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Ameen Salih Sabti Al-Shammari

General Commission of Iraqi
Customs, Iraq

The extent of the impact of financial decisions in enhancing strategic flexibility and its reflection in sustainable competitive advantage (An applied study in Iraqi commercial banks)

Ameen Salih Sabti Al-Shammari

Abstract

Through an analytical study of a sample of Iraqi commercial banks, the current research aims to investigate the impact of financial decisions in their dimensions (investment decision, financing decision) by improving strategic flexibility and its reflection on sustainable competitive advantage in its dimensions (quality of banking service, excellence). In addition to the management's tireless efforts, this research came about as a contribution to the field, and in order for the research to accom, its problem was formulated with a number of questions. To answer the questions raised in the research problem, a number of hypotheses were adopted that addressed the research topic. To identify the validity of these hypotheses, data related to the research topic were collected, based on the questionnaire form that was prepared for this purpose, and the descriptive analytical approach was used. In order to test the research hypotheses, the researcher gave out 150 questionnaires to a sample of employees in the aforementioned field who held the following positions: General Manager, Assistant General Manager, Head of Department, Head of Division, and Head of Financial Unit. Some of the 119 questionnaires that were recovered were deemed invalid. The statistical software (23.SPSS V) was used to analyse the 23 valid questionnaires, which accounted for 96 of the total disseminated surveys. The study came to several conclusions, the most significant of which are as follows: The sustainable competitive advantage is affected by the financial decisions made by commercial banks, but this effect is mediated by an intermediary variable strategic flexibility that is a characteristic of commercial banks. The study's suggestions for bank management include the necessity of paying attention to the financial decision-making process within its strategy framework while accounting for the external elements brought on by the economic, political and health circumstances, including changes in the price of oil, the Iraqi dinar's exchange rate, and events related to the Corona crisis. Drawing from the study's findings and recommendations, the researcher proposed a series of future research projects, including one on the complementary relationship between strategic flexibility and financial decisions and how it affects sustainable competitive advantage.

Keywords: Financial decisions, strategic flexibility, sustainable competitive advantage

Introduction

The new international system, incredible technological advancements, and contemporary international communication networks have created a great deal of openness in the world today, which has reflected in the reality of financial institutions through the ease and freedom of transferring capital and services without restrictions or conditions. This has led to the emergence of fierce competition between these local and foreign institutions, necessitating the adoption of modern and effective methods and financial tools in order to achieve the goals they seek to achieve with the lowest possible costs and the highest profitability, as modern financial analysis tools help to challenge and highlight the institution's financial status as well as the financial alternatives related to financial decisions., and this necessitates that financial institution decision-makers make the right financial choices based on their financial situation, the competition, their capabilities, and their potential in order to guarantee obtaining the highest returns at the lowest costs while also attempting to enhance financial performance and increase the institution's market value. In addition to allocating available resources to ensure the identification of goals and then seizing opportunities, business organisations must respond to environmental changes that the financial institution may face. This is because of the changes occurring in the business environment, including technological changes and developments, intense competition, an

Corresponding Author:

Ameen Salih Sabti Al-Shammari

General Commission of Iraqi
Customs, Iraq

uncertain environmental conditions. They also need to reduce or avoid the threats of potential competitors who work in the same field. As one of the fundamental elements in attaining earnings and benefits, the significance of a durable competitive edge has grown. In order to achieve a sustainable competitive advantage and make the best use of its components, financial institutions must now focus on implementing strategies that are essential to their daily operations. They view this as a continuous, ideal, and renewable process that adapts to challenges in the internal and external environment by selecting the best options from among those that are available. This gives them the ability and potential to outperform other financial institutions that are in competition.

The first topic: Research methodology

First: Research problem

High levels of rivalry, quick and constant changes in every industry, and the rise of competitiveness as a factor influencing financial institutions' success or failure define the modern business environment. This is dependent on how well their leaders are able to develop and implement flexible strategic options, as well as use contemporary techniques based on financial analysis of the internal and external environment and new scientific discoveries that allow them to adapt continuously. Nonetheless, there is uncertainty and a lack of strength over the degree of involvement Iraqi commercial banks have in their financial choices, including planning, investment, funding sources, profit sharing, and financial risk management., in addition to a decrease in the selection of the best options and tactics, which were the biggest obstacles to these banks' ability to enhance, create, and maintain a competitive edge. Therefore, by responding to the following primary questions, we arrive at the research topic that is handled in accordance with a theoretical and applied analytical context. question: What is The impact of financial decisions on strategic flexibility and its reflection on sustainable competitive advantage?

Second: The importance of research

- This study's significance arises from its critical role in improving financial decisions through strategic flexibility to achieve sustainable competitive advantage. Which is one of the main important topics that caused the workplace to undergo significant adjustments, The following factors make the research significant:
- Understanding how financial choices affect long-term competitive advantage through strategic adaptability.
- Adding knowledge in the field of (financial decisions, strategic flexibility, sustainable competitive advantage) to show the most significant contributions made by scholars on this subject.
- The present study helps to determine the orientations of earlier research and achieve the theoretical framework of those studies.
- The practical conclusions this study will offer that diagnosis the real world and make recommendations that help support those conclusions will highlight the significance of this research. The relationship between (Financial decisions, strategic flexibility, sustainable competitive advantage).

Third: Research objectives

Finding financial decisions by sustained competitive

advantage through strategic flexibility is the primary goal of the current study. The research seeks to accomplish the following: The following are sub-goals:

- Identifying financial decisions through flexibility and sustainable competitive advantage in the researched field (Iraqi banks).
- Highlighting the impact of competitive advantage on financial decisions in Iraqi banks.
- Identifying the impact relationships between the current research variables.

Fourth: Research hypotheses

The first hypothesis is that, among the commercial banks in the study sample, there is no statistically significant impact on the moral significance of financial decisions in their dimensions (investment decision, financing decision) in terms of attaining sustainable competitive advantage in their dimensions (quality of banking service, excellence).

The second theory is: The second hypothesis No effect is statistically significant. In order to achieve strategic flexibility, financial decisions with their dimensions (finance decision, investment decision) In the study sample of commercial banks

The third hypothesis states that, at the significance level, no effect is statistically significant. To achieve sustained competitive advantage in its dimensions (quality of banking service, excellence) through strategic flexibility in its dimensions (resource flexibility) for financial decisions in its dimensions (investment decision, financing decision) in commercial banks, the research sample.

Fifth: Methods of collecting research data

Researchers can use a variety of sources for gathering data and information, including the following

1. **Scientific (theoretical) sources:** The researcher has tended to cover the theoretical aspect in this first type by using a variety of sources that are represented in scientific references (theses and dissertations, library-available magazines and periodicals, studies and books in Arabic and English, as well as by depending on the global communications network). (the Internet).
2. **Practical (primary) sources:** The researcher used the second type of data and information to accomplish the goals of the study and test its hypotheses since a questionnaire was created as a means of gathering data and information about the variables under investigation.

Sixth: Research community and sample

Iraqi commercial banks were part of the research community. At a rate of roughly 30% of the community overall, only eight banks were specifically targeted, and they were among the best commercial banks in terms of capital, branch count, type of banking services offered, goals, missions, and flexibility when working with individuals and businesses. In order to extrapolate the findings to the entire community, the researcher used their data. Using a deliberate approach, the study sample was chosen to focus on particular groups within the community (general manager, assistant general manager, department manager, and head of division)., head of financial unit) Whom was the questionnaire given to? The members of the study sample were given (150) questionnaires, either in person at the banks or by email. A total of 119 questionnaires were obtained. Upon sorting and confirming

that the data in the returned surveys was full, 23 questionnaires were cancelled for lacking information, while 96 valid questionnaires were retained for statistical analysis. The characteristics of the sample members were identified

using frequencies and percentages to define their gender, age, job title, number of years of service, and practical qualification.

Table 1: Personal and functional characteristics of the study sample members

Gender											
Females				Males							
%		number		%				number			
49%		47		51%				49			
the age											
50 years and over		40- Less than 50 years			30- less than 40 years			20- Less than 30 years			
%	number	%		number	%		number	%		number	
24	23	18.8		18	37.5		36	19.8		19	
Practical qualification											
PhD		Master's		Higher Diploma		Bachelor's		diploma		Preparatory and below	
%	number	%	number	%	number	%	number	%	number	%	number
-	-	1	1	10.4	67	69.8	67	18.8	18	-	-
Job Title											
Head of Finance Unit		Head of Department			Head of Department		Assistant General Manager		General Manager		
%	number	%	number	%		number	%	number	%	number	
14.6	14	30.2	29	46.9		45	7.3	7	1	1	
Number of years of service											
25 years and above		15- Less than 25 years			10- Less than 15 years		5- Less than 10 years		Less than 5 years		
%	number	%		number	%		number	%		number	
22.9	22	20.8		20	14.6		14	26	25	15.6	15

Source: Prepared by the researcher Depending on the outputs of the program (SPSS)

From Table No. (1) we conclude the following

- **Gender:** The percentage of males is greater than that of females, as the majority of those occupying leadership positions are males. This indicates that there is a great tendency among the managements of these banks to assign leadership positions to male employees at a greater percentage than females.
- **Age:** The age group of 30 to 40 years old accounted for the largest percentage of the sample members (37.5%), followed by the age group of 50 and over (24%), and then the age groups of 20 to 30 years old and 40 to 50 years old (19.8% and 18.8%, respectively) of the total sample members under study. With a total proportion of 61.5%, this result shows that the majority of sample members in the banks are between the ages of 40 and over 50.
- **Academic qualification:** Those with a bachelor's degree make up the largest portion of the sample, accounting for 69.8% of the total. Diploma holders and those with higher degrees follow with percentages of 18.8% and 10.4%, respectively, and master's degree holders come in last with 1%. We observe that the percentage of study sample participants who held a PhD and a certificate (preparatory or lower) was zero. These findings show that most employees have a bachelor's degree, which enables them to comprehend the paragraphs in the questionnaire and respond to its questions.
- **Job title:** The highest percentage (46.9%) for the job position was Head of Department, followed by Head of Division (30.2%), followed by Head of Financial Unit (14.6%), then Assistant General Manager (7.3%), and finally General Manager (1%). These results indicate the nature of the administrative organization followed in banks in determining leadership positions and decision-making positions in the form of departments.

- **Number of years of service:** The results showed that the majority of the sample members reached (26%) for years of service (5- Less than 10 years), followed by (22.9%; c20.8%) for those with years of service (25 years and over; 15- less than 25 years) respectively, and these results indicate that the majority of the study sample members' experiences are limited to (10-25 years).

The second section: The theoretical framework of the study

First: Financial decisions

1. The concept of financial decisions

The financial decision aims to maximize the market value of the institution, whether it is an investment decision, a financing decision, or a decision to distribute returns to shareholders. It essentially constitutes these decisions, and aims to finance investments while achieving the highest possible profits, thus maximizing the market value of the institution. (Sayed Ali and Bin Al-Din 2017: 6), which is the case that the financial decision must embody in practice and application, as the financial decision was defined as: every decision that achieves a balance between obtaining money and owning assets, so that the goal of these decisions is to finance investments, achieve the highest possible profit, and then maximize the value of the institution. (Khawla, Awragh, 2016: 5) ^[2].

2. The importance of financial decisions

The importance of financial decisions in business lies in properly managing many factors that contribute to failure through financial tactics and choices that promote expansion and help the organization reach its objectives. Lack of financial planning, restricted access to financing, lack of capital, unplanned growth, low financial and strategic expectations, excessive investment in fixed assets, poor capital management, and other factors that highlight the

significance of financial decisions are the primary causes of organizational failure, (Al-Amri, Muhammad, 2013: 26) Although the importance of Since the financial environment of organisations is a major factor in their success, particularly those that are forced by financial constraints to be extremely efficient in allocating their scarce resources in order to ensure survival and achieve profits, the impact of financial decisions on the competitiveness of organisations has not yet been thoroughly studied by researchers. Therefore, the financial decision must help meet the need to adapt financial strategies to the characteristics of the organisation. (Al-Omariya, Bin Issa, 2014: 73)^[4].

3. Dimensions of financial decisions

1. Investment decision

The investment decision is the financial decision that is based on Selecting the greatest option from a range of choices. It is a decision that is characterized by a high level of risk due to its significant financial connection and is taken by the institution with the aim of achieving a specific return over successive periods time. (Shahira, Shaab and Naziha, Jeddah, 2019: 14)^[5].

2- Financing decision

It is how to obtain funds to finance the institution's investments. It is necessary to focus on the fact that the most important concern of the financial decision-maker before making the financing decision is to ensure that the required funds can be provided at the right time and within appropriate periods of time and at the lowest possible cost and invested in areas that are most beneficial to the institution. It must be emphasized that the basis of the financing decision revolves around the optimal mix of different sources to finance investments, i.e. determining the sources of financing through borrowing or from owned funds, as well as the percentage of financing from short-term and long-term financing sources in order to achieve the appropriate financing mix. (Grams, Fatima 2017: 173).

Second: Strategic flexibility

1. The concept of strategic flexibility

Rapid changes in customer needs, in production technology, and in the emphasis on new strategic commitment require organizations to be flexible and ready.,A set of capabilities that an organization uses to respond to the diverse demands and opportunities available in a dynamic competitive environment and to deal with the uncertainty and risks associated with it. (Radomska, 2015: 20)^[13].

2. The importance of strategic flexibility

Strategic flexibility contributes to maintaining development and maturity, and constitutes a combination of both proactive and responsive strategic approaches to interact with the ever-changing market. It denotes the type of flexibility that meets both high diversity and high speed, as the organization is supposed to achieve value for customers and other stakeholders by providing more variety or choice, and also through great speed. (Sushil, 2015: 114)^[14].

2. Dimensions of strategic flexibility

1. Resource flexibility

The ability of an organization to manage its financial, natural, human, knowledge, and skill assets—which enable it to activate options and alternatives through a variety of

administrative systems—is referred to as its resource flexibility. In order to gain a competitive edge, organizations that practice their diverse activities in unstable settings must cultivate a special set of resources. These resources are converted into distinctive capabilities, which are supported skills and abilities that are always changing, call for skills throughout time, and are characterized as alternatives to implementing the new approach. Companies need to (Radomska, 2015: 20)^[13].

3. Sustainable competitive advantage

1. The concept of competitive advantage

It is the strategy Which contributes to the creation of previously uncopied value, which cannot be copied in the future by any current or potential competitors, as other organizations cannot replicate the benefits of these Strategy. That is, it is the unique status that the organization develops towards its competitors. (Abu Raden, Iman, Al-Anzi, Dalal, 2017: 246)^[7] as “the strategic goal that the organization works to achieve and maintain through its resources, competencies, and strategic knowledge, which it employs in its strategy and operations to prepare unique models that distinguish it from competitors in multiple aspects that are difficult for them to imitate, and thus the organization is unique in them.” (Castro & Giraldo, 2018: 247)^[15]

2. The importance of sustainable competitive advantage

Sustainability is among the top goals in the strategy that the majority of organisations in the twenty-first century have adopted since it has a long-term effect on the organization's success and is compatible with the demands that the business environment in our modern world places on it. Thus, the idea of sustained competitive advantage has gained prominence in numerous works pertaining to strategic planning and thought., which indicate that most organizations seek to achieve the basic requirements in order to achieve sustainability for their competitive advantage (Al-Hadrawi, Hamed, 2015: 230)^[8]. Competitive advantage is no longer viewed as something that business organizations achieve in a specific period only, as various administrative literatures have come to focus on a basic principle in competitive advantage, which is sustainability as a basic element that must be taken into account when evaluating the effectiveness of competitive advantage in long term, as the main goal of strategies is: achieve. Sustainable competitive advantage, not just competitive advantage (Latukha, 2018: 74)^[16].

3. Dimensions of competitive advantage

1. Quality of banking services:

Since the idea of quality has permeated many different fields of work and specialisations and many institutions have fully realised the necessity of implementing it in their work and specialisations, the quality of services—particularly the quality of banking services—has gained significant importance on both a global and local level. Quality has evolved into a catch-all term for a wide range of services offered by both public and private organisations and organisations, not just the consumer goods and products offered by major institutions. (Abdeen, Nizar, 2013: 10)^[9] The quality of banking services is a personal assessment by the customer of the actual performance level of the service provided by comparing the customer to that service with his expectations and desires, and quality is achieved when there

is an increase in the actual performance of the service provided over his expectations.

(Al-Khazraji, Tharya and Al-Baroudi, Shireen, 2012: 157)^[10].

2. Excellence

Excellence is one of the main and important dimensions that contribute to achieving a sustainable competitive advantage for the organization. Therefore, it must focus on this dimension as it shows the clear distinction of the organization from other institutions operating in the same field. This is achieved through its uniqueness in providing products and services that are distinct from what is known in the markets and that meet the needs, desires and aspirations of customers. He adds (Hussein, Wissam, 2018: 13)^[10] The dimension of excellence can be considered one of the important and main dimensions in building a sustainable competitive advantage for the organization. It requires attention and focus, as it demonstrates the uniqueness and distinction of organizations working in the

same field. This is achieved through excellence in providing unique and distinct products and services from what is known and available in the markets, or providing services that contribute to meeting the needs, ambitions and desires of customers and are pioneering and different from what other organizations provide. This in turn helps the organization to survive and continue, as it has been able to provide distinguished products and services that cannot be imitated by others or come in an easy way and with unique specifications. (Salem, Osama 2014: 56)^[12].

The third topic: the field framework of the study

First: Description and diagnosis of the independent variable (Dimensions of financial decisions)

The researcher employed a computer to extract the arithmetic mean, standard deviation, coefficient of variation, and importance index from the questionnaire for the study's independent variable (financial decisions). The results are displayed below.

Table 2: Results of the study sample members' answers to the dimensions of financial decisions

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Dimensions	Order of importance	The number
middle	12.9%	0.328	2.541	Investment decision	5	1
middle	36.4%	0.963	2.642	Financing decision	3	2
middle	25.5%	0.476	2.540	Financial decisions		

Source: Prepared by the researcher based on the outputs of the program (SPSS).

According to the findings in Table No. (2), the respondents' degree of financial decision-making practice was accompanied by an average evaluation level and a general arithmetic mean of 2.640. The value of the coefficient of variation for the variable as a whole, which came to 25.6%, supports this finding by showing that there is little variation in the sample members' responses, i.e., that their opinions on the financial choices made by Iraqi commercial banks are converging. Regarding the aspects, each had an average evaluation level, but they varied in importance, ranking first after the finance choice, The investment dimension comes next. All aspects of financial decision-making seemed to

have coefficients of variation below 50%, which indicates the study sample members' responses' convergence and homogeneity as well as how much they believe the financial decisions made by Iraqi commercial bank management are effective.

The first dimension: investment decision

The arithmetic mean, standard deviation, and coefficient of variation for the dimension items are displayed in Table (3). Initially, upon statistical analysis of the information gathered via the survey.

Table 3: Results of the study sample members' answers to the investment decision paragraphs

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Paragraphs	Order of importance	T
middle	21.5%	0.542	2.510	The bank adopts an appropriate investment strategy.	5	1
low	40.8%	0.941	2.302	The bank seeks to find new ways to invest cash deposits.	7	2
middle	19.8%	0.514	2.593	The bank is guided by scientific principles and foundations when making investment decisions.	4	3
middle	18.7%	0.499	2.656	The bank takes into account multiple investment options when making an investment decision.	1	4
middle	20.8%	0.523	2.510	The bank's management determines the basic investment objectives when making the investment decision.	6	5
middle	19.6%	0.512	2.604	The bank employs modern scientific methods when building its investment portfolio.	3	6
middle	19.5%	0.510	2.614	The bank follows a balanced policy when forming its investment portfolio in a way that balances the elements of return and risk.	2	7
middle	2.541			investment decision as a whole		

Source: Prepared by the researcher based on the outputs of the program (SPSS).

The results of Table No. (3) show that, while paragraph (2), which reads, "The bank seeks to find new ways to invest cash deposits," came in last place with an arithmetic mean (2.302) and a low evaluation level, paragraph (4), which reads, "The bank takes into account the diversity of

investment options when making an investment decision," came in first place with an arithmetic mean (2.656) and an average evaluation level. The researcher explains these results by saying that commercial banks work to diversify investment options that enable and help them make the

optimal decision towards financial investment, The findings are supported by the coefficients of difference that came in values less than 50%, which shows the homogeneity and convergence of the study sample members' responses towards the investment decision in the banks under study. However, there is a weakness in investigating new investment in monetary matters that are thought to be the foundation of investments on which the work of banks

depends.

The second dimension: Financing decision

The arithmetic mean, standard deviation, and coefficients of variation for the dimension items are displayed in Table (4). The second is following statistical examination of the information gathered by the survey.

Table 4: Results of the study sample members' answers to the financing decision paragraphs

Evaluation level	Coefficient of variation	Standard deviation	Arithmetic mean	Paragraphs	Order of importance	T
Middle	54.6%	1.479	2.708	The bank resorts to preparing realistic estimates of the available financial resources and what it needs to implement its credit policy.	3	8
Middle	51.9%	1.465	2.822	The bank analyzes and evaluates financiers and selects the best of them.	2	9
Middle	57.4%	1.497	2.604	The bank works to attract depositors to increase the sources of financing it needs to carry out its activities.	4	10
Low	66.5%	1.441	2.166	The Bank builds good and successful relationships with financial institutions, investment institutions and government agencies that are related to banking activity.	6	11
Middle	48%	1.421	2.958	The bank faces instability in the value of the Iraqi dinar and foreign exchange rates.	1	12
Middle	57.1%	1.483	2.593	The Bank's management sets its strategy and financial policy without direct interference from the Ministry of Finance and the Central Bank.	5	13
Middle	2.642			Financing decision as a whole		

Source: Prepared by the researcher based on the outputs of the program (SPSS).

According to paragraph (12), the bank is experiencing volatility in the value of the Iraqi dinar and foreign currency rates, as we can see from the results of Table (4). With an average assessment level and an arithmetic mean of 2.958, it took first place. With an arithmetic mean of 2.166 and a low evaluation level, paragraph (11), which claims that "the bank builds good and successful relationships with financial institutions, investment institutions, and government agencies that are related to banking activity," came in last. The researcher explains these findings by stating that the Iraqi dinar's exchange rate puts the banks' management in a state of instability, which typically influences the financing choices it wishes to make and, in turn, the relationships between failed financial and investment institutions. These

findings are supported by the coefficients of difference, whose values exceeded 50%. This indicates that, generally speaking, the study sample members' responses to the financing decision lacked homogeneity and convergence, with the exception of paragraph (12), which the sample members concur on.

Second: Description and diagnosis of the dimensions of strategic flexibility

The researcher collected the arithmetic mean, standard deviation, and coefficient of variation for the variable and dimensions collectively from the questionnaire's strategic flexibility, the study's intermediate variable. These were:

Table 5: Results of the study sample members' answers to the dimensions of strategic flexibility

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Dimensions	Order of importance	T
Middle	33%	0.812	3.682	Resource flexibility	1	1
Middle	26.2%	0.556	2.895	Strategic flexibility		

Source: From Researcher counter Depending on the outputs of the program (SPSS).

The results of Table (5) show that the strategic flexibility attained by commercial banks was accompanied by an average assessment level from the perspective of the study sample members and a general arithmetic mean (2.565). While both sub-dimensions were evaluated at an average level, their relative relevance varied, with the resource flexibility dimension ranking highest. Thanks to the latent knowledge of their staff, which reflects the resources and capacities in order to strive to deliver services, banks attempt to better ways to improve services through the flexibility of the applied techniques. All of the variables' coefficients of variation had values below 50%, indicating that the study sample members' responses were generally

consistent and convergent towards strategic flexibility. The researcher then used the responses of the members of the research study sample to extract the arithmetic means and standard deviations and compute the coefficient of variation for the paragraphs of the dimensions of the intermediate variable, as indicated below:

The first dimension: flexibility of resources

Following statistical analysis of the information gathered via the questionnaire, the arithmetic mean, standard deviation, and coefficients of variation for the first dimension's paragraphs are displayed in

Table 6: Results of the study sample members' answers to the resource flexibility paragraphs

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Paragraphs	Order of importance	T
Middle	53.3%	1.655	3.833	The bank has flexible resources that enable it to develop and provide various services.	2	1
Middle	52.5%	1.548	2.684	The Bank's resources enable its management to deal with a wide range of changing environmental conditions.	1	2
Middle	56.1%	1.370	2.556	The bank's resources are scarce and difficult for competitors to obtain.	4	3
Middle	62.2%	1.599	2.457	The bank uses its available resources in many areas.	6	4
Middle	53.6%	1.353	2.822	The bank is committed to providing the necessary resources it needs to employ the new information.	3	5
Middle	61.2%	1.686	2.568	The bank's management invests available resources to achieve rapid response to customers' banking service needs.	5	6
Middle	2.782		Resource flexibility as a whole			

Source: Prepared by the researcher Depending on the outputs of the program (SPSS).

According to paragraph (2), the bank's resources allow its management to deal with a wide range of changing environmental situations, as we can see from the results of Table (6). With an average assessment level and an arithmetic mean of 2.864, it took first place. With an average evaluation level and an arithmetic mean of 2.447, paragraph (4), which reads, "The bank uses its available resources in many areas," came in last. The bank's management can handle future challenges with its resources, the researcher explains, but not to the ambitious degree that the bank works on in all areas available to the banks, depending only on the efforts from its available resources. The fact that the coefficients of difference reached a value

more than 50%, which indicates the absence of homogeneity and convergence of the study sample members' responses about the flexibility of the resources accessible to the banks, validates these findings.

Third: Description and diagnosis Dimensions of sustainable competitive advantage

The researcher derived the arithmetic mean, standard deviation, and coefficient of variation from the questionnaire's (2) Dimensions for the study's dependent variable (sustainable competitive advantage), and the results are displayed in the table.

Table 7: Results of the study sample members' answers to the dimensions of sustainable competitive advantage

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Dimensions	Order of importance	The number
middle	33.9%	0.918	2.706	Quality of service	1	1
middle	32.2%	0.804	2.495	Excellence	4	2
middle	22%	0.559	2.531	sustainable competitive advantage		

Source: Prepared by the researcher Depending on the outputs of the program (SPSS).

As can be seen from Table (7), the respondents' perception of the sustainable competitive advantage was accompanied by an average assessment level and a general arithmetic mean of (2.531). The value of the coefficient of variation for the variable as a whole, which came to 22%, supports this finding by showing that there is little variation in the sample members' responses, i.e., that respondents' opinions regarding the degree of competitive advantage in the banks under investigation are converging. Every one of the sub-dimensions had an average evaluation level. In order to explain these findings, the researcher states that commercial banks have a sufficient perception of the services they provide through the creative capabilities they possess in using technological techniques, which makes them

distinguished in their banking performance, but there is a lack of interest in reducing costs in banking transactions when providing services, which generally affects their competitive advantage with their competitors in the market. All of the sustainable competitive advantage's dimensions had coefficients of variation below 50%, indicating that research sample members' responses generally converged and were uniform in their treatment of these topics.

1.The first dimension: Quality of banking service

The arithmetic mean, standard deviation, and coefficient of variation for the dimension items are displayed in Table (8).The first is following statistical examination of the information gathered by the survey.

Table 8: Results of the study sample members' answers to the banking service quality paragraphs

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Paragraphs	Order of importance	T
middle		1.455	2.833	The bank has clear plans to achieve quality banking service.	1	1
Middle		1.455	2.833	The bank adopts a vision to improve the quality of its banking services.	1	2
Middle		1.473	2.635	The bank is constantly interested in developing knowledge to improve the quality of service.	4	3
Middle		1.499	2.447	The bank management makes employees feel that they are responsible for providing high quality services.	5	4
Middle		1.459	2.781	The bank management adopts employee suggestions that help raise the level of quality.	3	5
middle	2.706		Overall quality of service			

Source: Prepared by the researcher Depending on the outputs of the program (SPSS).

The results of Table (8) show that, while paragraph (4), which states that "the bank management makes employees feel that they are responsible for providing high quality services," came in last place with an arithmetic mean of (2.447) and an average evaluation level, paragraphs 1 and 2, which state that "the bank sets clear plans to achieve quality banking services" and "the bank adopts a vision to improve the quality of its banking services," came in first place with an arithmetic mean of (2.833) repeated and an average evaluation level. The researcher explains these findings by stating that bank management is concerned about the calibre of services it aims to offer its clients by establishing a clear vision to enhance banking services, even though this comes

at the expense of the fact that the bank staff is responsible for the calibre of those services. The lack of homogeneity and convergence of the study sample members' responses about the quality of service in commercial banks was also reflected in the coefficients of variance, which were larger than 50%.

2. The second dimension: Excellence

The arithmetic mean, standard deviation, and coefficients of variation for the dimension items are displayed in Table (9). The second is following statistical examination of the information gathered by the survey.

Table 9: Results of the study sample members' answers about excellence

Evaluation level	coefficient of variation	Standard deviation	Arithmetic mean	Paragraphs	Order of importance	T
Middle	60%	1.486	2.468	The bank relies on competitive advantages that help satisfy customers' needs.	3	6
Middle	56.65	1.494	2.635	The bank provides excellent service.	2	7
Middle	62.3%	1.481	2.375	The bank gains competitive advantage by training employees to be able to predict its sources.	4	8
Middle	63.9%	1.499	2.343	The bank holds training courses for its employees to help them keep up with technological developments.	5	9
Middle	55.6%	1.478	2.656	The bank management rewards creative people to encourage them to be creative.	1	10
Middle	2.495			Excellence as a whole		

Source: Prepared by the researcher Depending on the outputs of the program (SPSS).

As we can see from Table (9) data, paragraph (10) says: The bank management encourages innovation by rewarding creative individuals. With an average assessment level and an arithmetic mean of 2.656, it took first place. With an average evaluation level and an arithmetic mean of (2.343), paragraph (9), which reads, "The bank holds training courses for its employees to help them keep up with technological developments," came in last. In order to explain these findings, the researcher states that the bank's management consistently promotes its employees by disbursing a reward and incentives to encourage them to continue their creativity and excellence, which makes a specific segment that benefits from this reward and does not care about other employees by providing training courses that qualify them to innovate and extract their latent potential. The lack of uniformity and convergence of the

study sample members' responses towards excellence in general is reflected in the coefficients of difference values exceeding 50%.

Fourth: Testing the hypothesis of association

The first main hypothesis: When considering financial decisions in all of their dimensions—investment, financing, profit distribution, planning and forecasting, and financial risk management—there is no statistically significant impact at the moral significance level. in achieving sustainable competitive advantage in their combined dimensions (creative capabilities, cost reduction, excellence, banking service quality, information and communications technology) in the commercial banks in the study sample.

Table 10: Simple linear regression test of the impact of financial decisions in their dimensions on sustainable competitive advantage in their combined dimensions.

Model The model	Sum of Squares sum of squares	Df degree of freedom	Mean Square Mean squares	F	Sig.	Model Summary	
						R	R2
Slope	18,446	1	18,446	153.37	.000a	0.620	0.787
Remaining	11.305	94	0.120				
The total	29,751	95					

Source: Prepared by the researcher Depending on the outputs of the program (SPSS).

The value of the coefficient of determination (R2) reached (0.620), which represents the explanatory power that indicates that (62%) of the variance in the sustainable competitive advantage of commercial banks, and the results of table (10) showed that the value (F) reached 153.37 with a statistical significance of (0.00). These results validate the significance of the effect, indicating that financial decisions (together) have a significant impact on the sustainable competitive advantage (together). The first main hypothesis

is rejected in its null form, and the alternative hypothesis is accepted with the following statement: There is a statistically significant effect at a significant significance level ($\alpha \leq 0.05$) for financial decisions in their combined dimensions in achieving the sustainable competitive advantage in their combined dimensions in the commercial banks of the study sample. This is because of the change in the financial decisions made by these banks, and the remaining percentage (38%) is due to other factors that were

not included in the study model.

The first sub-hypothesis: Strategic flexibility in its dimension (resource flexibility) had no statistically

significant impact on service quality in the commercial banks included in the study sample.

Table 11: Stepwise multiple linear regression coefficients To effect Flexibility Strategy In its dimensions in competitive advantage.

Dimensions	Model The model	Sum of Squares sum of squares	Df degree of freedom	Mean Square Mean squares	F	Sig.	Model Summary Model Summary	
							R	R2
Resource flexibility	Slope	74,449	1	74,449	1243.7	0.000 ^a	0.964	0.930
	Remaining	5.627	94	0.060				
	the total	80,076	95					

As the value reached (F) (1243.7) and with a statistical significance of (0.000), the results of table (11) indicate that one dimension of strategic flexibility—the dimension of resource flexibility—has an impact on improving service quality in the commercial banks in the study sample. These results also confirm the significance of this value, indicating that resource flexibility has an impact on service quality in the commercial banks of the study sample, with the value of the coefficient of determination (R2) for resource flexibility reaching **(0.930)**. It stands for the explanatory power and shows that the change in resource flexibility in the commercial banks of the study sample accounts for 93% of the variance in raising the level of service quality. As a result, the alternative hypothesis—that is, that there is a statistically significant effect at a significant significance

level (0.05)—is accepted and the first sub-hypothesis is rejected in its null form. $\alpha \leq$ Service quality resource flexibility in the study sample of commercial banks. The fourth main hypothesis: Financial decisions with their combined dimensions (investment, financing, profit distribution, planning and forecasting, and financial risk management) do not have a statistically significant impact at the significance level on their ability to help commercial banks in the study sample achieve sustainable competitive advantage with their combined dimensions (quality of banking service, excellence, cost reduction, creative capabilities, and information and communications technology) through strategic flexibility with its combined dimensions (resource flexibility and capacity flexibility).

Table 12: results test The impact of financial decisions on sustainable competitive advantage through strategic flexibility

The impact	Significance level	Value (t)	Beta value(B)	The path		
direct	0.139	1.480	0.505	Strategic flexibility	←	Financial decisions
direct	0.139	1.479	0.458	sustainable competitive advantage	←	Strategic flexibility
indirect	0.000	5.458	2.755	sustainable competitive advantage	←	Financial decisions

We observe from the testing of the fourth major hypothesis that there is no direct correlation between strategic flexibility and sustainable competitive advantage, nor is there a direct relationship between financial decisions and strategic flexibility., from the value of (t) which appeared at a significance level greater than (0.05), but there was an indirect effect of financial decisions on sustainable competitive advantage through strategic flexibility in Iraqi commercial banks, and these results explain the rejection of the fourth main hypothesis and the acceptance of the alternative hypothesis stating :There is a statistically significant effect at the significance level (0.05). $\alpha \leq$) The commercial banks in the study sample used strategic flexibility with its combined dimensions (resource flexibility and capacity flexibility) to achieve sustainable competitive advantage with their combined dimensions (quality of banking service, excellence, cost reduction, creative capabilities, information and communications technology) for financial decisions with their combined dimensions (investment decision, financing decision, profit distribution decision, planning and forecasting decision, financial risk management decision).

Conclusions and suggestions

Conclusions

- Although banks strive well to diversify their cash investments when they want to make an investment decision in order to obtain cash returns, these efforts are not at the necessary level, especially with regard to searching for new aspects of internal and external

investment through companies and clients.

- Regarding the financing decision, the study finds that the banks' management faces a state of instability as a result of the exchange rate of the Iraqi dinar, which generally affects the financing decision that the banks wish to take, and is also reflected in the relations between unsuccessful financial and investment institutions, which makes them need broader knowledge and obtain the necessary information sufficient to make the financing decision.
- In order to stay in the market and deal with future challenges, banks must rely on banking resources in all areas, and the average degree of flexibility of the resources they acquire may not help support the efforts of bank managements in developing their strategies through their resources
- Bank administrations care about the quality of the service they provide to their customers by setting a clear vision aimed at improving banking services. However, placing this task on the shoulders and responsibility of their employees to a greater extent causes confusion among these employees regarding the quality of the services provided.
- Although bank administrations continuously encourage their employees by giving them rewards and incentives that contribute to ensuring their continued creativity and excellence, limiting these privileges to a specific segment of these employees without other employees negatively affects the level of excellence in general.

Recommendations

- Addressing the shortcomings that occur as a result of not diversifying investment and seeking to find new aspects of domestic and foreign investment through companies and clients.
- Urging bank administrations to take into account the stability of the Iraqi dinar exchange rate and its lack of fluctuation in the market, and to build relationships with institutions and companies that contribute to supporting the dinar in the market.
- establishing a suitable plan for paying out earnings to shareholders and taking use of the financial liquidity available for future investments.
- Addressing the shortcomings resulting from weak financial risk management, which causes instability in banking transactions with customers, due to fluctuations in the currency exchange rate, which does not significantly prevent the risks that these banks may face.
- Enhancing the quality of financial services by implementing changes and enhancements and motivating staff to be innovative and deliver superior services in order to attain excellence.

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