Corporate Governance Strategy and its Role in Improving the Sustainable Financial Performance of Iraqi Banks

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ABSTRACT
This study aims to demonstrate the role of corporate governance strategy and its effectiveness in improving sustainable financial performance in Iraqi banks. Traditional indicators are ineffective as they rely solely on the financial perspective. These indicators fail to consider current and future values and aspects such as quality, innovation, development, and sustainability, which directly impact customer satisfaction within the economic unit's environment. Furthermore, the absence of a sustainable strategic dimension and the lack of knowledge regarding achieving objectives pose challenges. The study sample consists of the four most active commercial national banks listed on the Iraq Stock Exchange. A total of 80 questionnaires were utilized, based on the absolute balances and income statements spanning from 2018 to 2021. Various statistical methods, including the use of the SPSS program, were employed to analyze the data and examine the relationship and impact between the research variables. The research yielded several conclusions, with the most significant being a positive and strong correlation between corporate governance and its principles, as evidenced by the results of the statistical analysis. Additionally, there was a correlation between sustainable financial performance and its indicators within the sample banks studied.

KEYWORDS
Sustainable strategy; Institutional governance; Iraq Stock Exchange; Financial performance.

1. Introduction
Institutional governance has emerged as a pivotal mechanism in the knowledge economy, gaining significant attention from professional bodies and international expert groups (Srivastava, A., 2023). Its significance stems from its capacity to avert financial and administrative pitfalls, failures, and bankruptcies in numerous financial institutions. Additionally, it plays a crucial role in enhancing the market value of the economic entity and ensuring its sustained growth and presence in the global, regional, and local business landscape.

At a time when accounting is currently witnessing an important and prominent role in assigning and assisting the main functions of the administration towards adopting the concept of institutional governance as part of economic reform programs, which are not limited to planning, implementation and control, but rather go beyond that to making appropriate and correct decisions at all levels (AGBATA, Amaka Elizabeth 2022; Ofori, E.K. et al. 2023). Thus, Accounting should develop new techniques to provide decision-makers at various levels in the organizational structure with appropriate information for making decisions, whether they are routine or high relative importance decisions with many developments in the economic environment and the consequent radical changes.

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If we go back and examine traditional accounting activities, we find them insufficient and inappropriate at present. Therefore, the accountant must deal with modern techniques, concepts, methods, standards and tools to understand the aspects of sustainable financial performance.

Thus, the International Federation of Industrialization (CAM) confirmed in the study that was conducted in both the United States and Britain and in two stages, through which it was concluded that traditional accounting is unable to provide appropriate information that supports the decision-making process in the modern economic environment, which requires creating a perspective New to the position of the management accountant, and therefore the accountant has to provide the information that the decision-maker desires about the commodity or service, taking into account that this information is characterized by appropriateness, high quality, and in a timely manner. From the above, we feel that we need modern methods of accounting that are assign and become the basis for the Economic unit's success and improving their performance continuously regardless of the nature of the economic unit and its activity, and to provide useful and appropriate information for decision makers through a governance council that depends directly on one of the modern methods of management accounting such as continuous improvement to create a competitive advantage that directly affects the desire of the investor for administrative decisions.

The development in modern accounting techniques while ensuring the effectiveness of financial reporting and the accompanying scientific methods that took place in recent years certainly reflect positively on the development of plans and administrative decisions and provide appropriate information for the purpose of making a correct administrative decision (Tandoh, I. ., et al. 2022). Despite these developments and rapid changes in the business world still, there are Local financial institutions that follow traditional methods in preparing budgets and making administrative decisions, which stimulated the administration to search for more efficient and effective methods in the competitive market that currently prevails in the world at all levels, including corporate governance to improve financial performance (Ismail, M. D., et al. 2023; Hashem, M. A., et al. 2023). The research problem involves adjusting the corporate governance strategy to boost the sustainable financial outcomes of Iraqi commercial banks. Hence, the significance of the study can be highlighted as follows:

- Enhancing the financial sustainability of Iraqi banks using corporate governance hinges on management quality and transparency, informed by continuous improvement trends in decision-making.
- It was paying attention to an economical and vital sector, such as the banking sector, and working to lay scientific and strategic foundations for institutional governance that upgrade it. Thus, by improving financial performance, several advantages on the country's economic, social and environmental levels will be achieved.
- The corporate governance strategy guarantees sustainable financial performance and proper use of the economic unit's funds, achieving a level of compliance with law, instructions and controls, and supervising the social responsibility of the economic unit in light of the corporate governance rules and principles.

The importance of institutional control is highlighted in the direction and supervision of financial institutions to achieve objectives, success and progress or failure, decline, and consequently collapse.

Accordingly, the global call was to implement the corporate governance principles to preserve its continuity, encourage investment, and improve the role played by the board of directors, senior management, various committees, and internal and external auditors, in addition to increasing the independence of each party, to achieve self-monitoring and institutional governance.

On the other side, the study objectives lie in several points that can be formulated as follows:

- Shedding light on institutional governance and focusing on the good governance and transparency elements in all transactions and operations of banks and financial auditing that enables controlling elements of financial corruption at any stage of work.
- Acquaintance with the rules of ethical behavior and creating a consistent and interdependent work environment with the principles and elements of institutional governance in local banks to restore confidence through increased monitoring and guidance on its activity.
- Discussing the scope of corporate governance as a system of guidance and control over the activity of banks based on organizing the decision-making process after distributing authorities and responsibilities among the main parties in the banks' senior administration.

Finally, the core premise of this study postulates that (employing the corporate governance strategy aids in the crafting and execution of accurate decisions by the management, which in turn enhances the sustainable financial performance of banks as a strategic response to identify or mitigate risks). From this central hypothesis, several sub-hypotheses can be derived:
• There is no inconsistency between the study sample banks in adopting a corporate governance strategy to improve sustainable financial performance.
• There is no notable statistical relationship between the principles of corporate governance and the indicators of strategic financial performance.

2. Literature Review

2.1 The Theoretical Framework of The Corporate Governance Strategy

Corporate governance has emerged as a pivotal mechanism in both regional and international institutions after witnessing a spate of financial crises in numerous countries (cited works include Abdullah, S. N. 2016; Mertzanis, C. et al. 2019; Buallay, A. 2019; El-Chaarani, H. et al. 2022; Malik Ernawati et al. 2023). These crises, especially pronounced in developed nations, encompass events like the financial upheavals in various countries of East Asia and Latin America in 1997. Moreover, the collapse of Enron, a major player in the electricity and natural gas market in the U.S., in 2001, and the debacle of WorldCom in 2002, the world’s second-largest telecom company, underscored the vulnerability of even global giants. Both these companies had their accounts audited by the world-renowned firm Arthur Andersen. The situation was further aggravated by the bankruptcy of Lehman Brothers, America’s fourth-largest bank, leading to unprecedented declines in stock markets across the U.S., Europe, Asia, and the Arab world post-September 15, 2008 (Power, M. 2010; Bhagat, S. 2017).

Dahmash and Abu Zir, 2003 indicate that these collapses are mostly due to administrative and accounting corruption, bearing in mind that accounting corruption is due in one of its important aspects to the role of auditors and their emphasis on the validity of the financial statements and the accounting information they contain other than the truth. And the integrity of the auditors, as well as the widening gap in expectations between the users of the lists and the auditors.

Furthermore, company collapses often result from inadequate management controls, inexperience, imbalanced financing structures, and insufficient internal cash flows to meet obligations. The absence of transparency and non-adherence to International Financial Reporting Standards (IFRS) also play significant roles (Gupta, P. 2012; Ferede, Y. 2012; Sun, J. et al. 2014; Goel, P. 2018). This achieves disclosure and transparency in addition to not showing the accounting information of the true financial conditions of the economic units due to many reasons, the most important of which are abuses, fraud, accounting errors, hidden internal information, and misleading (deception) and the low professional behavior of departments and global auditing offices, and as a result, the Society has lost confidence in the administrative, control and accounting systems, that negatively affected investment decisions in the American Stock Exchange and other international stock exchanges (Jumaa and Al-Rifai, 2003: 154).

The main problem, according to what researchers in this field believe, lies in the expectations gap (Expectation Gap), the gap between society’s expectations (investors, lenders, government agencies, etc.) and between auditors and the reality of their obligations regarding the outputs of external audit work and the actual reality of these outputs. In fact, the auditors do not guarantee the accuracy of the financial information, as they are only required to practice an audit that achieves a reasonable amount of professional skill and care for the company’s commitment to accounting standards and to ensure that the financial reports represent “truth and fairness” in relation to the company’s performance and its financial position (Abu Zir, 2009: 16; Jabbar, N. S. 2018; Quick, R. 2020; Deepal, A. G., & Jayamaha, A. 2022).

Additionally, Sayyid Ali and Al-Issa, 2004 confirmed the importance of managing the gap. We mention that one of the reasons for the bankruptcy of many savings and loan institutions in the United States of America is their failure to manage the gap between their assets and their liabilities, as they financed their long-term assets (mortgage housing loans) through their liabilities ( savings deposits) with short-term and floating rates, and the rise in interest rates led to an increase in the cost of interest paid on deposits in the short-term so that fixed interest income from housing loans exceeded real estate.

2.2 The Concept of Corporate Governance Mechanism

The corporate governance mechanism is a method for protecting the interests of shareholders by identifying opportunities for the financial management to manipulate accounting numbers in the financial statements and to prevent scandals that auditors could cause as a result of approving those lists and adding confidence and credibility (Reed, 2005: 37; Kaawaase, T. K., et al. 2021).

The concept of corporate governance relates to the way in which the Board of Directors monitors the company’s workflow and how to achieve accountability of responsibility in the face of shareholders. This modern term initially appeared in the reports and recommendations of international economic and financial institutions when it was introduced by the World Bank and the International Monetary Fund under the name of Corporate Governance within the framework of the recommendation to define ownership and management and separate them in public companies with clear standards for accounting accountability and strong mechanisms for disclosure and transparency.
Corporate governance has risen to prominence as a key mechanism in regional and international entities, especially after a series of financial disruptions impacted many corporations (as evidenced by works from Abdullah, S. N. 2016; Mertzanis, C. et al. 2019; Buallay, A. 2019; El-Chaarani, H. et al. 2022; Malik Ernawati et al. 2023). The brunt of these crises was especially felt in the developed world, highlighting incidents such as the financial shocks in East Asia and Latin America in 1997. Additionally, the downfall of Enron in 2001, a major entity in the U.S. energy sector, and the 2002 fiasco of WorldCom, the globe’s second-largest telecom company, emphasized the potential fragility of even the most prominent corporations. Notably, both these companies were audited by the globally recognized Arthur Andersen firm. The financial landscape was further destabilized by the 2008 bankruptcy of Lehman Brothers, the U.S.’s fourth-largest bank, which triggered dramatic downturns in stock markets not only in the U.S. but also in Europe, Asia, and the Middle East (references include Power, M. 2010; Bhagat, S. 2017). Also, Forghl (2013) defined it as a set of processes and mechanisms aimed at reducing the difficulties and problems between shareholders and managers due to the agency theory and the accompanying separation of ownership from management.

Moreover, Monks & Minow (2001) described corporate governance as the interplay among various parties guiding an organization’s direction and performance. They highlighted shareholders, management, and the board of directors as the primary participants.

As well as the Institute of Internal Auditors views corporate governance as a set of processes via procedures employed by stakeholder representatives. This oversight manages risks, monitors organizational threats, and ensures controls to mitigate such risks, directly aiding in goal attainment and value preservation. Importantly, stakeholders bear the responsibility for executing governance activities to ensure the organization’s effectiveness (stewardship) (Karagiorgos, T. et al. 2010).

Similarly, the Cadbury committee went to almost the same content, as it defined governance as a system for controlling the financial and non-financial aspects, and through this system, directs and monitors the entire organization (Forbes, W., & Watson, R. 1993; Spira, L. F., & Slinn, J. 2013).

From the researcher’s perspective, effective corporate governance is that which equips the board of directors with the necessary foundations to achieve objectives beneficial to the financial institution. It paves the way for a robust control process, thereby aiding institutions in optimizing their resource utilization. While the concept of corporate governance isn’t novel in the realm of accounting and auditing, a shared aspect across various definitions of governance is its focus on enhancing performance, promoting transparency, ensuring discipline, and fostering fairness. It is intrinsically tied to the framework or architecture of internal control. It is considered a stage of the system development. Also, the Institute of Internal Auditors paid attention to this term as indicated by Howard, J. Johnson in an article entitled: Corporate Accounting and Risks states: “The Institute of Internal Auditors believes that the organization is best served by professionally qualified, fully informed internal audit staff who provide the added value, which is considered sensitive at the current time for the efficient and effective management of any economic unit” (Johnson, 2000, p.1). The researcher believes that there are three main reasons that may represent a reason for the emergence and spread of the concept of corporate governance:

- The financial collapses suffered by companies, especially in America and other countries of the world.
- The oversight role of government organizational agencies over companies.
- The last reason is related to the auditing profession and its supervision.

The intact accounting policies and financial reports, the entire internal control, the independence of the members of the Board of Directors and its auditing committees, the good structural organization, the responsibilities and duties of the administrative staff, the quality of work, and the level of customer service are important pillars of any strong institutional control system in addition to other pillars related to openness, accountability, impartiality, transparency and others.

Further, the investor’s confidence in the companies remains firmly rooted in these pillars and pillars in the management of the company and thus provides a strong institutional control that gives credibility to the management of the company and its financial statements. The framework of corporate governance, in its narrow concept, is the company’s relationship with its shareholders, either on a large scale or, in its general sense, the elaborate and courtly mechanism for controlling the relationship between the joint parties. It is the company’s relationship with society as a whole, and it is a set of organizational and structural frameworks that control processes, direct companies, and regulate the relationship between management owners and shareholders. It also guarantees fair and equal treatment of all shareholders, including minority shareholders, and recognizes all shareholder rights defined by law.
2.3 The Goals of Institutional Governance

Moureen (2004) and others (Haider, N. et al. 2015; Zabri, S. M. et al. 2016; Danoshana, S., & Ravivathani, T. 2019; Kyere, M., & Ausloos, M. 2021) asserted that good corporate governance helps institutions of all kinds in supporting the concepts of evaluating sustainable financial performance, increasing the company’s competitiveness, documenting confidence on the part of investors and attracting investments, creating an effective control process, and improving the economy in general to reach the goals that are in the interest of the institution, through the following means:

- Enhancing transparency in financial activities, accounting, and auditing to curb financial corruption at all stages.
- Enhancing and evolving the company’s management practices, aiding managers and the board of directors in formulating a solid strategy, and ensuring that decisions and oversight are grounded on firm principles, resulting in heightened operational efficiency.
- Preventing financial crises in banks, given their significant influence on the domestic economy.
- Strengthening public confidence in the success of the investment process while ensuring that banks achieve the best return on their investments, which increases job opportunities and increases economic development.
- Ensuring fair dealing with shareholders, employees, creditors, and other parties with interests, especially in the event of company bankruptcy.

Highlighting the need to broaden the adoption of the governance concept in the economic landscape and leveraging it to advance accounting practices and the auditing profession. This will enhance the quality of accounting information within the accounting realm, influencing investor decisions and the dynamics of financial instruments in the stock market. Effective corporate governance attains numerous objectives, among the foremost being:

- Maximizing companies’ performance by carrying out guidance, management, and oversight activities to achieve objectives.
- Carrying out the organisation’s successful performance and good achievement, evaluating senior management’s performance, and enhancing accountability and transparency.
- Enhancing the management of various risks, including operational risks, market risks, credit risks, technology risks, risks of violating laws, etc.
- Developing a future strategy for the company’s business, following up on its activities and monitoring its results.
- Provide fair dealings with all interested parties.
- F. Distinguish between the roles of executive managers and board members, using organizational structures that define rights and responsibilities.
- Preventing accounting and financial issues to bolster and stabilize businesses in the operating environment, averting financial meltdowns in banking systems and local and global financial markets, and promoting economic development and stability.
- Promote adherence to accounting principles and international financial reporting standards, fostering self-control systems within ethical bounds rooted in work ethics and societal values. This quality is essential in auditors. (Greet, 2004; Darwish, 2003; Hashed, A., & Almaqtari, F. 2021).

The researcher contends that institutional governance serves as a mechanism for efficiently monitoring and evaluating the actions of boards of directors, with the ultimate goal of advancing the financial interests of investors. This is achieved through prudent resource utilization, optimizing the financial institution’s value, bolstering its competitiveness in capital markets, and enhancing its reputation. Building trust among stakeholders is crucial, as it enables the financial institution to attract funding from both local and international sources.

2.4 Principles of Corporate Governance

The Organization for Economic Cooperation and Development (OECD) has played a prominent role in the issue of corporate governance and issued in 1998 a set of non-binding principles and guidelines for business organizations on corporate governance in response to a meeting of the OECD Council at a ministerial level. Since the agreement on these principles in 1999, the foundations or rules for the preliminary step of institutional governance have been formulated in each of the OECD countries or abroad in cooperation and coordination with the World Bank and the International Monetary Fund. Among the most important things included in these principles are the rights of shareholders, how to be fair to them, the role of stakeholders in governance, the responsibilities of the board of directors, disclosure, and transparency (OECD, 2004).

Center for International Private Enterprise (2003) set out the following principles that are comprehensive standards and guarantees acceptable to all stakeholders in developing an important framework for corporate governance:
The first principle emphasizes safeguarding the Rights of Shareholders and the core functions of property rights. Corporate governance practices should establish a framework that ensures the protection of shareholders' rights. Shareholders must possess a comprehensive awareness of the company's operations, along with the ability to comprehend and access all financial statements. This knowledge is crucial for preserving their rights and interests.

The second principle underscores the Equitable Treatment of Shareholders, which includes providing equal treatment for minority shareholders and foreign shareholders. It necessitates parity among shareholders within the same category.

The third principle emphasizes the Role of Stakeholders in Corporate Governance. Corporate governance principles should encompass the definition of stakeholders' roles, such as suppliers, lenders, employees, consumers, and others, as stipulated by law. It also stresses the importance of respecting the legal rights of stakeholders and offering redress for any violations. Effective collaboration between companies and stakeholders is encouraged.

The Fourth Principle centers on Disclosure and Transparency. Timely disclosure of all significant matters concerning the company is imperative. This includes aspects like financial status, performance, property rights details, major shareholders, and impartial external audits conducted by competent auditors.

The Fifth Principle focuses on the Responsibilities of the Board of Directors. Corporate governance principles should provide a clear, specific, and transparent delineation of the board's responsibilities, encompassing authorities, duties, rights, obligations, compensation, salaries, and incentives. Key board responsibilities include overseeing and guiding the company's strategy, setting annual budgets, capital allocation, activity plans, performance evaluation, risk management, and ensuring the accuracy of the company's financial and accounting reports.

Ensuring the Foundation for an Effective Governance Framework is vital. Such a framework should promote transparency and market efficiency, align with the rule of law, and clearly define the allocation of responsibilities among various supervisory, regulatory, and executive bodies.

The International Standard Classification of Occupations (ISCO) in 2002 reinforces the principles of governance or institutional control to ensure economic stability and the stability of financial markets (ISCO Recommends. 2002).

Furthermore, Transparency International endorses these principles, which currently encompass seven key factors crucial for globally recognized corporate governance. These factors are transparency, accounting disclosure approach, the quality of information in accounting disclosure, auditing, independence, equity, and discipline (Center for International Private Enterprise, 2003, p. 171).

Global economies have taken the concepts of business risks and their effects on financial markets as a focus of attention and study. Therefore, international bodies and organizations tend to develop principles that help companies and the local economy overcome these risks. These principles were called Corporate Governance Principles. It stipulates that companies must have the tools to deal with the threats of those risks and discover them before they occur or minimize their effects. Therefore, these principles are indicators of the extent of the company’s exposure to risks. The more the company applies the governance principles, the less likely it will be exposed to risks, and vice versa (Al Abbas, 2009).

The aim of the Principles of Corporate Governance was to aid not only the governments of OECD countries but also governments worldwide in evaluating and enhancing the legal, institutional, and legislative structures governing corporate governance within their respective nations. Additionally, these principles aimed to offer guidance and recommendations to financial markets and investors.

The standards have focused on joint-stock companies and other entities that have a role in developing new corporate governance. The standards have focused on joint-stock companies whose shares are traded in the financial markets.

Therefore, the Institute of International Finance (IIF) has worked hard to issue legislative provisions for corporate governance that provide regulatory and supervisory efficiency for companies and specialized bodies to supervise the follow-up of markets, based on two important pillars, which are transparency, disclosure, and the existence of proper accounting standards (Morrison & Forester, 2008: 3).

The researcher believes that within this content of institutional control, management should work to maximize the benefit of stakeholders when exercising its authority by enhancing performance and accountability in the economic unit and transparency when disclosing financial instruments. Therefore, it must be recognized that there is a correlation between disclosure, transparency, responsibility and accountability in The institutional control framework and the nature of the management's implementation of its authorities. So, transparency has an important role in providing information to users and stakeholders in a more complete, meaningful and transparent manner through financial reports to help users evaluate the economic unit's economy, effectiveness and efficiency.
2.5 Foundations of Corporate Governance
Ahmed (2003) clarified that to promote and support corporate governance, there must be many basic elements on which the corporate governance framework is based to reach a state of distinction when applied, and this is evident through the following:

- The existence of laws and legislation that clearly disclose the rights and duties of shareholders, such as the right to vote, the right to elect members of the Board of Directors, and the right to appoint and dismiss the auditor. On the other hand, the rights of society over the company and their duties towards it are also clarified.
- The existence of a clear vision that defines the parameters of the company’s strategy regarding the trading of financial instruments ensures the realization of this vision by converting it into short and long-term plans and goals.
- The existence of a clear organizational structure that defines authorities and responsibilities and delegates powers, produced by a set of systems such as the internal system and the internal control system, and most importantly, a responsibility accounting system that provides a set of financial and non-financial indicators necessary for accountability, control and performance evaluation.
- The existence of an audit committee with the authority to guarantee the right to exercise its oversight role for the work of the internal and external auditor and the right to follow up on their reports to ensure that the company’s management implements the proposals and recommendations contained in these reports.
- The existence of an effective reporting system that embodies an important element represented by transparency that can provide appropriate information about the company’s performance not only to its management and shareholders but also to all other parties who use the company’s published financial data in decision-making, such as current and potential investors, lenders, customers, employees, and relevant government agencies, also the disclosure of information in the reporting system plays a vital role in achieving the main goal of corporate governance.

- Michael (2005) stated that the corporate governance system possesses the elements of the system, and each system has its own inputs, operating system, and outputs according to which it operates, so this system consists of the following:
  
  - The inputs of the corporate governance system are all requirements that must be met for it, whether legal, administrative, or economic.
  - The Corporate Governance Operating System is the authorities supervising the application process, the supervisory authorities, and every administrative entity that contributes to implementing the standards and conditions of corporate governance and improving its effectiveness and efficiency or contributing to the development of its provisions.
  - The outputs of the governance system: It must be known that corporate governance is not a goal in itself but an effective means to achieve certain goals that everyone in any economic unit seeks. It is a set of standards, rules, and laws that regulate the performance of companies, as well as scientific and executive practices that are adhered to by companies and institutions work to preserve the rights of stakeholders and achieve disclosure and transparency in the financial statements in order to serve the interests of users.

3. Materials and Methods
The researcher relied on different methods in collecting data and information in order to enrich the theoretical and practical side, including Arab and foreign sources such as books, periodicals, articles, accounting research, the most important previous published studies and other documents related to the subject of the research, in addition to the use of the international information network (INTERNET) and access Stay up-to-date with the latest scientific developments related.

3.1 The Research Sample
The research sample included four commercial banks, which were selected from a total of (45) banks registered in the Iraq Stock Exchange because they are among the most active national banks in the country, and the possibility of accessing their data through electronic portals and the availability of their financial reports, which are as in the following table:
Table 1. The most active national banks in the country.

<table>
<thead>
<tr>
<th>The bank</th>
<th>Date of incorporation</th>
<th>Paid-up capital</th>
<th>Number of branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Baghdad</td>
<td>2/18/1992</td>
<td>250 billion dinars</td>
<td>33</td>
</tr>
<tr>
<td>International Development for Investment and Finance</td>
<td>11/1/2011</td>
<td>250 billion dinars</td>
<td>10</td>
</tr>
<tr>
<td>Trade Bank of Iraq</td>
<td>1/2/1992</td>
<td>250 billion dinars</td>
<td>17</td>
</tr>
</tbody>
</table>

3.2 Description of Research Variables and Descriptive Analysis

This study investigates how the corporate governance strategy influences the improvement of sustainable financial performance in Iraqi banks. We distributed 80 questionnaires to bank administrators, department heads, and directors within our selected bank samples. Additionally, we studied balance sheet and income statement data from these banks for the 2018-2021 period. The collected data was analyzed using various statistical methods in the SPSS software to determine the correlation and impact between the study variables.

The questionnaire served to underscore the significance of corporate governance strategy for the sustainable financial performance of Iraqi banks. It comprised three main sections:

- Corporate governance strategy.
- The current state of sustainable strategic financial performance in Iraqi commercial banks.
- The influence of the corporate governance strategy on enhancing the financial performance of these banks.

The questionnaire results indicated a consensus on the importance of corporate governance strategy and its impact on the sustainable financial performance of Iraqi commercial banks.

To achieve the purpose of the questionnaire, the researcher designed the questionnaire questions, which aim to know and measure the workers of financial managers and accountants in a sample of banks on the subject of the research. The questionnaire consists of two main paragraphs:

The first paragraph: Assessing demographic factors such as gender, educational level, and years of service.

The second paragraph: Evaluating the study’s independent and dependent variables related to the corporate governance strategy and its impact on the financial performance of Iraqi banks, divided into three main categories:

The first axis: Corporate governance strategy.

The second axis: Sustainable strategic financial performance.

The third axis: The role of corporate governance strategy in enhancing the financial performance of Iraqi banks.

A five-point Likert scale was used for the research tools. Each item was rated on a scale from "completely agree" to "completely disagree," represented numerically as (5, 4, 3, 2, 1), respectively. This scale was chosen for result analysis purposes:

From 1.00-2.33 few
From 2.34-3.67 medium
From 3.68- 5.00 large

The scale was calculated using the following equation:

Scale upper limit (5) - Scale lower limit (1)
Number of categories required (3)

5-1/ 3 = 1.33

Then, add the answer (1.33) to the end of each category.

Stability of the study tool: To confirm the instrument’s reliability, Cronbach’s Alpha (indicating internal consistency) was calculated, and the outcomes are displayed in Table 2.
Table 2. Cornbrash’s internal consistency coefficient alpha

<table>
<thead>
<tr>
<th>Domains</th>
<th>Internal consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>The role of corporate governance strategy</td>
<td>0.91</td>
</tr>
<tr>
<td>The sustainable financial performance of banks</td>
<td>0.89</td>
</tr>
<tr>
<td>The impact of corporate governance strategy on the sustainable performance of banks</td>
<td>0.92</td>
</tr>
</tbody>
</table>

Table 2 indicates that the values of Cronbach’s Alpha for all dimensions of the study tool (questionnaire) range from 0.89 to 0.92. A coefficient below 0.60 signifies weak reliability, and Sekaran & Bougie (2010) suggest that a minimum reliability coefficient should be 0.70. Coefficient values of 0.80 and above denote good reliability. Given these standards, the values in the table highlight the study tool’s reliability, internal consistency, and suitability for statistical analysis.

**Construction validity:** To determine the construct validity of the scale, correlation coefficients were derived between individual items and the total score of their respective axis. This was done using an exploratory sample outside of the main study, consisting of 30 participants. The correlation coefficients ranged between 0.50 and 0.88. The details of these coefficients are presented in Table 3.

Table 3. Correlation coefficients between the paragraph and the total score of the axis.

<table>
<thead>
<tr>
<th>The Role of Corporate Governance Strategy</th>
<th>The sustainable financial performance of banks</th>
<th>The Impact of corporate governance strategy on the sustainable performance of Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paragraph No</td>
<td>correlation coefficient</td>
<td>Paragraph No</td>
</tr>
<tr>
<td>1</td>
<td>.52(**)</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>.64(**)</td>
<td>17</td>
</tr>
<tr>
<td>3</td>
<td>.50(**)</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>.79(**)</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>.72(**)</td>
<td>20</td>
</tr>
<tr>
<td>6</td>
<td>.72(**)</td>
<td>21</td>
</tr>
<tr>
<td>7</td>
<td>.65(**)</td>
<td>22</td>
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<tr>
<td>8</td>
<td>.75(**)</td>
<td>23</td>
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<td>9</td>
<td>.71(**)</td>
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<td>.73(**)</td>
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<td>13</td>
<td>.63(**)</td>
<td>28</td>
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<tr>
<td>14</td>
<td>.60(**)</td>
<td>29</td>
</tr>
<tr>
<td>15</td>
<td>.69(**)</td>
<td>30</td>
</tr>
</tbody>
</table>

* Statistically significant at the level of significance (0.05).
** Statistically significant at the level of significance (0.01).

It's worth highlighting that all correlation coefficients achieved acceptable and statistically significant levels, leading to the retention of all paragraphs. As for the statistical methods utilized, several approaches were employed to harness the collected data for the research’s objectives. Among the most crucial of these methods are:
• The stability test of the study tool: It was used to examine and test the degree of reliability of the research sample's answers to the questionnaire, and the value is considered very excellent if it is greater than (80%) and good if it is between (71%-80%) and acceptable if it is less than (71%).
• Descriptive analysis in terms of the arithmetic mean, standard deviation, upper value and lower value.
• Percentages and Frequencies: Describe the demographic characteristics of the respondent.
• Simple linear regression analysis test, T-test.

3.3 Description characteristics of the study sample
The research sample consisted of more than (80) questionnaires. Sixty-nine (69) questionnaires were obtained after distributing them to account managers and accountants working in Iraqi commercial banks. They were chosen randomly, and Table 4 shows the distribution of the research sample according to demographic variables.

<table>
<thead>
<tr>
<th>ID</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Male</td>
<td>32</td>
<td>46.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>37</td>
<td>53.6</td>
</tr>
<tr>
<td>Age group</td>
<td>20-29</td>
<td>26</td>
<td>37.7</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>22</td>
<td>31.9</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>18</td>
<td>26.1</td>
</tr>
<tr>
<td></td>
<td>50 and over</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>Years of service</td>
<td>Less than 5 years</td>
<td>22</td>
<td>31.9</td>
</tr>
<tr>
<td></td>
<td>From 5-10</td>
<td>21</td>
<td>30.4</td>
</tr>
<tr>
<td></td>
<td>11-15</td>
<td>17</td>
<td>24.6</td>
</tr>
<tr>
<td></td>
<td>16-20</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Qualification</td>
<td>Diploma</td>
<td>8</td>
<td>11.6</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s</td>
<td>29</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Master’s</td>
<td>21</td>
<td>30.4</td>
</tr>
<tr>
<td></td>
<td>Ph. D</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>2</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>The total</td>
<td>69</td>
<td>100</td>
</tr>
</tbody>
</table>

• Concerning gender, the table indicates that males dominate the workforce in Iraqi commercial banks, making up 53.6% of employees. This suggests that Iraqi commercial banks predominantly employ males in accounting roles.
• In terms of educational qualification, bachelor’s degree holders make up the majority of Iraqi commercial banks, accounting for 42.0%. This signifies that many accountants in these banks have formal academic training, equipping them with the necessary knowledge to perform accounting tasks proficiently.
• Regarding the years of service variable, the table shows that respondents with 5-10 years of experience are the most common, whereas those with 16-20 years are the least prevalent. This indicates that the majority of accountants in these banks have a substantial amount of experience.

4. Results and Discussion

4.1 Results Related to The Independent Variable (Corporate Governance Strategy)

The arithmetic means and standard deviations of the responses of the research sample on the corporate governance strategy were extracted as follows:

Table 5. Arithmetic means and standard deviations related to corporate governance strategy. Arranged in descending order by arithmetic means.

<table>
<thead>
<tr>
<th>Rank</th>
<th>No.</th>
<th>Items</th>
<th>Arithmetic mean</th>
<th>Standard deviation</th>
<th>Relative importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
<td>Corporate governance strategy leads to appropriate financial performance.</td>
<td>4.36</td>
<td>0.593</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>The main purpose of implementing a corporate governance strategy is to reduce the cost of capital.</td>
<td>4.33</td>
<td>0.634</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
<td>The application of the corporate governance strategy allows multinational companies to implement the accounting systems used in banks and their affiliated branches.</td>
<td>4.33</td>
<td>0.741</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>13</td>
<td>Implementing a corporate governance strategy positively influences the financial statements, benefiting decision-makers and users.</td>
<td>4.32</td>
<td>0.675</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>10</td>
<td>Compliance with the corporate governance strategy leads to the development of financial information systems in banks through continuous improvement of the information it requires.</td>
<td>4.25</td>
<td>0.755</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>11</td>
<td>Corporate governance strategy puts banks in comparison against banks with similar activity.</td>
<td>4.25</td>
<td>0.755</td>
<td>High</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>Corporate governance strategy leads to reduced asymmetry and information asymmetry for investors.</td>
<td>4.22</td>
<td>0.725</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>6</td>
<td>The corporate governance strategy leads to an increase in accounting disclosure by comparing the productive efficiency and cost of capital in banks.</td>
<td>4.2</td>
<td>0.698</td>
<td>High</td>
</tr>
<tr>
<td>9</td>
<td>2</td>
<td>Corporate governance strategy leads to increased investors as a result of their high confidence.</td>
<td>4.19</td>
<td>0.733</td>
<td>High</td>
</tr>
<tr>
<td>10</td>
<td>3</td>
<td>The quality of accounting disclosure depends on the implementation of the corporate governance strategy.</td>
<td>4.19</td>
<td>0.692</td>
<td>High</td>
</tr>
<tr>
<td>11</td>
<td>8</td>
<td>The implementation of the corporate governance strategy provides an appropriate investment climate in which security, democracy and transparency are available in financial information.</td>
<td>4.17</td>
<td>0.685</td>
<td>High</td>
</tr>
<tr>
<td>12</td>
<td>15</td>
<td>Implementing a corporate governance strategy gives banks a clear view of their financial status, allows them to assess their capabilities, and track shifts in their financial position relative to liabilities.</td>
<td>4.17</td>
<td>0.685</td>
<td>High</td>
</tr>
</tbody>
</table>
from Table (5), it’s evident that the components of the corporate governance strategy are deemed highly important. The overall mean score stands at 4.22, with a standard deviation of 0.196. The statement “The corporate governance strategy leads to attracting domestic and foreign investments” ranked highest with a mean of 4.36 and a standard deviation of 0.593, indicating its high relative importance. On the other hand, the statement “Adhering to the corporate governance strategy enables banks to compete on local, regional, and global levels” had the lowest ranking but still held a high importance with a mean score of 4.06 and a standard deviation of 0.705.

4.2 Results Related to The Dependent Variable (Sustainable Financial Performance)

The arithmetic means and standard deviations of the answers of the research sample on the sustainable performance of banks were as follows:

Table 6. Arithmetic means and standard deviations related to the sustainable financial performance of banks are arranged in descending order by arithmetic mean.

<table>
<thead>
<tr>
<th>Rank</th>
<th>No.</th>
<th>Items</th>
<th>Arithmetic mean</th>
<th>Standard deviation</th>
<th>Relative importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>Banks study and analyze marketing resources to achieve their strategic goals and policies.</td>
<td>4.39</td>
<td>0.548</td>
<td>High</td>
</tr>
<tr>
<td>1</td>
<td>29</td>
<td>Banks use efficient and effective information systems linked to the latest technology.</td>
<td>4.39</td>
<td>0.574</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>22</td>
<td>Banks have clear policies and objectives for research and development, and banks have the necessary capabilities for that.</td>
<td>4.36</td>
<td>0.664</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>30</td>
<td>Banks train employees to adopt modern strategies at work.</td>
<td>4.28</td>
<td>0.705</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>21</td>
<td>Banks evaluate, distribute and allocate their financial resources in accordance with their financial objectives, policies and strategies.</td>
<td>4.25</td>
<td>0.673</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>17</td>
<td>The strategic goals and objectives are specific, clear, precise and declared to all bank employees.</td>
<td>4.23</td>
<td>0.71</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>26</td>
<td>When implementing the strategy, banks take into account the rules, programs and procedures to achieve the goals of strategic implementation.</td>
<td>4.23</td>
<td>0.622</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>16</td>
<td>Commercial banks clearly and accurately define the mission and strategic vision of the commercial bank.</td>
<td>4.2</td>
<td>0.739</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>19</td>
<td>The organizational culture in banks is clearly defined and consistent with its policies and strategic objectives.</td>
<td>4.2</td>
<td>0.778</td>
<td>High</td>
</tr>
</tbody>
</table>
Banks study and analyze the elements of the general external environment (economic, social, political, technological, etc.).

If the organizational structure of the banks is clear, then it helps to achieve the goals expressed in an organizational chart that shows the scope of supervision.

Banks study and analyze the elements of the private external environment (customers, competitors, suppliers, labor unions, the government, and others).

Banks monitor and review the strategy on an ongoing and organized basis to ensure the effectiveness of sustainable financial performance.

Banks use objective criteria when evaluating sustainable financial performance.

Banks have a strategy that takes into account strategic factors and achieves the set strategic goals.

From Table (6), the components indicated high relative importance. The overall mean was 4.24, with a standard deviation of 0.257. The top-ranked statements were “banks study and analyze marketing resources to meet their strategic objectives and policies” and “banks use efficient, effective information systems updated with the latest technology”. Both had an average score of 4.39 and standard deviations of 0.548 and 0.574, respectively. The statement “Banks have a strategy considering strategic factors to meet the objectives” ranked lowest with a mean of 4.13 and a standard deviation of 0.684, but still held high relative importance.

Similarly, the subsequent table reflected a high relative importance for its components, with an overall mean of 4.26 and a standard deviation of 0.258. The statement “implementing the corporate governance strategy attracts foreign investors” was the highest ranked, with a mean of 4.43 and a standard deviation of 0.813. On the other end, the statement “financial statements based on the corporate governance strategy offer valuable decision-making information” ranked lowest but still showed high importance with a mean of 4.12 and a standard deviation of 1.022.

4.2.1 What is the impact of applying the corporate governance strategy on the sustainable financial performance of banks?

Arithmetic means and standard deviations were extracted for the responses of the research sample on the impact of applying the corporate governance strategy on the sustainable performance of banks, and they were as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>No.</th>
<th>Items</th>
<th>Arithmetic mean</th>
<th>Standard deviation</th>
<th>Relative importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>35</td>
<td>Adopting the application of financial reporting standards leads to the strategy of corporate governance to attract foreign investors.</td>
<td>4.43</td>
<td>0.813</td>
<td>high</td>
</tr>
<tr>
<td>2</td>
<td>32</td>
<td>Provides financial statements based on applying the corporate governance strategy to make sound decisions.</td>
<td>4.39</td>
<td>0.771</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>33</td>
<td>Implementing the corporate governance strategy enhances transparency and clarity in the accounting methods used for financial statements, making them more comprehensible for investors.</td>
<td>4.36</td>
<td>0.857</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>38</td>
<td>The financial statements brought by the corporate governance strategy meet the aspirations of the relevant parties (shareholders, lenders, partners).</td>
<td>4.36</td>
<td>0.874</td>
<td>High</td>
</tr>
</tbody>
</table>
Applying the corporate governance strategy improves the reliability of financial reports.  

<table>
<thead>
<tr>
<th>5</th>
<th>34</th>
<th>Applying the corporate governance strategy improves the reliability of financial reports.</th>
<th>4.35</th>
<th>0.855</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>31</td>
<td>The accounting information in the financial statements prepared per the corporate governance strategy is appropriate, enhancing the quality of the audit process.</td>
<td>4.28</td>
<td>0.968</td>
<td>High</td>
</tr>
<tr>
<td>7</td>
<td>37</td>
<td>Adopting the corporate governance strategy boosts both theoretical and practical expertise, resulting in tangible outcomes in the disclosure process.</td>
<td>4.26</td>
<td>0.995</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>36</td>
<td>The financial statements accounting data offer crucial insights that assist auditors in assessing potential risks faced by the economic entity.</td>
<td>4.25</td>
<td>0.864</td>
<td>High</td>
</tr>
<tr>
<td>9</td>
<td>39</td>
<td>The corporate governance strategy enhances the quality of financial reports, ensuring they accurately depict the banks' economic status.</td>
<td>4.22</td>
<td>0.838</td>
<td>High</td>
</tr>
<tr>
<td>10</td>
<td>43</td>
<td>The corporate governance strategy helps curb excessive accounting conservatism, streamlining the audit process.</td>
<td>4.2</td>
<td>1.037</td>
<td>High</td>
</tr>
<tr>
<td>10</td>
<td>44</td>
<td>Adopting the corporate governance strategy guarantees clear and transparent accounting methods in the formulation of financial statements.</td>
<td>4.2</td>
<td>0.964</td>
<td>High</td>
</tr>
<tr>
<td>12</td>
<td>42</td>
<td>Adopting the corporate governance strategy enhances the capital market's efficiency, which in turn boosts investment influx.</td>
<td>4.16</td>
<td>1.052</td>
<td>High</td>
</tr>
<tr>
<td>13</td>
<td>40</td>
<td>Implementing the corporate governance strategy emphasizes the importance of interim financial statements.</td>
<td>4.13</td>
<td>1.056</td>
<td>High</td>
</tr>
<tr>
<td>13</td>
<td>41</td>
<td>The corporate governance strategy works to find solutions to the investor's obstacles and problems.</td>
<td>4.13</td>
<td>0.938</td>
<td>High</td>
</tr>
<tr>
<td>15</td>
<td>45</td>
<td>The financial statements based on the corporate governance strategy provide valuable information in decision-making.</td>
<td>4.12</td>
<td>1.022</td>
<td>High</td>
</tr>
<tr>
<td>average</td>
<td></td>
<td>The effect of applying the corporate governance strategy on the sustainable performance of banks</td>
<td>4.26</td>
<td>0.258</td>
<td>High</td>
</tr>
</tbody>
</table>

Table 7 reveals that the overall significance of the items was pronounced, as denoted by an average score of 4.26 and a standard deviation of 0.258. The statement “Adoption of the corporate governance strategy is instrumental in attracting foreign investors” topped the list with a mean value of 4.43 and a standard deviation of 0.813, emphasizing its high relevance. Conversely, the item that posits “Financial statements, when crafted based on the corporate governance strategy, offer crucial insights for decision-making” appeared at the bottom, having a mean score of 4.12 and a notably high standard deviation of 1.022. Despite its position, its relevance remains considerable.

### 4.2.2 Is there a reflection of the corporate governance strategy on the sustainable financial performance of Iraqi commercial banks?

To answer this question, a simple linear regression was used to determine the impact of the corporate governance strategy on the sustainable financial performance of Iraqi commercial banks. The results were as follows:
Table 8. Results of a simple linear regression of the impact of the corporate governance strategy on the sustainable financial performance of Iraqi commercial banks.

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Model summary</th>
<th>ANOVA</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R correlation coefficient</td>
<td>R2 The coefficient of determination</td>
<td>F Sig. F</td>
</tr>
<tr>
<td>Sustainable financial performance</td>
<td>0.663</td>
<td>0.44</td>
<td>52.558 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that there is a statistically significant effect of the corporate governance strategy on the sustainable financial performance of Iraqi commercial banks, as the correlation coefficient (R = 0.663) indicates that there is a statistically significant correlation between the independent variable (corporate governance strategy) and the dependent variable (sustainable financial performance). It was shown that the value of the determination coefficient (R2 = 0.440), which indicates that the (Corporate Governance Strategy) explained 44% of the variation in (sustainable financial performance), while the remaining variation can be attributed to factors not captured in the model. The value of (F = 52.558) at a confidence level equal to (sig = 000) confirms the significance of the regression at the significance level of (α) > 0.05).

It appears from the table of transactions that the values of (B) in the dimension of the corporate governance strategy amounted to (.869) and that the value of (t) was (7.250) with a statistical significance of (0.000), which indicates that the impact of this dimension is significant, and this means that the implementation of the corporate governance strategy will lead to an increase in sustainable financial performance by (.869).

5. Conclusion and Future Recommendations
According to the analysis of the results, the current research reached many conclusions as the following:

- Good corporate governance improves financial performance, increases competitiveness among banking institutions, attracts investments through more job opportunities, and improves the economy in general by increasing the element of transparency in all bank operations, thus increasing economic development.
- The corporate governance strategy streamlines financial operations, mitigates accounting and financial issues, and upholds the stability of banking systems and financial markets. As a result, this will contribute to overall stability and sustainable development.
- The corporate governance strategy is an effective means to support economic growth and investment in high-quality banks. This strategy is also a tool or system to eliminate financial and administrative corruption and protect the rights of shareholders through the adopted mechanisms. In addition, the corporate governance strategy works to restore public confidence in the banks’ administration.
Corporate governance plays a crucial role in averting financial institutions from encountering failure and financial bankruptcy while also optimizing the company's market value. It ensures the company's sustainability, growth, and continued operations on an international, regional, and local scale.

Effective corporate governance places significant emphasis on efficiently monitoring and assessing the conduct of the board of directors to advance the interests of investors. It achieves this by optimizing resource utilization, enhancing the financial institution's value, bolstering its competitiveness in capital markets, and fostering trust among stakeholders, thereby attracting potential funding sources, whether domestic or international.

Alleviating investor concerns, instilling confidence, and bolstering trust in companies is pivotal for economic growth. Effective governance enhances the investment climate, fosters financial market stability, cultivates stronger institutions, and promotes sustainable economic development.

The statistical analysis results indicate a robust and positive correlation between the corporate governance variable, along with its principles, and the strategic financial performance variable, inclusive of its indicators, for the banks within the study sample.

The results of the statistical analysis established a statistically significant causal relationship between the corporate governance variable and its principles and the strategic financial performance variable, along with its indicators, for the banks within the study sample.

Corporate governance strategy is one of the most important techniques that seek to reach ideal solutions for each financial institution by improving sustainable financial performance at a superior level.

Based on the study conclusions, the following points are recommended:

- Urging officials in the Iraqi Central Bank and whoever prepares laws, instructions and guiding regulations to adopt and adhere to the corporate governance strategy.
- Adapting the laws, regulations, and instructions currently applied in the banks listed in the Iraq Stock Exchange in accordance with the requirements of applying the adoption of the corporate governance strategy and working to remove any discrepancy that prevents its implementation.
- Developing and strengthening the activities of private commercial banks by adopting a corporate governance system based on the principles set by international organizations to ensure the proper functioning of the bank's business.
- Establishing an institute concerned with corporate governance, as is the practice in developed countries and in a number of developing countries, including Arabic countries, as the Governance Institute located in Dubai/ UAE.
- Based on the results of the study, it is necessary to establish a research and studies department at the study sample banks to work on preparing a comprehensive strategic study that includes future goals and directions with a five-year or ten-year plan and its implications translating the bank's strategic financial performance digitally and setting the necessary plans to follow it up.
- The necessity of seeking to enhance the effective and efficient implementation of the corporate governance strategy to protect commercial banks from potential crises and risks.
- Increasing interest and awareness of corporate governance for Iraqi bank employees by participating in courses and workshops to understand the principles of governance and standards related to implementing the governance strategy.

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Corporate Governance Strategy and its Role in Improving the Sustainable Financial Performance of Iraqi Banks

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