Achievement and adaptive cultural attitudes have had a direct impact on performance. Moreover, transformational leadership and human orientation have had an indirect positive effect on performance by orientation achievement (Xenikou & Simosi, 2006).

The key discussion concerns the ability of the organization to maintain a culture that is strong and wonderfully integrated by a combination of specific values, beliefs, and behaviors that will ultimately improve performance (Agbejule, 2011).

Likewise, many definitions in strategic or organizational literature define organizational culture, but most have limited those definitions to patterns of values, beliefs and behaviors in the creation of working individuals (Cadden et al., 2013).

Therefore, organizational culture therefore includes workers' values and beliefs and is stable through stable arrangements with the values, beliefs and attitudes of the organization (Shahzad, 2014). Pinho et al. (2014) indicated that organizational culture plays a crucial role in the emergence of a set of key values, as well as an exemplary work environment and shows the contribution of those working in the growth of the organization.

The study of organizational culture is an expectation of the perceptions of individuals working in their organizations and how these behaviors affect their work (Jacobs & Hassell, 2011), some researchers emphasize that the organizational culture through the cognitive framework through values, trends and behavioral standards continues (Xie, et al., 2016).

The hierarchical culture described, bureaucracy, and stability. (Agbejule, 2011) in the same view, Hierarchy in organizational culture represents stability and control of internal focus, and harmony of members of the organization through existing rules and regulations (Looi, et al., 2016).

Whereas the culture of the clan is synonymous with family culture and better management of the environment through team performance (Deem et al., 2015) which this means that the organizational culture ensures that the organization and the individuals involved have access to specific strategic outcomes (Friis et al., 2016).

O'Cass and Viet Ngo (2007) refers that the strategic orientation is a partial response to the organization's creative culture. It was also found that organizational culture was more important than strategic orientation in influencing organizational performance.

## **5. ORGANIZATIONAL COMMITMENT**

The organizational commitment has been defined by many researchers in different ways, and these definitions are a psychological condition to describe the wishes of those who stay in the organization (Haftkhavani et al., 2012).

The term "commitment" represents the desire of members to provide social system and loyalty to a particular organization, regardless of the benefit derived from that organization (Abdul Rashid, et al., 2003). In the same way, Kalantarkousheh et al. (2014) refers that organizational commitment may have potential effects on the functions of the organization and thus affect its efficiency and effectiveness, and the commitment of individuals is essential because staff interests, goals and needs must be in harmony with the organization (Devece, C., et al., 2016).

Some researchers like Salahudin et al. (2016) indicate that willingness to make appreciative efforts on behalf of the organization and a strong desire to maintain the membership of the organization as a result of a strong belief in acceptance of the organization's goals and values likewise Kim al. (2016). We present this variable is a process of psychological attachment to the individual working in the organization and includes a sense of participation in work, loyalty and belief in the values and goals of the organization.

In other words, it is important to affect the willingness of the employees to contribute to the organization in addition to their tendency to consult with others regarding their experience (Li et al., 2017). Barton et al. (1989) described its obligation can be defined as the reliance of staff on the belief that the course of action of the organization is appropriate, therefore organizations with high commitment can have stable human capital and are able to gain competitive advantage than other competitors (Salahudin et al., 2016).

Most of researchers clarify the types of commitment as followed:

**Affective commitment** is built on the basis of emotional relationships between workers because of positive work experiences (Salahudin et al. 2016), and refers to the extent of emotional attachment and this is due to the role of the individual regarding the values and goals of the organization (Abdul Rashid et al. 2003). Emotional attachment means that working individuals want to maintain their jobs in the organization (Kalantarkousheh, S. M., et al., 2014).

**Continuous commitment** is the procedure that based on the assumption of exchange between the worker and the organization (Salahudin et al., 2016). The continuing commitment to the adjustment occurs when the individual leaves the organization (Abdul Rashid, Z., et al., 2003), therefore, the continued commitment to employees' awareness of the loss they are making if they leave the organization (Kalantarkousheh et al., 2014).

**Normative commitment** represents the continuation and survival of the organization due to the desperation of return, regulatory investment and socialization (Salahudin et al., 2016, 2016). The normative commitment refers to the extent to which the individual feels obliged to remain in the organization and is related to the individual's previous experiences and socialization in the organization (Abdul Rashid et al., 2003).

Some studies suggest that the vision of leadership is directly related to employee commitment and work satisfaction (Sarros & Woodman, 1993), likewise commitment of employees is essential to the success of the organization and in the implementation of organizational policies in the formation of values and culture, and the success of an organization is primarily linked to ensuring commitment to implement strategies for action plans (Abdul Rashid et al. 2003).

The success happens in the economic process is not only rooted in their culture, but also helps to improve organizational discipline (Lim, 1995).

Whatever, to accomplish the culture, the tasks assigned by the workers are carried out in a state of excellence, satisfaction and commitment to the specific objectives (Bititci et al., 2006).

Organizational culture and organizational commitment has a potential impact on organizational performance and can then foster organizational commitment through organizational culture and ensure organizational success (Abdul Rashid et al., 2003).

Behavioral commitment, moreover, this study used behavioral commitment which is represented as a component of commitment to providing help customer when the customer asks for this helping, and could be the best procedures to explain for all customers' commitment (Alteren & Tudoran, 2016).

This also indicates that the regulatory obligation is caused before the conduct is committed, regardless the external and internal factors, in addition to social support, reduce the problems posed by the organization, and then increase the social ties between employees and thus increase the behavioral commitment (Kim, 1999).

## 6. HYPOTHESIS DEVELOPMENT

The purpose of this study is trying to investigate the relationship between internal environment (organizational culture and charisma leadership) and strategic orientation, moreover this study is to investigate the relationship between internal environment (organizational culture and charisma leadership) and commitment behavior, besides the relationship between strategic orientation and commitment behavior, therefore our hypotheses are determining as follow:

**H1** there is a relationship between internal environment (organizational culture and charisma leadership) and strategic orientation.

**H2** there is a relationship between internal environment (organizational culture and charisma leadership) and commitment behavior.

**H3** there is a relationship between strategic orientation and commitment behavior.

## 6.1 Population

The population for this study aims Iraqi private banks and the period for distributing questionnaire forms was in July - August 2017, and all forms intend managers in that's bank, 100 questionnaire forms were distributed and 94 returned out of which 85 were valid and useable to analysis, the table 1 illustrate the population that distributed questionnaire forms and returned these questionnaire as well as the number of questionnaire were validity according each bank.

**Table 1. The questionnaire form distributed according the respondents of managers**

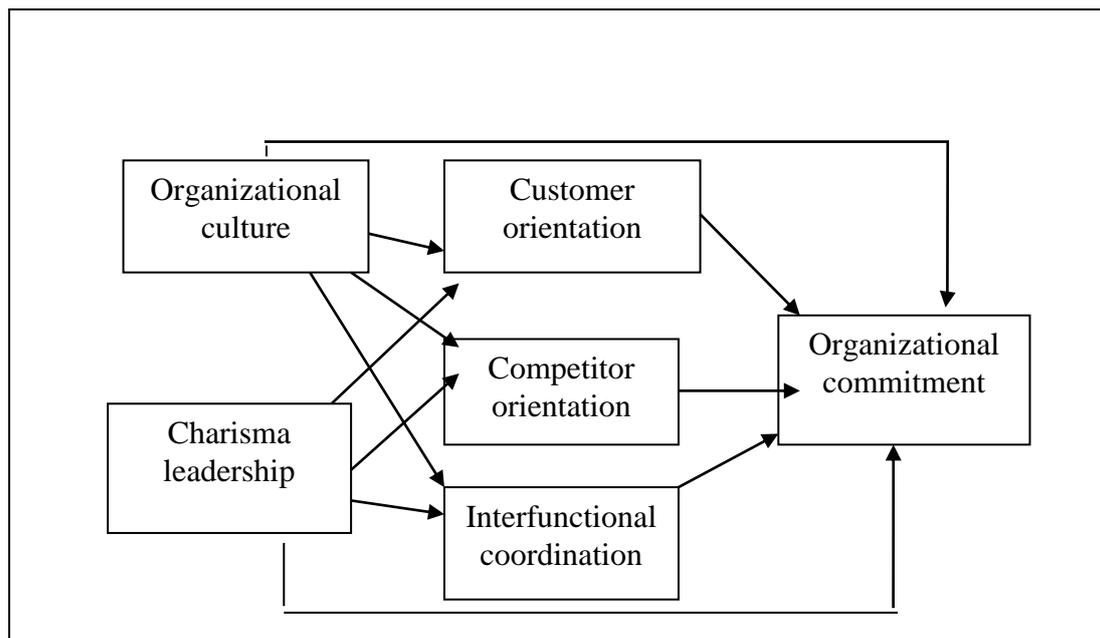
Bank name	Questionnaire form distributed	Questionnaire form returned	Questionnaire form valid for analysis
Al-ansari bank	10	8	5
Sumer commercial bank	10	10	10
Al-huda bank	10	10	10
National bank of Iraq	10	10	10
Investment of Iraq bank	10	10	10
Mosul bank for development and investment	10	10	8
Babylon bank	10	7	5
Elaf bank	10	10	9
Ashur international bank for investment	10	10	10
Union bank of Iraq	10	9	8
Total	100	94	85

**Table 2. Demographic background of respondents**

Respondents		Frequency	Percentage
Gender	Male	53	62.4
	Female	32	37.6
Marital status	Single	25	29.4
	Married	59	69.4
	Divorced	1	1.2
Age	< 30	26	30.6
	31-39	20	23.5
	40-49	14	16.5
	50-59	9	10.6
	>60	16	18.8
Experiences	1-10	36	42.4
	11-20	25	29.4
	21-30	11	12.9
	>31	13	15.8
Education	Below bachelor	16	18.8
	Bachelor	23	27.1
	Bachelor +P.Q	31	36.5
	Postgraduate	15	17.6

Position	Top management	23	27.1
	Middle management	62	72.9
Formal training	Managerial	29	34.1
	Technical	23	27.1
	Both	33	38.8

All questionnaire forms were suitable and apply SPSS V 24 and research model developed with this study is presented in figure 1.



**Figure 1. Conceptual framework**

Source: prepared by authors

A five-point liker scale was used ranging from 1 (strongly disagree) to 5 (strongly agree). The gathered data from questionnaires were analyzed through SPSS 24.0.

The items of the questionnaire were divided into 8 items for customer orientation, 10 items for competitor orientation, 5 items for interfunctional coordination, 7 items for organizational culture 5 items for charisma leadership and 3 items for organizational behavior.

Table 3 shows all the items from each of the dimensions and Cronbach's Alpha for each one of them.

**Table 3. Results of reliability for Cronbach's Alpha**

Construct	No. of items	Cronbach's alpha
Customer orientation (custo)	3	.954
Competitor orientation (compo)	5	.950
Interfunctional coordination (cordo)	5	.876
Organizational culture (culture)	4	.941
Charisma leadership (charis)	3	.928
Organizational commitment (commit)	3	.899

Source: prepared by authors

This paper was based on previous studies, while some questions were modified in order to be more relevant for the purpose of the study.

To achieve this reliability, an analysis was performed to determine the internal consistency of the table used in this study, which is higher according to Hair et al et al. (2006).

The Cronbach's alpha values referred to for all factors are above 0.70 which show the reliability of the scale used in this survey.

Reliability coefficient is acceptable to remove low reliability factors.

## 7. ANALYSIS

Customer orientation is significant correlated with other variables (competitor orientation, interfunctional coordination, charisma leadership, organizational culture and organizational behavior followed gradually ( $r = (0.833; 0.796; 0.761; 0.779; 0.775)$   $p < 0.01$ ), in the same case the variable competitor orientation is significant correlated with other variables (interfunctional coordination, charisma leadership, organizational culture and organizational behavior as followed ( $r = (0.837; 0.758; 0.743; 0.774)$  and  $p < 0.01$ ), and the variable interfunctional coordination is significant correlated with other variables (charisma leadership, organizational culture and organizational behavior) as followed ( $r = 0.744; 0.793; 0.752$ ) and  $p < 0.01$ ), finally there is a significant correlated between organizational culture and organizational behavior ( $r = 0.750$ ) at  $p < 0.01$ ).

**Table 4. Results of correlations analysis and descriptive statistics**

		<b>Custo</b>	<b>Compo</b>	<b>Cordo</b>	<b>Charis</b>	<b>Culture</b>	<b>Commit</b>
Custo	Pearson Correlation	1	.833**	.796**	.761**	.779**	.775**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	85	85	85	85	85	85
Compo	Pearson Correlation	.833**	1	.837**	.758**	.743**	.774**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	85	85	85	85	85	85
Cordo	Pearson Correlation	.796**	.837**	1	.744**	.793**	.752**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	85	85	85	85	85	85
Charis	Pearson Correlation	.761**	.758**	.744**	1	.827**	.779**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	85	85	85	85	85	85
Culture	Pearson Correlation	.779**	.743**	.793**	.827**	1	.750**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	85	85	85	85	85	85
commit	Pearson Correlation	.775**	.774**	.752**	.779**	.750**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	85	85	85	85	85	85
**. Correlation is significant at the 0.01 level (2-tailed).							

Therefore all correlation were positive and this means there was a significant for all hypotheses as showed in table 4.

After Pearson correlation analysis, the authors were used a linear regression analysis to search any interactions among variables as can seen in table 5.

Beyond Pearson correlation analysis, we were used a linear regression analysis to revealed the relationship among variables and test hypotheses, as can seen in table 5.

**Table 5. Regression results**

Regress ion model	Independent variable	Dependent variable	Standar d Beta	Sig.	Adjusted R2	F value	Sig
1-	Charisma leadership	Strategic orientation	.393	.000	0.717	107.590	.000
	Organizational culture		0.496	.000			
2-	Charisma leadership	Organizational behavior	.502	.000	0.633	73.535	.000
	Organizational culture		.334	.006			
3-	Customer orientation	Organizational behavior	.353	.005	.656	54.495	.000
	Competitor orientation		.287	.037			
	Interfunctional coordination		.231	.066			

In the first regression model to test the effect between charisma leadership and organizational culture on strategic orientation in model (1) a linear regression revealed that found effect between the previous variables is ( $\beta=0.393$ ;  $0.496$ ;  $p<0.000$ ) and this supported H1, the model 2 analysis regression showed the effect among variables (charisma leadership and organizational culture) on behavior commitment have significant effect, in the same model refers a significant which Adjusted R2 = 0.633 and F value= 73.535 at., 000 but organizational culture has no effect in this model. ( $\beta=0.502$ ;  $0.334$ ;  $p<0.000$ ) and this supported H2, moreover when we were tested the hypotheses in model 3 there were effect among, but interfunctional coordination has no effect on behavior commitment despite the model supported hypotheses when Adjusted R2 = 0.656 and F value = 54.495 at p.000 (customer orientation, competitor orientation and interfunctional coordination) on commitment behavior ( $\beta=0.353$ ;  $0.287$ ;  $0.231$ ;  $p<0.000$ ).

## 8. CONCLUSION

This paper were tested the association and impact of internal environment (charisma leadership and organizational culture), strategic orientation (customer orientation, competitor orientation and interfunctional coordination), and intended to revealed the relationship between internal environment (charisma leadership and organizational culture on commitment behavior, besides, to discover the relationship between strategic orientation and behavior commitment.

This study also provides essential empirical evidence of relationships among internal environment, strategic orientation, commitment behavior, therefore the managers are benefit the recent findings to develop their work according to capabilities that holding by their banks and to trying to catch competitive advantages to create a position in the market in high level.

However, based on our findings the authors represented some managerial implications, strategic orientation must deal with more attention to bring a more balance among the dimensions of strategic orientation (customer orientation, competitor orientation and interfunctional coordination) for example the mangers should monitor besides satisfaction customer needs and create a big coordination among resources to achieve bank goals.

Urging Iraqi private banks to find partnerships with international banks to strengthen their developmental role in the Iraqi economy and create new and innovative investment opportunities, besides, activate the role of Iraqi private banks in government activity by adopting different evaluation bases.

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No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	my bank's strategies are driven primarily by Customer satisfaction					
2.	my bank's strategies are based on understanding On customer needs.					
3.	my bank's strategies are driven by its beliefs about it can create greater value for its customer.					
4.	my bank's strategies are driven by its beliefs about it can create greater value for its customer.					
5.	my bank conducts market research with customer At least once year to assess the quality of its products .					
6.	my bank incorporates the extent to which its Customers are satisfied with its products as a part Of its quality assessment					
7.	if my bank find's that its customers are dissatisfied With the quality of its service ,it immediately take's Corrective actions.					
8.	my bank has a strong commitment to its customers					

## 2- Competitor orientation

Please select your level choice with the following phrases using scale below , 1 is strongly disagree (SD) and 5 is strongly agree (SA)

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	employee throughout the bank share information Concerning competitors activities .					
2.	we rapidly respond to competitive actions that threaten us					
3.	we evaluate the strengths and weakness of key competitors					
4.	we target customers where we have an opportunity For competitive advantage.					
5.	our employees regularly collect information concerning competitors 'Activities					
6.	we diagnose competitors goals.					
7.	we track the performance of key competitors.					
8.	we identify the areas where the key competitors have succeeded or failed					
9.	top management regularly discussed competitors ' strengths and weaknesses .					
10.	we attempt to identify the strategy employed by competitors					

### 3- interfunctional coordination

Please select your level choice with the following phrases using scale below , 1 is strongly disagree (SD) and 5 is strongly agree (SA)

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	we coordinate goals and objectives across all functions .					
2.	all functions are integrated in serving the needs of our target market					
3.	market information shared with all functions . .					
4.	management understands how everyone in this bank can contribute to create customer value.					
5.	mangers from different bank functions visit customer regularly					

### Section three: organizational culture

#### 1- Clan culture

Please select your level choice with the following phrases using scale below , 1 is strongly disagree (SD) and 5 is strongly agree (SA)

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	The bank is a personal place. It is like an extended family. People share a lot of themselves with others.					
2.	The management style of my bank is characterized by teamwork , consensus and participation.					
3.	The glue the holds the bank together is loyalty and mutual trust. Commitment to the organization runs high .					

#### 2- Hierarchy culture

Please select your level choice with the following phrases using scale below , 1 is strongly disagree (SD) and 5 is strongly agree (SA)

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	The bank is a very controlled and structured place. Formal procedures generally govern what people do.					
2.	The management style of the bank is characterized by security of employment, conformity, predictability and stability in relationships.					
3.	The leadership in the bank is generally considered to exemplify co-coordinating, organizing, and smooth-running efficiency.					
4.	The bank defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low cost are critical.					

**Section four: leadership charisma**

Please select your level choice with the following phrases using scale below , 1 is strongly disagree (SD) and 5 is strongly agree (SA)

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	The leaders of our bank appoint people based on their merits and abilities.					
2.	The leaders of our bank are united and cohesive.					
3.	The leaders of our bank are fair in their decisions.					
4.	The leaders of our bank dare to innovate and take risks.					
5.	The leaders of our bank have good qualities.					

**Section five: behavioral commitment**

Please select your level choice with the following phrases using scale below , 1 is strongly disagree (SD) and 5 is strongly agree (SA).

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	Our bank makes adjustments for this customer when necessary.					
2.	Our bank goes to great lengths to help this customer when problems occur.					
3.	Our bank responds immediately when this customer asks for help.					