



Croatian  
International  
Relations  
Review

CIRR

XXVIII (87) 2022,  
193-213

DOI 10.2478/  
CIRR-2022-0027

UDC 327 (4-6  
EU:73:55)

# Moderating Effect of International Relations among Information Capital, Supplier Trade Integration and Performance: An Evidence from International Trade Business in Iraq

**Zaid Muayad Basheer**

*College of Administration and economics, Al-Farahidi university/Iraq*  
Email: [z.basheer@uoalfarahidi.edu.iq](mailto:z.basheer@uoalfarahidi.edu.iq)

**Abbas Ali Sahib**

*College of Law/ Ahl Al Bayt University / Kerbala /Iraq*  
Email: [abassalhassany1@gmail.com](mailto:abassalhassany1@gmail.com)

**Hussam Mohammed Wafqan**

*Accounting Department, Al-Mustaqbal University College, Babylon, Iraq*  
Email: [hussam.mohammed@mustaqbal-college.edu.iq](mailto:hussam.mohammed@mustaqbal-college.edu.iq)

**Muqdad Hussein Ali**

*College of Media, department of journalism/ The Islamic University in Najaf, Najaf, Iraq*

**Rand Abd Al Mahdi**

*Al-Nisour University College/ Iraq*  
Email: [rand.a.law@nuc.edu.iq](mailto:rand.a.law@nuc.edu.iq)

**Mohammed Yousif Oudah Al- Muttar**

*Scientific Research Center, Al-Ayen University, Thi-Qar, Iraq*  
Email: [mohd.yousif@alayen.edu.iq](mailto:mohd.yousif@alayen.edu.iq)

**Haneen Qasim Hasan**

*Mazaya University College/ Iraq*  
Email: [haneen-qa@utq.edu.iq](mailto:haneen-qa@utq.edu.iq)

## Abstract

**Key words:**  
Supplier trade  
integration,  
information  
capital,  
international  
relations,  
performance,  
Iraq.

*Companies that increase their performance efficiency will have more funds available for business development and expansion. A company that improves its client-facing services will experience a rise in customer growth, providing it with a competitive advantage in a specific industry. The literature reviewed reveals that information capital and supplier trade integration significantly enhanced performance through international interactions because international connections enable businesses to collaborate and share knowledge to address global issues that transcend national boundaries. Therefore, the present study aims to examine the moderating effect of international relations on the relationship between information capital, trade integration, and international trade company performance in Iraq. The information was gathered from Iraqi foreign trade business managers. Quantitative research methodology, cross-sectional research design, and Partial Least Square (PLS)-Structural Equation Modelling were utilized in this study (SEM). The direct impacts of the regression reveal that information capital and supplier trade integration have a significant and favorable effect on performance. Additionally, the indirect moderating effect suggests that international contacts greatly increase the relationship between supplier trade integration, information capital, and international trade company performance. These findings contributed a body of literature from both a theoretical and an empirical perspective that could aid both researchers and policymakers in elevating the significance of international relations for supplier trade integration and information capital to boost the performance of international trade businesses.*

## Introduction

In the contemporary day, globalization significantly impacts international trade, indicating that trading patterns on the worldwide market have shifted compared to those of the past (Matthes, 2010). The competitive dynamics of international trade and domestic companies have moved in the international market (Jordan Wagner, 2012). Due to shifting patterns, businesses face several obstacles, including rising costs and the supply of high-quality items to clients, which hinder the operation of international trade firms (Hofstede, 1994; Stahl et al., 2015). In this difficult climate, several scholars believed that information capital and international supplier trade integration played a crucial role in boosting the organization's performance (Huysman et al., 2006; Narayanan et al., 2011; Stoel et al., 2009). In other studies, it was stated that information capital and supplier trade integration might be strengthened effectively for the

organization's performance if international business relations were also good (Abdeljaber et al., 2021).

Therefore, informational capital is regarded as crucial capital in the knowledge-based economy to boost the company's performance (Malhotra et al., 2010; Stoel et al., 2009). This is why information capital has received so much attention and has become an essential economic resource alongside land, labor, and capital (Kruger et al., 2010). Therefore, for enterprises to survive in a competitive market, a greater amount of investment in information capital is required (Hu et al., 2017) to improve performance. (Alguezaui et al., 2014). According to (Melville et al., 2004), it is crucial to understand the performance potential of investments in information capital. The information capital serves as the raw material for an organization's value creation process (Melville et al., 2004), which is the primary source for enhancing the capabilities and performance of the company at various periods. In many previous studies (Al-Matari et al., 2022; Hu et al., 2017), the relationship between information capital and business performance has been examined from a variety of perspectives (Al-Matari et al., 2022; Hu et al., 2017). However, these previous studies were fragmented in that they did not. Several studies, such as (Hu et al., 2017; Joachim Wagner, 2012), correlate the impact of organizational procedure and information capital on corporate success. There is a lack of literature in the field of international relations. In light of this, we chose to examine the effect of informational capital on corporate performance in the presence of international relationship moderation.

In addition to information capital, supplier trade integration also significantly enhanced business performance (Al-Matari et al., 2022; Hu et al., 2017). This is because manufacturing can integrate amongst suppliers by working strategically with them and collaboratively controlling inter-organizational operations (Flynn et al., 2010). Because supplier traded integration aims to make information and physical flows between manufacturers and suppliers more efficient and effective, it might result in efficient operations and robust supply chains that could boost performance (Kordasiewicz et al., 2017; Wei et al., 2012). According to the findings of a few academics, an organization can integrate with its suppliers on an operational and strategic level (Swink et al., 2007), which can have varying effects on performance. Despite a growing number of studies (Alfalla-Luque, Medina-Lopez, & Dey, 2013) and empirical research (Flynn et al., 2010; Swink et al., 2007) that fail to identify a relationship between supplier trade integration and performance results, others suggest that increasing levels of supplier integration contribute to greater revenues for companies (Al-Matari et al., 2022; Hu et al., 2017). Different methods of supplier integration may have varying effects on a company's performance, which may account for disparate outcomes (Flynn et al., 2010). The ambiguous nature of the relationship between supplier trade integration and company may also contribute to the inconsistent findings (Boon-itt et al., 2011; Hu et al., 2017), and it has been stated that supplier trade

integration is a complementary tool for boosting business performance (Wiengarten et al., 2015).

In addition, past research has suggested that supplier trade integration will rise through enhancing international contacts, improving the organization's performance (Al-masaeed et al., 2021; Hu et al., 2017). Therefore, empirical studies investigating supplier traded integration by enhancing international relations could increase business performance. Enhancing international relations could increase knowledge about how internal and supplier integration affect business performance (Zhao et al., 2011). In addition, past research has suggested that foreign ties have a favorable and substantial impact on business performance (Braun et al., 2019). Therefore, international relations have been used as a moderating variable between supplier trade integration and performance-based commercial relationships. In other words, past research has primarily focused on other economies (Braun et al., 2019; Hu et al., 2017), whereas the foreign commerce business of Iraq has received less attention. Several studies have been undertaken in Iraq on other industries, but foreign exports have received little attention (Jabbouri et al., 2016; Scientific, 2019).

As a result, Iraq's foreign commerce industry played a significant part in the country's social and economic development. The Iraqi economy has been given a boost in recent years. (Rostami et al., 2019). As the nation attempts to emerge from a protracted era of war and economic stagnation, new commercial opportunities are becoming available. Iraq is an excellent location for business and investment due to several factors. However, their worldwide commerce operations are not performing effectively (Abendin et al., 2022). Diverse authors argued that they need to build new and modern infrastructure and encourage exports by increasing supplier integration in trade, which could offer many opportunities to international firms willing to accept the challenge of post-war reconstruction and improve their performance (Maarroof et al., 2021). Some people believe that rebuilding Iraq is one of the best areas to invest in, despite the country's ongoing political instability, which makes it a dangerous place to do business (Abendin et al., 2022; Rostami et al., 2019). This would only be achievable if Iraqi businesses had solid relationships with countries that could expand supplier trade integration, boosting company growth (Al-masaeed et al., 2021). Based on prior theoretical, contextual, and practical gaps, this study explores the moderating effect of the international relationship on the correlation between information capital, supplier trade integration, and international trade company performance in Iraq. The research was divided into five sections: the introduction, which outlines the main issues of the study, the literature review, which includes both theoretical and empirical studies; and the research methodology, which describes the research design, population, and research instrument. The data analysis represents the statistical techniques and interpretation of the results, and finally, the discussion and conclusion of the study.

## Literature Review

### Theoretical Review

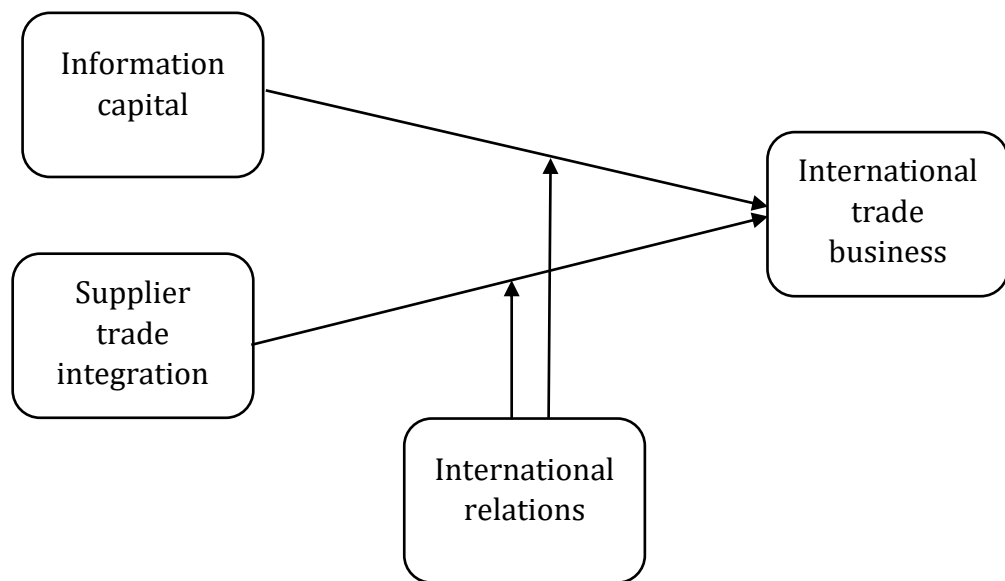
Business performance is the extent to which a company achieves its financial and market-based objectives (Tayeh et al., 2015). It considers the company's profitability and the market's growth rate (Huo et al., 2014; Xie et al., 2019). Due to the rapid developments in technology and the acceleration of global commerce, which contributed to the rise of globalization, multinational corporations face a variety of economic, technological, and legal obstacles (Al-masaeed et al., 2021). This altered significantly. Even the condition of transnational corporations has grown somewhat peculiar. The magnitude of corporate influence has become the most crucial aspect of global management. It is essential not only for enterprises and their managers but also for governments and other entities (Guedes et al., 2010). Globalization began in the early 1990s and appeared to be the final step in the evolution of international trade business and management, which has generated difficulties for multinational corporations (Matthes, 2010). For multinational corporations to face the problems and assume the obligations of the so-called global market, they will require substantial information capital (Hu et al., 2017).

Globalization began with the development of Western unions and was tied to the expansion of Europe's modern commercial system (Hu et al., 2017). This resulted in the evolution of a global system characterized by globalization and termed globalization. Numerous multinational corporations in Iraq desire globalization due to its multiple advantages, the most significant of which include being open to the rest of the world, searching for new ideas, exporting new products, etc. When businesses cannot match global expectations, their performance may decline (Hill et al., 2007). Diverse scholars suggested that when the performance of an organization on the global market declines, information capital and supplier trade integration play a crucial role in boosting that organization's performance (Clemons et al., 1993; Hu et al., 2017). In addition, several studies have stated that businesses with superior international relations open the door to greater international trade, enhancing the firm's performance (LeBaron et al., 2015; Shenkar et al., 2014). Therefore, the current study used information capital, free traded integration, and international relations as independent factors, and BP as a dependent variable, as stated below and projected in Figure.1

### Information Capital, International Relations, and Performance

Information capital is an imitable and distinctive company resource (Filiari et al., 2014; Hu et al., 2017). The significance of its vital characteristics might be deduced from its fundamental components. When external and internal resources are better managed through information technology, the informational capital may be employed more efficiently (Filiari et al., 2014; Hu et al., 2017). The study found that in integrating and adopting an

information system and information management, it is possible to make available strategic information and then, through the channels of manpower, make appropriate use of the information (Hu et al., 2017). In addition, Kruger et al. (2010) argued that the performance of businesses could be generated by information capital through information and communication technology (Hu et al., 2017). According to the knowledge-based perspective, enterprises' and corporations' information capital is a key competency that provides them with a competitive advantage (Alguezaui et al., 2014). Although there has been much research on the relationship between information capital and firm performance, no definitive conclusion has been reached (Lian et al., 2017).



**Figure 1.** Conceptual Framework

Scholars have investigated the relationship between information capital and organizational success (Hu et al., 2017); however, they focus more on how to handle general research than international commerce. The literature demonstrates that information capital is crucial for corporate performance (Hu et al., 2017). However, many studies examine the relationship between information capital, information capital, and business performance. According to Hu et al. (2017), information capital is a crucial facilitator for reengineering business processes. This capital is also the most important type of strategic knowledge-based resource that affect more business with the combined influence of international interactions (Holmes Jr et al., 2018), which can aid information capital in achieving greater performance (Kruger et al., 2010). According to other research, firms obtain greater information capital with strong international links, which can help them perform better (Foley et al., 2015; Sharma et al., 2015). This idea was further backed by Andersson et al. (2012), who argued that information capital could indirectly affect performance (Hu et al., 2017; Ray et al., 2013). Others, however, have discovered that international relations directly impact BP (Nes et al., 2007; Riad et al., 2012; Wooden et al., 2002). However, the indirect effects of

information capital and international relationships on performance receive little attention. Consequently, the following study hypothesis is stated:

**H1:** Information capital significantly increases to performance of international trade business in Iraq.

**H2:** International relations significantly moderate the relationship between information capital and the performance of international trade business in Iraq.

### **Suppliers' Trade Integration, International Relations, and Performance**

Trade appears to be a fundamental economic concept that connects the buying and selling of commodities and services, the payment made by a buyer to a seller, and the exchange of numerous goods between various parties (Abdeljaber et al., 2021). Within an economy, such transactions may occur between producers and consumers (Aaronson, 2015). People might conduct business across the nation. Customers and manufacturers can be from many nations (Abdeljaber et al., 2021). Consumers and producers may originate from distinct nations. Supplier trade integration refers to international commerce (Prabowo et al., 2022). Supplier trade integration is expanding among nations to help them manage their economies (Kepaptsoglou et al., 2010).

Supplier trade integration occurs when an organization collaborates with its suppliers to develop inter-organizational goals, synchronize processes, and share information and expertise (Zhao et al., 2011). It has been viewed as a significant source of competitive advantage because it improves business operations between companies (H. Chen et al., 2007). Supplier trade integration facilitates meeting customer product demands and adapting to market shifts (Narasimhan et al., 2002). Firms can learn about their suppliers' processes, capabilities, and constraints (Prajogo et al., 2012), resulting in improved planning and forecasting, product and process design, and reduced transaction costs (Yu et al., 2021). Interoperability and/or enterprise integration are two approaches for a corporation to collaborate with its suppliers (Khan et al., 2021). Enterprise integration emphasizes long-term collaboration between businesses and ensures that their models, techniques, terminologies, tools, and applications are consistent, interconnected, and standardized. This indicates that a corporation and its suppliers have a close relationship. D. Chen et al. (2008) Enterprise interoperability emphasizes that each enterprise maintains its autonomy and improves its ability to collaborate and coordinate strategies, resources, skills, and processes with other enterprises using new information and communication technologies, without having to change their models, methods, languages, or tools. This suggests that the connection between a business and its suppliers is tenuous (D. Chen et al., 2008; Warsame, 2021). A corporation can

collaborate with its suppliers by exchanging data, coordinating operations, and aligning its objectives (Alfalla-Luque, Medina-Lopez, & Dey, 2013; Yu et al., 2021).

When a company engages with its suppliers to share information and build a coordinated system and flow of information, supplier trade integration occurs (Bataineh et al., 2020). A company and its suppliers must create interoperable systems by linking and integrating key components of enterprise resource planning systems, data warehouses, and other corporate applications into a unified platform via computer networks (D. Chen et al., 2008). By standardizing data models and query languages, collaborating on application development, and connecting directly with suppliers across computer networks, a firm can establish performance measurements related to task execution and outcomes and learn about significant environmental changes (Frohlich et al., 2002). This allows the business and its suppliers to better coordinate production and delivery and enhance forecasting and planning (Alfalla-Luque, Medina-Lopez, & Schrage, 2013). Supplier trade integration enables a company to learn from its suppliers about production planning, scheduling, and inventory levels. This enhances the organization's performance (Huo et al., 2013; Zhu et al., 2013).

In addition, supplier trade integration can help a business find reliable suppliers and evaluate how well they perform their tasks by reducing the price of getting information about a supply network (Zhang et al., 2018). Information integration also makes it simpler for suppliers to comprehend what products and services a company needs, enabling them to meet better the company's fluctuating wants (Huo, 2012). Suppliers can provide superior customer service, enhancing the firm's performance (Flynn et al., 2010). Despite a growing number of studies (Alfalla-Luque, Medina-Lopez, & Dey, 2013) and empirical research (Flynn et al., 2010; Swink et al., 2007) that fail to identify a relationship between supplier trade integration and performance results, others suggest that increasing levels of supplier integration contribute to greater revenues for companies (Al-Matari et al., 2022; Hu et al., 2017). Different methods of supplier integration may have varying effects on a company's performance, which may account for disparate outcomes (Flynn et al., 2010). The ambiguous nature of the relationship between supplier trade integration and company may also contribute to the inconsistent findings (Boon-itt et al., 2011; Hu et al., 2017), and it has been stated that supplier trade integration is a complementary tool for boosting business performance (Wiengarten et al., 2015).

In addition, past research has suggested that supplier trade integration will rise through enhancing international contacts, enhancing the organization's performance (Abdeljaber et al., 2021; Hu et al., 2017). Therefore, empirical studies investigating supplier traded integration by improving international relations could increase business performance. Enhancing international relations could increase knowledge about how

internal and supplier integration affect business performance (Zhao et al., 2011). In addition, past research has suggested that foreign ties have a favorable and substantial impact on business performance (Braun et al., 2019). Consequently, international connections are a moderating variable between supplier trade integration and business performance. Following earlier discussion, the following research hypotheses have been developed:

**H3:** Supplier trade integration significantly increases to performance of international trade business in Iraq.

**H4:** International relations significantly moderate supplier trade integration and the performance of international trade business in Iraq.

## Research Methodology

This study examines the moderating influence of the international relationship between information capital, international supplier trade, and international trade business performance in Iraq. This research employed both positivist and quantitative research methods to achieve its objectives. Numerous scholars have suggested in earlier studies that quantitative research is vastly superior to qualitative research (Arghode, 2012; Hara, 1995; Mehrad et al., 2019). In addition, this study employed a cross-sectional research design. Because the nature of this link is based on direct experience, survey questions were used to collect primary data (Bowling, 1999). The cross-sectional research approach is deemed more successful when utilizing survey instruments, enhancing the research's credibility (Sobol, 2014). Therefore, the self-administered survey questionnaire was considered the primary data collection technique. The population of the study consisted of Iraqi international trade companies. This sector was selected primarily due to its substantial contribution to the economy and employment generation. The study population consisted of top managers of international trade businesses in Iraq since they are more knowledgeable about each business activity.

## Research Instrument

The research equipment was adapted from previous studies. For example, information capital consists of four components and their respective sources (Aral et al., 2007; Tanriverdi, 2005). In addition, international relations comprised five items measured on five measures borrowed from past research (). According to a study, the four components of business performance were returned on investment, market share, return on sales, and foreign sales of goods (Narayanan et al., 2011). The supplier trade integration consisted of five elements borrowed from a previous study (Paulraj et al., 2007). These items were measured on a five-point scale, with 1 indicating strong disagreement and 5 indicating strong agreement. The primary rationale for choosing a five-point scale instead of a seven-point Likert scale is that it is more simply understood (Nemoto et al., 2014).

Consequently, this scale is deemed ideal for this study. The researcher instrument was delivered to 450 senior managers of international trade businesses in Iraq using sampling convenience. Online and face-to-face self-administered questionnaires were used to provide the questionnaire to managers. More than fifty percent of the questionnaires were returned, sufficient for research inference (Sheehan, 2001). The responses were coded for subsequent examination in an Excel spreadsheet.

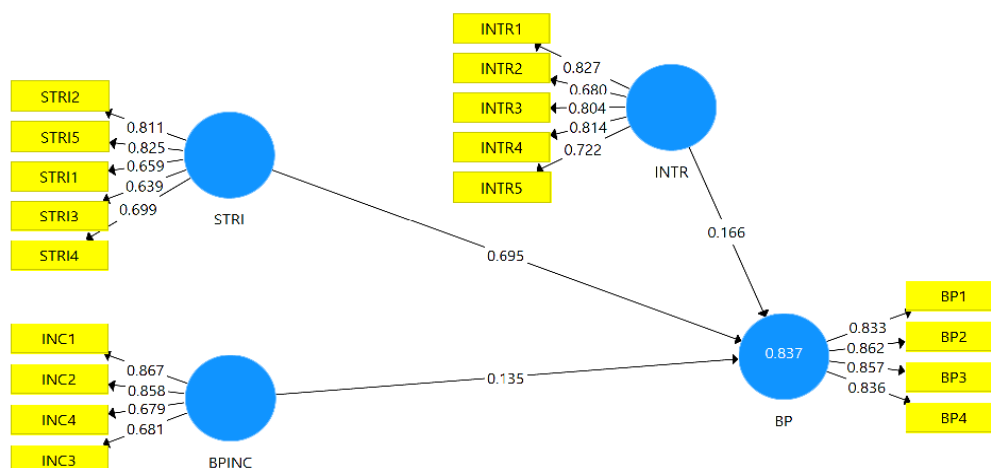
## Data Analysis and Results

### Confirmatory Factor Analysis

Initially, the measurement model was evaluated using confirmatory factor analysis (CFA). Figure.1 depicts the results of the CFA. Figure.1 shows that the factor loadings of all variables are more than 0.5. Eliminate all the items with the lowest factor loadings. Table.1 also displays the values of composite reliability (CR) and average variance extract (AVE). The AVE values must be larger than 0.5. Each value listed in the table is more than 0.5. In addition, all CR values must be more than 0.70. Each reported result in Table 1 is larger than 0.70. Moreover, the Cronbach alpha values must be bigger than 0.70. Table.1 anticipated values demonstrate that every value is more than 0.70; these values were predicted by (J. Hair, Hollingsworth, Randolph, & Chong, 2017; J. F. Hair, Ringle, & Sarstedt, 2012). Since the factor loadings, CR, and AVE values are consistent with the parameters, convergent validity is not an issue.

**Table 1.** Convergent Validity

	<b>Cronbach's Alpha</b>	<b>rho_A</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted</b>
BP	0.869	0.872	0.910	0.717
BPINC	0.795	0.862	0.857	0.603
INTR	0.843	0.905	0.880	0.595
STRI	0.789	0.840	0.850	0.534



**Figure 2.** Measurement Model

## Discriminant Validity

The discriminant validity of each variable was evaluated to confirm that they are distinct. In this regard, the HTMT (Heterotrait-Monotrait Correlation Ratio) was utilized as a new criterion to test the discriminant validity in the present study. According to the requirements, all HTMT values should be less than 0.85. If the readings surpass the 0.85 barriers, they should be less than 0.90. If they continue above the 0.90 criterion, the lower and upper bounds are evaluated to determine discriminant validity (F. Hair Jr et al., 2014). According to the table, all HTMT values are less than 0.85, indicating no problem with the discriminant validity. In addition, the discriminant validity could be evaluated following Fornell and Larcker, who demonstrate that all diagonal values must be bigger than values that reflect the square root of AVE. Table 1's projected findings indicate that diagonal values are greater than values from below, indicating no discriminant validity problem.

**Table 2.** Fornell & Larcker Criteria

	<b>BP</b>	<b>INC</b>	<b>INTR</b>	<b>STRI</b>
<b>BP</b>	0.847			
<b>INC</b>	0.686	0.777		
<b>INTR</b>	0.727	0.601	0.772	
<b>STRI</b>	0.897	0.649	0.690	0.731

**Note** BP-business performance, INC-information capital, INTR-international trade, and STRI-supplier trade integration.

**Table 3.** HTMT

	<b>BP</b>	<b>INC</b>	<b>INTR</b>	<b>STRI</b>
<b>BP</b>				
<b>INC</b>	0.358			
<b>INTR</b>	0.336	0.671		
<b>STRI</b>	0.454	0.712	0.68	

**Note** BP-business performance, INC-information capital, INTR-international trade, and STRI-supplier trade integration.

## Hypotheses Testing

Once convergent and discriminant validity has been demonstrated, it is permissible to test hypotheses. PLS-SEM is utilized to test the hypotheses of the current investigation. 5000 samples were used for bootstrapping to produce the findings. According to the study, information capital is positively and strongly related to performance. In addition, the results demonstrated a positive effect of trade integration on the performance of international trade businesses. Therefore, direct relationships are permitted. In addition, international trade relations were examined as a moderator between information capital, trade integration, and performance relationships. The study's findings indicate that global

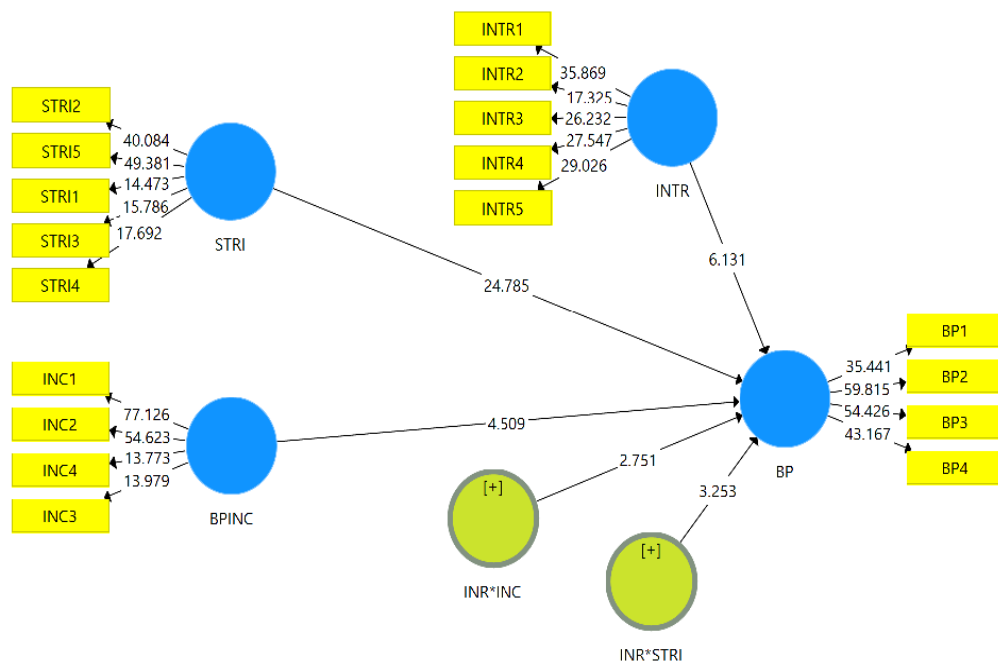
interactions improve the impact of information capital and trade integration on performance considerably and beneficially.

Similarly, supplier trade integration has a favorable and substantial impact on international trade business performance via the moderating influence of international business. All empirical evidence supports the proposed hypothesis. In Table.4 and Figure.3, these correlations are expected.

**Table 4.** Hypothesis Results

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
INC -> BP	0.165	0.165	0.037	4.509	0.000
STRI -> BP	0.677	0.678	0.027	24.785	0.000
INR*INC -> BP	0.089	0.087	0.032	2.751	0.006
INR*STRI -> BP	0.107	0.105	0.033	3.253	0.001

**Note:** BP-business performance, INC-information capital, INTR-international trade, STRI-supplier trade integration



**Figure 3.** Assessment of structural Model

## Discussion and Conclusions

The purpose of the study was to examine the performance of multinational corporations. Accordingly, the study examined the impact of information capital and trade integration as predictors of trade success, with international relations as a moderator. PLS-SEM was used to analyze the data received from the Iraqi global trade business managers. The relationship between knowledge capital and performance was examined initially. The results demonstrated that the information capital positively affected performance. Previously, it was argued that numerous elements

contribute to and influence the performance of firms, including customer satisfaction, suppliers, products, and services, among others. Nonetheless, the study revealed that information capital tends to improve performance. By enhancing human capital and procedures, information capital tends to have a favorable effect on the performance of a business (Tjahjadi et al., 2020). Information capital merges information and communication technology, hence enhancing performance. Notably, information capital is a business's fundamental competency that facilitates implementation. Although numerous studies have considered information technology a performance-influencing element, most research has focused on the broader corporate context rather than international trade (Lian et al., 2017). Consequently, the study's findings are beneficial.

Second, the relationship between supplier trade integration and performance was examined. These results are consistent with earlier research. For instance, Qorraj et al. (2021) argued in their study that the European Union's supplier trade integration tends to support and boost exports. In addition, they argued that enterprises with trade integration are more likely to receive loans to assist their processes and achieve higher performance. Accordingly, the study's results also suggest that organizations with trade integration with other organizations or countries tend to have a larger audience and higher performance. Therefore, the indirect moderating influence of supplier trade integration and information capital and firm performance was examined concerning international interactions. According to the findings of the moderating impact, international relations considerably and positively influence the relationships between information capital, supplier trade integration, and international company performance. Consequently, this moderating effect reinforces the impact of trade integration and information capital on performance. In terms of improved performance, this indicates that international relations play a crucial role in the success of enterprises.

Based on the study's analysis, the present study concludes that an organization's information capital is an effective instrument for enhancing performance. It can have a favorable effect on corporate processes, resulting in greater performance. Even though it is a long-term investment and requires regular upkeep, it carries several favorable products, one of which is enhanced performance. The study's outcomes also demonstrated that knowledge capital has a key impact on performance acceleration. Alongside the development of human capital, it is necessary to invest in the development of information capital. In addition, it is concluded that supplier trade integration is an additional tool that can aid in driving higher performance. Organizations with trade linkages can access a broader audience, resulting in superior performance compared to those without trade integrations. In addition, based on the data, it is determined that companies should build international contacts that enable them to access bigger markets than their local counterparts and increase their performance.

## Research Implications

The research has several consequences for practitioners. For example, practitioners are encouraged to prioritize the development of information capital by supplying the appropriate resources, such as information and communication technologies. The management of organizations in Iraq should work to cultivate and preserve their information capital. As a strategic choice, investments should be made to develop these infrastructures for greater performance. Also advised is the development of trade linkages with other companies. The coordinated trades will help the organization generate more revenue than if it conducted the deal independently. Vertical or horizontal trade integration will aid Iraqi businesses in exploring and exploiting broader markets. In addition, it is suggested that companies in Iraq consider the significance of information capital as a crucial part of knowledge and process. On the other hand, foreign contacts should be regarded as vital for extending the organizations' trade. The organization's ultimate objective is to drive performance. Therefore, a company's performance can be enhanced by focusing on information capital as a fundamental aspect alongside trade integration.

In addition to practical ramifications, it has theoretical implications. For instance, it is one of the rare attempts to examine the impact of information capital and trade integration on international commerce's boundary conditions. Understanding how firms might improve their performance by using their investments in information capital and trade integrations has been enhanced by this study. It has improved my knowledge of how firms' trade integrations strengthen their performance. Similarly, the study has contributed to a greater knowledge of how businesses might enhance their performance in Iraq. The findings will serve as a framework for improving the performance of Iraqi businesses. In addition, the study illuminated the moderating impact of international interactions in facilitating outstanding performance. The majority of prior research has been undertaken in a broad business setting. However, the present study is a significant contribution to the field because it studied performance predictors in the context of Iraqi firms. It contributes to the body of knowledge and enhances our understanding of how the mechanism operates.

## Limitations and Future Directions

Even if the study has achieved its aims and answered all of its research questions, there are still certain limitations that can be addressed in future research. Future research may employ a larger sample size to gain more fascinating and thorough insights into the topic. In addition, future research may also explore the mediating variables to explain the influence of the independent variable on the dependent variables. The study's weakness is that it did not include control variables; therefore, future research should include them. The setting of the study is also constrained,

as it was conducted in the context of Iraq; therefore, future research should address the existing research framework in the context of other nations, such as industrialized nations. Future research should also analyze the various industries to produce comparative results for a complete understanding of the problem.

## References

- Aaronson, S. (2015). Why trade agreements are not setting information free: The lost history and reinvigorated debate over cross-border data flows, human rights, and national security. *World Trade Review*, 14(4), 671-700. doi: <https://doi.org/10.1017/S1474745615000014>
- Abdeljaber, O., Al-masaeed, S., Azam, S. F., Ab Yajid, M. S., ALSoud, A. R., & Johar, M. (2021). The role of Trade Integration and Cross-Border Entrepreneurship in International Relations: A moderating role of IT Infrastructure. *Croatian International Relations Review*, 27(87), 63-94. doi: <https://doi.org/10.2478/CIRR-2021-0001>
- Abendin, S., & Pingfang, D. (2022). Capital mobility and business cycle synchronization in Sub-Saharan Africa: The role of the digital economy. *The Journal of International Trade & Economic Development*, 31(7), 1-19. doi: <https://doi.org/10.1080/09638199.2022.2063928>
- Al-masaeed, S., ALSoud, A. R., Ab Yajid, M. S., Tham, J., Abdeljaber, O., & Khatibi, A. (2021). How the relationship between Information Technology, Entrepreneurship, and International Trade lead to the International Relations? *Croatian International Relations Review*, 27(87), 32-62. Retrieved from <https://www.cirrij.org/index.php/cirrij/article/view/417>
- Al-Matari, A. S., Amiruddin, R., Aziz, K. A., & Al-Sharafi, M. A. (2022). The impact of dynamic accounting information system on organizational resilience: the mediating role of business processes capabilities. *Sustainability*, 14(9), 4967. doi: <https://doi.org/10.3390/su14094967>
- Alfalla-Luque, R., Medina-Lopez, C., & Dey, P. K. (2013). Supply chain integration framework using literature review. *Production Planning & Control*, 24(8-9), 800-817. doi: <https://doi.org/10.1080/09537287.2012.666870>
- Alfalla-Luque, R., Medina-Lopez, C., & Schrage, H. (2013). A study of supply chain integration in the aeronautics sector. *Production Planning & Control*, 24(8-9), 769-784. doi: <https://doi.org/10.1080/09537287.2012.666868>
- Alguezau, S., & Filieri, R. (2014). A knowledge-based view of the extending enterprise for enhancing a collaborative innovation advantage. *International Journal of Agile Systems and Management*, 7(2), 116-131. Retrieved from <https://www.researchgate.net/profile/Raffaele-Filieri/publication/264437079>
- Andersson, M., Johansson, S., & Löf, H. (2012). Firm Performance and International Trade—evidence from a small open economy. In *The Regional Economics of Knowledge and Talent*: Edward Elgar Publishing. doi: <https://doi.org/10.4337/9781781953549.00021>.
- Aral, S., & Weill, P. (2007). IT assets, organizational capabilities, and firm performance: How resource allocations and organizational differences

- explain performance variation. *Organization science*, 18(5), 763-780. doi: <https://doi.org/10.1287/orsc.1070.0306>
- Arghode, V. (2012). Qualitative and Quantitative Research: Paradigmatic Differences. *Global Education Journal*, 2012(4), 155-163. Retrieved from <https://web.p.ebscohost.com/abstract?direct>
- Bataineh, A., & Hajar, Y. A. A. (2020). The impact of information technology on supply chain management in internal environment of Jordanian industrial companies. *International Journal of Business Innovation and Research*, 21(3), 295-310. doi: <https://doi.org/10.1504/IJBIR.2020.105924>
- Boon-itt, S., & Yew Wong, C. (2011). The moderating effects of technological and demand uncertainties on the relationship between supply chain integration and customer delivery performance. *International Journal of Physical Distribution & Logistics Management*, 41(3), 253-276. doi: <https://doi.org/10.1108/09600031111123787>
- Bowling, B. (1999). The rise and fall of New York murder: zero tolerance or crack's decline? *British Journal of Criminology*, 39(4), 531-554. doi: <https://doi.org/10.1093/bjc/39.4.531>
- Braun, B., Schindler, S., & Wille, T. (2019). Rethinking agency in international relations: Performativity, performances and actor-networks. In (Vol. 22, pp. 787-807): Springer. doi: <https://doi.org/10.1057/s41268-018-0147-z>.
- Chen, D., Doumeingts, G., & Vernadat, F. (2008). Architectures for enterprise integration and interoperability: Past, present and future. *Computers in Industry*, 59(7), 647-659. doi: <https://doi.org/10.1016/j.compind.2007.12.016>
- Chen, H., Mattioda, D. D., & Daugherty, P. J. (2007). Firm-wide integration and firm performance. *The International Journal of Logistics Management*, 18(1), 5-21. doi: <https://doi.org/10.1108/09574090710748144>
- Clemons, E. K., Reddi, S. P., & Row, M. C. (1993). The impact of information technology on the organization of economic activity: The “move to the middle” hypothesis. *Journal of Management Information Systems*, 10(2), 9-35. doi: <https://doi.org/10.1080/07421222.1993.11517998>
- F. Hair Jr, J., Sarstedt, M., Hopkins, L., & G. Kuppelwieser, V. (2014). Partial least squares structural equation modeling (PLS-SEM). *European Business Review*, 26(2), 106-121. doi: <https://doi.org/10.1108/EBR-10-2013-0128>
- Filieri, R., & Alguezaui, S. (2014). Structural social capital and innovation. Is knowledge transfer the missing link? *Journal of Knowledge Management*, 18(4), 728-757. doi: <https://doi.org/10.1108/JKM-08-2013-0329>
- Flynn, B. B., Huo, B., & Zhao, X. (2010). The impact of supply chain integration on performance: A contingency and configuration approach. *Journal of Operations Management*, 28(1), 58-71. doi: <https://doi.org/10.1016/j.jom.2009.06.001>
- Foley, C. F., & Manova, K. (2015). International trade, multinational activity, and corporate finance. *Economics*, 7(1), 119-146. Retrieved from <https://www.annualreviews.org/doi/abs/10.1146/annurev-economics-080614-115453>

- Frohlich, M. T., & Westbrook, R. (2002). Demand chain management in manufacturing and services: web-based integration, drivers and performance. *Journal of Operations Management*, 20(6), 729-745. doi: [https://doi.org/10.1016/S0272-6963\(02\)00037-2](https://doi.org/10.1016/S0272-6963(02)00037-2)
- Guedes, A., & Faria, A. (2010). *International management and international relations: A critical perspective from Latin America*: Routledge. Retrieved from <https://books.google.ae/books>
- Hara, K. (1995). Quantitative and qualitative research approaches in education. *Education*, 115(3), 351-356. Retrieved from <https://go.gale.com/ps/i.do?id=GALE%7CA17039276&sid>
- Hill, R. P., Ainscough, T., Shank, T., & Manullang, D. (2007). Corporate social responsibility and socially responsible investing: A global perspective. *Journal of Business Ethics*, 70(2), 165-174. doi: <https://doi.org/10.1007/s10551-006-9103-8>
- Hofstede, G. (1994). The business of international business is culture. *International Business Review*, 3(1), 1-14. doi: [https://doi.org/10.1016/0969-5931\(94\)90011-6](https://doi.org/10.1016/0969-5931(94)90011-6)
- Holmes Jr, R. M., Hoskisson, R. E., Kim, H., Wan, W. P., & Holcomb, T. R. (2018). International strategy and business groups: A review and future research agenda. *Journal of World Business*, 53(2), 134-150. doi: <https://doi.org/10.1016/j.jwb.2016.11.003>
- Hu, Y.-P., Chang, I.-C., & Hsu, W.-Y. (2017). Mediating effects of business process for international trade industry on the relationship between information capital and company performance. *International Journal of Information Management*, 37(5), 473-483. doi: <https://doi.org/10.1016/j.ijinfomgt.2017.04.004>
- Huo, B. (2012). The impact of supply chain integration on company performance: an organizational capability perspective. *Supply Chain Management: An International Journal*, 17(6), 596-610. doi: <https://doi.org/10.1108/13598541211269210>
- Huo, B., Han, Z., Zhao, X., Zhou, H., Wood, C. H., & Zhai, X. (2013). The impact of institutional pressures on supplier integration and financial performance: Evidence from China. *International Journal of Production Economics*, 146(1), 82-94. doi: <https://doi.org/10.1016/j.ijpe.2013.01.013>
- Huo, B., Qi, Y., Wang, Z., & Zhao, X. (2014). The impact of supply chain integration on firm performance. *Supply Chain Management: An International Journal*, 19(4), 369-384. doi: <https://doi.org/10.1108/SCM-03-2013-0096>
- Huysman, M., & Wulf, V. (2006). IT to support knowledge sharing in communities, towards a social capital analysis. *Journal of Information Technology*, 21(1), 40-51. doi: <https://doi.org/10.1057/palgrave.jit.2000053>
- Jabbouri, N. I., Siron, R., Zahari, I., & Khalid, M. (2016). Impact of information technology infrastructure on innovation performance: An empirical study on private universities in Iraq. *Procedia Economics and Finance*, 39, 861-869. doi: [https://doi.org/10.1016/S2212-5671\(16\)30250-7](https://doi.org/10.1016/S2212-5671(16)30250-7)
- Kepaptsoglou, K., Karlaftis, M. G., & Tsamboulas, D. (2010). The gravity model specification for modeling international trade flows and free trade agreement effects: a 10-year review of empirical studies. *The Open*

- Economics Journal*, 3(1), 1-13. doi:  
<http://dx.doi.org/10.2174/1874919401003010001>
- Khan, S. A., Mehmood, W., Iqbal, S., & Frooq, Q. (2021). The Impact of Integration in Supply Chain Macro Processes on Supply Chain Performance with The Moderating Role of Information System Support. *Pakistan Business Review*, 22(4), 477-493. Retrieved from <http://jmsnew.iobmresearch.com/index.php/pbr/article/view/358>
- Kordasiewicz, A., & Sadura, P. (2017). *Migrations, engagement and integration of Poles in the UK and in London Borough of Lewisham: Research and data review within the Londoner-Pole-citizen project*. Retrieved from <https://www.econstor.eu/handle/10419/180987>.
- Kruger, C. N., & Johnson, R. D. (2010). Information management as an enabler of knowledge management maturity: A South African perspective. *International Journal of Information Management*, 30(1), 57-67. doi: <https://doi.org/10.1016/j.ijinfomgt.2009.06.007>
- LeBaron, G., & Lister, J. (2015). Benchmarking global supply chains: the power of the ‘ethical audit’ regime. *Review of International Studies*, 41(5), 905-924. doi: <https://doi.org/10.1017/S0260210515000388>
- Lian, J.-W., & Yen, D. C. (2017). Understanding the relationships between online entrepreneurs’ personal innovativeness, risk taking, and satisfaction: Comparison of pure-play and click-and-mortar. *Journal of Organizational Computing and Electronic Commerce*, 27(2), 135-151. doi: <https://doi.org/10.1080/10919392.2017.1297650>
- Maarroof, A., & Oğrak, A. (2021). Globalization and the powerful on International Management “An exploratory study for a group of international business organizations in Republic of Iraq”. 4(1), 38-64. Retrieved from <https://www.researchgate.net/profile/Anas-Maarroof/publication/359511520>
- Malhotra, R., & Temponi, C. (2010). Critical decisions for ERP integration: Small business issues. *International Journal of Information Management*, 30(1), 28-37. doi: <https://doi.org/10.1016/j.ijinfomgt.2009.03.001>
- Matthes, D. (2010). *Culture, globalization, and international relations*. Paper presented at the International Symposium on Cultural Diplomacy, 01-05. Retrieved from [http://culturaldiplomacy.org/academy/content/articles/symposium2010/participant-papers/Danielle\\_Matthes\\_-\\_Usa.pdf](http://culturaldiplomacy.org/academy/content/articles/symposium2010/participant-papers/Danielle_Matthes_-_Usa.pdf)
- Mehrad, A., & Zangeneh, M. H. T. (2019). Comparison between qualitative and quantitative research approaches: Social sciences. *International Journal For Research In Educational Studies, Iran*, 1-7. Retrieved from <https://media.neliti.com/media/publications/413310-camparison-between-qualitative-and-quant-881645f5.pdf>
- Melville, N., Kraemer, K., & Gurbaxani, V. (2004). Information technology and organizational performance: An integrative model of IT business value. *MIS quarterly*, 28(2), 283-322. doi: <https://doi.org/10.2307/25148636>
- Narasimhan, R., & Kim, S. W. (2002). Effect of supply chain integration on the relationship between diversification and performance: evidence from Japanese and Korean firms. *Journal of Operations Management*, 20(3), 303-323. doi: [https://doi.org/10.1016/S0272-6963\(02\)00008-6](https://doi.org/10.1016/S0272-6963(02)00008-6)

- Narayanan, S., Jayaraman, V., Luo, Y., & Swaminathan, J. M. (2011). The antecedents of process integration in business process outsourcing and its effect on firm performance. *Journal of Operations Management*, 29(1-2), 3-16. doi: <https://doi.org/10.1016/j.jom.2010.05.001>
- Nemoto, T., & Beglar, D. (2014). *Likert-scale questionnaires*. Paper presented at the JALT 2013 conference proceedings, 1-8. Retrieved from <https://jalt-publications.org/sites/default/files/pdf>
- Nes, E. B., Solberg, C. A., & Silkoset, R. (2007). The impact of national culture and communication on exporter–distributor relations and on export performance. *International Business Review*, 16(4), 405-424. doi: <https://doi.org/10.1016/j.ibusrev.2007.01.008>
- Paulraj, A., & Chen, I. J. (2007). Strategic buyer–supplier relationships, information technology and external logistics integration. *Journal of Supply Chain Management*, 43(2), 2-14. doi: <https://doi.org/10.1111/j.1745-493X.2007.00027.x>
- Prabowo, H., & Sinaga, O. (2022). Free Trade Integration Effect on International Relations through Cross Border Entrepreneurship: A Study from Indonesia and Malaysia International Business Perspective. *The Croatian International Relations Review (CIRR)*, 26(86), 220-237. Retrieved from <http://eprints2.ipdn.ac.id/id/eprint/774/3/cirrij-9-widaytama-2022-96-113-1%20%281%29.pdf>
- Prajogo, D., Chowdhury, M., Yeung, A. C., & Cheng, T. C. E. (2012). The relationship between supplier management and firm's operational performance: A multi-dimensional perspective. *International Journal of Production Economics*, 136(1), 123-130. doi: <https://doi.org/10.1016/j.ijpe.2011.09.022>
- Qorraj, G., & Jusufi, G. (2021). Does EU Trade Integration Support Export Promotion: Probit Analysis, Evidence from Kosovo. *InterEULawEast: journal for the international and european law, economics and market integrations*, 8(1), 75-90. doi: <https://doi.org/10.22598/iele.2021.8.1.5>
- Ray, G., Xue, L., & Barney, J. B. (2013). Impact of information technology capital on firm scope and performance: The role of asset characteristics. *Academy of Management Journal*, 56(4), 1125-1147. doi: <https://doi.org/10.5465/amj.2010.0874>
- Riad, S., Vaara, E., & Zhang, N. (2012). The intertextual production of international relations in mergers and acquisitions. *Organization Studies*, 33(1), 121-148. doi: <https://doi.org/10.1177/0170840611430601>
- Rostami, M., Namamian, F., Eslambolchi, A. R., & Sohrabi, R. (2019). Presenting the Islamic model of foreign trade with the approach of diplomacy of resistance economy; case study of Iran-Iraq business relations. *Journal of Iran's Economic Essays*, 16(32), 239-267. doi: <https://dx.doi.org/10.30471/iee.2020.5791.1815>
- Scientific, G. (2019). The Effect of Management Information System on Organizational Performance: A Survey Study at Missan Oil Company in Iraq. *Journal of Global Scientific Research (ISSN: 2523-9376)*, 2, 135-165. Retrieved from [https://ir.upsi.edu.my/files/docs/2021/6028\\_1623064317.pdf](https://ir.upsi.edu.my/files/docs/2021/6028_1623064317.pdf)
- Sharma, C., & Mishra, R. K. (2015). International trade and performance of firms: Unraveling export, import and productivity puzzle. *The Quarterly*

- Review of Economics and Finance*, 57, 61-74. doi: <https://doi.org/10.1016/j.qref.2015.02.001>
- Sheehan, K. B. (2001). E-mail survey response rates: A review. *Journal of Computer-Mediated Communication*, 6(2), JCMC621. doi: <https://doi.org/10.1111/j.1083-6101.2001.tb00117.x>
- Shenkar, O., Luo, Y., & Chi, T. (2014). *International business*: Routledge
- Sobol, J. J. (2014). Cross-sectional research design. *The Encyclopedia of Criminology and Criminal Justice*, 1-4. doi: <https://doi.org/10.1002/9781118517383.wbeccj017>
- Stahl, G. K., & Tung, R. L. (2015). Towards a more balanced treatment of culture in international business studies: The need for positive cross-cultural scholarship. *Journal of International Business Studies*, 46(4), 391-414. doi: <https://doi.org/10.1057/jibs.2014.68>
- Stoel, M. D., & Muhanna, W. A. (2009). IT capabilities and firm performance: A contingency analysis of the role of industry and IT capability type. *Information & Management*, 46(3), 181-189. doi: <https://doi.org/10.1016/j.im.2008.10.002>
- Swink, M., Narasimhan, R., & Wang, C. (2007). Managing beyond the factory walls: effects of four types of strategic integration on manufacturing plant performance. *Journal of Operations Management*, 25(1), 148-164. doi: <https://doi.org/10.1016/j.jom.2006.02.006>
- Tanriverdi, H. (2005). Information technology relatedness, knowledge management capability, and performance of multibusiness firms. *MIS Quarterly*, 29(2), 311-334. doi: <https://doi.org/10.2307/25148681>
- Tayeh, M., Al-Jarrah, I. M., & Tarhini, A. (2015). Accounting vs. market-based measures of firm performance related to information technology investments. *International Review of Social Sciences and Humanities*, 9(1), 129-145.
- Tjahjadi, B., Soewarno, N., & Gunawan, G. M. (2020). Effect of information capital readiness on business performance in Indonesian MSMEs: does online market orientation matter? *Journal of Asian Finance, Economics and Business*, 7(12), 267-274. Retrieved from <http://repository.unair.ac.id/id/eprint/106212>
- Wagner, J. (2012). A Changing Immigration System: Immigration Policies Under Tony Blair and Gordon Brown. *Washington University International Review*, 1, 22-41.
- Wagner, J. (2012). International trade and firm performance: a survey of empirical studies since 2006. *Review of World Economics*, 148(2), 235-267. doi: <https://doi.org/10.1007/s10290-011-0116-8>
- Warsame, M. A. (2021). *Supply Chain Integration and Service Delivery in Electricity Supply Firms in Mogadishu, Somalia*. University of Nairobi, Retrieved from <http://erepository.uonbi.ac.ke/handle/11295/160496>
- Wei, H.-L., Wong, C. W., & Lai, K.-h. (2012). Linking inter-organizational trust with logistics information integration and partner cooperation under environmental uncertainty. *International Journal of Production Economics*, 139(2), 642-653. doi: <https://doi.org/10.1016/j.ijpe.2012.05.036>
- Wiengarten, F., & Longoni, A. (2015). A nuanced view on supply chain integration: a coordinative and collaborative approach to operational and sustainability performance improvement. *Supply Chain Management*:

- An International Journal*, 20(2), 139-150. doi: <https://doi.org/10.1108/SCM-04-2014-0120>
- Wooden, M., Loundes, J., & Tseng, Y.-P. (2002). *Industrial relations reform and business performance: an introduction*: Melbourne Institute of Applied Economic and Social Research, The University .... Retrieved from <https://melbourneinstitute.unimelb.edu.au/downloads>
- Xie, X., Huo, J., & Zou, H. (2019). Green process innovation, green product innovation, and corporate financial performance: A content analysis method. *Journal of Business Research*, 101, 697-706. doi: <https://doi.org/10.1016/j.jbusres.2019.01.010>
- Yu, Y., Huo, B., & Zhang, Z. (2021). Impact of information technology on supply chain integration and company performance: evidence from cross-border e-commerce companies in China. *Journal of Enterprise Information Management*, 34(1), 460-489. doi: <https://doi.org/10.1108/JEIM-03-2020-0101>
- Zhang, M., Lettice, F., Chan, H. K., & Nguyen, H. T. (2018). Supplier integration and firm performance: the moderating effects of internal integration and trust. *Production Planning & Control*, 29(10), 802-813. doi: <https://doi.org/10.1080/09537287.2018.1474394>
- Zhao, X., Huo, B., Selen, W., & Yeung, J. H. Y. (2011). The impact of internal integration and relationship commitment on external integration. *Journal of Operations Management*, 29(1-2), 17-32. doi: <https://doi.org/10.1016/j.jom.2010.04.004>
- Zhu, C. J., Cooper, B. K., Thomson, S. B., De Cieri, H., & Zhao, S. (2013). Strategic integration of HRM and firm performance in a changing environment in China: the impact of organisational effectiveness as a mediator. *The International Journal of Human Resource Management*, 24(15), 2985-3001. doi: <https://doi.org/10.1080/09585192.2013.763845>