

Exploring Online and Offline Factors Influencing Employee Motivation and Performance in Iraqi SMEs

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Abstract—This study examines the impact of online and offline factors on employee productivity and performance within the small and medium enterprises (SME) enterprises in Iraq. The study aims to evaluate how digital tools, training, remote work, and communication platforms as an online factor, as well as work environment, leadership, team dynamics, and physical conditions as offline factors, influence employee performance. Additionally, the role of employee motivation as a mediating factor between these factors. A quantitative methodology was utilized, gathering data from 180 employees of SMEs across several sectors in Baghdad and Erbil using a structured survey. This sample encompasses many divisions within the SME sector, reflecting a comprehensive overview of employee viewpoints regarding elements influencing motivation and performance. The analysis is conducted using Smart PLS to test the structural equation model, assessing both direct and indirect relationships. The finding shows online and offline factors have a significant effect on employee motivation and performance, while the two indirect hypotheses showed a mediating effect of employee motivation on the relationship between workplace factors and employee performance. The findings are expected to provide insights into how online and offline workplace factors, along with employee motivation, contribute to overall employee performance in Iraq's working in SME enterprises, offering valuable recommendations for improving productivity and efficiency in the industry and in the context of Iraqi enterprises.

Keywords—Employee motivation, Employee performance, Offline factors, Online factors, Productivity.

I. INTRODUCTION

Organizations can optimize efficiency, enhance flexibility, and expand their operational scope by integrating digital tools that facilitate remote work, training, and communication (online factors) with conventional face-to-face interactions, effective leadership, and a supportive work environment (offline factors) (Arsawan et al., 2022). Previous research indicates that remote work options enhance employee satisfaction and retention, whereas hybrid approaches foster innovation and problem-solving skills. Nonetheless, numerous firms encounter difficulties in the comprehensive integration of these tactics, resulting in problems such as disjointed workflows, inequitable resource distribution, and variable performance assessment (Isley, 2021). In small and medium-sized firms, the intricacy of overseeing operational and human resource elements is

exacerbated by the necessity for a unified strategy for both online and offline activities. To clarify the distribution of the survey among employees in small and medium enterprises (SMEs) in Baghdad and Erbil, it is crucial to highlight the necessity of including participants from both locations and the comprehensive methodological framework. The study was conducted with employees from SMEs in Baghdad and Erbil, the two primary commercial hubs in Iraq. This approach ensures a representative sample from several sectors within the SME domain, providing insights into the impact of both online and offline factors on employee motivation and performance. Baghdad, the capital, and Erbil, a prominent economic center in the Kurdistan Region, provide diverse business settings, enriching the survey outcomes by capturing the range of employee experiences inside Iraqi SMEs. Moreover, World Bank data indicate that Iraq has over 608,500 small- and

medium-sized firms, which are essential for employment and economic activities beyond the oil sector. This context highlights the necessity of understanding the factors influencing employee motivation and performance to strengthen the SME sector, which faces unique challenges in funding and talent development. Research by International Project Consult Report (2023) indicates a substantial financing gap for Iraqi SMEs, estimated at USD 3.77 billion to USD 8.40 billion, emphasizing the need for initiatives that enhance employee performance through integrated online and offline strategies to promote SME growth and sustainability. This methodological approach bolsters confidence in the sample procedure and aligns with the study's focus on improving employee outcomes within this vital. Although previous studies have investigated the direct influence of online and offline elements on employee performance, there has been insufficient focus on the intermediary effect of employee motivation. Employee motivation significantly affects the translation of online and offline elements into tangible performance results, acting as a crucial catalyst that directs these impacts toward enhanced productivity and job satisfaction (Massoudi, 2025). For instance, effectively executed digital technologies can augment motivation by granting employees increased autonomy, yet supportive offline elements such as team dynamics can cultivate a sense of belonging and purpose (Saarenoksa, 2021). Notwithstanding these discoveries, a gap persists in comprehending how these components collaboratively affect employee performance in intricate sectors, such as industrial. Contemporary methods for merging online and offline strategies frequently neglect the mediating influence of employee motivation, resulting in inadequate employee performance outcomes (Dorta-Afonso et al., 2021). Inconsistent resource allocation, insufficient training, and inadequate communication channels impede the efficacy of these initiatives, leading to disrupted workflows and overtaxed personnel. A more complete approach is required that examines not only the direct impacts of online and offline elements on performance but also the mediating role of employee motivation in these connections. This study seeks to examine the influence of online and offline elements on employee performance in Iraq's SME firms, emphasizing the mediating function of employee motivation. The objectives are to examine the influence of online factors (such as digital tools, remote work, and training) and offline factors (including leadership, work environment, and team dynamics) on employee motivation; to analyze how these factors impact employee performance; to investigate the role of employee motivation in mediating the relationship between online and offline factors and performance; and to provide recommendations for small- and medium-sized enterprises to enhance employee productivity by optimizing their online and offline strategies while fostering employee motivation. This research aims to provide insights into how organizations can improve employee performance through a comprehensive approach that combines technological and human resource management strategies, emphasizing the significance of employee motivation as a crucial element for achieving optimal results. This research study will examine the interplay between online and offline elements and their impact on employee performance within the setting of Iraqi firms.

II. LITERATURE REVIEW

A. Employee Performance

In a competitive business landscape, an organization's success depends on its employees' performances. This is especially relevant for Iraqi firms, as enhancing employee performance can lead to greater production efficiency and overall organizational success (Qadir and Yeşiltaş 2020). Developing a holistic strategy for employee motivation and engagement by amalgamating online and offline elements is a fundamental way to improve employee performance in Iraqi enterprises (Agha et al., 2023). Numerous factors, as indicated by current research, might influence employee performance. These elements can be broadly categorized into two basic types: internet factors and offline ones. Online factors encompass the technological and digital elements that affect employee performance, such as the integration of continuous improvement processes, the application of key performance indicators, and the establishment of performance management systems (Martínez-Caro et al., 2020). The impact of digital technology on business performance is influenced by the function of digital organizational culture (Massoudi et al., 2023). Technological Prognostication and Societal Transformation Conversely, offline aspects pertain to the non-digital elements that influence employee performance, encompassing motivation, work discipline, and compensation. To improve employee performance in Iraqi organizations, it is essential to create a coherent integration between online and offline variables (Al-Delawi and Ramo, 2020). Turki (2024). Organizations can foster a holistic strategy for employee engagement and motivation by synchronizing these two areas, which leads to enhanced performance and the achievement of organizational goals.

B. Motivation

Employee motivation, an essential catalyst for both individual and organizational achievement, involves the mechanisms that originate, guide, and maintain effort toward professional objectives. This intricate construct is influenced by a complicated interaction of individual demands, job attributes, and organizational elements. (Kuo et al., 2024) self-determination theory (SDT) provides a pertinent framework for comprehending employee motivation, asserting that individuals are motivated by inherent psychological requirements for autonomy, competence, and relatedness. SDT posits that fulfilling these requirements in the workplace enhances employees' intrinsic motivation, resulting in increased engagement, well-being, and performance (Maslow and Lewis, 1987). Early theories such as Maslow's Hierarchy of Needs and Herzberg's Two-Factor Theory underscore the significance of satisfying fundamental needs and offering avenues for growth and acknowledgment, whereas SDT (Deci and Ryan, 2012) accentuates the necessity of cultivating a sense of autonomy and ownership in one's work. Consequently, understanding how particular job attributes and organizational elements facilitate or obstruct these fundamental psychological demands is essential for organizations aiming to foster a highly motivated and engaged workforce.

C. Online Factors

Digital methodologies in the workplace offer several advantages, such as adaptability, efficient time allocation, and equilibrium between professional and personal life. Remote work enables individuals to tap into a global talent pool and interact effectively from various places (Nwali and Adekunle, 2021). Digital components substantially influence employee performance in small and medium-sized firms in Iraq, encompassing productivity, adaptability, and training advancement. Younus et al. (2022), despite constraints such as power outages, security concerns, and infrastructural limitations, organizations can improve performance, productivity, and adaptability by emphasizing reliable IT infrastructure, offering comprehensive employee training, and adopting a hybrid work paradigm. Digital tools provide employment flexibility, enabling workers to reconcile their professional and personal life, resulting in heightened job satisfaction and reduced stress levels (Malik and Garg, 2020). Online learning platforms and virtual training sessions are essential for continuous staff training and development, offering employees access to a variety of instructional resources and fostering a sense of camaraderie among remote workers. Nonetheless, online elements alone are insufficient. An integrated strategy comprising reliable IT systems, comprehensive staff training, and a hybrid work model can improve performance, productivity, and flexibility, hence facilitating the attainment of SME objectives in Iraq. Online factors are not enough, for example, Elon Musk's choice to lay off more than 3,000 Twitter employees, primarily because they favored working remotely. Nevertheless, implementing a multifaceted approach that includes the allocation of resources to dependable IT systems, thorough staff training, and a hybrid work paradigm can enhance performance, productivity, and flexibility. Implementing this strategy can contribute to the achievement of SME goals in Iraq, in accordance with the research conducted by Al-Emran et al. (2020).

D. Offline Factors

Relationships, creativity, innovation, and job satisfaction are offline factors that significantly influence employee productivity and performance in Iraqi small- and medium-sized enterprises (Ali Al Khazraji, 2022). Robust social connections are established through direct interpersonal interactions and physical presence in the workplace, fostering enhanced communication, trust development, and collaboration (Massoudi and Fatah, 2024). Consistent team meetings and social gatherings promote camaraderie and comprehension among staff, leading to improved team performance (Firoz et al., 2024). Offline methods provide numerous business benefits, such as direct encounters, professional settings, seminars, group gatherings, and in-person training and development sessions. The establishment of robust interpersonal ties among colleagues fosters mutual support, collaboration, and inclusivity, resulting in reduced employee turnover and increased satisfaction. The efficacy and effectiveness of Iraqi small and medium-sized enterprises

are significantly influenced by two offline factors: Innovation and creativity (Bazadough, 2024). Organizations can enhance their competitiveness and efficiency by fostering innovation and creativity (Massoudi, 2024). Small- and medium-sized enterprises in Iraq can enhance employee satisfaction by providing competitive compensation, career advancement possibilities, a supportive work environment, and rewards for exceptional performance (Massoudi and Fatah, 2021). Job satisfaction is a crucial offline factor influencing the performance and profitability of small- and medium-sized enterprises (Umpusinga et al., 2024). Providing employees with competitive remuneration, opportunities for career advancement, a supportive work environment, and acknowledgment for exceptional achievement can improve their overall satisfaction and productivity (Jameel et al., 2021). Furthermore, offline variables are essential for enhancing employee performance and productivity in SMEs in Iraq. Organizations can improve their overall performance and productivity by cultivating robust interpersonal relationships, encouraging creativity, and establishing a positive work environment (Agha and Massoudi, 2021).

E. Integrating Online and Offline

The integration of digital and physical methodologies is essential for optimizing staff productivity and fostering overall organizational success. Obrenovic et al. (2020) propose that utilizing an integrated approach can attain an ideal balance between adaptability and individual engagement, leading to improved effectiveness and efficiency. Ratchford et al. (2022) conducted a study that illustrated the improvement of operational efficiency and customer satisfaction in organizations via a blend of online and offline methods. Gajdzik and Wolniak (2022) illustrate a distinct and favorable association, especially in the areas of social relations, innovation utilization, and creativity. Aduba and Mayowa-Adebara (2022) highlight the benefits of online platforms, especially regarding flexibility and the expedited development of learning skills. Consequently, employing both methodologies partially alleviates these intrinsic limitations. Organizations can significantly enhance productivity and accelerate growth by integrating both online and offline strategies (Massoudi et al., 2024). Digital methodologies enable enterprises to extend their global reach, offer marketing tools, and reduce expenses by facilitating remote work for staff. (Zaidan and Raju 2021) They enhance flexibility and efficiency through technology and data analysis. Conversely, offline methods emphasize face-to-face interactions, fostering robust relationships, and providing tangible experiences. Integrating the two can enhance productivity and improve the customer experience. Combining in-store buying with internet shopping can offer a comprehensive retail experience. This approach harmonizes the benefits of both online and offline approaches, facilitating continuous enhancement and a more cohesive corporate model. Corporations such as Amazon and Walmart have successfully expanded their global consumer bases and enhanced customer experiences through direct interpersonal interactions. This integrated approach optimizes

the strengths of both methods, addresses issues, and enhances overall outcomes.

F. Theoretical Framework

The theoretical framework demonstrates the impact of online elements (digital tools, remote work) and offline factors (leadership, work environment) on employee performance, mediated by employee motivation. Lee et al. (2018). Previous research indicates that although these elements can directly influence performance, their complete effect is realized when they augment employee motivation, thereby leading to increased productivity (Al Doghan and Albar 2015). This model corresponds with studies, highlighting the necessity of combining digital and conventional tactics to enhance motivation and improve employee outcomes (Shao et al., 2024).

G. Hypothesis Development

Motivation on performance

Employee motivation is essential for improving performance, as engaged individuals are more inclined to engage in their duties, demonstrate increased productivity, and exhibit stronger dedication to organizational objectives. Theories like Herzberg's motivation-hygiene theory and Ryan and Deci's SDT (2000) assert that the fulfillment of employees' psychological requirements for autonomy, competence, and relatedness enhances motivation, resulting in improved job performance. Previous research has repeatedly demonstrated a favorable correlation between motivation and performance, suggesting that motivated individuals not only execute their activities more effectively but also enhance innovation and problem-solving (da Cruz Carvalho et al., 2020). This study indicates a positive correlation between employee motivation and performance, drawing on findings from prior studies. Rahmadhon et al. (2024) proposed a similar hypothesis, suggesting a positive impact of desire on performance outcomes. This hypothesis aims to assess the reliability of this relationship, specifically among employees of SMEs in Iraq. Consequently, we propose the following hypothesis: H_1 : Employee motivation positively influences employee performance.

Offline on motivation

Traditional workplace environments significantly influence employee productivity. Direct interpersonal relationships foster collaboration, the sharing of ideas, and a robust understanding of organizational culture. Liu et al. 2024. Physical locations designated for brainstorming sessions and team-building activities frequently produce more original and effective ideas than virtual settings (Agbanyo and Shi, 2024). Moreover, offline settings promote a more profound comprehension of coworkers via informal cues, enhancing interpersonal relationships. Nonetheless, workplace circumstances may pose challenges, including exercise, stress, and restricted flexibility (Mattarelli et al., 2024). Maintaining a balanced integration of these elements is crucial for optimizing employee performance in contemporary mixed work settings. This study examines the impact of offline factors on employee motivation and

subsequent performance outcomes based on prior research. Zhang et al. (2024) and Wang and Lin (2024) emphasize the critical influence of offline elements in enhancing motivation and hence promoting unity within the team, confidence, and a productive work environment. Based on these insights, we propose the following hypothesis: H_2 : Offline factors positively affect employee motivation. H_3 : Offline factors positively influence employee performance through motivation Fig. 1 illustrates the theoretical framework.

Online on motivation

The performance and productivity of SME workers in Iraq are significantly affected by online factors, including digital infrastructure, remote work capabilities, online communication tools, and digital training and development programs. A robust digital infrastructure ensures the seamless execution of online tasks, reducing disruptions that could lead to employee frustration and delays in work. Reliable remote work capabilities allow individuals to operate from their preferred environments, hence enhancing productivity and job satisfaction. Al Mohamed et al. (2024). During the COVID-19 pandemic, companies like SME, equipped with robust digital infrastructure and remote work solutions, maintained elevated production levels despite the shift to home offices. Effective digital communication tools, such as Microsoft Teams and Slack, enhance collaboration and reduce misunderstandings, leading to heightened productivity. Digital training programs provide employees the flexibility of self-directed learning and the autonomy to select their schedules, facilitating continuous skill enhancement. Presently, several organizations globally are implementing hybrid work models that integrate remote and in-office employment. This is very significant at present. Small and medium-sized firms in Iraq can enhance employee performance and operational efficiency by investing in these digital components. Türkes (2024). Virtual work environments, including remote work, can significantly influence employee productivity. While remote work provides benefits, including enhanced efficiency, improved work-life balance, decreased expenses, and more access to competent professionals, it may also pose challenges. Prevalent drawbacks encompass social isolation, the erosion of boundaries between professional and personal life, and diminished informal communication. The effectiveness of remote work is contingent upon factors such as job classifications, personnel characteristics, and organizational assistance. Recent research indicates that online elements substantially influence employee engagement by improving flexibility, optimizing workflows,

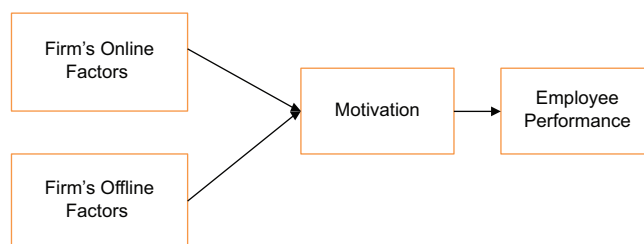


Fig. 1: Theoretical framework.

and cultivating a more adaptive work environment (Van Phong and Dung, 2024; Alyouzbaky et al., 2024). These enhancements facilitate heightened efficiency and workforce productivity. Based on this context, the subsequent hypotheses are put forth to evaluate the direct influence of online elements on motivation and investigate its mediating role in the correlation between online factors and employee performance. H_4 : Online factors positively affect employee motivation. H_5 : Online factors positively influence employee performance through motivation.

III. METHODOLOGY

A. Research Design

This study utilizes a quantitative research method to gather and analyze data. A structured questionnaire was designed based on the identified online and offline factors and motivation that potentially impact employee performance (Younus and Zaidan, 2022). The questionnaire measures employee perceptions and experiences regarding both sets of factors.

Population, samples and sampling techniques

This study involved a total of 180 employees from several departments inside SMEs located in Erbil and Baghdad, Iraq. A simple random sampling method was utilized to guarantee that every employee had an equal chance of being selected for the sample. A sample size of 180 is deemed suitable for doing structural equation modeling (SEM) with Smart PLS. Hair et al. (2017) say that a larger quantity of samples collected improves the accuracy and generalizability of the findings. Furthermore, a random sampling method was utilized to ensure that each participant had an equal likelihood of being chosen, hence enhancing the representativeness of the sample. Understanding the rationale and procedures employed to ensure that the 180 employees from small- and medium-sized enterprises around Baghdad and Erbil, who received the questionnaire, constituted a fair and representative sample will demonstrate the validity and clarity of the sampling approach utilized. Emphasize that a simple random sampling approach was employed, guaranteeing that every employee within the SME sector in these cities had an equal probability of selection. Clarify the selection procedure for SMEs from local business directories and chambers of commerce listings, assuring compliance with defined criteria that categories them as SMEs. Furthermore, indicate that the chosen individuals represented various departments within these businesses, and elucidate the distribution strategies utilized, both digitally and physically, to cater to varying levels of access and involvement preferences among employees. Internet questionnaires, distributed via email or digital links, targeted employees with digital access, whereas in-person distribution catered to individuals in smaller or more traditional firms with limited internet capabilities.

B. Data Analysis

The gathered data were examined via Smart PLS software. This method facilitates the examination of complex interactions between online and offline variables and their

direct and indirect impacts on employee performance. Smart PLS is very advantageous for managing limited sample sizes and non-normally distributed data, rendering it appropriate for our study.

C. Measurement Scales

The measurement scales for this study were categorized into multiple sections to gather demographic and research-specific data. Part A of the questionnaire gathered demographic data, including age, gender, educational qualifications, job titles, and years of experience, thereby providing a contextual foundation for response analysis. Part B had questions about the main ideas of the study, set up to test motivation (MOT1, MOT2, MOT3, MOT4), offline variables (OFL1, OFL2, OFL3, OFL4), online variables (ONL1, ONL2, ONL3, ONL4), and employee performance (EP1, EP2, EP3, EP4, P5). Every item under these categories was designed to test participants' attitudes and behaviors about these qualities, enabling a thorough evaluation of the claimed connections in the study.

IV. RESULT AND DISCUSSION

A. Demographic of Respondents

The demographic analysis offers significant insights about the 180 participants in the sample. The age distribution indicates that the predominant group of respondents is aged 20–30 (33.3%), followed by those aged 31–40 (27.2%), 41–50 (25.0%), and 51 and above (13.9%). Employees' adaptation to online versus offline work environments may be significantly influenced by their age, a crucial determinant. Younger personnel may possess greater familiarity with technology. The gender breakdown is equitable, with 50% male and 50% female responses. This enables a comprehensive assessment of the potential impact of gender on motivational responses across various work environments. The respondents' educational attainment is as follows: 55.6% own a bachelor's degree, 25% have a master's scale, 11.1% have completed secondary education, and 8.3% have attained a PhD. The rationale for this is that educational attainment significantly correlates with familiarity with formal learning and its possible influence on employee motivation and engagement with technology variables. Finally, the experience levels of the respondents vary, with 38.9% possessing 6–10 years of experience, 25% having 11–15 years, 22.2% with 1–5 years, and 13.9% having 16 years or more. The level of experience is a crucial determinant, as employees with greater experience may exhibit resistance to new technologies, while those with little experience may be more vulnerable to online influences that impact their motivation and performance. This demographic classification is crucial for comprehending the correlation among employee performance, motivation, and both online and offline influences.

B. Construct Reliability and Validity and Factor Loading

The validity and reliability results of the table, analyzed per the parameters set forth by Hair et al. (2017), offer essential

insights into the notions of motivation – offline, online, and performance. The factor loadings for motivation reveal that MOT2, MOT3, and MOT4 exhibit strong loadings exceeding 0.9, whereas MOT1 (0.259) falls well below the acceptable level of 0.7. This indicates that the item is underperforming and may necessitate removal. Similarly, the offline factors demonstrate strong loadings for OFL1, OFL2, and OFL3, each surpassing 0.7. Nonetheless, OFL4 (0.539) falls short of this criterion. ONL1 (0.820) is enough for online variables; however, ONL2, ONL3, and ONL4 have loadings below 0.7, signifying potential for enhancement. All elements (EP1 to EP5) in the performance construct demonstrate strong loadings, with values surpassing 0.7, signifying substantial validity. The Cronbach's alpha values for all constructs were above 0.7, signifying robust internal consistency: motivation (0.774), offline (0.797), online (0.803), and performance (0.864). The rho_A results further substantiate strong dependability for motivation (0.902), offline (0.795), and performance (0.872). Nonetheless, the online value of 1.004 is exceptionally elevated, indicating possible multicollinearity. The composite reliability ratings for motivation (0.865), offline (0.874), online (0.791), and performance (0.902) all surpass 0.7. Nonetheless, the AVE for Online (0.488) falls short of the required threshold of 0.5, signifying restricted convergent validity. Motivation (0.648), offline (0.642), and performance (0.649) surpass the 0.5 barrier. The constructs of motivation, offline, and performance have robust reliability and validity. Nonetheless, the online construct is prone to flaws, especially with component loadings and average variance extracted (AVE). To improve the overall fit and measurement reliability of the model, it may be essential to revise or eliminate low-loading components, including MOT1, OFL4, and ONL2, up to ONL4. As shown in Table I, Cronbach's alpha values exceeded 0.7, confirming reliability.

C. Path Coefficient Analysis

The path analysis statistics table highlights the relationships among motivation, performance, and the effects of both online and offline learning, as examined by Hair et al. (2017). The relationship between motivation and performance demonstrates a strong positive effect, indicated by a T-statistic of 27.03 and an original sample estimate of 0.806. This outcome is markedly significant ($P = 0.000$). This indicates that performance is markedly improved due to heightened motivation, as demonstrated by the low P -value and high T-statistic. Offline learning significantly enhances motivation ($O = 0.493$, $T = 8.665$, $P = 0.000$), indicating the efficacy of offline learning strategies in fostering motivation. The correlation between offline learning and performance is moderately robust ($O = 0.398$, $T = 7.978$, $P = 0.000$), indicating that offline learning enhances performance. Nonetheless, the impact is less pronounced than the indirect influence via motivation. Similarly, motivation is significantly affected by online learning ($O = 0.411$, $T = 6.591$, $P = 0.000$), while its impact is marginally less than that of offline learning. The model's direct relationship between online learning and performance is the poorest

TABLE I
RELIABILITY AND VALIDITY MEASURES AND FACTOR LOADING

Constructs	Items	Factor loading	CA	rho_A	CR	AVE
Motivation	MOT1	0.259	0.774	0.902	0.865	0.648
	MOT2	0.937				
	MOT3	0.907				
	MOT4	0.906				
Offline factors	OFL1	0.907	0.797	0.795	0.874	0.642
	OFL2	0.833				
	OFL3	0.874				
	OFL4	0.539				
Online factors	ONL1	0.820	0.803	1.004	0.791	0.488
	ONL2	0.648				
	ONL3	0.642				
	ONL4	0.670				
Performance	EP1	0.891	0.864	0.872	0.902	0.649
	EP2	0.807				
	EP3	0.814				
	EP4	0.806				
	EP5	0.699				

($O = 0.331$, $T = 6.211$, $P = 0.000$). This indicates that while online learning positively influences performance, its effect is considerably less than the indirect influence of motivation and offline learning. The model's routes are statistically significant, evidenced by P -values below 0.05 and T statistics surpassing 1.96, demonstrating considerable support for the proposed links. Hair et al. (2017) emphasize the importance of both direct and indirect effects in understanding the mediating role of variables like motivation. This investigation demonstrates that motivation is a crucial component in enhancing performance in both learning modalities.

D. Model

The model delineates the interconnections of online and offline variables, motivation, and employee performance. Hair et al. (2017) claim that for a model to have significant associations, factor loadings should preferably surpass 0.70 to guarantee indicator reliability. In this instance, many factor loadings for both online and offline variables surpass the suggested threshold, exemplified by ONL1 at 0.820 and OFL2 at 0.833, signifying robust individual item dependability for both constructs. Nevertheless, certain factor loadings, such as ONL2 (0.648) and ONL3 (0.642), are marginally below the optimal threshold of 0.70; however, they remain acceptable since they are above the minimal cut-off of 0.60, which is permissible in exploratory research. The correlation between online and offline elements and motivation (0.411 and 0.493, respectively) indicates a moderate strength, demonstrating the impact of these factors on motivation. Motivation strongly influences employee performance (0.806), over the threshold, so demonstrating that it mediates the relationship between online/offline factors and performance. The R-squared values are moderate, with 0.556 for motivation and 0.650 for performance, indicating that the model accounts for a substantial portion of the variation in both variables. This aligns with the expectations articulated by Hair et al. (2017) for a robust model in social sciences research. This indicates that both online and offline elements, when moderated by

motivation, significantly affect employee performance.

Hair et al. (2017) asserts that the R square values for the endogenous variables represent the proportion of variance elucidated by the predictors in the model. The R square score for motivation is 0.556, signifying that around 55.6% of the variance in motivation is elucidated by the independent variables in the model. The R square value for performance is 0.650, indicating that 65% of the variance in performance is accounted for by the model. The values demonstrate the model's moderate to significant explanatory power, given that behavioral research typically considers values above 0.5 as substantial. This establishes a strong basis for the model's reliability in predicting motivation and performance outcomes. The model demonstrates strong relationships between online and offline factors and their influence on motivation, which, in turn, significantly drives employee performance. The model's significant T-values and coefficients align with Hair et al. (2017) standards for evaluating PLS-SEM results, indicating a well-supported and statistically significant model.

E. Hypothesis Testing

The results of this study demonstrate strong relationships among employee performance, motivation, and both offline and online elements as shown in Table II and Fig. 2. The beta value of 0.411 and a T-statistic of 6.724 ($P = 0.000$) indicate that the utilization of digital platforms and resources in the workplace significantly enhances employee motivation. The physical work environment and direct colleague interactions are pivotal in encouraging employees, demonstrated by the pronounced positive impact of offline factors on motivation, reflected in a beta coefficient of 0.493 and a T-statistic of 8.839 ($P = 0.000$). Motivation significantly enhances employee performance, demonstrated by a beta value of 0.806 and a T-statistic of 25.195 ($P = 0.000$). Moreover, people with higher motivation typically demonstrate superior performance in their roles. Moreover, employee performance is indirectly affected by online elements via motivation, as indicated by a beta value of 0.331 and a T-statistic of 6.135 ($P = 0.000$). This indicates that digital technologies augment employee motivation, thereby enhancing performance. Similarly, offline factors provide a significant indirect positive influence on performance via motivation, demonstrated by a beta coefficient of 0.398 and a T-statistic of 8.365 ($P = 0.000$). The physical working environment enhances employee performance by affecting motivation. These findings underscore the significance of both online and offline elements in augmenting employee motivation and performance. Nonetheless, offline influences exert a marginally greater influence on motivation than online factors.

F. Discussion

This study aimed to examine the relationships between online and offline attributes, employee motivation, and employee performance, including motivation among employees working as a mediating variable. The study's

TABLE II
PATH ANALYSIS STATISTICS

Path	Original sample	Sample mean	STDEV	T statistics	P-values	Support
Motivation -> Performance	0.806	0.811	0.03	27.03	0.000	Yes
Offline -> Motivation	0.493	0.489	0.057	8.665	0.000	Yes
Offline -> Performance	0.398	0.397	0.05	7.978	0.000	Yes
Online -> Motivation	0.411	0.422	0.062	6.591	0.0	Yes
Online -> Performance	0.331	0.342	0.053	6.211	0.0	Yes

findings confirm that each examined hypothesis yields positive benefits, indicating that both online and offline factors significantly impact employee motivation and, therefore, staff performance. This section will scrutinize each hypothesis and evaluate the findings in conjunction with prior research. Table III and Fig. 3 show the result. The primary hypothesis (H_1) asserted that employee motivation positively influences performance. The hypothesis was confirmed, consistent with the findings of Rahmadhon et al. (2024), who demonstrated a favorable correlation between motivation and performance in organizational settings. The present study revealed that engaged employees exhibited heightened productivity, improved job commitment, and a proactive disposition toward achieving organizational goals. An enthusiastic individual in a customer service role may exceed typical responsibilities to improve client satisfaction, thus enhancing the company's reputation and cultivating customer loyalty. The positive results of H_1 in this study underscore the critical significance of motivation in enhancing employee performance across various roles and sectors. Hypothesis 2: Offline Factors Positively Influence Employee Motivation The second hypothesis examined the relationship between offline elements and employee motivation, suggesting that offline features positively impact motivation levels. The study corroborated this idea, with the findings of Zhang et al. (2024) and Wang and Lin (2024), which demonstrated that workplace factors, such as supportive management, a collaborative environment, and effective physical infrastructure, are essential for motivating employees. In modern organizations, cultivating a supportive work atmosphere that encourages cooperation and values individual contributions can enhance motivation and generate a sense of belonging. The positive results of H_2 in this study suggest that incorporating offline aspects might foster an inspiring workplace, leading to a more committed workforce. Hypothesis 3: Offline Factors Augment Employee Performance through Motivation it asserts that offline factors positively influence employee performance through the mediating effect of employee motivation. This hypothesis was confirmed, indicating that offline factors improve performance when motivation is heightened, in accordance with the findings of Zhang et al. (2024) and Wang and Lin (2024). Employees in an environment that emphasizes collaboration, fair compensation, and job security are likely to demonstrate increased motivation, leading to improved

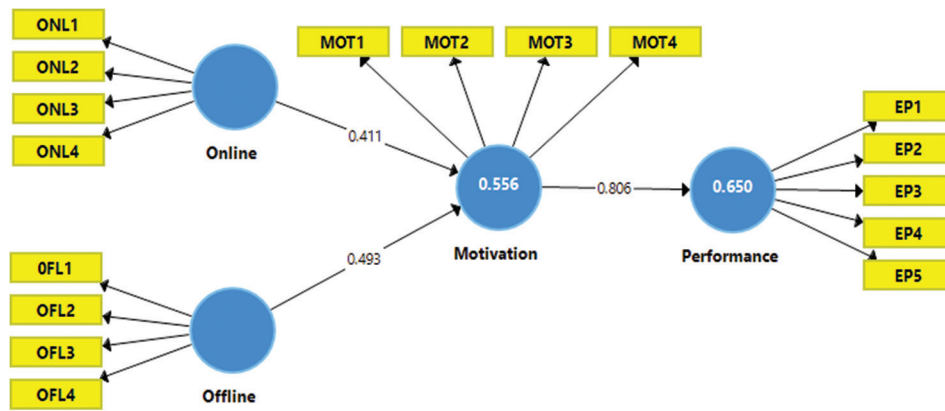


Fig. 2: Measurement model.

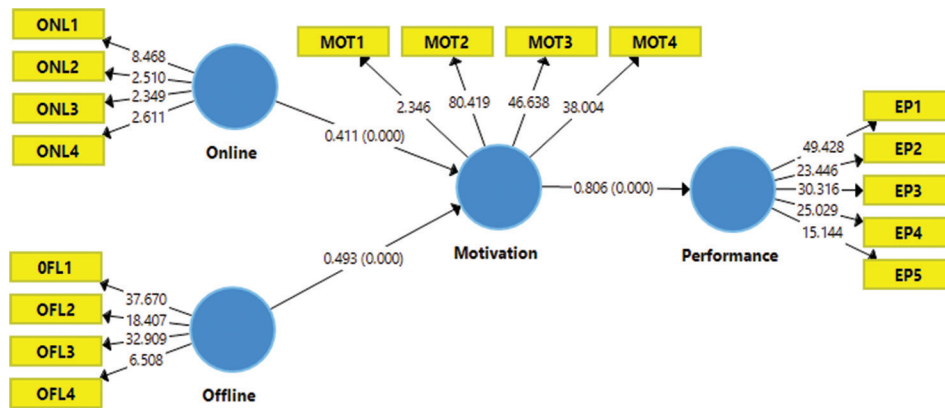


Fig. 3: Structural model.

TABLE III
HYPOTHESES, BETA COEFFICIENTS, AND JUSTIFICATIONS

No.	Hypothesis	Beta	Stat.	Justification
H ₁	Online factors positively affect motivation.	0.411	Yes	A beta coefficient of 0.411 with a T-statistic of 6.724 ($P=0.000$) shows a significant positive impact of online factors on motivation, suggesting that digital tools and platforms enhance employee motivation.
H ₂	Offline factors positively affect motivation.	0.493	Yes	With a beta coefficient of 0.493 and a T-statistic of 8.839 ($P=0.000$), the results indicate a strong positive relationship between offline factors and motivation, demonstrating the significance of physical workplace factors.
H ₃	Motivation positively affects employee performance.	0.806	Yes	The beta coefficient of 0.806, supported by a T-statistic of 25.195 ($P=0.000$), reveals a strong positive link between motivation and performance, implying that higher motivation leads to better employee performance.
H ₄	Online factors positively affect employee performance through motivation.	0.331	Yes	A beta coefficient of 0.331 with a T-statistic of 6.135 ($P=0.000$) supports the indirect effect of online factors on performance through motivation, indicating that online resources improve performance by enhancing motivation.
H ₅	Offline factors positively affect employee performance through motivation.	0.398	Yes	With a beta coefficient of 0.398 and a T-statistic of 8.365 ($P=0.000$), offline factors have a strong indirect positive effect on performance via motivation, showing that the physical environment and direct interactions enhance performance by motivating employees.

performance. A company that invests in collaborative activities offers ergonomic workspaces, and fosters a positive corporate culture is likely to have engaged employees that demonstrate enhanced productivity and innovation. The positive result for H₃ indicates that offline components indirectly enhance performance by fostering motivation, and Hypothesis 4: Digital Influences Positively Affect Employee Motivation, it asserted that online elements positively impact employee motivation, a conclusion supported by the study. According to Van Phong and Dung (2024) and Alyoubaky et al. (2024), the findings demonstrate that online resources,

digital communication tools, and flexible work technologies augment employee motivation by providing ease and flexibility. Employees who may work remotely with reliable digital tools often report increased motivation due to greater autonomy and reduced commuting times. The positive results for H₄ in this study demonstrate that access to online resources and digital employment prospects significantly boosts employee motivation in a modern, technology-driven work environment. Hypothesis 5: Digital variables enhance employee performance by fostering motivation. The fifth hypothesis (H₅) examined the indirect effect of online

variables on job performance through employee motivation. The positive result of this hypothesis supports the notion that online elements influence performance in conditions of increased motivation, in conjunction with the findings of Van Phong and Dung (2024) and Alyouzbaky et al. (2024). Employees incentivized by the convenience and accessibility of online resources, such as digital project management tools, may demonstrate increased productivity and efficiency in their responsibilities. Organizations that implement digital transformation and offer access to superior online resources may observe an increase in personnel motivation to excel. The results of this study about H_5 suggest that online components can indirectly enhance performance by fostering a motivated and engaged workforce.

V. CONCLUSION

This research has revealed significant online and offline factors that affect employee performance in Iraqi organizations, with employee motivation acting as a crucial mediator in this relationship. The results emphasize the necessity of establishing an engaging workplace that utilizes both digital resources and effective management strategies. This study advances knowledge of employee performance dynamics in Iraq and provides practical implications for organizations aiming to enhance worker outcomes. By employing techniques derived from these findings, organizations can cultivate a motivated staff that enhances performance levels. Please modify any portions to align more closely with your findings or context.

A. Implications

The results of this study possess considerable practical and theoretical ramifications. Organizations in Iraq can utilize knowledge regarding online and offline elements influencing employee performance to improve their management practices. By enhancing digital communication capabilities, offering flexible work arrangements, and cultivating a supportive organizational culture, organizations can elevate employee motivation and, therefore, performance. This study significantly enhances the current literature by elucidating the mediating role of employee motivation in Iraqi enterprises, providing a detailed knowledge of the interplay between many elements that affect performance.

B. Limitations and Future Research

This research offers significant insights; however, it possesses limitations. The study largely depends on self-reported data from employees, potentially introducing bias from social desirability or individual perspectives. Secondly, the sample size may inadequately reflect the range of industries in Iraq, hence constraining the generalizability of the findings. The cross-sectional design precludes the ability to draw causal inferences concerning the links between the identified parameters and employee performance. Future research should use longitudinal designs to elucidate the causal links between online and offline elements and

employee performance across time. Furthermore, broadening the research to encompass a wider array of businesses and organizational scales in Iraq could yield a more thorough understanding of the underlying processes. Investigating additional mediating variables, such as job happiness or organizational commitment, may enhance our understanding of employee performance across various circumstances.

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