THE INFLUENCE OF ORGANIZATIONAL CONTINGENCIES ON FINANCIAL PERFORMANCE: THE MEDIATING ROLE OF CRISIS MANAGEMENT


Abstract
This study aims to understand the impact of organizational contingencies such as organizational culture, human resource policies and inter-organizational linkage on financial performance, using the mediating role of crisis management in energy companies in Iraq. To this end, structural equation modelling (SEM) was adopted to test the causal relationships between the study variables. An exploratory design (i.e., a questionnaire) was used to collect data from 379 workers in energy companies in Iraq. The results of this study indicate that organizational contingencies affect financial performance. Besides, crisis management has a complete mediation of the relationship between organizational contingencies and financial performance. From the practitioner's point of view, leaders and practitioners should encourage a creative culture and idea generation to give members enough power to act and focus on goals that support building sustainable organizational capacity.

Implications for Central European audience: The findings of this study contribute to providing academics and practitioners with a deep insight into the antecedents of financial performance to develop practices and policies that increase performance.

Keywords: crisis management; financial performance; organizational contingencies; human resource policies
JEL Classification: M1, M2, L2
Introduction

In December 2019, the COVID-19 epidemic broke out in China. This pandemic caused the closure of many industries, posed a threat to a healthy life and resulted in the closure of countries for many activities (Ivanov et al., 2022). The pandemic prevention process has created an uncomfortable situation for many companies. Moreover, many companies struggled to mitigate the effects of the epidemic crisis by stimulating financial performance (Leta & Chan, 2021). Because many companies have changed their work processes and procedures by working from home. Manufacturing companies were forced to stop many operations, which negatively affected oil prices and increased financial problems (Ghaharian et al., 2021). To this end, companies’ debts increased, and they faced major problems in terms of financing, a decline in the market value of shares and a decrease in returns. Nevertheless, the literature confirmed that efficient crisis management would alleviate problems and improve the financial performance of companies (Saide & Sheng, 2021).

Companies have increased employee cuts through layoffs or long-term furloughs. Due to the increase in corporate debts and obligations as a result of the evaporation of demand. The literature has suggested that organizational culture is a critical resource for financial performance. Previous literature investigated the relationship between organizational culture and performance on a large scale. However, during crises, there is still a high rarity reported in the previous literature. Investigating the relationship between organizational culture and performance would be provided practitioners with insight into the role of values and habits in difficult times (Zeb et al., 2021). In this context, organizational culture plays a critical role in improving the organizational processes of energy companies. Thus, organizational culture influences organizational improvement (Imran et al., 2021). In addition, many companies consider human resource practices and policies as an essential key to increasing strategic capabilities and achieving superior performance (Takeuchi, 2009). Internal and external consistency of human resource policies at the company level improves the management of environmental and organizational emergencies. Human resource policies mitigate crises by exploiting opportunities and creating distinguished competencies (d’Arcimoles, 1997). Likewise, external partnerships with organizations, suppliers and stakeholders are considered a critical component of crisis management and achieving superior financial performance. Therefore, companies strive to mitigate environmental impacts and competitor pressures by creating a network of external relations (Durst et al., 2019). Companies overcome industry barriers by interacting with the environment. Interdependence between organizations reduces costs, increases synergies, and achieves organizational goals. Therefore, organizational interdependence is associated with efficient crisis management. Moreover, organizational interdependence stimulates financial performance (Alagaraja, 2013).

Crisis management is a vital part of organizations and considers the driving force of the organization’s business. Companies can achieve superiority by developing robust crisis management that enables companies to influence the views of employees by instilling leadership skills in them. Several determinants limit crisis management. Leaders adapt methods and strategies to external and internal pressures facing the business world in order to develop organizational work and increase financial performance (Leta & Chan, 2021). Hence, organizational factors are the most important determinants of crisis management and...
financial performance. However, there is a dearth of investigation into the impact of organizational culture, inter-organizational linkage, and human resource policies on organizational performance. In addition, a slight of the previous literature discussed the role of crisis management in increasing financial performance. To this end, this study complements the previous literature by investigating the impact of organizational variables on financial performance through the mediating role of crisis management.

1 Literature review

1.1 Crisis management

The crisis is an unprecedented incident that affords us little time to prepare in advance. If managed improperly, most crises have negative consequences. There are various sorts of crises caused by both internal and external sources. Ethical and moral shortcomings, an unplanned change in leadership, inadequate oversight, and product failures are examples of internal crises. There could also be external crisis occurrences, such as natural disasters, economic, and pandemic threats, stock market crashes and targeted public acts (Bowers et al., 2017). Crisis management should be effective. In order to effectively manage a crisis, it is vital to review the process after the crisis has ended and normalcy has been restored. This evaluation might serve as a roadmap for businesses seeking to improve their crisis management skills. Especially in this era that has not yet been resolved and is referred to be the new normal, the heightened severity of the crisis nevertheless maintains its present state (Toklucu et al., 2022). In the early phases of a crisis, rapid and precise crisis management is crucial for both the sustainability and image of a company. In times of crisis, this scenario is of particular importance to businesses (Aleixo et al., 2018). Therefore, particularly in times of crisis, public attention is focused on enterprises that produce goods and services, and the crisis management techniques employed are regularly debated by stakeholders. In this regard, the administration of the company must be planned in advance for the crisis and its implications, take the necessary precautionary measures, initiate the early warning systems, manage the crisis with the least amount of damage, effectively regulate the conflict caused by the crisis and return to normal operations (Örücü, 2015).

1.2 Organizational Culture

Organizational culture is a set of values and standards that control the interactions of the organization members with each other and with other stakeholders (Jones, 2013). Organizational culture exists on two levels; the first is visible observable behaviours, the way people dress and behave, types of control systems, symbols, stories, and celebrations. While the second level is underlying values, assumptions, and beliefs, which reflect a more in-depth understanding of the minds of the members (Daft & Marcic, 2016; Khaw et al., 2022a). Since organizations are social entity that creates the values and beliefs that employees follow, this culture affects companies’ competitive advantage (González-Rodríguez et al., 2019).

The organizational culture is related to the organization’s strategy (Adeinat & Abdulfatah, 2019). According to Quinn and Rohrbaugh (1983), their competing values model consists of two dimensions. The first dimension focuses on stability and flexibility. In contrast, the second dimension describes the organization’s focus on the internal or external environment, and the adoption of these dimensions depends on the strategy followed by the organization. Previous
studies have classified organizational culture into four groups: clan culture, adaptability culture, mission culture, and hierarchical culture. Clan culture focuses on meeting employees' needs and participation to achieve high performance in return. The adaptability culture focuses on flexibility and responding to environmental changes, while the Mission culture focuses on a clear vision to achieve goals. And finally, the hierarchical culture describes an internal focus and a consistent orientation towards a stable environment by serving a finite number of clients (Denison & Mishra, 1995; Cameron & Quinn, 2011). Therefore, the organizational culture is an invisible organizational force that pushes the organization towards a specific goal (Schein, 2010; Tariq et al., 2021).

As a result, organizations develop efficiency and economic values when they adopt a cost leadership strategy. In contrast, when the organization pursues a differentiation strategy, it develops values and beliefs that focus on innovation and creativity and develop high-quality products distinct from the rest of the competitors (Jones, 2013; Wu et al., 2019). Consequently, the organization is sometimes forced to make a cultural change through a change in values and beliefs to respond to changing environmental conditions by shifting to horizontal forms of organization, which requires more cooperation, learning and innovation to harmonize the organizational culture with the strategy followed (Daft & Marcic, 2016).

### 1.3 Human Resource Policies

Human resource policies are a set of functions and activities associated with the human resource department's useful work to attract and retain employees, affecting the sustainable competitive advantage of the organization (Olson et al., 2018). These activities consist of a set of policies that include work-family balance, prevention and management of employment relationships, communication, transparency, retention of employees, health and safety at work, diversity and equal opportunities, social dialogue, attraction, fair remuneration, training and continuous development and social benefits (Barrena-Martín et al., 2019). Consequently, human resources are viewed more significantly vis-a-vis other sources as a decisive and distinct factor in achieving competitive success. They have a significant role in implementing the organization's strategy (Balkin & Gomez-Mejia, 1990). The following figure illustrates this. According to the above figure, human resources management relies on a set of globally successful characteristics. Because of the significant changes in the environment based on emergency theory, many external and internal variables can affect human resources management's policies. Therefore, the above model indicates that it is necessary to achieve coherence and synergy between these practices (Barrena-Martín et al., 2017; Ahmed et al., 2021a). As a result, these factors may constitute a set of discriminatory policies between men and women in the workplace (Busu & Cimpan, 2014; Ahmed et al., 2021b). Thus, many companies are forced to review their human resources policy regularly and make the necessary improvements.

In many cases, organizations focus on creating an organizational culture in which they support human resources (Begley & Boyd, 2000). Organizations are improving their human resource policy because of the close relationship between these policies and the organization’s strategy (Kuruvilla, 1996). Human resource policies are linked to the competitive priorities of quality, cost, flexibility, delivery, and profitability (Santos, 2000). In conclusion, human resource management policies represent one of the most critical content
factors for the hybrid strategy because it has a significant role in the organization’s strategy through its ability to create innovative human resources with a culture that supports strategies interacting with the environment (Oke et al., 2012; Khaw et al., 2022b).

1.4 Inter-organizational linkage

They are relatively permanent resource transactions and ties between two or more organizations beyond the traditional myth that the world consists of independently distinguished companies that compete for sovereignty (Daft & Marcic, 2016). Thus, to reduce the organization's dependence on a single source of resources and move away from the arm-twisting strategy, it establishes inter-organizational linkage (Oliver, 1990). Organizations face many challenges that hinder environmental adaptation, and they are forced to build partnerships and seek cooperation in the industry’s environment. This atmosphere of collaboration and collaboration results in the creation of a whole new system called an organizational ecosystem (Singer, 2009). James Moore described the ecosystem for the first time as organisations that interact with their environment as they strive to overcome traditional industry barriers (Moore & McPhail, 2016; Eneizan et al., 2019a; Sandberg et al., 2022).

Consequently, the new viewpoint indicates the companies could not continue operating independently with a considerable number of competitors. Thus, strategic alliances are needed (O'Toole, 1988). Moreover, this issue can be a new challenge for companies regarding the patterns of coupling between the organizations. It will differ according to the type of strategy followed, whether cost leadership, differentiation, or hybrid strategy (Beekun & Ginn, 1993). Subsequently, the establishment of links between organizations depends mainly on social capital and the strategic link related to the company's resources. The interaction between these factors significantly affects the relations between organizations (Tsai, 2000). Accordingly, the types of relationships between organizations differ according to the dynamic capabilities and the strategy followed (Petricevic & Verbeke, 2019; Alnoor et al., 2022a). In conclusion, cooperation between organizations has gained increasing importance in recent research because of its tremendous impact on organizations' general performance (Zahoor & Al-Tabbaa, 2020) as the cost-sharing and synergistic motives encouraged many companies to adopt inter-organizational linkage through easy access to new knowledge and skills to face competitors and risks more strongly if the companies were operating in isolation from their environment (Milagres & Burchart, 2018).

1.5 Financial performance

Performance is the results obtained by management inside an organization through the execution of a series of corporate operations as measured by a specific measuring instrument. Performance is referred to as the end consequence of an action, which means that a company's financial performance is eventually represented in its profit earned (Hilmi et al., 2021; Abdullah et al., 2022; Pitchay et al., 2021). Financial performance refers to an organization's ability to operate efficiently and economically, as well as to survive, grow, and respond to environmental opportunities and dangers (Kamukama et al., 2017; Alnoor et al., 2022). Indeed, a generally accepted proxy for a company's total financial health over time is financial performance, which can be used to compare similar firms within the same industry, or to aggregate industries or sectors (Bititci et al., 1997). Company performance reflects
financial performance because it emphasizes the use of financial measures to assess the extent to which objectives are met, contributes to the provision of financial resources, and provides investment opportunities to assist the facility in meeting the needs of the owners and achieving their objectives (Al-Khatib, 2010; Sadaa et al., 2020). The procedure for financial performance is usually viewed as the last performance criterion. Recent research has proven a substantial correlation between corporate governance and financial success, as well as that the best financial performance is determined by or connected to functional technological innovation, efficiency (Moon & Min, 2020; Alsalem et al., 2022a). A company's career success and financial health are measured by its financial performance, while historical analysis of financial performance finds the industry's growth and its ability to contribute to the nation's economy (Ali, 2020). Literature has claimed that business financial performance is contingent upon market imperfections and financial, and managerial resource allocation decisions. For instance, state that the efficient utilization of resources is contingent upon the management team's decisions (Turyahebwa, 2013). Since the 2008 financial crisis, corporations have experienced an unstable financial performance paradigm, resulting in the loss of large quantities of money by many investors (Kamukama et al., 2017; Albahri et al., 2022a).

1.6 Relationships between organizational contingencies and financial performance

This study investigates the relationship between organizational culture and corporate financial performance. Theoretical explanations support the notion that organizational culture is associated with organizational performance and long-term efficacy (Yesil & Kaya, 2013). Zheng et al. (2010) suggested that organizational culture is one of the most frequently studied organizational assets in relation to its correlation with organizational effectiveness from the resource-based perspective. Similarly, Yesil and Kaya (2013) argued that organizational culture plays a vital role in creating an organization's effectiveness. According to Oparanma (2010), organizational culture fosters and encourages numerous additional activities that contribute to company performance. According to Kim et al. (2004), culture influences a range of corporate activities and performance. Hence, the strength of cultural values was discovered to relate to the financial performance of businesses.

In addition, there are several studies that provide information regarding the types of organizational cultures that influence financial performance outcomes. According to Ogbonna and Haris (2000), innovative and competitive cultures are favourably associated with organizational financial performance. Due to organizational culture's impact on employee behaviour (Chang & Lin, 2007), the relationship between organizational culture and their outcomes, innovation activities, and financial performance has been intensively examined (Mortara & Minshall, 2011; Albahri et al., 2022b). A firm structure focused on financial performance could inspire employees to contribute more to the organization because employees would be financially rewarded based on their contribution, abilities, and accomplishments, not their company standing (Blanco-Mazagatos et al., 2018). Furthermore, the human resource policies will increase the contribution of company employees. Employees will feel incentivized to maintain or even increase their contribution to the organization if the achievement of company performance and goals (Peláez-León & Marín, 2021). As companies with significant levels of human resource preservation and business
may employ motivational human resource policies, these policies may raise the likelihood of achieving superior financial performance (Chang, 2012). These human resource strategies assist in attracting and retaining valuable generic and organization-specific human capital, hence driving functional and financial performance (Donate et al., 2016; Jiang et al., 2012). Moreover, these policies of the human resource area serve to encourage employees rather than improve their work skills, thereby enhancing the financial performance of the organization (Jiang et al., 2012). Even though companies may offer formal salary systems and conduct formal assessments and feedback on a more frequent basis as the firms grow (Kim & Gao, 2010), the greater emphasis placed on human resource preservation will increase the likelihood of adopting motivational Human resource policies in firms operating under high-risk conditions, thereby enhancing firm financial performance (Peláez-León & Marín, 2021). A dramatic shift in the current business environment necessitates sustainable business concepts. Consequently, the concept of inter-organizational connectivity has become indispensable for assisting businesses in achieving their financial performance objectives (Ku, 2022).

High inter-organizational connectivity enables businesses to enhance their processes, allowing them to beat rivals in the long run. In addition, Alonso-Almeida et al. suggested that inter-organizational connection activities boost financial performance during challenging times (Deepu & Ravi, 2021; Khaw et al., 2021). Therefore, managers are highly encouraged to strengthen inter-organizational ties, as they can contribute greatly to financial performance. However, the inter-organizational connection is not simply an organizational activity; it also promotes internal processes that considerably boost financial performance (Bramanti et al., 2020; Sadaa et al., 2022a). Consequently, internal measurements of Inter-organizational connectivity are frequently fused with a competitive advantage, which considerably enhances financial performance in emerging economies. Inter-organizational linkages help boost a company’s financial performance when it encounters intense competition. Recent research suggests that inter-organizational connection strategies boost the financial performance of firms significantly (Kreye & Perunovic, 2020). Thus, we assumed that:

**H1:** Organizational culture would be positively correlated with financial performance.

**H2:** Human resource policies would be positively correlated with financial performance.

**H3:** Inter-organizational linkage would be positively correlated with financial performance.

**H4:** Crisis management would be positively correlated with financial performance.

### 1.7 Mediating role of crisis management

Some studies have established the direct association between organizational contingencies and financial success, whilst others have concluded that the direct relationship is not always substantial (Myer et al., 2007). For example, it is examined that crisis management with innovative skills and capabilities (consequently referred to as management innovation) acquires critical resources for organizational sustainability and competitive advantage in order to overcome financial and organisational crises. Crisis management and competitive advantage contribute to their better financial performance (Xu & Wu, 2015). In addition, organizational contingencies such as (Organizational Culture, Human Resource Policies, and Inter-organizational connection) are viewed as management rivalry and a source of important
competitive advantage for business success (Maletič et al., 2018). Organizational contingencies that are deemed to be non-technological innovations are also referred to as new management innovations. It facilitates crisis management, strategic planning, and decision-making procedures (pertaining to finance, organization, and markets) that approach high financial performance. In this paper, we suggest that organizational contingencies help businesses configure their crisis management process, which can be a crucial means of achieving high financial performance and addressing their problem (Amhalhal et al., 2015; Sadaa et al., 2022b). Crisis management enables companies to develop a durable position and achieve business and financial success in a volatile market, which in turn configures profitability and high financial performance and enables the companies to resolve their crisis (Comfort, 2007). For instance, it is asserted that crisis management facilitates the acquisition of important resources that can streamline an organization’s internal processes and structure, thereby greatly enhancing financial performance. Moreover, it is suggested that crisis management plays an important role in the relationship between organizational contingencies and financial performance, and growth, which in turn improves the performance of the firm (Coombs & Laufer, 2018). It is examined, for instance, whether crisis management enables organizations to gain various types of resources that are essential for high performance and company competitiveness. In emerging economies, businesses employ a variety of sources and assets to acquire a competitive edge and financial success, which spur firm performance (Smith, 2000). However, crisis management is the most well-known component that enables a company to maintain a competitive advantage and achieve financial success (Israeli et al., 2011; Eneizan et al., 2019b). Having a strong understanding of the indirect relationship between crisis management and organizational contingencies, we hypothesize that organizational contingencies shape crisis management before leading to excellent financial performance. Systematically, we also prefer the indirect impact of organizational contingencies on financial performance via crisis management. Finally, crisis management plays a vital role in moderation between organizational contingencies (human resource policies, organizational culture, and Inter-organizational linkage) and financial performance. Therefore, we assumed that:

**H5:** Crisis management has a mediating role in the relationship between organizational culture and financial performance.

**H6:** Crisis management has a mediating role in the relationship between human resource policies and financial performance.

**H7:** Crisis management has a mediating role in the relationship between Inter-organizational linkage and financial performance.

### 2 Methodology

Google form was used due to the COVID-19 pandemic, and 18 electric power companies were targeted in Iraq. The Iraqi Ministry of Electricity is the study's target population. Iraq's Ministry of Electricity began growing and increasing investment in electric power generation and distribution. The first step was to rehabilitate the electric power generation, transmission, and distribution stations in accordance with a structured program based on four financial, technical, operational, and training criteria in order to identify the qualified electric power sector capable of operating in Iraq. As a result, the Iraqi Ministry of Electricity selected 16
public businesses specializing in the production, transmission, distribution, training, operation, and repair of electrical stations. To collect information about these companies, the study consulted the Iraqi Ministry of Electricity’s website and analysed data from recent World Bank publications for the Iraq Economic Monitor 2018/2020. Additionally, the Iraqi government began importing electricity from neighbouring countries (Saudi Arabia and Iran) in 2009 as a means of increasing electricity production and relieving pressure on the national grid until the required level of electric power loads was reached. Ministry of electricity aims to increase production capacity and reach 36724 MW by 2025 and strengthen production, transmission, and distribution systems. Until 2019, many achievements have been achieved, increasing production capacity from 10827 MW in 2017 to 19395 MW in 2020 (Ministry of Electricity of Iraq report, 2019). However, the actual production for the year 2021 was about 21215. Electricity companies currently represent the most important sector for the rest of the companies in Iraq because power is an important vital factor in developing economic, social and industrial countries. In addition, these companies may contribute to increasing GDP if real investment in this sector is correct (World Bank, 2019). The number of employees in The Iraqi Ministry of Electricity is 90976.

Accordingly, 379 questionnaires were collected with an overall response rate of 75%. The demographics profile of respondents were 63% male and 37% female, 34% of the respondents were between the ages 20 and 24, 27% between 25 to 30, 23% between 40 to 34, and 16% between 35 to 40 years old, respectively. Regarding education, 31% obtained a secondary degree, 28% obtained a diploma, 27% obtained a bachelor, and 14% obtained a postgraduate. To address the issue of the common bias method (CMB), we have adopted several CMB testing methods. Initially, Harman’s one-factor test (Podsakoff and Organ, 1986) was conducted to identify the presence of CMB. The results showed the variance of the first factor was 23.2%, and such a value does not exceed 50% (Podsakoff et al., 2003). Therefore, there are no concerns about the common bias.

The questionnaires contained 50 items covering the three variables. In order to analyze the answers of the respondents, a five-point Likert scale was used.

• Organizational culture: Five items scale developed by (Lee & Lan, 2011) was used.
• Human resource policies: Six items scale developed by (Takeuchi, 2009) was used.
• Inter-organizational linkage: Four items scale developed by (Gaur et al., 2011) was used.
• Crisis management: Eleven items scale developed by (Herbane, 2013) was used.
• Financial performance: Five items were adopted from (Rusbult et al., 1988).

SEM is a widely recognized analytical method in the marketing and organizational behaviour disciplines for theory testing and extension. SEM not only deals with reflective and formative measurement models but is also suitable for testing path modulus in complex models. This study used the SmartPLS program because it provides some advantages to researchers. SmartPLS helps identify linear relationships between variables and gives a distinct set of global model fit indices that are compatible with both factor-based and composite-based SEM.
3 Data analysis

This section discusses data analysis using an SEM approach. The SEM method involves the assessment of the measurement model and the assessment of the structural model. This study adopted the PLS-SEM method by using SmartPLS 3.0 software to explore the causal relationships between the constructs. The PLS-SEM method includes the measurement model (outer model) and the inner model (structural model).

In order to evaluate the measurement model, the convergent and discriminant validity were tested. Firstly, convergent validity involves the loading factor, which must exceed 0.7, the average variance extracted (AVE), which must exceed 0.5, the composite reliability (CR) and Cronbach’s alpha which must exceed 0.7. Table 1. shows the loading factor values exceeded 0.7. In addition, AVE, CR, and Cronbach’s Alpha values were statistically acceptable.

Table 1 | Convergent validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Factor loading</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture</td>
<td>OC 1</td>
<td>0.774</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>OC 2</td>
<td>0.753</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>OC 3</td>
<td>0.709</td>
<td>0.752</td>
<td>0.805</td>
</tr>
<tr>
<td></td>
<td>OC 4</td>
<td>0.712</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC 5</td>
<td>0.723</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resource policies</td>
<td>HRP 1</td>
<td>0.795</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HRP 2</td>
<td>0.746</td>
<td>0.801</td>
<td>0.893</td>
</tr>
<tr>
<td></td>
<td>HRP 3</td>
<td>0.802</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HRP 4</td>
<td>0.745</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HRP 5</td>
<td>0.701</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>HRP 6</td>
<td>0.781</td>
<td></td>
<td></td>
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<tr>
<td>Inter-organizational linkage</td>
<td>IOL 1</td>
<td>0.751</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IOL 2</td>
<td>0.845</td>
<td>0.698</td>
<td>0.820</td>
</tr>
<tr>
<td></td>
<td>IOL 3</td>
<td>0.765</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IOL 4</td>
<td>0.782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial performance</td>
<td>FP 1</td>
<td>0.834</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FP2</td>
<td>0.783</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FP 3</td>
<td>0.728</td>
<td>0.665</td>
<td>0.873</td>
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<tr>
<td></td>
<td>FP 4</td>
<td>0.843</td>
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<tr>
<td></td>
<td>FP 5</td>
<td>0.789</td>
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<td></td>
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<tr>
<td>Crisis management</td>
<td>CM 1</td>
<td>0.777</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>CM 2</td>
<td>0.824</td>
<td>0.878</td>
<td>0.856</td>
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<tr>
<td></td>
<td>CM 3</td>
<td>0.707</td>
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</tbody>
</table>
For hypothesis testing, the multicollinearity of the study variables should be examined. Multicollinearity is the opacity variables that can be highly correlated. Multicollinearity affects the results of the path model. Therefore, the correlations should not exceed 0.9. Table 3. shows the correlations between the variables were less than 0.9. Thus, there is no concern about multicollinearity. Consequently, such results support the hypotheses of the study because there is a positive correlation between leadership styles and sustainable organizational energy, in addition to a significant correlation with organizational ambidexterity (p < 0.01).
Table 3: Descriptive statistics and correlations

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational culture</td>
<td>2.230</td>
<td>0.942</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Human resource policies</td>
<td>2.535</td>
<td>0.894</td>
<td>0.468**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Inter-organizational linkage</td>
<td>2.386</td>
<td>0.994</td>
<td>0.458**</td>
<td>0.346**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Financial performance</td>
<td>2.338</td>
<td>0.893</td>
<td>0.369**</td>
<td>0.446**</td>
<td>0.638**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>5. Crisis management</td>
<td>3.112</td>
<td>0.994</td>
<td>0.684**</td>
<td>0.723**</td>
<td>0.356**</td>
<td>0.468**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: **p < 0.01
Source: SmartPLS v.3

Table 3 indicates the crisis management got the highest mean (3.112) because of the importance of crisis management at work. Attention should be paid to human resource energy because it is a vital factor for success due to human resource policies got (2.535). However, the mean for inter-organizational linkage and financial performance is 2.386-2.338, respectively. According to the standard deviations, there was a decrease in the dispersion of the answer in the respondents' opinions.

As shown in Table 4, a bootstrapping method was adopted to obtain the inferential statistics. Hence, SmartPLS software was used to test hypotheses based on second-order analysis to explore linear relationships between variables. Based on the assessment of the significance of the structural model, the impact of organizational culture on financial performance (H1) is statistically significant. Thus, hypothesis H1 is supported. The outcome is in line with other research that revealed organisational culture had an impact on a company’s financial performance (Imran et al., 2021). Furthermore, many dimensions of organisational culture can impact an organization's financial performance, such as consistency, which is required for firm survival or outstanding quality (Pawirosumarto et al., 2017; AL-Abrow et al., 2021); and adaptability, which indicates that a firm will change its strategic content and scope in response to environmental changes. Abuzarqa (2019) discovered that adaptability is directly related to organisational success; mission, by aligning personal and organizational aims in one direction, the mission contributes to the financial performance of the organisation (Ha, 2020; Atshan et al., 2022); and involvement, Chandani et al. (2016) discovered that employee involvement might help develop objectives and plans, actively develop alternative solutions, evaluate results, and innovate new problem-solving. Accordingly, the (H2), which represents the effect of human resource policies on financial performance, was supported. Human resource management (HRM) policies are increasingly considered major contributory factors in the financial performance of organizations. The study of Prowse and Prowse (2009) concluded that all HRM policies (e.g., Selection System, Training, Job Definition, P. appraisal system, Compensation system, Career planning system, and Employee participation) positively impact financial performance in Pakistan. In addition, (H3) showed the effect of the inter-organizational linkage on financial performance was statistically significant and supported. One set of scholars agreed that inter-organizational linkage between the company and its partners benefits innovation (Laan et al., 2011; Alsaleh et al., 2022b; Alnoor et al., 2020; AL-Abrow et al., 2019). Linkage ignites innovative processes, increases economies of scale, and develops sales (Bulińska-Stangrecka & Iddagoda, 2020; Sajari et al., 2022). Inter-
organizational connection helps combine and exchange resources and expertise among cooperating parties, which impacts financial performance and innovative product value creation (Oláh et al., 2021; Abdulaali et al., 2019). It also allows them to gain a competitive advantage (Cygler & Wyka, 2019; Jabbar et al., 2020). The hypothesis (H4) includes the effect of crisis management on financial performance is statistically positive and significant at 5 per cent. The results are in line with the opinion that crisis management enables companies to develop a durable position and achieve business and financial success in a volatile market, configuring profitability and high financial performance and allowing the companies to resolve their crisis (Comfort, 2007). On the other hand, the indirect effect of hypotheses (H5, H6, and H7) involves the influence of organizational culture, human resource policies, and inter-organizational linkage on financial performance through the mediator variable (crisis management). Using bootstrapping, the results show crisis management mediates the relationships between trans-organizational culture, human resource policies, inter-organizational linkage, and financial performance. Thus, crisis management is considered one of the most well-known components that enables a company to maintain a competitive advantage and achieve financial success (Israeli et al., 2011; Alnoor et al., 2022b).

Table 4 | Assessment of structural model

<table>
<thead>
<tr>
<th>Path direct effect</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>0.334</td>
<td>0.046</td>
<td>7.261</td>
<td>0.003</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>0.236</td>
<td>0.033</td>
<td>7.152</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>0.203</td>
<td>0.032</td>
<td>6.344</td>
<td>0.004</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>0.125</td>
<td>0.033</td>
<td>3.788</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Path indirect effect</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>H5</td>
<td>0.246</td>
<td>0.027</td>
<td>9.111</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>0.284</td>
<td>0.024</td>
<td>11.833</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>0.284</td>
<td>0.027</td>
<td>10.519</td>
<td>0.003</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Source: SmartPLS v.3

5 Discussion

The results of this study provide support to most of our hypotheses. Regarding the role of organizational contingencies (human resource policies, organizational culture and inter-organizational linkage) in enhancing financial performance and, our findings show that Hypothesis 1 is partially supported. As it was hypothesized, results show that the implementation of organizational contingencies (human resource policies, organizational culture, and inter-organizational linkage) related to financial performance and extensive training, participation increases employees’ affective commitment and clear job description were supportive of financial performance. In line with contingency theory (Luthans & Stewart,
1977), this result could suggest that crisis management these as supportive ones, which lead them to reciprocate that support in terms of organizational contingencies (human resource policies, organizational culture, and Inter-organizational linkage) to improve the financial performance. On the other hand, results also show that crisis management and organizational contingencies are not only useful to enhance employee affective commitment and organizational culture but also improve the organization’s financial performance. In terms of crisis management, the results revealed crisis management had the lowest level of implementation as part of the organization’s financial performance and organizational contingencies. Several studies emphasized that crisis management and organizational contingencies (human resource policies, organizational culture, and Inter-organizational linkage) can be a helpful approach to financial performance (Chang et al., 2018; Daft & Marcic, 2016; Barrena-Martínez et al., 2019). The findings present that financial performance and organizational contingencies (human resource policies, organizational culture, and Inter-organizational linkage) are widely applied to support crisis management, the culture of employees and organization, improve innovation and support the sustainability programs in the energy sector. Only aspects related to production and electricity services were evaluated. The financial performance and crisis management aspects were not widely used to promote environmental behaviour. The findings of this research have both theoretical and practical implications. Theoretically, the research is one of the very few studies undertaken in the electric power companies, especially in Iraq, which currently lacks research on the relationships between organizational contingencies, financial performance, and crisis management. Practically, this study’s findings offer valuable guidance to assist organizations in understanding which crisis management attributes or dimensions require immediate attention, why they need urgent attention, and what their development priorities should be to achieve the most effective crisis management. In addition to establishing improvement priorities for a company’s crisis management attributes to achieve the most effective crisis management, organizational contingencies can be used to assess the overall strategic position of financial performance in relation to crisis management dimensions. Future studies, therefore, could broaden this research to other sectors in Iraq. Future research might extend this study to cover more Iraqi industries. Future research can make better inferences about the connection between organizational contingencies and financial performance, which is mediated by crisis management, by utilizing more data and a wider range of sectors. Last but not least, future research should focus on the many dimensions of organizational contingencies and how they affect crisis management and financial performance in Iraq.

**Conclusion**

This study aimed to shed light on the impact of organizational contingencies such as organizational culture, human resource policies and inter-organizational linkage on financial performance through the mediating role of crisis management. To this end, a questionnaire was distributed to 379 participants working in electric power companies in Iraq. In this context, this study adopted an SEM approach to explore linear relationships between variables. The SEM method contributed to the identification of causal relationships between constructions. The results concluded that there are direct relationships between organizational contingencies such as organizational culture, human resource policies and inter-organizational linkage and financial performance. In addition, a fully mediated crisis
management role is explored for the relationship between organizational culture, human resource policies and inter-organizational linkage and financial performance. This study illustrates several theoretical contributions, which include revealing three patterns of organizational contingencies prevalent in energy companies in the context of developing countries. From the practitioner's point of view, the results of this study contributed to providing guidance to practitioners on how to maintain organizational energy and financial superiority. Hence, exploration and exploitation are key factors for achieving superior financial performance.

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