



## THE RELATIONSHIP OF STRATEGIC FORESIGHT IN ACHIEVING FINANCIAL SUSTAINABILITY: AN APPLIED STUDY IN A SAMPLE OF IRAQI PRIVATE COMMERCIAL BANKS

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<p><b>Received:</b> 14<sup>th</sup> June 2022 <b>Accepted:</b> 14<sup>th</sup> July 2022 <b>Published:</b> 24<sup>th</sup> August 2022</p>	<p>The research aims to determine the relationship of strategic foresight with its dimensions (environmental survey, information processing methods, networks and individuals, organization and culture) in financial sustainability with its dimensions (cash and its equivalents, credit, revenues) and the degree of arrangement of these dimensions according to their importance and priority, as well as revealing The moral differences in the respondents' response to the questionnaire's paragraphs according to the surveyed banks. The study problem was identified through several questions that centered on whether there is a relationship for strategic foresight in achieving financial sustainability for the banks investigated, 157 people who are at the administrative levels (high, middle, and executive) in the Iraqi private commercial banks (the National Bank of Iraq, Ashur Bank, Gulf Commercial Bank, Trans-Iraq Investment Bank) and the financial statements and reports of those banks for the years (2014 - 2019) were also relied upon in interpreting the results as well as conducting personal interviews with some officials in the surveyed banks, the data were analyzed on statistical programs (MICROSOFT EXCEL), (SPSS V.26) in calculating (arithmetic mean, standard deviation, relative importance, simple regression coefficient, Pearson correlation coefficient, path analysis). The researcher reached a set of results, the most prominent of which was the existence of a significant correlation of strategic foresight in achieving financial sustainability, as well as the presence of significant differences with statistical significance in the respondents' response to the two research variables.</p>

**Keywords:** Strategic Foresight, Financial Sustainability.

### INTRODUCTION

Today's interest in the issue of achieving financial sustainability in banks has increased as the best way to do business and face banking challenges and difficulties, as well as its role in creating new jobs and obtaining market share for them. With banks, which are still the most important pillars of the national economy, sustainable banks can thrive and achieve success in the long term through their capabilities that qualify them to keep pace with the rapid changes and developments in the surrounding environment. Strategic foresight was one of those means and methodologies that contribute to achieving financial sustainability for its positive impact in performing the work of banks and enabling their leaders to come up with innovative solutions in an automatic way, realizing

that the traditional means of work and the planned procedures are no longer sufficient to achieve the required performance, so it was necessary to adopt and apply modern practices to face challenges and contemporary changes constantly.

Hence the problem of the study arose, if the researcher noticed through visits, surveys and interviews with officials in the surveyed banks that there is a need to identify the dimensions of strategic foresight and identify ways to achieve them by enhancing awareness of the importance and role of practicing strategic foresight in it to reach the best positive results that enable banks to Improving their provision of banking services.



The research aims to build a knowledge framework for the basic research variables represented by (strategic foresight and financial sustainability).

The research included four topics: First topic (research methodology, and some previous studies). While the Second topic devoted the theoretical aspect of the research that clarifies the theoretical aspect of financial sustainability and the theoretical aspect of financial sustainability. The Third topic is the applied aspect of the research, while the Fourth topic includes the most important conclusions and recommendations reached by the research.

### **The first topic: research methodology and some previous studies**

#### **One: The research problem**

The concept of strategic foresight emerged as one of the mechanisms or methods that banks must adopt to enable their departments to deal spontaneously with problems and crises, as well as to form mental perceptions about their present and future banking operations to keep pace with their business in light of the increasing environmental changes to achieve their financial sustainability. The researcher noticed through visits, surveys and interviews with officials in the banks investigated that there is a need to identify the dimensions of strategic foresight and identify ways to achieve them through knowledge strengthening. Accordingly, the problem of the study can be formulated into the following questions:-

- 1- What is the level of response of the sample and its awareness of the importance of strategic foresight and financial sustainability and its importance to the banks investigated?
- 2- What is the nature of the relationship between strategic foresight and financial sustainability in the surveyed banks?
- 3- Are there significant differences in the sample answers about foresight variables according to the banks surveyed?

#### **Two: The importance of the study:**

- 1- The importance of the variables investigated (strategic foresight and financial sustainability), as strategic foresight represents a permanent and

continuous tool for monitoring and early warning for decision-makers and policy-makers.

- 2- A serious attempt to guide the officials in the surveyed banks to familiarize them with the mechanisms of dealing with financial sustainability by highlighting the importance of practicing strategic foresight and its role in achieving it and its reflection on its performance.
- 3- The possibility that the decision-makers officials in the surveyed banks benefiting from the results reached by the researcher to build their plans and strategies.
- 4- The study derives its importance from the importance of the banking sector, which constitutes a major axis in the national development process as a supportive and enhancing sector for economic development in the country.

#### **Three: Objectives of the study**

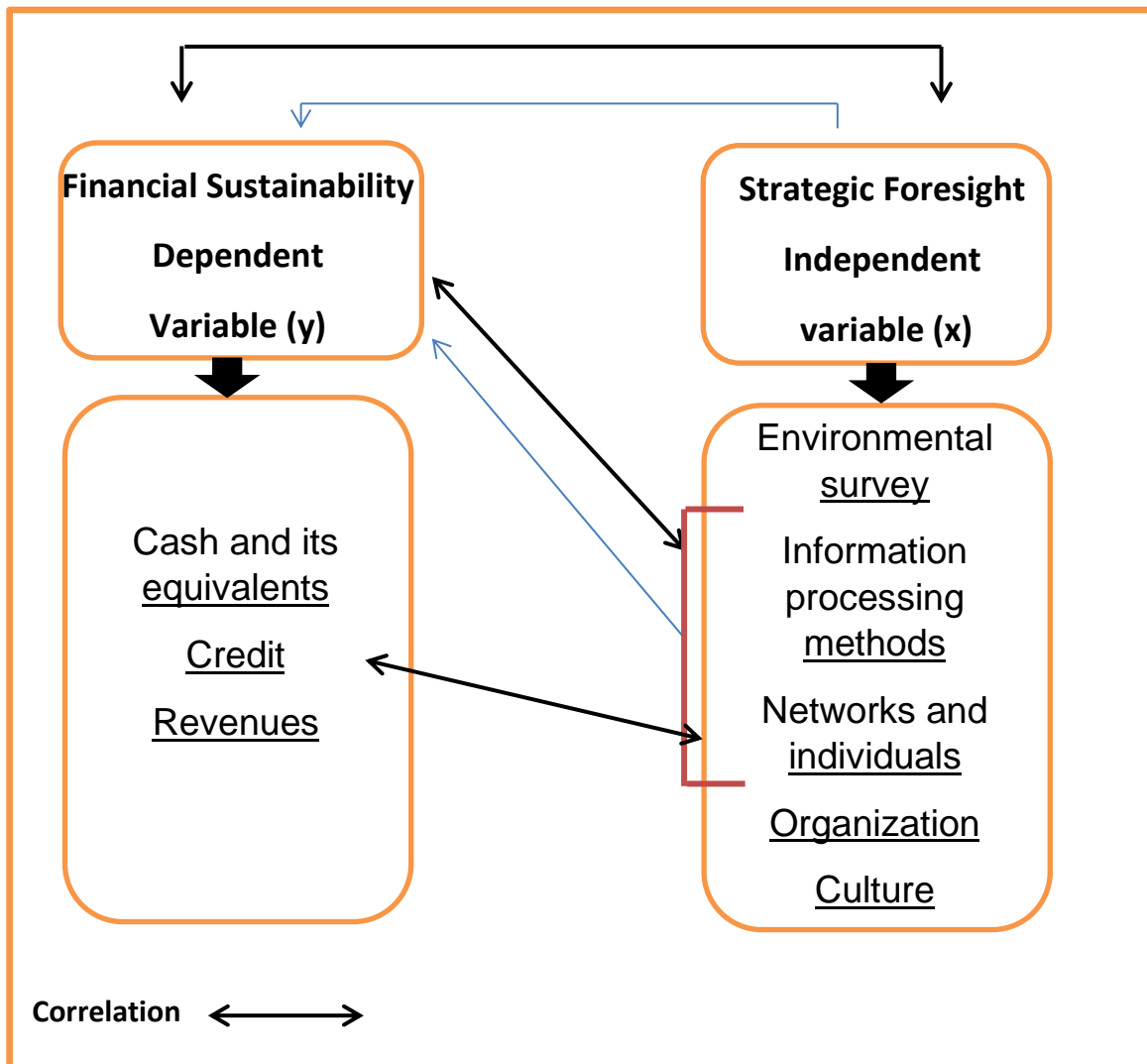
The study seeks to achieve the following objectives:

1. Diagnosing the level of interest of the surveyed banks in strategic foresight and financial sustainability, as well as determining the degree of its dimensions.
2. Revealing the nature and type of the relationship between strategic foresight and financial sustainability in the surveyed banks.
3. A statement of the differences in the sample answers about the variables of the questionnaire, according to the banks surveyed.

#### **Four: the hypothetical study plan**

In light of the study problem and the objectives expected to be achieved, a hypothetical study plan was built as shown in Figure (1), which depicts the independent variable (x) strategic foresight represented by the dimensions (environmental survey, information processing methods, networks and individuals, organization and culture) based on (Jafari, M., 2017) and the dependent variable (y) on financial sustainability represented by the dimensions of (cash and equivalents, credit, revenues) based on (HAMZAH & GHAFAR, 2005:139).

Research hypothesis figure / Figure (1)



### Five: The hypotheses of the study

In order to achieve the study's objectives, the researcher formulated a main hypothesis from which several sub-hypothesis emerged.

The main hypothesis: (there is no significant correlation between strategic foresight and financial sustainability) and the following sub-hypotheses emerge from this hypothesis:

- First sub-correlation hypothesis: There is no significant correlation for the environmental survey in financial sustainability.
- Second sub-correlation hypothesis: There is no significant correlation of information processing methods in financial sustainability.
- Third sub-hypothesis: There is no significant correlation for individuals and networks in financial sustainability.

- Fourth sub-correlation hypothesis: There is no significant correlation for regulation in financial sustainability.

- Fifth sub-correlation hypothesis: There is no significant correlation of culture in financial sustainability.

### Six: Research Methodology

The study relied on the descriptive approach and the analytical approach to related information as a holistic approach that is not limited to data collection and analysis, but rather is concerned with analyzing the phenomenon under study and reaching the facts through the possibility of combining more than one study method at the same time such as observation, personal interviews and questionnaire in order to access information directly, the results of which contribute to the interpretation of the researched



phenomenon and to a broader understanding of its main aspects.

**Seven: Society and research sample**

The study adopted the leaders responsible for making strategic decisions and bearing the responsibility for foresight of those decisions, and at the same time keen on the financial sustainability of the banks surveyed, while the study sample was a stratified sample of officials at the administrative levels (higher, middle, and executive) and after reviewing the records of the surveyed banks. The final record showed that the study population is (263) and the sample surveyed (157).

**Eight: Sources and methods of data collection**

- 1- Theoretical aspect: There are many sources that the researcher relied on, and they are represented in the following: local, Arab and foreign books and references, magazines, articles, periodicals, research, letters and theses have been relied upon.
- 2- The practical aspect: all of the following:
  - A- Documents and annual financial reports of the surveyed banks for the years (2014-2019).
  - B- Personal Interviews: A number of personal interviews were conducted with the relevant stakeholders and officials in the surveyed banks and with a number of officials in the banking sector, as their answers contributed to supporting the research.
  - C- Survey questionnaire: the main tool on which the research relied in collecting data and

accessing the facts. Its paragraphs were designed by making use of the literature related to the subject of the study, and it was adapted to the objectives of the study and the opinions of the arbitrators. It included the following 2 axis':

First axis – includes introductory information about the respondents (gender, age, educational qualification, number of years of service, and occupational level).

As for the second axis: it focused on the main study variables and their dimensions, which are:

- a- Strategic Insight: which included five dimensions (environmental survey, information processing methods, networks and individuals, organization and culture) and a set of questions were developed for them, five questions each therefore the total of the questions is 25 questions.
- b- Financial sustainability: which included three dimensions (cash and equivalents, credit, revenues). Five questions were formulated for each of these dimensions, for that the total was (15) questions.

Thus the questionnaire consisted of 40 questions as shown in Table (1) It was formulated according to the five-point Likert scale (strongly agree, agree, neutral, disagree, completely disagree) and with weights (1,2,3,4,5) respectively, as shown in Table (1)

variable	Dimension	Part	Source
<b>strategic foresight</b>	Environmental scanning	1- 5	Razalli et al,2015 Hughes et al, 2018
	Information processing methods	6 – 10	
	Networks and people	11 – 15	
	Organization	16 – 20	
	Culture	21 – 25	
<b>financial sustainability</b>	Cash and its equivalents	26 – 30	2007 Adriana Tudor, Al-Rifi, 2014 Lisa M. Sontag, 2012
	Credit	31 – 35	
	Revenues	36 – 40	

Table 1 - Structure of the questionnaire and the used sources

**Nine: The validity and reliability test of the research questionnaire**

First: The validity and reliability of the questionnaire: After the researcher completed the formulation of the questionnaire's paragraphs in its final form, and for the purpose of measuring the apparent validity of the study tool, it was presented to 10 experts on the finance and administration specialists. To insure the

reliability of both the scientific and linguistic aspects of the questionnaire, and all the experts' observations were taken into account, and their additions, modifications or deletions were adhered to.

Second: The stability test:

In order to ensure the stability of the questionnaire, a stability test is required, In this study, Cronbach's Alpha test was used to test the stability of the scale.



Table (2) represents the results of the stability coefficients for the dimensions of the questionnaire.

Table (2)  
Scale stability

Scale	Paragraphs Number	Stability coefficient value
Strategic Foresight Scale	25	0.848
Financial Sustainability Scale	15	0.867
overall scale	40	0.886

Source: Prepared by the researcher based on the outputs of SPSS V26.

As noted from Table (2) that all stability coefficients are high, and thus all measures can be relied upon.

**Ten: Some previous studies related to the relationship between strategic foresight and financial sustainability:**

Table (3) shows Some previous studies and research

Muharram research, and Al-Miqdadi, 2018	
Title of the research	The conceptual foresight strategy in acquiring mathematical concepts.
Aims of the research	The study aimed to investigate the effect of the foresight strategy on the acquisition of mathematical concepts and problem solving among female students
Research sample and location	Applied to a sample of (60) female students from the fourth grade, distributed equally in Jordan.
Type of research	PhD thesis / Analytical study
Method and tool of the research	The experimental method, and questionnaire.
Most prominent results	To encourage teachers to use the conceptual foresight strategy in teaching mathematical knowledge
Hasten Research, 2016	
Title of the research	Analysis of the relationship between public spending and financial sustainability of selected countries with special reference to Iraq
Aims of the research	Studying the impact of rationalizing public spending on financial sustainability and analyzing their indicators in the sample countries to give a comparative view between them and to measure and analyze the relationship between the main economic and financial variables affecting the financial sustainability of the sample countries (Algeria - Egypt - Iraq).
Research sample and location	A sample of (30) managers and administrators in Iraq
Type of research	PhD thesis/analytical study
Method and tool of the research	Descriptive approach, analytical approach and questionnaire.
Most prominent results	1 - The Iraqi economy was characterized as a state of economic and financial instability for the period (1990-2003), as it is a renter economy that depends on oil revenues as the main source of revenues. 2- Despite the claim that there is coordination between the monetary and financial authorities, the role of the Iraqi government represented by the Ministry of Finance is very weak in coordinating the management of public debt, as public debt is a governmental affair and the Central Bank owns a large part of it.
Nascimento et al. research, 2020	
Title of the research	"Dynamic interactions among knowledge management, strategic



	foresight and emerging technologies”
Aims of the research	This study aims to discuss the dynamic interactions between knowledge management, strategic foresight, and emerging technologies, leading to a framework that can help companies shape these interactions to achieve positive outcomes.
Research sample and location	A questionnaire that was distributed to (300) people in the European companies market.
Type of research	Master's Thesis/ Analytical Study
Method and tool of the research	descriptive approach, analytical approach, and questionnaire.
Most prominent results	The framework demonstrates the existence of a cycle of action between strategic foresight and knowledge management through a constructivist perspective, where one can improve the other. These interactions can be useful for developing emerging technologies and for identifying these market innovations that can be applied in companies. Whereas, all these dynamic interactions refer not to a dominant relationship of one over the other, but an equality of value between them.
<b>Zabolotnyy and Wasilewaki research, 2019</b>	
Title of the research	“The concept of Financial Sustainability Measurement: A case of Food Companies from Northern Europe”
Aims of the research	The research aimed to study the concept of financial sustainability in the food industry companies in northern Europe to represent the complex relationships between different financial factors and used fuzzy logic with quantitative variables and classification of companies according to their financial sustainability.
Research sample and location	Data analysis for food companies in Northern Europe.
Type of research	Doctoral thesis/analytical study
Method and tool of the research	Descriptive approach, analytical approach
Most prominent results	The possibility of using the approach proposed by it as an applied tool in the decision-making process to assess financial sustainability on the basis of various financial criteria, in addition to evaluating other aspects of business performance by applying them to other groups of economic entities or companies.

**The second topic: the theoretical side**  
**The first axis: strategic foresight**  
**One: the concept of strategic foresight**

Strategic foresight is not a mechanical process through which predictions of the future are generated, but rather an understanding of the future based on an understanding of the laws, factors or basic structures that appear in observable phenomena. In this way, a seller who predicts that sales will likely increase by 5 percent next year because that is what has been the case in previous years is probably involved in the prediction, while a seller who indicates that sales are

likely to decrease this year, Despite the increasing trend in the past, may have a prescient vision (Reid & Zyglidopoulos, 2004: 239). Therefore, the idea of strategic foresight has two main aspects, which are anticipating and understanding the future (Hadi, 2019: 75). For Horton, foresight is the process of developing a set of perspectives on ways to advance the future, and understanding them well enough to be able to identify the decisions that can be made today to create the best possible tomorrow (Horton, 1991:5). While (Ashour, and Saleem, 213:2018) indicated that it helps work to the best alternative for the future

Table (4) strategic foresight Definitions from the point of view of writers and researchers

Researcher, year, page	Definition
Sweeney,2017:3	It is an organizational ability that works to develop strategy, and this development



	occurs through a group of individuals who have innovative and enlightened abilities in organizations.
Adegbile & et al, 2017: 8	Strategic foresight as an organizational ability that has become the embodiment of successful organization in rapidly changing environments characterized by ambiguity and uncertainty.
Greenblott et al., 2018: 1	A planning tool for developing critical thinking, planning and competencies management to consider the impact of long-term uncertainties on near-term decision making.
Baczyk, 2019: 45	A method that enables organizations to detect emerging dynamics and changes.
Sarpong& Batsakis,2019:3	The ability to extend our awareness through a simultaneous interest in understanding and anticipating the future, with an emphasis on the strategic outlook known as distant ability.
Haarhaus & Liening, 2020: 2	The ability to create and maintain a high-quality, coherent and functional future vision and to use emerging ideas in organizationally beneficial ways

From the above, it can be said that Foresight is the process of developing a set of perspectives on ways to develop the future, and understanding them well enough to be able to identify the decisions that can be made today to create the best possible tomorrow.

## Two: The Dimensions Of Strategic Foresight

### 1. Environmental scanning:

The surrounding environment for strategic management is very important because it is the place in which the bank lives with all its interactions and influences. ( Alburwary & albarazanji, 2008: 73), and the development of modern societies cannot be adequately explained without studying their technological, economic, political and social environment. It constitutes a complex system, often referred to as the information society (IS), so looking into the information systems modeling methodology can provide evidence for building foresight scenarios, clarifying social and technological trends, and planning future development of information technology (IT) and its application areas (Skulimowski, 2012: 247).

### 2. Information processing methods:

Foresight involves the systematic process of looking into the future in various fields of political science, economics, social science, or technology to develop strategic choices (Martin 1995:141). Rohrbeck distinguished between environmental scanning and information processing, and he defined that environmental scanning is the bank's ability to collect future-oriented information, while the method of information processing describes its ability to systematically interpret the collected information, as the study focused on future information primarily on Creating knowledge about methods use (Rohrbeck, 2010:76).

### 3. People and networks:

People represent the most important axis of the bank, as it is one of its core components, whether it is a manager or a subordinate, with its physical, psychological and behavioral structure, as well as its tendencies, expectations, whims, needs, and feelings (Al-Anzi and Al-Majidi, 77: 2016). Qualified individuals are selected to carry out the tasks and duties entrusted to them in order to achieve the specified goals (Noureddine, 78: 2006). Individuals should have the characteristics of strategic thinking, which was indicated by (Al-Sakarna, 37: 2015), as:

- a. Spontaneous flexibility and intellectual fluency.
- b. Evaluate future matters, accuracy and insight.
- c. The ability to make strategic decisions.
- d. Skills in analyzing, classifying and interpreting data and information.
- e. Skills and accuracy in choosing and making trade-offs among strategic alternatives.

### 4. Organization:

Organization is defined as: the process through which the collection of the various aspects of important activities and works to achieve the desired goals of the project, it is determined and placed in a structure that is filled with qualified individuals and providing them with the resources and needs that enable them to perform their work efficiently and effectively (Abu Ajen, 7: 2010), and that each organization has its own advantages, Each administrative position has its own characteristics. The core idea on which this theory is based on is that the bank is not a machine and its structure is characterized by stagnation and routine work, but it is the opposite, as the



individual is characterized by activity and change in behavior as a result of environmental changes (Nur al-Din, 54:2006).

5. Culture

Foresight encourages participation, collective learning and culture development through strategic thinking for the future, meaning stimulating the application of foresight through communication and cooperation in creating new networks that contribute to providing proactive information to improve the knowledge base of foresight institutions (2: 2009, Amanatidou).

Organizational culture is defined as the set of beliefs, assumptions, and values that are shared by the members of the bank (Gregory & Shook, 2009:673), and it is also defined as the philosophies, ideologies, assumptions, beliefs, values, expectations, common attitudes, and standards that bring bank members together (Kilmann: 1985 et al).

for the bank and its financial and economic aspects, its continuity and sustainability, according to the theory of economic unit (it is a study to understand how the unit works and control the internal and external variables, which helps in its continuity and effectively increase wealth and resources in it) (R.Jones, 2013:30).

Here, it becomes clear that financial sustainability is not a process done in isolation from other bank operations, as it is interconnected and integrated with its methods and factors with the administrative and economic systems and the objectives of the bank, this was confirmed by Sipahto through his definition of financial sustainability, as he defined it as an interconnected series of working methods that are affected by economic, social, political, environmental and technological factors. Due to the bank's relationship with its surrounding environment, it is not fixed as it's an economic, social, political and technological structure that is constantly evolving and changing, it can make work methods useless over time if management does not initiate changes because it represents the supreme authority in the bank, so it requires it to change its organizational structure, which is part of financial sustainability (Sebhtu, 2008: 78).

Two: the definition of financial sustainability

**The second axis: financial sustainability**  
**One: the concept of financial sustainability**

The concept of financial sustainability is a relatively recent concept, as this term appeared after the concept of sustainable development, as It is part of it

Table (5) financial sustainability Definitions from the point of view of some writers and researchers:

Researcher, year, page	Definition
Padilla, 2012 ,P:2	Financial capacity that gives an organization the ability to seize opportunities and respond to unexpected challenges while maintaining the organization's overall operations.
World Bank, 2013	The process that is concerned with achieving continuous parity that ensures the availability of the same current development opportunities for future generations by ensuring the stability of comprehensive capital or its continuous increase over time.
AlMashharawi, 2015	The ability of banks to remain in their activities in the long term, provided that they achieve high growth rates and there are indicators that confirm this survival.
Joseph, 2016	The tools that banks use to be able to maintain a stable position.
Myskova and Hajek, 2017, 89	The company's ability to generate profits and increase the value of the invested capital and pay the obligations in the short and long term at the same time.
Yousif. 2020. 96	the ability to secure stable and sufficient financial resources and distribute them to the required investment aspects in the appropriate form and time. Another definition was also given as the ability to provide sufficient self-financing from various sources that allow business continuity. Financial sustainability is linked to achieving high levels of performance and creating value for investors.

It can be said now that financial sustainability is the ability of the bank to obtain revenues to cover expenses and meet current financial obligations without compromising its ability to meet its financial obligations in the future to ensure continued development and reach the required goals.

**Two: The dimensions of financial sustainability**

The International Accounting Standards Bank (IPSASB) has identified the dimensions of financial sustainability into three main and interrelated dimensions:

1. The dimension of cash and cash equivalents (liquidity): Many banks started in the sixties and seventies to collect more liquid funds through borrowing from the money market. This strategy is





called Debt Management, and calls for adequate borrowing of funds. The main source of the bank's borrowed liquidity includes certificates of deposit, sale and repurchase agreements, the euro currency and the reserve borrowing from the discount category in the central bank (Rose, 1999:354). Liquidity available in investment opportunities with low risks, high returns, or those that achieve the best return for less risk and provide liquidity when the bank faces requests to withdraw deposits or fulfill due financial obligations. Meeting the demands of businessmen and investors when the demand for loans increases at a time of economic boom. To achieve these goals, basic hypotheses was developed, as follows: There is no statistically significant correlation between bank liquidity and both return and risk (Abdul-Hussein Muhammad, 2005).

2. The dimension of credit: Deposits are the main source of the bank's funds. The commercial banks perform a general service for the national economy by accepting deposits due to what this leads to in facilitating the various payments operations and the resulting investment and investment in the various economic fields (Alshamaa, 1979: 302). Deposits are considered debts owed to their owners by commercial banks, these debts are money that can be used to clear debts at the same time, and that these deposits do not arise as a result of individuals depositing their money with banks only, but also arise from individuals as a result of bank loans. A certain amount that corresponds to a pledge from the borrower to pay it at the specified time in the future. This pledge or promise for future payment results from a present or immediate undertaking by the bank to open an account for the borrower, Therefore, the pledge of the individual borrowers to pay (i.e. to pay the loan) is considered an asset of the bank according to which it obtains a profit represented in the interest rate on the loan.. (Alshmary, 1988: 421-521). The banking custom in England has been that the deposit received by the bank becomes its property and the bank has the right to use it in the course of its current affairs to achieve profit as long as it pledges to return an amount equal to the deposit in addition to the agreed upon profit to the depositor (Sulaiman, 1984: 35) . Therefore, the volume of deposits is the main factor affecting the bank's ability to lend, the table (6) - Correlation coefficients between the dimensions of strategic foresight and the dimensions of financial

larger the deposits, the greater the bank's ability to give more loans. The bank always lends from the deposits it has. As for the bank's capital and reserves, they have other functions and are only used in lending operations at the beginning of its work. (Arshid and Judah, 1999: 204).

3. The Revenue dimension: This dimension focuses on revenues and their sources during the forecast period based on the assumptions of the current policy regarding the provision of dues and services to beneficiaries, provided that it remains within the debt limits, and when the debt management policies and the level of services are expected, the level of revenues needed to finance these policies is determined , This data or information helps management in evaluating the ability of the bank or institution to change the levels of revenue or create new sources for it and the extent of its dependence on sources of revenue outside its influence and control, and then assess the sustainability of its revenue sources. It takes into account the sources of revenue during the forecast period and in light of the assumptions of the current policy regarding providing services to recipients and paying dues to beneficiaries. This dimension focuses on the ability of the bank to change revenue levels or create new sources for them. It also focuses on other factors such as the extent to which the unit depends on sources of revenue outside its control or influence (IPSASB, 2015: 2078).

**The third topic: the practical side**

**The first axis: is the descriptive analysis of the research variables**

The research aims to test the main and subsidiary correlation hypotheses, which are the basis for launching the research by finding the correlation relations between the current variables of the research, depending on the ready-made statistical program (SPSS.V26) to extract the Pearson correlation coefficient.

The independent variable represented by strategic foresight, in five dimensions (environmental survey, data processing methods, networks and individuals, organization, and culture). While the dependent variable represented by financial sustainability, has three dimensions (revenue, debt, and liquidity). Table (6) contains the correlation coefficients between all these variables, as follows:

Table (6) - Correlation coefficients between the dimensions of strategic foresight and the dimensions of financial sustainability

	revenue	Debt	Liquidity	financial sustainability
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environmental scanning	0.514	0.481	0.455	0.522
Information processing methods	0.663	0.534	0.599	0.646
Networks and People	0.784	0.628	0.672	0.751
Organization	0.664	0.532	0.518	0.618
the culture	0.497	0.31	0.373	0.426
strategic foresight	0.788	0.631	0.662	0.75

Source: Prepared by the researcher based on the outputs of SPSS V26

**The main hypothesis:**

The hypothesis is as follows:

((There is no significant statistically significant correlation between strategic foresight and financial sustainability))

Table (7) - The value of the correlation coefficient between strategic foresight and financial sustainability

Strategic Foresight	Financial Sustainability	
	Correlation score	0.750**
morale level	0.000	

Source: Prepared by the researcher based on the outputs of SPSS V26

Table (7) shows that there is a strong statistically significant direct correlation between strategic foresight and financial sustainability in general, as the correlation coefficient reached (0.750\*\*), which indicates that any increase in strategic foresight leads to the same increase in financial sustainability, and every decrease in strategic foresight leads to the same level decrease in financial sustainability and vice versa,

so based on the results we reject the first main null hypothesis (there is no significant statistically significant correlation between strategic foresight and financial sustainability), and we accept the alternative hypothesis, depending on the above results that The surveyed banks clearly adopted strategic foresight, and this contributed to their gaining the ability to achieve financial sustainability.

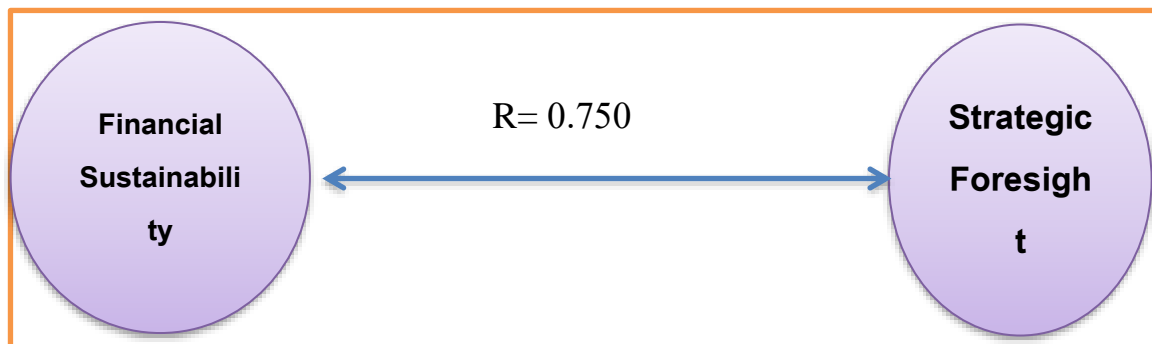


Figure (2) - Testing the correlation between strategic foresight and financial sustainability

Source: Prepared by the researcher based on the outputs of SPSS V26.

The following sub-hypotheses are derived from this hypothesis:

((There is no significant statistically significant correlation between each dimension of strategic foresight and financial sustainability)).

A- First sub-hypothesis: The correlation between environmental survey and financial sustainability:

Table (8) shows that there is a strong direct relationship between the environmental survey dimension and financial sustainability, as the

correlation coefficient was (0.522\*\*) at the level of statistical significance (0.01), which is a positive correlation, meaning that the change in the environmental survey dimension leads to the change in the same direction in Financial sustainability, meaning that the environmental survey dimension leads to the same increase in financial sustainability, so based on the results, we reject the null hypothesis, which is the first sub-hypothesis within the first main hypothesis (there is no significant statistically significant



correlation between the environmental survey dimension and financial sustainability), and we accept The alternative hypothesis, and the results indicate that the surveyed banks' adoption of the environmental survey clearly contributes to their gaining the ability to achieve financial sustainability.

Table (8) - The value of the correlation coefficient between environmental scanning and financial sustainability

environmental scanning	Financial Sustainability	
	Correlation score	0.522**
morale level	0.000	

Source: Prepared by the researcher based on the outputs of SPSS V26.

B- The second sub-hypothesis: The correlation between data processing methods and financial sustainability:

Table (9) shows the existence of a strong direct relationship between the dimension of data processing methods and financial sustainability, as the correlation coefficient was (0.646\*\*) at the level of statistical significance (0.01), which is a correlation with a positive value, meaning that the change in the dimension of data processing methods leads to a change in the direction The same in financial sustainability, meaning that the dimension of data processing methods leads to the same increase in financial sustainability, so based on the results we reject the null hypothesis which is the second sub-hypothesis within the first main hypothesis (there is no significant statistically significant correlation between the dimension of data processing methods and sustainability financial), and we accept the alternative hypothesis, and the results indicate that the surveyed banks' adoption of some data processing methods clearly contributes to their gaining the ability to achieve financial sustainability.

Table (9) - The value of the correlation coefficient between data processing methods and financial sustainability

Data processing methods	Financial Sustainability	
	Correlation score	**0.646
morale level	0.000	

Source: Prepared by the researcher based on the outputs of SPSS V26.

C- The third sub-hypothesis: The correlation between networks and individuals with financial sustainability:

Table (10) shows that there is a strong direct relationship between the dimension of networks and

individuals and financial sustainability, as the correlation coefficient reached (0.751\*\*) at the level of statistical significance (0.01) and it is a correlation with a positive value, meaning that the change in the dimension of networks and individuals leads to the change in the same direction in Financial sustainability, meaning that the networks and individuals dimension leads to the same increase in financial sustainability. Therefore, based on the results, we reject the null hypothesis, which is the third sub-hypothesis within the first main hypothesis (there is no significant correlation between the network and individuals dimension and financial sustainability), and accept The alternative hypothesis, and the results indicate that the surveyed banks adopting the network and individuals dimension clearly contributes to their gaining the ability to achieve financial sustainability.

Table (10) - The value of the correlation coefficient between networks and individuals and financial sustainability

networks and individuals	Financial Sustainability	
	Correlation score	**0.751
morale level	0.000	

Source: Prepared by the researcher based on the outputs of SPSS V26.

D- Fourth sub-hypothesis: The correlation between Organization and financial sustainability:

Table (11) shows that there is a strong direct relationship between the dimension of Organization and financial sustainability, as the correlation coefficient was (0.618\*\*) at the level of statistical significance (0.01), which is a correlation with a positive value, meaning that the change in the dimension of Organization leads to the change in the same direction in financial sustainability. , meaning that the Organization dimension leads to the same increase in financial sustainability, so relying on the results, we reject the null hypothesis, which is the fourth sub-hypothesis within the first main hypothesis (there is no significant statistically significant correlation between the Organization dimension and financial sustainability), and we accept the alternative hypothesis. The results indicate that the fact that the surveyed banks adopt the Organization dimension clearly contributes to their gaining the ability to achieve financial sustainability.

Table (11) - The value of the correlation coefficient between Organization and financial sustainability

Organization	Financial Sustainability	
	Correlation score	**0.618
morale level	0.000	



Source: Prepared by the researcher based on the outputs of SPSS V26.

E- The fifth sub-hypothesis: The relationship between culture and financial sustainability:

Table (12) shows that there is a strong direct relationship between the culture dimension and financial sustainability, as the correlation coefficient was (\*\*0.618) at the level of statistical significance (0.01) and it is a correlation with a positive value, meaning that the change in the culture dimension leads to the change in the same direction in financial sustainability. , meaning that the culture dimension leads to the same increase in financial sustainability, so relying on the results, we reject the null hypothesis, which is the fifth sub-hypothesis within the first main hypothesis (there is no significant statistically significant correlation between the culture dimension and financial sustainability), and we accept the alternative hypothesis. The results indicated that the fact that the surveyed banks clearly adopt the culture dimension contributes to their gaining the ability to achieve financial sustainability.

Table (12) - The value of the correlation coefficient between culture and financial sustainability

		Financial Sustainability
culture	Correlation score	**0.618
	morale level	0.000

Source: Prepared by the researcher based on the outputs of SPSS V26.

#### FOURTH TOPIC: CONCLUSIONS AND RECOMMENDATIONS

##### One: - Conclusions of the independent variable, strategic foresight:

- 1- The surveyed banks showed their adherence to the environmental survey and what contributes to improving the level of strategic foresight, as they tend to conduct predictive studies to search for opportunities in the field of their banking work, invest them, exchange creative ideas and document them, as well as reviewing the experiences of successful banks leading to their imitation and simulation.
- 2- The surveyed banks relied on information processing methods that enhance their ability to strategic foresight, especially as they depend on the use of a large and diverse group of information sources. Transfer and exchange of information between its departments and relevant authorities.
- 3- It became clear the interest of the surveyed banks in the use of networks and individuals to improve

the level of strategic foresight, through the use of intranet and extranet networks to provide banking services to external parties, and this shows the necessity of using modern technology in banking.

- 4- It became clear that the surveyed banks were interested in organizational transformation, so they tried to improve the level of strategic foresight by re-arranging operations simultaneously and not sequentially in a way that achieves interaction between departments, especially as they provide a quick response to price changes in interest on deposits to retain their existing customers and earn new ones, as well as their limited ability To generate new methods and models to simplify the conduct of banking operations.
- 5- The interest of the surveyed banks in culture became clear to achieve strategic foresight, so they proceeded to improve culture through commitment to professional secrecy to protect the privacy of customers, education and continuous development of the capabilities of its members in a manner that consolidates the values of efficiency and excellence, building mutual trust with them and developing their sense of belonging, and establishing a positive impression in them that they are Part of the bank, not just employees.

##### Two: Conclusions of the financial sustainability variable

- 1- It was found that the surveyed banks are interested in revenue in order to reach financial sustainability, so they deliberately disclosed the percentage of the new accounts that are maintained by banks for the first time from the shareholders account, which contributes to assisting customers in making rational decisions and enhancing confidence in their financial reports.
- 2- Demonstrating the banks' interest in debt in order to achieve financial sustainability, disclosing the amounts of legal and regulatory fines and settlements related to the regulation of the financial sector, and the percentage resulting from information about violations that contribute to assisting investors in making rational decisions and enhancing confidence in financial reports.
- 3- Showing the interest of the surveyed banks in liquidity to ensure financial sustainability and the disclosure of the discovered net credit derivatives, which contributes to improving disclosure and transparency which indicates that it enables customers to know their investment positions in the bank and their consequences.

##### Three: Recommendations related to strategic foresight



- 1- The study recommends that the surveyed banks pay extra attention to networks and individuals, to develop ethical codes that adopt values and beliefs that unite everyone within commercial banks and improve the level of strategic foresight by adopting the following mechanisms:
  - a. Building mutual trust between management and employees, in a way that increases their loyalty and their sense of belonging to the bank.
  - b. Maintaining the confidentiality of customer information and not disclosing it except by legal means.
  - c. Maintaining a high level of continuous learning and development methods, in a manner that develops and consolidates efficiency, effectiveness and excellence in customer service.
- 2- Attention should be paid to ways of processing information, which increases the ability of banks to strategic foresight, as it is a major means for improving performance, exchanging ideas, transferring experiences, and confronting the external environment proactively by adopting the following mechanisms.
  - a. cooperation and strategic partnership agreements with various external parties in a way that increases the competitive capabilities for the bank.
  - b. Using information systems to achieve fluidity in the transfer and exchange of information between its departments, individuals and relevant authorities in a way that prevents wasting time and effort and eliminating monotony and routine in work.
  - c. Adopting advanced and high-capacity communication networks in providing banking services to external and internal parties through intranets and extranets.
- 3- The banks' endeavor to search for opportunities and collect various data and information in a way that expands their strategic perceptions in formulating the environmental survey improves the level of strategic foresight by relying on the following mechanisms:
  - a. Benefit from the experiences of other competing or foreign banks with a high reputation and market position, and work to emulate their experiences.
  - b. Setting a road map for setting goals and a measurement mechanism through unified and internationally approved standards.
    - c. Adopting brainstorming sessions, exchanging ideas and predicting opportunities in the banking field.
    - d. Adopting the customers' suggestions is a first step towards change, renewal and distinction.
- 4- Resorting to finding tangible and clear changes in the banks' structures, leading to improved regulation of strategic foresight, by adopting the following mechanisms:
  - a. Finding new methods and models to simplify banking procedures.
  - b. Dealing with financial crises proactively and flexibly, and preparing scenarios to confront them with the least losses and turn them into a competitive advantage.
  - c. Simultaneous re-engineering of operations, in order to achieve interaction and synergy between the various departments and units of commercial banks.
  - d. Responding to changes in interest rates in a way that qualifies it to retain its current customers and gain new ones from them.
  - e. Adopting insight, wisdom and discretion when formulating the bank's vision, in addition to skills, experience and knowledge.
- 5- The study recommends participation, collective learning and the development of culture through strategic thinking by adopting the following mechanisms:
  - a. Working on developing a culture of teamwork and instilling the spirit of one team.
  - b. Spreading a culture of transparency, disclosure and accountability and providing correct information to the decision maker and the relevant authorities.

#### **Four: Recommendations related to financial sustainability**

- 1- Strengthening the strong points of the banks that worked to increase the growth rate of cash and its equivalents, as it is one of the most important indicators in enhancing bank liquidity in terms of fulfilling short-term financial obligations.
- 2- Working on drawing up the right and appropriate policies in the process of increasing credit in the surveyed banks by launching new banking services represented in granting loans and debit current accounts that generate the highest possible return and working to enhance the strengths of the surveyed banks by encouraging individuals and companies to grant them loans.
- 3- Working on drawing up and adopting a new policy by the surveyed banks in the process of attracting



money by companies and individuals by encouraging them to save and providing them with assistance in the crises they are going through. The new policy is to publish advanced electronic advertisements to encourage individuals to save.

- 4- Work to increase revenues and enhance the strengths through which the bank can obtain the highest possible return at the lowest possible risk, by granting loans and providing modern banking services.

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