THE ROLE OF ORGANIZATIONAL LEARNING IN ENHANCING THE BANKS' FINANCIAL PERFORMANCE: RESEARCH IN IRAQI COMMERCIAL BANKS

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THESIS APPROVAL PAGE

I certify that, in my opinion, the thesis submitted by Aram Ghazi JABBAR titled "THE ROLE OF ORGANIZATIONAL LEARNING IN ENHANCING THE BANKS' FINANCIAL PERFORMANCE: RESEARCH IN IRAQI COMMERCIAL BANKS "is fully adequate in scope and quality as a thesis for the degree of Master of Arts.

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I hereby declare that this master's thesis is the result of my work. All information contained has been attained and developed in accordance with the academic rules and ethical policy identified by the Institute of Graduate Programs, Karabuk University. Furthermore, I declare that all the statements, results, and material not original to this thesis have been cited and referenced literally.

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FOREWORD

First, I unfailingly praise Allah Almighty for the gifts and blessings He has given me during my lifetime and made me successful, especially during my higher education and completing my master's study.

I am proud to direct my sincere gratefulness to Assoc. Prof. Dr. Serhan GÜRKAN for his sympathy and efforts in supervising this study and his enriched study with academic observations. Thank you for your guidance and patience.

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ABSTRACT

The primary purpose of this study is to explore the role of organizational learning in enhancing the financial performance of commercial banks. In this study, it was hypothesized that organizational learning processes within commercial banks develop employee skills and better provide banking services to clients; thus, it improves financial performance. The quantitative study method and the survey were used to obtain empirical data from managers and employees of Iraqi commercial banks. As the final step of data collection, 332 samples were obtained for analysis.

The results supported four study hypotheses related to the role of organizational learning in improving bank financial performance. The outcomes also demonstrated that organizing learning enhances the financial performance of commercial banks.

Keywords: Organizational Learning, Financial Performance, Commercial Banks, Iraq.

ÖZ

Bu çalışmanın birincil amacı, ticari bankaların finansal performansını artırmada örgütsel öğrenmenin rolünü araştırmaktır. Bu çalışmada, ticari bankalardaki organizasyonel öğrenme süreçlerinin çalışanların becerilerini geliştirdiği ve müşterilere bankacılık hizmetlerini daha iyi sunması nedeniyle finansal performansı artırdığı varsayılmıştır. Irak ticari bankalarındaki yönetici ve çalışanlardan ampirik veriler elde etmek için nicel çalışma yöntemi ve anket kullanılmıştır. Veri toplamanın son adımı olarak analiz için 332 örneklem elde edilmiştir.

Sonuçlar, bankaların finansal performansını artırmada örgütsel öğrenmenin rolüne ilişkin dört çalışma hipotezini desteklemektedir. Sonuçlar ayrıca öğrenmeyi organize etmenin ticari bankaların finansal performansını artırdığını göstermektedir.

Anahtar Sözcükler: Örgütsel Öğrenme, Finansal Performans, Ticari Bankalar, Irak.

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ARŞİV KAYIT BİLGİLERİ

Tezin Adı	Bankaların Finansal Performansını Artırmada Örgütsel Öğrenmenin Rolü: Irak Ticari Bankaları Üzerine Araştırma
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ABBREVIATIONS

BFP : Banks' Financial Performance

CBI : Central Bank of Iraq

CEO : Chief Executive Officer

GDP : Gross Domestic Product

HR : Human Resources

KMO : Kaiser-Meyer-Olkin

OPM : Operation Profit Margin

PCA : Principal Component Analysis

ROA : Return on Assets

ROE : Return on Equity

ROI : Return on Investment

TQM : Total Quality Management

Symbols

β0 : Constant Value

β1 : Beta Standardized Coefficients

R : Correlation

R^2 : R Square

SUBJECT OF THE RESEARCH

The main focus of the current study is to investigate the role of organizational learning in enhancing the financial performance of commercial banks in Iraq. The study aims to obtain the perceptions of commercial bank managers and related information on the subject.

PURPOSE AND IMPORTANCE OF THE RESEARCH

The main goal of bank management is to achieve good financial performance; as a result, managers and academics look for variables that can increase banks' capacity to improve their business operations and banking services. Organizational learning is the foundation for modern and contemporary organizations in this setting. This is because organizations and scholars are very interested in it, particularly as a means of administrative communication for organizations to stay informed about the complex changes occurring both inside and outside the natural environment. As a result, the main goal of this research is to examine how organizational learning might improve banks' financial performance. The study also aims to achieve the following goals:

1. Identify the levels of organizational learning within Iraqi commercial banks.

2. Clarify the role that organizational learning plays in improving the financial performance of commercial banks.

3. Examine the relationship between organizational learning components and the financial performance of commercial banks.

4. Determining the role of organizational learning components in enhancing the financial performance of commercial banks.

The original value and significance come from the role that organizational learning plays in advancing business operations in general and, more specifically, in enhancing the financial performance of Iraqi commercial banks. Although the size of the loan facilities offered by commercial banks is large and has a real impact on the industry and the national economy, it is a big concern because the learning process and organizational learning assist commercial banks in understanding and solving their difficulties. To deploy the bank's cash most effectively, organizational and employee

capacity is needed. The fact that banks are among the most significant sources of financing for people and businesses, despite banks' ability to learn, serves as more evidence of the significance of organizational learning in the banking industry.

Three elements account for the growing significance of organizational learning, whether in the banking industry or in the workplace. The first factor is the rapid changes, which compel companies to reevaluate their management strategies and ask what can be done to facilitate new forms of learning. The second is the belief that an organization's internal resources and competences may be used to explain its competitiveness, which prompts firms to strengthen the processes for locating, sharing, and safeguarding their information and expertise. Mass layoff programs are another factor that unintentionally results in lost learned skills. Workers over the years, raised awareness of the elusive nature of particular abilities and the necessity to pay attention to how they survived.

METHOD OF THE RESEARCH

The study used a variety of methodologies and sub-methods, including surveys, case studies, evolutionary and field studies, as well as a broad descriptive analytical approach. The analytical approach is based on defining the characteristics of the phenomenon, quantitatively describing its nature, assessing its quality, and the relationship between variables, causes, trends, and other elements that revolve around problem diagnosis (Brannen, 2017). Researchers use this approach to pinpoint a certain occurrence and its truth on the ground.

A descriptive analytical technique looks for measurable outcomes from more samples in order to quantify the issue and comprehend its impact. Given that the current study used a survey to collect its data, this approach is suitable for it. The information collected from the management of Iraqi commercial banks was examined.

HYPOTHESIS OF THE RESEARCH / RESEARCH PROBLEM

The research issue is that bank managers and staff do not properly comprehend how organizational learning affects and improves banks' operations, particularly when it comes to offering banking services to customers and boosting financial performance.

Furthermore, a healthy financial system is essential for a robust economy in any country. These call for the analytical and practical identification of issues with financial performance based on several variables.

This study focuses on organizational learning and bank financial performance, which interact with each other scientifically. Given that, the issue of the current study is as follows: To what extent does the organizational learning process within commercial banks enhance the capacity of banks and their staff to build the bank's:

Hypothesis 1: Organizational learning within commercial banks improves the bank’s financial performance.

Hypothesis 1A: The strategy component of organizational learning contributes to enhancing a bank’s financial performance.

Hypothesis 1B: The organizing component of organizational learning contributes to enhancing a bank’s financial performance.

Hypothesis 1C: The cultural component of organizational learning contributes to enhancing a bank’s financial performance.

Hypothesis 2: The impact of organizational learning on the bank’s financial performance differs according to the personal characteristics of the study participants.

POPULATION AND SAMPLE

Managers at various levels of management, mainly those who work for Iraqi commercial banks, make up the study population. The Central Bank of Iraq (CBI) reports that there are 22 local commercial banks, 8 Islamic banks, and 18 branches of foreign and Arab banks among the commercial banks doing business in Iraq. Iraq has been working to build its public and local commercial banks since 2003 in order to join the ranks of major international banks. Because of this, Iraqi commercial banks play a crucial role in the money market and engage in all market activities, including collecting savers' money in the form of short-term deposits, accepting bonds on demand, engaging in foreign finance trade, extending credit to businesses and individuals, among other things. There is no information about how many employees work at these commercial banks. So, the population of the study is unknown. Consequently, the survey forms were

sent to 1000 respondents. Regarding the sample, the random sampling method was used and in the final step of obtaining the sample, 332 forms were obtained for analysis to test the study hypotheses.

SCOPE AND LIMITATIONS / DIFFICULTIES

This study has theoretical and managerial implications for a number of reasons. First and foremost, bank managers in Iraq should pay close attention to the study findings in order to comprehend how organizational learning affects process improvement and the innovative delivery of banking services. The report also offers vital and distinctive information to commercial bank management operating in the Iraqi banking industry. These findings may be used by managers to motivate staff to focus on organizational learning and learning processes that have a significant impact on improving the work and financial operations of banks, as well as to use their skills to innovate in the provision of banking services. Despite the importance of the study, there might exist. Future research could include data from the entire banking industry in Iraq, which could lead to different conclusions, despite the fact that it used data from all commercial banks in Iraq to generalize the results.

INTRODUCTION

Because banks are so essential to the growth of commercial activities and the funding of initiatives that boost the country's economy, improving the financial performance of banks and financial institutions has drawn the interest of many researchers. In order to improve the financial performance of Iraqi commercial banks, this study investigates the effect of organizational learning. One of the most important and modern subjects in current administrative philosophy is organizational learning. Due to the environment's movement and development, there is now more interest in organizational learning (Ouma and Kombo, 2016).

Through the knowledge and understanding of bank personnel, organizational learning also fosters the entrepreneurial ability to deal with abrupt changes and improve the financial performance of banks in order to guarantee the bank's continuity and adaptation to various environmental conditions. This strategy's purpose is to strengthen managers' and employees' capacities and make them innovators and creators in carrying out the tasks assigned to them in an effort to achieve the highest financial performance (Namada, 2018).

Organizational learning is the process by which the planned change is implemented and made ready to be adaptable to changes that occur in the surrounding environment at the appropriate speed through the implementation of a collection of activities, the most significant of which are: empowering people and utilizing the knowledge and skills of the past to face the future (Nikolic et al., 2020). Additionally, these organizations should effectively manage knowledge and technology to learn and improve performance, provided that this is done within the context of an organizational culture that is supportive and encouraging of work, collective learning, and continuous development. This will allow these organizations to capitalize on the speed of learning and achieve their objectives effectively and efficiently.

Additionally, based on the researcher's limited knowledge, there haven't been many studies that have looked at the connection between organizational learning and the financial performance of commercial banks from the perspectives of bank managers in the Iraqi setting. Therefore, carrying out this investigation is appropriate. The current study is divided into five chapters to accomplish this goal. The first chapter discussed the theoretical side of learning and organizational learning, including its concepts,

levels, significance, and theories. Literature on organizational learning is also discussed. This chapter explored the theoretical aspects of banks' financial performance; some sections first dealt with concepts and definitions; in this regard, they looked at financial performance indicators for banks. Since it pertains to the subject, the significance of assessing banks' financial performance is highlighted. On the basis of that, Iraq's banking institutions and industry are well-addressed. Additionally, a review of the literature on banks' financial performance as well as a theoretical hypothesis and research model establishing a link between organizational learning and banks' financial success, were made.

The third chapter included the research materials and techniques used to look at how organizational learning within Iraqi commercial banks helped to improve their financial performance. This is accomplished by looking into the empirical data collected from the management of commercial banks that voluntarily took part in the surveys. Additionally, it includes the population and samples, problem statement, study method and design, data collection techniques, instruments, scale measurements, and data analysis techniques. In chapter four, the relationship between organizational learning and the financial performance of banks was examined using statistical analysis based on information acquired from employees' and managers' perspectives of Iraqi commercial banks. As a result, this chapter's topics are broken down into different sections. The outcomes of the data analysis were finally covered in the fifth chapter. A discussion of the findings, conclusions, research suggestions, and the theoretical and managerial implications of the findings are only a few of the sections that break up the chapter's topics.

1. ORGANIZATIONAL LEARNING

This chapter aims to provide a theoretical aspect of learning and organizational learning in terms of concepts, levels, importance, and theories related to organizational learning. In addition, literature on organizational learning addressed.

1.1. The Concept of Learning and its Levels

Learning as a concept and process refers to a long-term modification of behavior, usually brought about by experience or the reinforcement of particular behaviors. The behavior stays with the person until it is replaced at a particular point when it becomes useless to the person, so learning does not necessarily result in an improvement in conduct (Mustafa, 2016). It can also be described as a shift in performance or behavior brought on by experience (Daft, 2010). When a learner is enthusiastic, learning can occur, and this learning typically requires feedback. Learning emphasizes accumulating knowledge, attitudes, beliefs, and abilities while also being known to involve a long-term change in behavior as a result of prior practice or experience (Lam et al., 2006).

Learning is described as the process of studying and modifying ideas in order to produce information that is useful to decision-makers. It can also mean a shift in performance or behavior brought on by experience. Learning is an interactive process that is driven by new information, experiences, and abilities and results in generally long-lasting changes to behavior and performance (Shin, Picken, and Dess, 2017).

Due to the fact that learning is a necessary and effective method of obtaining and applying knowledge, most concepts of learning, regardless of how varied they may be, center on the topic of knowledge acquisition. Learning is an important, engaging, and complementary process that may be encouraged (Helder and Paulo, 2020). The process of learning leads to increased knowledge and understanding, which suggests using knowledge in the workplace and interest in learning (Ghauri and Alegre, 2013).

Learning is one of the most important and determining criteria for a company that wants to survive in the competitive environment of the modern business world. Commercial banks and other organizations are constantly prepared to deal with diverse developments and can adjust to them through continual learning at the individual and group levels (Abbasi, Akbari, and Tajeddini, 2015).

Individual-level learning is described as a sort of learning that refers to a change in a person's behavior in a particular scenario as a result of repeated exposure to an experience and time passing for the person. If the behavior change, in this case, cannot be explained by the natural reaction resulting from inclinations and maturity or by the transient states that the person experiences (Basten and Haamann, 2018; Shin et al., 2017).

From a behavioral perspective, this type of learning takes place when individuals within the organization act as agents or mediators of the organization when they react to changes in the internal and external structures of the organization to identify and fix application-level mistakes, including the findings of research and investigation in the distinctive images and common guides encountered in organization members, which are referred to as minds about the organization (Prugsamatz, 2010).

Additionally, the transmission and transformation of individual knowledge into knowledge within an organization depends on the team or cooperative learning (Creasy and Carnes, 2017). This is done in a variety of ways, such as through games, simulations—which are reenactments or representations of certain scenarios that happen in the real world—role-playing, discussion groups—which are the most common group activities—action learning, training groups, and groups study (Abbasi et al., 2015; Chiva, Ghauri, and Alegre, 2013).

On the basis of this, it is thought that learning refers to any alteration in a person's behavior, positive or negative, that happens inadvertently as a result of exposure to situations, contexts, and perspectives or intentionally as a result of entering the knowledge field, such as attending school, university, academies, training, and other institutions. The individual, group, and collective levels can all be used to define learning. The levels can be explained as follows. Finally, organizational learning, which is a level of organization, attempts to modify and build organizational structures, work implementation methods, and types of human resources management for continuous and ongoing learning improvement:

Individual Level Learning: Individual learning is related to the learning that the individual does; this learning is less codified and formal in the organization because it distinguishes between formal learning times (classical formation, self-formation) and informal learning time learning through accumulation imitation, experiences, exchange

with members According to Yang et al. (2004), two dimensions form individual-level learning: continuous learning, dialogue, and inquiry and they further argue that individuals are the ones who make up the organization and that individuals need to be delegated to undertake learning initiatives.

Group Level Learning: This means learning that individuals do through teams through work carried out at the group level and in a collaborative and participatory manner. It should be noted that the group of individual competencies does not constitute collective competence. However, as it is separated after any collective project, the role of management is necessary at this level of learning because it is not represented in organizing and imposing orders but rather in following up and facilitating the learning process (Basten and Haamann, 2018).

Since the social institution of the organization and the interdependence of people generate and establish the structure and culture of collective learning, learning occurs at the group level primarily via collaboration and contact between individuals. Together, they will gain knowledge as more significant groups, teams, networks, and units during periods of organizational transformation (Yang et al., 2004).

Organizational Level Learning: Individuals represent the subconscious of the organization, so learning at the organizational level results from both individual and group learning. Individual participation, cooperation, and interaction within groups and teams lead to the generalization of learning at the level of the organization as a whole (Helder and Paulo, 2020). There are four dimensions to learning at the organizational level: system embedding. The organization's efforts to develop possibilities for working people to learn continuously and system communication are included in the first dimension.

The organization's attempts to establish a culture of questioning, feedback, experimentation, and system authorization are referred to as the second dimension, inquiry (Namada, 2018). Finally, the fourth dimension (equipping leadership for learning) is the capacity of the organization to create a collective vision and obtain feedback on the gap between the current situation and the new vision. The third dimension reflects the spirit of cooperation and collaborative skills and their effective use among groups (Yang et al., 2004).

1.2. The Concept of Organizational Learning

As a result of the scientific, informational, technical, and software revolutions as well as the adoption of methods and activities that lead to human or technical knowledge, organizational learning is one of the modern organizational concepts that places a focus on science, learning, and knowledge dissemination. The overall state of affairs and social wellbeing (Prugsamatz, 2010). Information and communication technologies (ICTs) are both the foundation and the deciding factor in determining competitiveness in an open world where they have evolved into an essential tool for the transfer of knowledge (Creasy and Carnes, 2017).

By enhancing and organizing knowledge, reducing mundane tasks, adapting organizational culture, and developing organizational efficiency, organizational learning helps to create organizations. Additionally, others describe organizational learning as the learning strategy that businesses use and incorporate into their corporate culture (Popper and Lipshitz, 2000). According to some academics, organizational learning is a process that includes a change in a knowledge base that happens through interactions between people and organizations as well as interactions between the organization's internal and external environments. It also aims to create compatibility between the system and its internal and external environments so as to achieve a higher level of problem-solving ability (Shin et al., 2017).

Inaccuracy detection and correction are processes that are part of organizational learning. It is also described as the development of an understanding of organizational issues and the success of individuals in recognizing and resolving them, as shown in the components and outcomes of the organization. Therefore, organizational learning is the procedure used to identify and fix problems. Organizational learning also modifies behavioral patterns using information and knowledge acquired (Vince, 2002).

However, a large portion of the literature on organizational learning focuses on the processes involved in both individual and group learning within organizations, treating the learning organization as a process of acquiring and transferring knowledge, skills, and value. Some researchers confuse the concepts of organizational learning and the learning organization because they believe there is no difference between the two concepts and they are used in the same sense (Abbasi et al., 2015). Also, organizational

learning refers to the process. In contrast, a learning organization is a concept that focuses on the entity or object of learning (Nikolic et al., 2020).

The deliberate application of the learning process at the individual, group, and systemic levels for the long-term, sustainable transformation of the organization in an increasing trend toward matching customer needs is referred to as organizational learning. In order to increase organizational effectiveness, individuals and teams use organizational learning as a method to acquire, transmit, interpret, and maintain organizational memory (Chang and Lee, 2007; Nikolic et al., 2020). According to some definitions, organizational learning is the process of obtaining or producing knowledge within the organization through individuals or work teams and is based on enlarged organizational memory and attempts to improve organizational procedures (Ouma and Kombo, 2016).

Organizational learning, in the opinion of Namada (2018), entails understanding people and effectively outlining organizational issues. Additionally, it is seen in organizational outputs and structural components. As a result, learning happens when people use their prior organizational experiences. The process through which knowledge of labor relations and outcomes, or means and objectives, and the impact of the environment on these relationships is generated within an organization is another way to explain it.

Consequently, organizational learning can be defined as the activity or set of activities through which an organization aspires to enhance its overall capabilities, develop itself, activate its relationships with and adaptation to its environment, whether external or internal, and mobilize employees to be more motivated and motivated to pursue knowledge and employ it in the organization (Imran, Ilyas, and Aslam, 2016). This description is based on an organizational learning system that investigates cause-and-effect correlations, practical ways to accomplish goals, and how it interacts with the environment in order to be applied in the future and in light of numerous circumstances.

The majority of modern companies work to improve their employees' performance, while the methods used to do so vary. Since they have started to provide their employees with educational opportunities in institutions and universities and use graduates to meet their needs for scientifically qualified human resources, many organizations are content with traditional methods to achieve this in this context, such

as skills training in addition to education (Altinay et al., 2016). The organizational learning approach, which has distinct qualities that set it apart from the other two ways, was adopted as a third way to attain that aim as the performance levels of its personnel increased (training and education) (Giniuniene and Jurksiene, 2015).

According to Vince (2002), understanding the effects of emotion on organizational learning can be achieved by examining two topics: organizational learning, which is more than just the result of organizational responses to individual learning, where emotion contributes to a broader understanding of organizational learning; and emotion is crucial to strategic areas of organizational learning as there is a close relationship between emotional and learning within org. According to Jackson (2005), organizational learning is also a deliberate process by which new information or technology is acquired in order to make strategic decisions and enhance capabilities to create and apply new methods, thereby increasing the likelihood that banks and other commercial institutions will succeed and survive.

According to Para-González et al. (2018), organizational learning is the process by which organizations and businesses can develop their activities, primarily through knowledge and understanding to ensure that they continue to adapt. Organizational learning is also the development used by leaders and managers within organizations to increase the memory capacity of an organization to understand and manage the organization and its decision-making environment and raise effectiveness and performance. Conditions, particularly the environment outside (Jashapara, 2011).

Effectively and efficiently, interest in understanding organizational learning has grown. Organizational learning is the process through which employees' knowledge and abilities are increased at different levels to improve the organizational learning process, as was previously described. Employees, for instance, possess a range of skills that support organizational learning or elements that aid in the development of educational realities within organizations. These elements include experimentation, openness, knowledge sharing and transfer, dialogue, and interaction with the outside world (Mustaf, 2016).

1.3. Theories of Organizational Learning

Organizational learning is based on the availability of organizational behavior patterns within the organizations that benefit them from the mental map of their employees, according to theories related to organizational learning, particularly organizational adaptation theory. Organizational learning is one of the current topics that have a significant role in improving an organization's ability to deal with business problems (Chiva et al., 2013; Imran et al., 2016). This plan was created as a result of the actual issues that workers had at work and the solutions they came up with to deal with them. Due to the information and knowledge assistance, it offers in all disciplines, organizational learning is seen as one of the strategic alternatives for the success of organizations in the twenty-first century. This makes it more successful at reaching its organizational goals (Lam et al., 2016).

According to theories of organizational learning, only people are capable of learning and all forms of learning take place in the human mind. As a consequence, the organization learns via its individuals since individual learning is necessary for organizational learning, and experiences gained lead to a lasting alteration in a person's behavior. Individual learning, which is the end result of education, training, and development programs, is the main strategy for fostering management in businesses (Casey, 2005; Popper and Lipshits, 2000). Particularly since the advent of contemporary intellectual trends in organization theory at the end of the 1950s and the beginning of the 1960s, where organizations do not exist in a vacuum but rather come as a result of responding to the needs of society, interest in studying the organization's external environment has recently increased to identify surrounding threats and opportunities. The continuation, prosperity, and existence of the organization depend on this answer (Rahmon, Sabti, and Tokrat, 2019).

Organizational learning is one of the most important contemporary approaches highlighted in modern administrative literature. It allows organizations of all types, with different objectives and activities, to benefit from this approach in dealing with their problems, improving their level of performance, and increasing their organizational effectiveness, especially in light of the successive and accelerated changes and the knowledge and information revolutions they are experiencing (Berthoin and Sobczak, 2014).

Furthermore, organizational learning is one of the theories of organizational adaptation that describes how an organization responds to environmental changes defensively and uses knowledge to better adapt to its surroundings. According to Wheelen and Hunger (2010), this perspective encompasses all persons at all organizational levels and is a relatively continuous shift in behavior brought on by experience. It is the process through which people acquire the knowledge and values that shape their organizational behavior (Jackson, 2005).

1.4. The Importance of Organizational Learning

Given that it represents the diagnosis and identification of individuals as well as the discovery of imbalances and shortcomings in its performance to meet the challenges of the environment's rapid change and the development of solutions and problems, organizational learning is one of the crucial topics that has attracted the attention of organizations, especially in the twentieth century and after the success of the organizations that adopted its application (Lin et al., 2022).

According to Rezaie and Bagheri (2014), organizational learning supports innovation and effectiveness, which results in the creation of new knowledge and ideas and improves the organization's capacity to comprehend and apply this knowledge. These factors all contribute to organizational learning being a crucial competitive advantage for businesses. Due to increased globalization and technological information, it must adapt to a rapidly changing business environment. To do this, the organization must develop its human resources and increase the amount of information and knowledge available through the knowledge of its employees, who are regarded as its most valuable resource. This allows it to stay in the competition for a longer period of time (Lopez et al., 2005).

Through organizational learning, companies, including banks, increase the capabilities of employees to manage and understand the organization, which leads to excellent and continuous organizational performance decisions. Organizational learning is the engine of the strategic renewal process. The success and prosperity of organizations in a dynamic, changing, and complete environment require challenges to preserve learning capabilities and develop them to give organizations adequate flexibility to renew their strategies as well as defining their resources accurately and

structuring their system in more flexible ways, which helps them achieve flexibility in their various activities and methods and become more advanced (Lin et al., 2022).

Organizations are interested in organizational learning because it allows them to develop capabilities that promote creativity, and this positively affects performance, provides and helps innovation, and promotes development. It also improves communication and makes the organization more adapted to accommodate work processes and structure changes (Para-González et al., 2018). The significance of organizational learning and knowledge management in enhancing performance and growth is highlighted in this respect by Cummings and Worley (2009); given the quick changes occurring all throughout the company, it is unavoidable. It is seen as a source of strategic renewal and aids the business in learning and using information more rapidly and effectively than rivals, fostering favorable and long-lasting competition.

The increasing importance of organizational learning, whether academic or professional, can be explained by three factors (Hefer et al., 2002): The first factor is the rapid changes imposed by the environment, as organizations are forced to reconsider their managerial practices and wonder about the means of acquiring new ways of learning (Jyothibabu et al., 2011). The second is the position acquired by the internal competencies and resources to explain the competitiveness of the organizations, which led to deepening the mechanisms of finding, disseminating, and retaining their knowledge and skills. Finally, the policies of mass layoffs (redundancies), whose unexpected result was the loss of the acquired competencies workers over the years (Kharabsheh et al., 2017).

1.5. The Components of Organizational Learning

Regarding the components of organizational learning, researchers like Mustafa (2016), Marquardt (2002), Goh (2003), and (Ayoub, 2004) presented models showing that organizational learning consists of three main components. First, the organizational learning strategy (the strategy component) includes a vision, monitoring environmental changes, and a learning strategy. Second, the organizational structure component supports the organizational learning process (the organized component), which encourages work through the team, the flexible organizational structure, finding, transferring and sharing knowledge.

Table 1. Components of Organizational Learning

Components of Organizational Learning	Elements
Strategy	Shared vision, monitoring of environmental changes, and learning strategy.
Organizing	Encouraging teamwork, flexible organizational structure, creation, transfer, and knowledge sharing.
Cultural	Avoid focusing on failure, learning from previous mistakes, a supportive environment for learning, and the quality of learning.

Source: Mustafa, H. M. (2016). *Analysis of the Relationship of Intellectual Capital and Organizational Learning and its impact on Achieving Business Entrepreneurship*. Master Thesis in Business Administration, Salahaddin University- Erbil, Iraq. P26.

Third, the organizational culture component supports organizational learning (cultural component), which includes avoiding focusing on failure and learning from previous mistakes, the environment Support for learning, and the quality of learning (Mustafa, 2016). Thus, the current study relied upon these three components due to their contents that explain, interact and overlap with field reality events, as shown in Table 1.

1.5.1. The Strategy Component of Organizational Learning

This aspect of organizational learning includes the shared vision among the members of the organization, which means that the members of the organization view the organization's future and its goals from a single perspective or with a similar vision, leading to the interdependence of their relationships and the unification of their efforts in developing a cooperative plan of action to achieve the desired future and goals. Additionally, the shared goal gives people the motivation to learn. Additionally, behave in accordance with the organization's goals and future directions (Lau et al., 2019; Mustafa, 2016).

According to Mustafa (2016), a strategy component that includes environmental change monitoring entails anticipating environmental changes and being ready to create plans to adapt to them. This is accomplished by creating alternatives from suitable scenarios to reduce the impact of various environmental factors and make them work as much as possible in the organization's best interests, supporting its capacity to learn. A

clear and deliberate plan supporting training, learning, and innovation is also implied by the learning strategy of the company.

Strategic flexibility and organizational learning are tied to one another, with the learner gaining knowledge about the competitive market's present and future conditions. Because of their increased ability to anticipate changes and adjust to them, learning firms are able to dramatically reorganize their business (Lizier, 2017). Learning increases an organization's capacity to adapt to changes in all aspects of its environment, providing it with greater flexibility than its rivals (Liu, 2018).

1.5.2. The Organized Component of Organizational Learning

This area of organizational learning focuses on teamwork, which promotes communication and the sharing of information, skills, and ideas among employees (Mustafa, 2016). The best organizational structure for organizational learning is one that is adaptable. In addition to a horizontal structure with lower management levels, decentralized decision-making, and a lack of routine, it is a flexible structure that allows employees the opportunity to experiment and invent. Examples of such a structure include a matrix or team structure. Formal processes and stringent oversight at work are allowed as long as teams are in close proximity to and regularly communicate with decision-making centers (Fateeh, 2013; Lizier, 2017).

The organized component also deals with the creation and transfer of knowledge among the organization's members. This component entails learning from past mistakes, sharing knowledge among the organization's members, as well as gaining insight from the experiences of successful and competitive organizations, identifying the best management practices in them, and disseminating them to the organization's entire workforce (Fateeh, 2013; Mustafa, 2016).

1.5.3. The Cultural Component of Organizational Learning

Creating a work environment that fosters learning and believing that mistakes people make during the implementation process do not constitute a point of weakness in their performance but rather an opportunity and a means for development and learning

from those mistakes is how organizations can avoid focusing on failure and learn from past mistakes (Ayoub, 2004; Fateeh, 2013).

In order to deal with the opportunities and challenges facing the organization, review the current status of the organization and the practices used in it, and encourage leaders and employees to find new ways and ideas, and improve work methods, the type of products and services, and rewarding creative individuals, one needs to be in a supportive environment for learning (Lau et al., 2019; Mustafa, 2016). Learning is the first step towards organizational learning, and the overall quality of learning refers to paying attention to the entire quality of training (Ayoub, 2004).

1.6. Literature on Organizational Learning

In a study, Neefe (2001) compared the organizational learning practices used in standard and non-traditional academic quality improvement initiatives at American universities and colleges. The researcher was able to obtain (198) questionnaires after applying the study to (12) universities and colleges, where each institution and the college received (30) questionnaires. The researcher employed the descriptive survey approach. The study's findings were applied to organizational learning techniques at higher education institutions. Universities still lag behind technological colleges in terms of organizational learning. Community colleges lag behind universities in the use of organized learning. The study suggested that community institutions, universities, and technical colleges should all have the same organizational learning maturity level.

Organizational learning in Indian Organizations: A Strategic Perspective for Human Resource Management was investigated by Khandekar and Sharma in 2005. A random sample of (300) people from the management of (9) foreign and Indian organizations in New Delhi was used in the study (manager, head of the department, supervisor, and senior administrator). The findings indicated a link between gaining a competitive advantage and organizational learning. The findings also indicated a favorable association between strategic organizational transformation and organizational learning. Finally, the study suggests HR interventions and work-based learning initiatives to encourage working people to acquire strategic talents to gain a lasting competitive advantage.

The link between organizational learning capacity and quality culture for comprehensive quality management: a case study in vocational education was examined by Lam et al. (2006). A vocational education and training facility in Hong Kong, China, served as the research sample. The findings indicated a favorable association between quality culture and organizational learning capacities. The study came to the conclusion that since each quality dimension comprises numerous partial dimensions, these dimensions may even help customers perceive service quality as being more dependable, responsive, and empathic. According to the researcher, TQM should be a crucial component of the learning organization and serve as an aid to organizational learning in transforming and building organizations that are consistently enhancing their capacity for change and defining their future. This is supported by the study's findings, she concluded.

Osaimi (2006) investigated organizational learning and its function in Saudi academic institutions' strategic development. All academic leaders—deans and their deputies, department heads and their deputies, and directors of scientific centers—who total (160) academics—make up the study population. The findings demonstrated that the organizational learning approach, organizational structure that fosters organizational learning, and organizational culture were all highly impacted by the university's ongoing preparedness to implement change. The organizational structure that supports organizational learning and organizational culture, the two pillars of organizational learning, have had a substantial influence on the university's ongoing planning of change and execution of the change plan. Adopting a curriculum for university staff members on theoretical and applied principles of organizational learning, supporting and increasing organizational learning, and strategic transformation in Saudi institutions was the researcher's most important recommendation.

Darwaza (2011) investigated how organizational learning affected the components of quality culture in Jordanian corporate companies. The study population was made up of all Jordanian institutions that received the King Abdullah II Award for Excellence in the Private Sector, which totaled (20) organizations, as well as a comparable number (20) organizations in terms of quantity, size, and type of activity from the organizations that submitted applications but did not win the award. Numerous statistical techniques were employed to collect a sample of (240) persons (97) from the winning groups and (81) companies that did not win. The King Abdullah II Award for

Excellence in the Private Sector-winning institutions has quality, according to the results. The statistical findings revealed no appreciable differences in the effects of organizational learning on the components of the quality cultures of the firms that won the prize and those that did not. The most effective way to spread the culture of quality within the surveyed companies is to activate organizational learning in all of its components by creating a work environment and developing human resources that ensure the practice of organizational learning and spreading the culture of quality.

Through the moderate function of cognitive rigidity, Fang et al. (2011) investigated the connection between organizational innovation and organizational learning capacity. For instance, the sample (563) in a provincial hospital in Taiwan consisted of a nurse, a manager, and a supervisor. Since the beginning of the 1970s, organizational learning has garnered a lot of interest from scholars and practitioners, and several papers have appeared on this topic that try to introduce its key components. The findings demonstrated a positive and moral correlation between institutional learning ability and creativity.

In order to establish an excellent culture, Khalidi (2012) looked at how institutional learning capacities and service quality aspects fit together. This study sought to determine how organizational learning capacities and service quality characteristics contribute to the creation of an excellence culture in industrial organizations listed on the Kuwait Stock Exchange. Consequently, (105) managers from the enterprises under examination and (27) organizations made up the study sample. The descriptive analytical approach is the study methodology. The study produced a number of findings, the most notable of which was a substantial and upward trending association between the tangible material component and the emergence of an excellence culture. Additionally, it was demonstrated that there was a substantial and favorable association between the production of knowledge and the culture of excellence.

In order to establish the extent and course of this link, Fateeh (2013) investigated the connection between organizational learning and transformational leadership in security agencies. Security agency organizational and mental brilliance. Officers from Riyadh's General Directorate of Public Security and General Directorate of Passports make up the study population. The study sample is a proportional stratified sample of (221) officers of all military ranks. The descriptive and analytical approach is the study

methodology. The findings demonstrated a strong connection between organizational learning and transformative leadership. To allow organizational learning programs and technology, it is ultimately advised that top management embrace contemporary leadership styles and promote transformational leadership applications.

Based on active board data of businesses listed in Taiwan's electronics sector from 2006 to 2017, Lin et al. (2022) investigated the link between organizational learning, intellectual capital, and corporate performance. Organizational learning and intellectual capital are crucial management techniques for firms to attain their strategic goals, as the study noted. According to study findings, firms that have embraced the idea of organizational learning have transformed into learning organizations and have been quicker and more effective at attaining their objectives. The findings demonstrated that organizational performance is considerably improved by the elements of intellectual capital through organizational learning.

2. BANKS FINANCIAL PERFORMANCE

The theoretical components of banks' financial performance are covered in this chapter. Some portions of the chapter dealt with concepts and definitions before examining banks' financial performance indicators. Since it pertains to the subject, the significance of assessing banks' financial performance is highlighted. On the basis of that, Iraq's banking institutions and industry are well-addressed. Additionally, the literature on banks' financial performance was evaluated, and a theoretical hypothesis and research model were developed about the connection between organizational learning and banks' financial performance.

2.1. Theoretical Aspect of Financial Performance

Since it is regarded as the complete management concept and covers several elements and indications that may either make or break a bank, studying the financial performance of banks is crucial. Given the aforementioned and the connection between financial performance and crucial facets of banks and businesses, bank managers and scholars have given it a lot of attention. Because of this, banks and businesses have worked to attain efficiency and effectiveness standards that ensure the viability and profitability of institutions (Warrad and Khaddam, 2020).

Since the success of bank management is determined by the activities carried out inside banks and the better return on operations, assets, and invested capital, improved financial performance is seen in this context as one of the markers of a bank's success (Fallatah and Dickins, 2012). Theoretical elements of banks' financial performance are discussed in this section by focusing on the terms and definitions of banks' financial performance, measuring financial performance, and showcasing some of the literature on financial performance.

Given that one sort of performance is financial performance, there are several ideas associated with it. Each researcher approaches the idea of financial success from a different perspective, and each party interprets it in a way that advances their own goals. Investors want to maximize their wealth, banks and businesses want to continue operating and survive, employees want more pay and benefits, and the government

wants to grow tax revenues. According to Ahmad, Sadiqa, and Khan (2021), society desires and anticipates social fairness, economic success, and individual well-being).

2.1.1. The Concept and Definitions of Banks Financial Performance

Many researchers and writers have been interested in the concept of financial performance as an effective and distinctive tool that contributes to measuring the effectiveness and efficiency of management. A bank's success can be measured by its financial performance, using appropriate financial indicators that help identify performance strengths and weaknesses and comparing results with plans. Furthermore, strategies have been developed to identify deviations and take the necessary remedial measures (Alrgaibat, 2016; Khamis, 2016). Researchers differed in the definition of financial performance. With some focusing on the ability to meet its financial obligations, broad researchers suggest that financial performance is a composite of the financial health of a bank or financial institution, its ability and willingness to meet its long-term financial obligations, and its commitment to provide services for the foreseeable future (Warrad and Khaddam, 2020).

The financial performance of commercial banks and business organizations is the area that largely determines the success of commercial banks and is an appropriate measure to assess the efficiency of banks' management because financial performance is used as a monetary approach, not only in achieving financial goals. However, the profitability of commercial banks affects increasing business activity. Some researchers, therefore, focus on goals and define financial performance as a reflection of commercial banks' achievement of goals. This expanded definition links financial performance to business objectives (Aluoch, 2021).

Financial performance measures how well banks can employ both their long- and short-term resources to create wealth. Financial performance is also the degree to which actions provide value or the efficiency with which financial resources are used to achieve financial goals at the lowest possible cost. The administration of material and financial resources, as well as the degree to which the Bank's management can accommodate the interests and preferences of its numerous stakeholders, will be evaluated last. Financial performance may be effectively assessed by determining the company's strengths and shortcomings and the bank's financial capabilities. The extent to which it can accomplish

broad goals, as well as wealth creation or other value creation while taking into consideration the economic and financial circumstances around the bank (Goel, 2018).

The idea behind the firm's value basis Since most financial choices, whether long- or short-term, are based on a company's worth because of the considerable effects it has on individuals who are interested in the company's affairs, there is still no financial performance of interest to many researchers and academics. In contrast, the goal of current financial theory is to increase value for all stakeholders engaged in the business, particularly shareholders. Due to the importance of the topic, efforts have been made to identify the indicators contained in the economic value added (EVA), which is a measure of financial performance and the actual financial efficiency of the Bank's profits and returns. This approach would reduce the conflict gap between the owners and management of the company (Ahmad et al., 2021).

2.1.2. Indicators of Banks' Financial Performance

The rate of Return on Assets (ROA), Return on Investment (ROI), Return on Equity (ROE), Operation Profit Margin (OPM), and the overall output volume in terms of total revenues or value contributed to the sector and other companies are indicators used to assess banking financial performance. If interest rates rise, for instance, the rate of return on equity (ROE) in financial performance analysis is inappropriate since the tax base would be reduced, which undermines the credibility of the rate of return on equity (Linares, Coenders and Vives, 2018). When evaluating investment projects, the financial management is interested in cash flows, but the rate of return on assets (ROA) depends on the concept of net profits instead. As a result, it may accept proposals that only partially contribute to maximizing shareholder wealth or reject proposals that could help do so (Marashdeh, 2014).

Additionally, the yearly evaluation of profit encourages managers to favor initiatives with quick payback periods through the return on investment (ROI) index. Accordingly, this is seen as a bias against many investments, the majority of which produce returns over the course of more than a year, giving a return on investment that is below the real return, where this tendency will result in the loss of numerous excellent investment possibilities. The return on share is a metric that runs the danger of being misleading since it is based on a bank's or company's profit, which runs the risk of being

influenced by management. As such, it may not be the greatest metric for investors when they wish to determine whether to invest in stocks (Ahmad et al., 2021).

The operational margin is a metric that can be determined by deducting general and administrative expenditures and operating costs from the overall profit, as the resultant value corresponds to the profits and returns that the bank or firm obtains prior to figuring out the interest and taxes levied. The resultant sum is used by the banks and businesses to settle debts and distribute profits to shareholders. Bankers and analysts use this indicator to evaluate a bank's overall worth and takeover exposure. The following equation may be used to get the operational profit margin value:

Operating profit divided by total income equals operating profit margin. Operating margin is a measure of profitability that is frequently used to compare bank earnings to those of businesses or sectors of various sizes. For instance, in contrast to the assessment of earnings before all costs, it assesses the net profitability of projects after (Omer and Babiker, 2019).

The mathematical relationships between the financial performance indicators are then revealed, such as the fact that the rate of return on capital is equal to the divisible product of the ratio of assets to capital and the rate of return on assets (Botchkarev and Andru, 2011). Researchers have also suggested that other factors may contribute to financial success, such as debt default or liquidity (Alami, 2018; Miller et al., 2001). Market size and concentration, for instance, remain constant, whereas changes in the performance of the banking industry or a specific bank rely on several factors. Regarding the constants, they could be appropriate for cross-national comparison research (Aluoch, 2021; Marashdeh, 2014).

After the debt crisis of the governments of Latin America, including Brazil, Mexico, Argentina, and Venezuela, which put important banks on the verge of collapse, the first Basel agreement was formed in the 1980s between the main economic nations represented by the governors of 10 central banks. The initial goal was to harmonize capital adequacy requirements for these nations' banks so they could prepare for credit failure losses and protect themselves from carrying on in a risky environment (Miller et al., 2001).

However, in banking management, several other factors will deepen or alleviate the stress of the macroeconomic situation. For example, when the asset quality of a loan

portfolio is low, this is the result of credit management and risk from various aspects. The problem is sometimes described as the fact that management does not represent the owners' interests in its decisions but seeks, through its position, to achieve undue gains even if it weakens the bank's entity (Marashdeh, 2014).

The financial system as a whole, with all of its components, including laws and regulations, the effectiveness of banking supervision and auditing, the lack of adequate measures to ensure discipline under the rules of proper performance, the capacity of government agencies to enforce the law, and the bad faith of the parties to banking transactions, are the institutional dimensions that are most crucial (Omer and Babiker, 2019). The following are some elements that influence banks' financial performance:

- Organizational structure is the basis that ensures consistency across all factors pertaining to banks, institutions, and the nature of their activity. Enhances the effective execution of plans through necessary actions and activities, which has an impact on the performance of the bank.
- Banking Technology: The bank uses contemporary techniques to match resources to needs and other aims.
- The organizational climate: The organizational climate gives decision-makers information to draw a picture of performance and determine the extent to which management applies management standards in its use of commercial funds. It also provides a positive guarantee for financial performance in the administrative and financial senses.
- Size: Size refers to the division of banks into three categories—large, medium, and small—and is one of the most important variables impacting the bank's financial performance. The number of financial analysts increases with bank size.

2.2. The Evaluation of Financial Performance

In the business world in general and commercial banks in particular, evaluating financial performance is a crucial concept because it is expressed in standards and indicators that demonstrate how effectively the management of commercial banks achieves its objectives by effectively utilizing the resources at its disposal (Omer and Babiker, 2019).

Alagut (2015) assesses the Arab Potash Companies' financial performance for the years (2010-2014). The researcher emphasized the importance of financial ratios as core analytical tools by using them to assess financial performance. The results concluded that it is possible to rely on financial indicators to evaluate the financial performance of the Arab Potash Company. As revenues refer to the bank's power to create returns, whether from its existing capital or a variety of operations, performance evaluation tries to demonstrate the extent to which revenues and earning capacity are realized in the bank and enterprises. The ability of a bank to generate a surplus from the aforementioned operations to offset the costs associated with offering financial services is referred to as earning capacity. The degree to which the bank achieves and benefits from a margin of safety in the case of financial insolvency and the bankruptcy phenomena or the degree to which the bank can manage financial risks and difficulties may be described as financial performance evaluation.

Making an informed decision on the management of United Natural, Physical, and Financial Resources requires evaluating the financial performance of banks or other financial institutions (the management of the bank and the extent to which the interests and desires of its various parties are met). The degree of effectiveness and efficiency may be assessed by measuring the amount to which objectives have been met, as well as by weighing the relative significance of the outcomes compared to the resources employed (Okoye et al., 2020).

Financial performance evaluation is also described as an integrated system that, while taking historical and structural conditions or indicators into account, compares the outcomes of selected or selected indicators with the corresponding target indicators, or those that reflect the performance outcomes from earlier periods, or the performance outcomes in comparable economic units. Additionally, their rates are calculated based on the average outcomes of a collection of economic units, considering the convergence of these units' volumes (Botchkarev and Andru, 2011). Additionally, in contrast, performance evaluation evaluates the actual performance level at a level that is objectively measurable, such as performance indicators and specified objectives. Obtaining precise data, comprehensive information, and pertinent data for analysis and correction of the employee's performance for work during a particular period is another aspect of performance evaluation (Omer and Babiker, 2019). According to Adnan (2015), there are several factors to consider when assessing a bank's or company's

success, such as financial and non-financial metrics. The complexity or inaccuracy of non-financial indicators, however, causes financial indicators to be utilized as performance indicators. Financial ratio analysis is the most often employed method for assessing a bank's financial performance. However, there are other approaches as well.

Sales profits and capital profitability, which were once used to gauge financial success, are insufficient now for value, according to Okoye et al. (2020). As a result, financial ratio analysis is commonly used by businesses and banks to better understand market circumstances and make future financial decisions. He also emphasizes that using financial analysis to demonstrate the superiority of certain quantitative or performance indicators over others, mathematically expressing it, and trying to condense a sizable body of data into a single view of the bank's financial performance are some of the best ways to assess the financial performance of banks.

2.3. The Importance of Evaluating the Financial Performance of Banks

Finding out about the return on invested funds and their utilization requires evaluating the financial performance of banks and businesses. Additionally, the financial performance assessment helps to provide shareholders with accurate information so they may make informed decisions and compare or contrast similar banks in the same sector (Miller et al., 2001). Additionally, entrepreneurial investors need to evaluate financial performance in order to make investment selections since it helps them avoid haphazard investments and choose wisely in the high-risk capital market. Additionally, decision-makers may assess the outcomes of corporate plans and actions in objective financial terms thanks to financial performance evaluation (Goel, 2018).

The procedure of assessing the bank's financial performance has unique goals and is crucial. By comparing the results with the goal, avoiding deviation, and offering appropriate solutions to them, the evaluation of financial performance in commercial banks, for instance, demonstrates the bank's ability to implement all planned objectives, which improves the performance of commercial banks by staying and continuing to work (Adnan, 2015).

The financial performance review displays the strategic business position within the context of the operating environment, from which it has been determined that

modifications and priorities are needed to strengthen the strategic position (Botchkarev and Andru, 2011). As one of the most important applications of financial analysis, assessing the financial performance of banks includes determining the level of profits, the bank's capacity to generate liquidity, meet obligations, and extend credit, in addition to assessing the assets that will be communicated to the parties that will profit from this assessment, which includes the bank's financial management, lenders, investors, capital markets, governmental agencies, and financial analysts.

Since it tries to determine the soundness of policies and initiatives during the fiscal year, evaluating financial performance is essential. Monitoring the Commercial Bank's predetermined goals, which calls for monitoring the achievement of goals that are assured to be both high in quality and quantity. The plan's length and the statistics that are now accessible are based on performance information (Okoye et al., 2020).

Adnan (2015) also referred to assessing financial performance, confirming the timely accomplishment of the goals specified in the plans created by Commercial Bank, and exhibiting the capacity to withstand losses brought on by asset investments. It also keeps track of how well the Bank is performing in achieving its goals by making the best use of the resources at hand, analyzing any flaws and imbalances in the Commercial Bank's operations, determining what causes them, and producing remedies (Omer and Babiker, 2019). There are various reasons why assessing financial performance is important, including the following:

- Determine the relative preference among the various investment alternatives in terms of commercial profitability and select the one that advances the investor's objective.
- A useful method for assisting investors in selecting a certain project to fund with a specified sum of money consistent with their capabilities.
- A realistic method of convincing creditors to offer suitable money under suitable conditions.

2.4. Banking Institutions

The main players in the financial industry are banks, who are categorized as intermediaries and base their operations on deposits. In order to set them apart from

other organizational forms that participate in intermediate activities, such as long-term insurance, pension funds, collective or joint investment systems, hedge funds, and others, they are referred to as depository firms or institutions (Alrgaibat, 2016). Banks are distinct from quasi-intermediary financial entities such as open investment businesses, financing firms, trading and indexation firms for securities, savings and credit cooperatives, and others (Campbell, 2007).

However, there have been changes in the global financial system at various levels, which have led to the gradual erasure of distinctions between traditional banking and other functions like insurance and others, as well as the exit of specialization within banking, commercial, development, and investment work in favor of an all-encompassing bank (Tali, 2012). Perhaps not every one of these changes is advantageous in every nation or stage of development. Experience has shown, therefore, that specialization specifically aids in strengthening the rule of controls and encourages credit activity in Iraq (Al-Suri, 2014).

Additionally, banks operate in the financial system alongside primary, issuance, and secondary stock markets, all of which are trading platforms for securities, including government and corporate stocks and bonds. A country's financial system is typically categorized as either banking- or market-based, depending on how important each is to overall finance. It frequently just compares total bank credit to production versus capitalization, i.e., the proportion of share value to GDP (GSDRS, 2019; Jassem, 2007).

Moreover, banks are the financial institutions most closely associated with the monetary authority and have an important role in multiplying funds to compete with the financial market. Individuals and SMEs cannot be certified in the financial market for financing. Therefore, banks have a primary role in the economy and do not manage large companies with limited space (Alrgaibat, 2016; CBI, 2020). In contrast, large corporations can choose between the financial market and banks if they can resort to issuing because they are shareholders in the first place. There is also debt leverage that companies try not to exceed because the high debt-to-capital ratio of a company whose shares are traded in the market exposes them to more risks (Tali, 2012).

2.4.1. The Banking Sector in Iraq

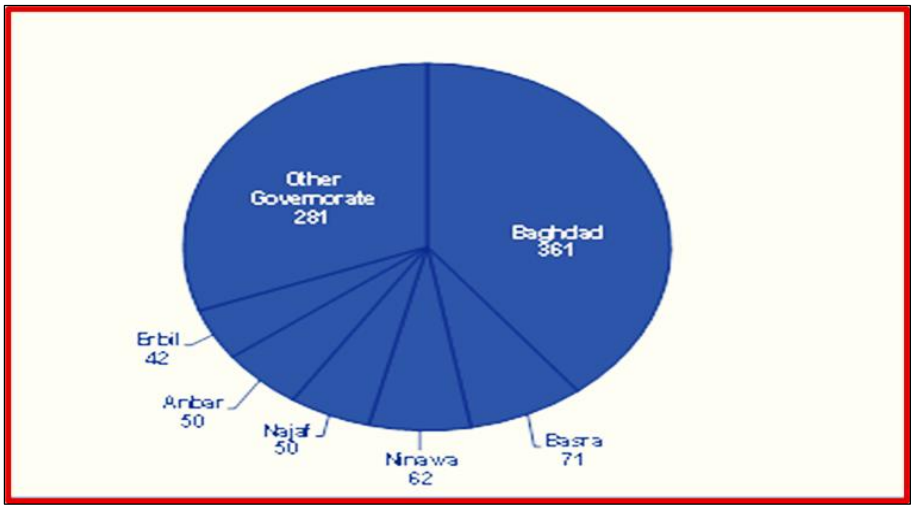
As shown in Table 2, seven government banks, 24 Iraqi commercial banks, 26 Islamic commercial banks, and 18 branches of foreign and Arab commercial banks (ten of them run by Lebanese banks, 27 branches in Iraq) make up the 75 banks that are currently operating in Iraq. These banks are split between commercial, specialized, and Islamic banks. At the end of 2017, there were 843 active bank branches in Iraq, with 430 of those being government bank branches (51% of all branches). At the end of 2017, there were 30,507 bank personnels in Iraq, with around 68% working for seven government institutions and 32% for private banks (CBI, 2013). Despite the fact that there are many commercial banks in Iraq, their size and activity are small in comparison to government banks, which only handle around 10% of the total assets of the Iraqi banking sector (GSDRS, 2019). Table 2 below shows the organization of the Iraqi banking industry.

Table 2. The Structure of the Iraqi Banking Sector

Type of Bank	Number of Banks	Branches	Operate Network	
			Inside Iraq	Outside Iraq
Government Banks	7	430	422	8
Commercial Banks	24	413	409	4
Islamic Commercial Banks	26			
Branches of Foreign and Arab Commercial Banks	18			
Total	**75**	**843**	**831**	**12**

Source: GSDRS, (2019), General Secretariat - Department of Research and Studies, Developments in the Iraqi banking sector: Successful policies of the Central Bank and the need to activate the role of banks. P1.

According to Emerging Iraqi Banking Sector (2021), the bulk of bank branches in Iraq are situated in Baghdad, with 381 branches, followed by Basra, with 71 branches. This is seen in the image below. Customers in the province of Nineveh can also get banking services at 62 branches. In addition, 42 bank branches offer financial services in the province of Erbil, and 50 bank branches each in the provinces of Najaf and Anbar. Last but not least, 281 bank branches offer their banking services in other regions of Iraq.



Source: Emerging Iraqi Banking Sector (2021). Research reports on financial services. P1.

Figure 1. Iraqi Bank Branches Distribution by Governorates

According to Mahmoud (2015), studies showed that banking systems did not enter Islamic countries until the Ottoman Empire era as a result of the Ottoman Empire's power expansion, which extended to the Western European borders. It was during this period that Arab countries, including Iraq, learned about banking operations. Additionally, the interests of Western nations in Arab nations had a significant influence on the introduction of several reforms and modern economic systems, particularly in the nineteenth century and particularly in Iraq, which received the attention of all Western nations for a variety of reasons. Natural resources and their geographic position are the most significant of these. As a result, these nations hurried to establish branches (Al-Suri, 2014).

But throughout the past forty years, the world economy has seen a number of repeated banking crises at the national and international levels, including the global financial crisis, the European sovereign debt crisis, and the non-performing loan crisis. Financial reporting aggregators' capacity to utilize their accounting knowledge and abilities to deceive consumers of financial statements through profit management mechanisms exacerbates the effects of these crises on the banking industry. Additionally, rational practices have demonstrated that bank managements typically find no better than assigning loans to manage their earnings (Khamis, 2016).

2.4.2. The Emergence of Banks in Iraq

The practice of some people lending as a profession and protecting what they believe in cash and in-kind deposits belonging to others as a means of sustenance for them by lending them to others who fund their companies simplifies the development of the banking system into two basic stages. When the Ottoman Bank established its first branch in Iraq to assist import and export operations in 1890, it marked the second stage in the development of the practice of banking. The Iranian Shahshah Bank launched its first branch in Basra in 1916 and the Eastern Bank Limited opened its first branch in Baghdad in 1912, respectively. On September 3, 1938, The Italian Bank of Rome received permission to operate as a bank. It discontinued operations in 1941. In 1938, the Arab Bank opened its first branch in Baghdad (CBI, 2020; Jassem, 2007).

Controls over the banking industry were common until the first bank control statute was passed in 1938, and this period may be seen as the start of the institutional banking work that banks underwent. The enactment of legislation revising the aforementioned statute No. 45 of 1939 was therefore hampered by this stage. The majority of Iraq's current financial activities were controlled by these banks and their urban branches. Since the capitals of these banks are foreign, they were primarily targeted to consider the commercial interests of their countries. Examples of these activities include granting credit, selling commercial and financial papers, opening credits to merchants, and buying and selling foreign currencies (Jassem, 2007).

2.4.3. The Development of the Iraqi Banking System

The founding of the first Iraqi commercial bank in 1941 under the name of the Rafidain Bank is the key piece of evidence for the growth of the banking sector in that country after 1938. In addition to managing government accounts as normal, this bank was given a trust. Following the establishment of the National Bank of Iraq in 1947, which was one of the roles of regulating banks, the commercial was established to serve as a bank for the government and as a rival to international banks operating in Iraq. As a result, one of its initial tasks was to research the practical and legal flaws of Control Law No. 61 of 1938. As a result, the government issued February 1950 Decree No. (1) of 1950, which was later enacted in May of that same year as Banking Control Law No.

31 of 1950. This law was issued during a time that was similar to that of Law No. 61 of 1938 because of the influence of the foreign presence representative (Jassem, 2007).

The second Arab bank was opened in Iraq in 1953 under the name of the United Lebanese Bank, with a capital of a quarter of a million dinars. The number of its branches was (5) until 1964, so nine branches in 1964, with its paid-up capital remaining the same upon incorporation, amounting to half a million. Then the private sector continued its banking activity, as it established another bank for it in the name of Bank of Baghdad in 1956, and the number of its branches reached (7) branches in 1964, as its paid-up capital on this date was half a million dinars, then this was followed by the opening of a Lebanese Intra Bank branch in Baghdad in 1957 with a capital of a quarter of a million dinars. Its branches reached (4) until 1964 with a capital of (350 thousand) dinars, in which the Iraqis contributed 60% of its capital, then the percentage was modified to (68%), as the rest of the shares were from Intra Bank in Beirut. A second bank, known as Al-Rashid Bank, was created this year with a capital of a quarter of a million dinars. The Credit Bank of Iraq was founded in 1963 with a paid-up capital of one million dinars, and the Ottoman Bank in London contributed 40% of the shares of this bank. Commercial banks were more prevalent and engaged in a wider range of operations during the 1950s; hence it is considered a period of activity for them. In addition, the Credit Bank has seventeen locations for these banks throughout Iraq, including Baghdad (CBI, 2013).

According to the Central Bank of Iraq and foreign surveys, Iraq's banking industry has only partially restored its reputation and long-term viability, which limits its ability to contribute to trade and economic growth. As a result, there is a heavy reliance on cash in corporate transactions, which reduces the likelihood of rapid economic growth. From this viewpoint, a successful banking system necessitates the availability of liquid assets for short-term investment through interbank markets and government stock exchanges. Additionally, the loss of savings during the previous administration is linked to the flaws in the banking industry. For instance, the bank's image was severely harmed by the 2003 fall of the previous Iraqi government and the loss of deposits.

The National Strategy for Combating Money Laundering and Terrorist Financing for the Years 2017-2020 Under International Requirements (GSDRS, (2019))

is Considered the First Strategy in Iraq in This Regard, according to the Anti-Money Laundering Council (AMLC) and the Office of Combating Money Laundering and Terrorist Financing in Iraq, who announced its preparation and release. It featured a strategy for adjusting laws, processes, and practices in a way that addresses the underlying issues and fosters a work climate that tightens the noose around criminals while also enhancing roles and boosting productivity. The strategy also adopted clarity in defining each phenomenon of money laundering and terrorist financing, its effects, and mechanisms to confront it in cooperation with the concerned authorities from the oversight, inspection, and legislative bodies and all civil society institutions (CBI, 2021).

2.5. The Relationship between Organizational Learning and the Financial Performance of Banks

Numerous academics have looked at the connection between the organizational learning process and enhancing performance, especially financial performance. To support the research hypothesis, we evaluate a few papers in this section. Any bank or institution must meet the following stipulation in order to preserve stability and improve performance: the degree of experience must be at least equivalent to the rate of environmental change (Berthoin and Sobczak) (2014). The ability to reorganize its organizational structures, capitalize on its prior experiences, and use these experiences in the face of changes and challenges is necessary and inevitable given the rapid changes and challenges facing banks and organizations in the business world today and in the future (Alami, 2018; Rahmon, Sabti, and Tokrat (2019).

Dimovski and Skerlavaj (2004) investigated the impact of organizational learning on both financial and non-financial performance in this respect. The survey questionnaire was delivered to senior management after the researchers collected empirical data from 220 Slovenian businesses. Amos was used to evaluate the given data based on structural equation modeling (SEM). They maintained that learning is the alteration in the inclination to react under the impact of acquired experience; that is, as a consequence of social settings, a person develops new meanings and conceptions that point out the significance and need of adhering to certain behavioral patterns. As a result, a person usually modifies their conduct in light of new experiences. According to the

findings, organizational learning has a considerable influence on both the financial and non-financial performance of businesses.

Khaira (2011) investigated how organizational learning may be used to boost an organization's performance using the Sonatrach Corporation as a case study. Data were gathered by the researcher using a descriptive technique, an in-person interview, and a questionnaire. One hundred and twenty employees from Sonatrach, who made up the study's 1,000-person sample, were chosen at random to represent the sample. For statistical analysis, the researcher was able to recover 100 valid questionnaires. The findings demonstrated that Sonatrach has a higher-than-average learning culture and that there is a strong correlation between organizational learning, group learning, and individual learning levels. Additionally, there is a significant link between institutional success and organizational learning.

Iran is Chaman et al. (2013) .'s study examined the effect of organizational learning on the financial performance of Refah Bank of Mazandaran branches. According to the study's findings, organizational learning and financial success are significantly correlated. Additionally, the findings indicated that organizational learning had a favorable effect on financial performance. In a similar vein, Berthoin and Sobczak's (2014) study examined the connection between organizational learning and performance. The study noted that organizational learning significantly raises performance and effectiveness levels. Individual learning occurs first via deliberate interactions with people either inside or outside of the company, and then team learning translates individual learning into organizational learning that benefits the whole organization and improves performance.

Mustafa (2016) links learning and knowledge as an activity that increases the ability to discover and transfer knowledge, leading to behavioral and performance changes. In another way, organizational learning enhances the ability to acquire knowledge from various sources by facilitating access to and supporting these sources; defining and identifying organizational problems successfully by individuals is also reflected in the structural elements and organizational outputs. As a result, companies and businesses can enhance their financial performance.

The effects of organizational learning and innovation on the financial performance of banks and insurance businesses were studied by Ehrami (2017). The

Cochrane algorithm was used to pick 230 banks and insurance organizations as an adequate sample for the study's data collection. In this study, survey forms were the main technique for gathering data. 227 questionnaires were sent, and 197 were completed 20 of them were returned. The data were then examined with Amos v20, an SEM-based program. The results of the study demonstrate that organizational learning has a favorable impact on banks' and insurance businesses' financial performance.

In their 2019 study, Rahmon, Sabti, and Tokrat looked at the connection between organizational learning and enhancing performance. Due to its significance in enhancing companies' performance and capacity to adapt to market changes, it also sought to shed light on organizational learning. The findings indicated that organizational learning has a favorable impact on an organization's performance, especially its financial performance. According to the research, successful firms are those that keep up with organizational learning developments, since this serves as a disciplined roadmap for employees to create practices and applications across a variety of sectors.

Organizational learning has a substantial positive influence on growth, enhancing efficiency and effectiveness. Given this, organizational learning is regarded as a crucial component for ensuring the survival of organizations due to its qualities, which increase an organization's capacity to adapt and conform to changes that occur to them. The greater the ambiguity and rate of change in the organization's environment, the greater the need for organizational learning (Ahmad et al., 2021). Finally, the study hypotheses and conceptual study framework created are based on the theories discussed in the study and the empirical findings indicated above.

3. THE STUDY METHODOLOGY

This chapter comprised the study materials and methods applied to examine the role played by the organizational learning process within Iraqi commercial banks to enhance their financial performance. This is done by investigating the empirical data obtained from commercial bank managers who willingly participated in the surveys.

3.1. Methodology

It contains the study method and design, problem statement, population and samples, data collection procedures, instruments, scale measurements, and data analysis methods.

3.1.1. The Problem Statement

Achieving the best financial performance by financial institutions, especially commercial banks, is one of the most critical issues facing financial managers and decision-makers because good financial performance means a good return on equity and return on investments made by banks and shareholder capital (Alami, 2018). Moreover, enhancing financial performance is vital in making commercial banks more active as profit-seeking institutions (Hassan, 2017). Therefore, interest in organizational learning has increased recently as a strategic necessity for the progress and development of business organizations, including banks, as it contributes decisively to dealing with change in an unstable environment, creates opportunities for sustainable competitive advantage, and makes the organization appear as a single unit that influences the various branches of knowledge (Mustafa, 2016).

Today, organizational learning has become a challenge practiced by organizations to face these pressures and address problems. The successful employment of this concept gives the organization a development in itself and its relationship with the environment and adaptation to internal and external conditions. From it, the survival and continuity of banks depend on their ability to respond to the changing requirements of that environment in the appropriate manner and at the appropriate time, and only

learning organizations can predict those changes and respond to them (Khandekar and Sharma, 2005; Yang et al., 2004).

The current study problem is that bank managers and employees do not fully understand the impact of organizational learning in solving and improving banks' activities, especially in providing banking services to clients and enhancing financial performance, which is one of the criteria for successful bank management because commercial banks operate for financial gain in their activities. At the same time, an active banking system in any country is a critical factor for a strong economy; all of these require a cognitive and practical identification of financial performance problems based on several factors. This requires intellectual thinking and a scientific perspective to test the impact of learning at the organizational and employee levels in order to develop banking activities and ultimately improve financial performance, which requires adequate human capital to change the reality in Iraqi commercial banks for the better; with this description, the reality of this study is within two variables that interact with each other scientifically organizational learning and financial performance of banks.

3.1.2. Hypotheses and Conceptual Study Framework

The conceptual framework in the current study is the basic structure of the dependent variable, Banks' Financial Performance (BFP), including (ROE, ROA, ROI, and OPM). The independent variable, organizational learning, included the strategy component of organizational learning that measured shared vision, monitoring of environmental changes, and learning strategy. The organizing component encourages teamwork, flexible organizational structure, creation, transfer, and knowledge sharing. Further, the cultural component mainly measures avoiding focusing on failure, learning from previous mistakes, creating a supportive learning environment, and learning quality. Figure 2 below reveals the proposed conceptual study framework, which is based on organizational learning theories and banks' financial performance and is the base for the hypotheses addressed below.

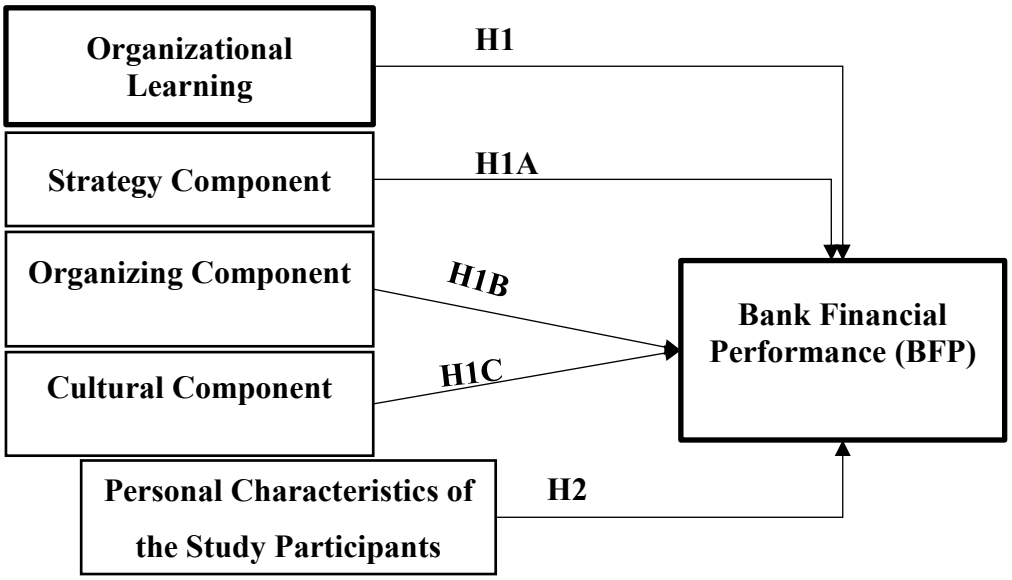


Figure 2. Conceptual Study Framework

Based on the theories addressed and empirical findings on the relationship between organizational learning bank's financial performance also, the study's main question stated to what extent the process of organizational learning within commercial banks improves the abilities of banks and their staff to develop the bank's financial performance. The following hypotheses formed:

Hypothesis 1: *Organizational learning within commercial banks improves the bank's financial performance.*

Hypothesis 1A: *The strategy component of organizational learning contributes to enhancing a bank's financial performance.*

Hypothesis 1B: *The organizing component of organizational learning contributes to enhancing a bank's financial performance.*

Hypothesis 1C: *The cultural component of organizational learning contributes to enhancing a bank's financial performance.*

Hypothesis 2: *The impact of organizational learning on the bank's financial performance differs according to the personal characteristics of the study participants.*

3.1.3. Variables Measurement

3.1.3.1. The Measurement of Organizational Learning

Since the beginning of the 1970s, organizational learning has garnered significant interest from scholars and practitioners. Numerous works in this area have appeared with the goal of defining organizational learning's key characteristics. For instance, many researchers have emphasized that organizations with high rates of educational orientation, which are learning organizations, will encourage their employees to constantly challenge obstacles to achieve their goals when discussing the effect of organizational learning on the performance of organizations (Gomes and Wojahn, 2017).

Through the implementation of processes, planned change is brought about and prepared to adjust to changes in the environment at the appropriate speed through organizational learning. The management of knowledge and technology effectively to learn and improve performance, provided that this is done within the framework of an organizational culture based on the shared vision of the members of the organization and supportive and encouraging work, collective learning and continuous development, which enables these organizations to empower individuals and invest the experiences and expertise of the past in facing the future (Rahmon et al., 2019).

The foundational elements of organizational learning serve as the infrastructure and framework for enhancing the learning process in organizations. Strategic, structural, and cultural elements of organizational learning assist in the creation and evaluation of organizational learning (Gomes and Wojahn, 2017). The plan contains a common goal, environmental change monitoring, and a learning approach. Traditional values, beliefs, conventions, attitudes, roles, assumptions, and behaviors are cultural characteristics that support authentic learning. Institutional, procedural, and structural arrangements, known as structural aspects, enable organizations to systematically gather, analyze, store, distribute, and use the information on their effectiveness (Mustafa, 2016). Thus, given their impact on strategy, structural and cultural aspects of learning at various levels of individuals, teams, and the entire organization, organizational learning mechanisms include the learning environment, identifying learning and development needs, as well as implementing the knowledge gained in practice (Amarakoon, Weerawardena, and Verreynne, 2018).

According to Yang et al. (2004), in this situation, new information is produced by the company as part of its internal organizational learning cycle. Organizational information can be acquired internally in a variety of ways, including through the exchange of ideas, visions, and theories and internal organizational learning from tacit and explicit knowledge, as well as periodicals that inform staff about organizational, economic, and social events. Internal organizational learning of tacit knowledge, for instance, can take the form of unstructured individual work, such as ideas brought up in meetings by staff members, or unstructured group work, such as responding to surveys given out by managers within an organization or enquiring about presumptions about the organization.

Studying previously acquired knowledge or going farther to find and gain new knowledge are both examples of knowledge acquisition. This is accomplished through inherent learning, which demonstrates how group members synthesize their current knowledge with prior experience. There are two ways explicit knowledge may exist. Standardized group work, such as occasional task force meetings or regular meetings, and standardized individual work, such as routine individual recommendations made by members of the organization (Ouma and Kombo, 2016).

They work and learn while participating in experiential learning within the company. The goal of acquiring knowledge from external sources in this context is to transform that knowledge into knowledge that is unique to the company, typically by copying what other organizations (individual, collective, or organizational) do or by acquiring knowledge from people or entities that have not done it before. It used to be a component of the business, as well as through surveys, in-depth research, and performance monitoring (Banerjee, Gupta, and Bates, 2017).

To distribute information is to disseminate and exchange it in order to better address present or upcoming problems. This is accomplished via both formal and less structured procedures and practices, such as face-to-face interaction, spoken conversations, information systems, technology interfaces, or written materials. Because people who need the knowledge do not always know where to obtain it, and because those who already have it frequently are not aware of where it is required, information dissemination is crucial to organizational learning. According to Banerjee et al. (2017), there are five distinct stages that make up the organizational learning process, including

knowledge acquisition and sharing. Information pertinent to the organization's present and future activity must be interpreted and preserved, which relates to screening, sharing, and then conserving the knowledge acquired.

Table 3. Survey Statements for the Organizational Learning Diagnosis Indicators of Survey Data

Strategy Component	**1.**	**Employees learn from their experience in various positions and apply what they have learned in new knowledge in future positions and situations.**
	2.	The organization supports employee learning opportunities and encourages them to apply new knowledge of banking service delivery.
	3.	The various departments in the bank coordinate their efforts by setting common goals for work and learning in banking services.
	4.	The organization encourages employees to develop skills to adapt to expected environmental changes.
	5.	The organization is responsible for training and guiding the bank's employees on how to learn how to use banking services.
Organizing Component	**6.**	Organizational structure allows for active communication and learning between levels of the organization.
	7.	Management practices decentralization and delegates some of its powers to lower levels appropriate to responsibilities and learning capabilities.
	8.	Employees can act and think according to a comprehensive system that considers the interactions between the bank's departments.
	9.	The organization supports employees in learning with beneficiaries and other stakeholders.
	10.	Employees participate in learning activities with academic and artistic institutions in the community.
Cultural Component	**11.**	Organizations treat minor mistakes as learning opportunities and encourage employees and work groups to learn and teach others.
	12.	Organizational conditions in the bank support organizational learning and support factors for enhancing the bank's financial performance.
	13.	Employees can access the data and information needed to provide banking services efficiently.
	14.	Electronic business support systems are designed based on learning needs and requirements.
	15.	The organization uses several techniques to help employees perform their duties efficiently, such as using technology to provide banking services.

The organizational structure, which divides and distributes duties and responsibilities across several departments, is essential for learning. It also links each department to other departments and decides how many people work there. By identifying the diverse tasks and duties and depicting the interactions between employees and the management team inside the facility, it is comparable to a diagram of the internal organization of any institution. It also has to do with sharing knowledge

about organizational issues and possibilities across functional and structural barriers. It relies on how well a company can utilize its knowledge by depending on the information that its people produce, share, and use. Knowledge can only be leveraged when employees within an organization can share their knowledge based on the knowledge of others (Namada, 2018).

The following indicators measure organizational learning within Iraqi commercial banks. The survey applied the following measuring scale: 1=Strongly Disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly Agree.

3.1.3.2. The Measurement of Banks' Financial Performance

There are several ways to define financial performance. In order to determine if a company can produce future value and resilience by depending on various financial activities, such as budgeting, financial performance is defined as the correct diagnosis of financial health. As it depends on the use of financial measures and ratios to measure the duration of achieving goals, financial performance is the limited concept and definition of the performance of banks and companies. Financial performance is also one of the main pillars of many different works carried out by banks. Additionally, financial performance is essential in giving banks and businesses a chance to invest in a variety of performance domains to further their goals (Kumbirai and Webb, 2010). The process of evaluating a bank's financial strengths and weaknesses by developing links between its financial position and the items on its income statement is known as financial performance. These outcomes are represented in the bank's profitability, liquidity, or leverage (Okoye et al., 2020).

According to Zabri, Ahmad, and Wah (2016), banks' financial performance refers to the environment in which they use their assets, intellectual capital, and capital structure to generate revenue, including the rate of Return on Assets (ROA), Return on Investment (ROI), Return on Equity (ROE), and Operation Profit Margin (OPM). A financial performance index is a numerical or qualitative measure that shows how well a bank, business, division, or person is doing (Kumbirai and Webb, 2010). Financial ratios that are created from the income statement and balance sheet data are essential assessment tools for assessing how well banks and businesses are doing. Numerous studies have demonstrated the advantages of financial ratios in enabling the user to

summarize and analyze pertinent facts in order to give useful information for decision-making. Financial performance is one of the key aspects of each bank's and organization's performance, and it is crucial for identifying the material factors and weak banks in terms of growth and profitability (Adnan, 2015). This performance is typically evaluated using financial statement analysis and financial ratio analysis (Botchkarev and Andru, 2011).

Table 4. Statements for the Banks' Financial Performance Diagnosis Indicators of Survey Data

Banks' Financial Performance	**1.**	**Return on Equity (ROE) improved due to organizational learning over the past three years.**
	2.	Due to improvements in employee skills and the adoption of new methods, our bank's ROE is better than other financial institutions.
	3.	Bank has significantly improved its return on assets (ROA) in the last three years.
	4.	Bank reached a better ROA in the previous three years.
	5.	Positive changes in ROA compared to the previous three years.
	6.	The owner's return on equity ratio is higher than competing banks.
	7.	Return on investment (ROI) positively changed over the previous three years.
	8.	ROI is higher than competing banks.
	9.	Positive change in Operating Profit Margin (OPM) compared to the previous three years due to improved employee capabilities.
	10.	OPM is higher than that of competing banks.

As financial ratios are primarily used in the financial analysis process to compare the previous performance with the current performance, Hassan (2017) suggests that the evaluation of financial performance is dependent on the financial analysis process, which is defined as a collection of financial methods used to identify the strengths and weaknesses of banks and business organizations. Financial ratios and other metrics are used to assess performance (profitability ratios, activity ratios, and indebtedness ratios). The construct of banks' financial performance was adapted from (Hassan, 2017) and measured the dependent variable by (ROE, ROA, ROI, and OPM) The survey applied the following measuring scale: 1=Strongly Disagree, 2=Disagree, 3= Neutral, and 4=Agree, 5=Strongly Agree.

3.1.4. Data Analysis Method

In this study, the reliability and validity of the survey were established using statistical software and a variety of statistical analytic methods, including Cronbach's alpha. The significance of the research variables and their dimensions within the commercial bank were determined using descriptive analysis. After testing the hypotheses with correlation and effect analysis, the findings are shown in tables and figures.

3.2. Data Analysis and Results

In order to study and determine the link between the organizational learning process in commercial banks and improving the financial performance of banks, a statistical analysis of the empirical data gathered from workers and managers in Iraqi commercial banks is conducted in this area. This chapter's topics are broken down into different sections. The characteristics of the study participants, as determined by the analysis of demographic data, are presented in the first section, which is then followed by a descriptive analysis of the research variables. Section two further establishes reliability and validity and addresses the normalcy of the data distribution. Finally, part three displays the link, and the regression analysis demonstrates how strongly the variables are related.

3.2.1. Demographic Statistics

Managers and staff from commercial banks in Iraq who voluntarily participated in the survey by answering statements and questions on organizational learning processes inside commercial banks and their effects on improving financial performance served as the study's participants. From this vantage point, this section concentrated on the various characteristics of the respondents, primarily to better comprehend the traits and distinctions of the participants. These characteristics included the respondents' gender, age ranges, educational attainment, managerial positions, banking industry experience, and affiliation with local, Arab, and foreign banks in Iraq. The findings are finally displayed in the table below for clarification and better understanding.

Table 5. Results of Demographic Variables within Commercial Banks

Profile	Description	Frequency	Percentage	Total
Gender	**Male**	205	61.7	**332**
	Female	127	38.3	
Age Groups	**Less than 30 years**	55	16.6	**332**
	31-40 years	169	50.9	
	41-50 years	57	17.2	
	51-60 years	51	15.4	
Levels of Education	**High School**	21	6.3	**332**
	Bachelor Degree	213	64.2	
	Master Degree	93	28.0	
	Ph.D.	5	1.5	
Overall Experience in Banking Sector	**Less than five years**	33	9.9	**332**
	6-10 years	169	50.9	
	11-15 years	101	30.4	
	16-20 years	12	3.6	
	21 years and more	17	5.1	
Management Position	**General Manager**	21	6.3	**332**
	Branch Manage	122	36.7	
	Department Manager	137	41.3	
	Bank Staff	52	15.7	
Local and International Bank	**Iraqi Bank**	277	83.4	**332**
	International Bank	55	16.6	

As results demonstrated in Figure 3, employees and managers from Iraqi commercial banks who willingly contributed to the survey were predominantly male at 61.7% (n=205); however, females contributed at 38.3% (n= 127). This outcome also showed that commercial banks selected more male persons as bank managers than females (see Table 5).

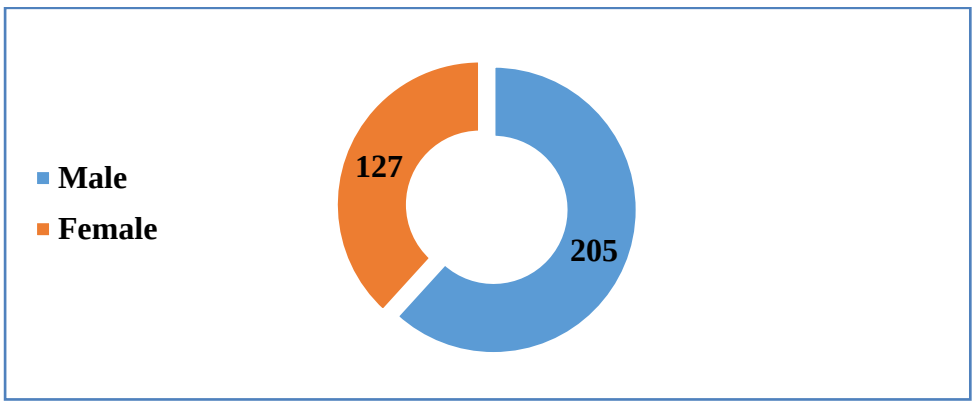


Figure 3. Survey Participants According to Gender

Results linked to the age group of participants indicated that 50.9% (n= 169) were between 31-40 years old. In addition, 17.2% (n= 57) belonged to the group 41-50 years, indicating that Iraqi commercial banks retained knowledgeable staff. Furthermore, 16.6% (n= 55) were less than 30 years. Besides, 15.4% (n= 51) go to the group 51-60 years; see Figure 4 below.

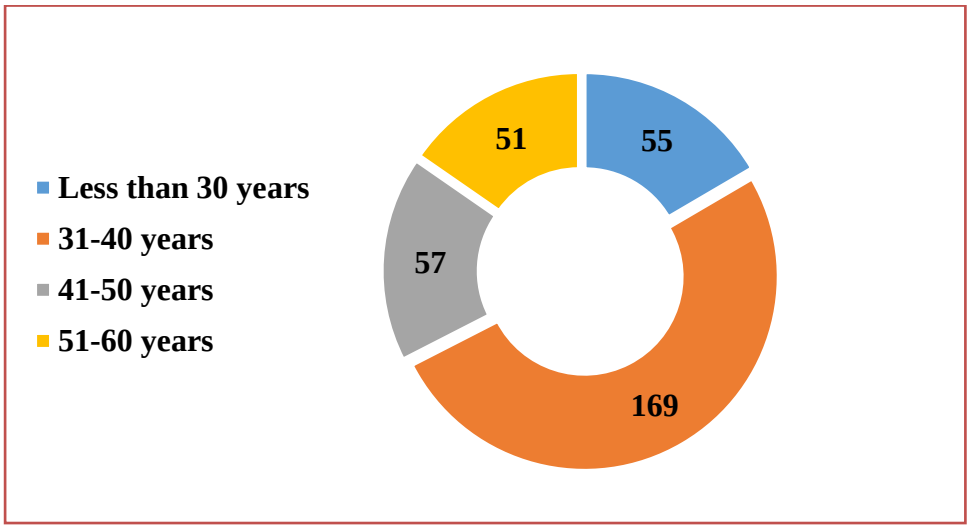


Figure 4. Survey Participants According to Age Groups

Regarding the levels of education or qualifications of the study participants, the results clearly show that most of the participants in Iraqi commercial banks hold high university degrees, which is a good indication that organizational learning through university education has been achieved to a reasonable level. When we look at the results, we see that most participants hold bachelor's degrees, 64.2% (n= 213). In second place were holders of master's degrees with 28% (n=93), followed by those who had completed only high school with 6.3% (n=21), and finally, 1.5% (n= 5) of those with Ph.D. degrees see Figure 5.

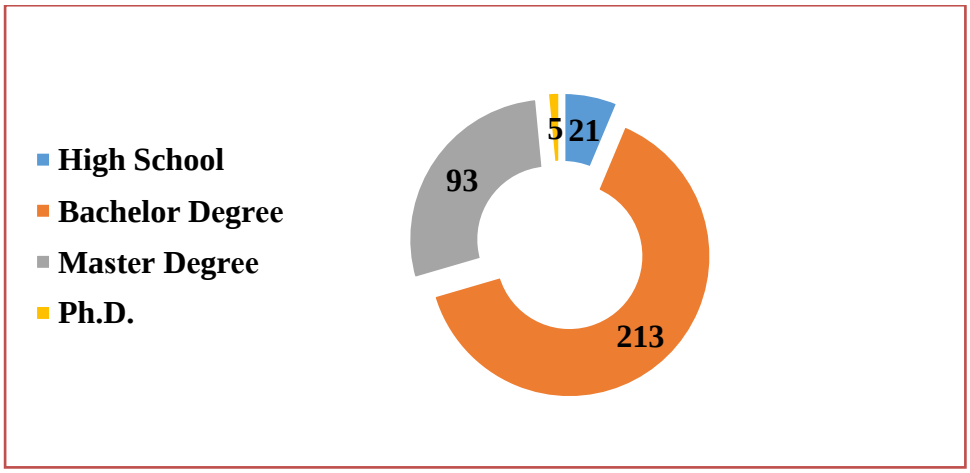


Figure 5. Survey Participants According to Levels of Education

In order to obtain more information from the managers and employees of Iraqi commercial banks, those who willingly participated in the study, by answering the survey questions, we asked them about their banking experience—considered an excellent factor in learning from banking services to provide banking services to clients. The results in Table 5 and Figure 6 below show that 50.9% (n=169) of the participants have banking experience between 6-10 years. At the same time, 30.4% (n=101) have experience in the banking sector from 11-15 years. The results also show that a small percentage of study participants, i.e., less than ten percent, 9.9% responded that their experience in banking is less than five years. In addition, those with 21 years and more experience reached 5.1% (n=17), and those with 16-20 years of experience were 3.6% (n=12).

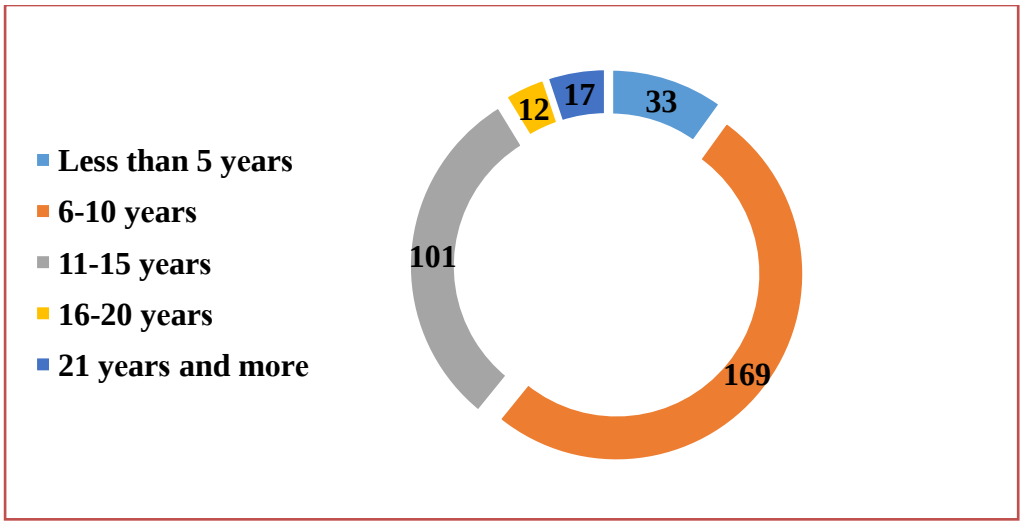


Figure 6. Survey Participants According to Overall Experience in Banking Sector

Because the study participants were managers and employees of commercial banks, they were asked to determine their management positions, and the results showed that 41.3% (n=137) of the overall participants were department managers within surveyed banks. This was followed by branch managers in most Iraqi provinces, with 36.7% (n=122), in addition, 15.7 percent (n=52) of bank staff who provide banking services directly to clients, and finally, 6.3 percent (n=21) general managers or executives. The result demonstrates that the study participants were in senior management positions and had good knowledge of the processes and levels of organizational learning within commercial banks and its impact on enhancing the financial performance of these banks.

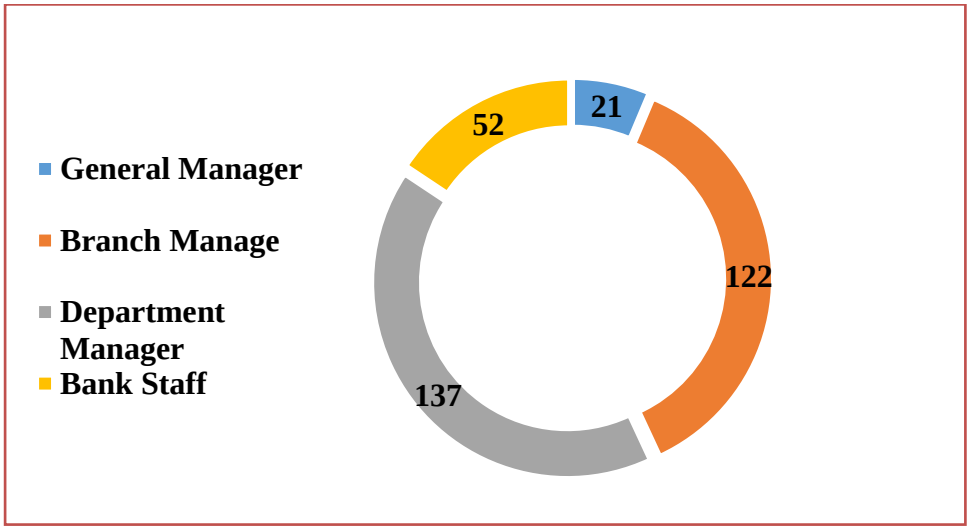


Figure 7. Survey Participants According to Management Position

Because 18 branches of Arab and international commercial banks in Iraq conduct banking activities and provide banking services to the clients, we asked study participants to determine whether they work in Iraqi commercial banks or branches of Arab and international banks. The results show that most participants were from Iraqi commercial banks, with 83.4 percent (n=277), and Arab and international banks, with 16.6 percent (55), see Figure

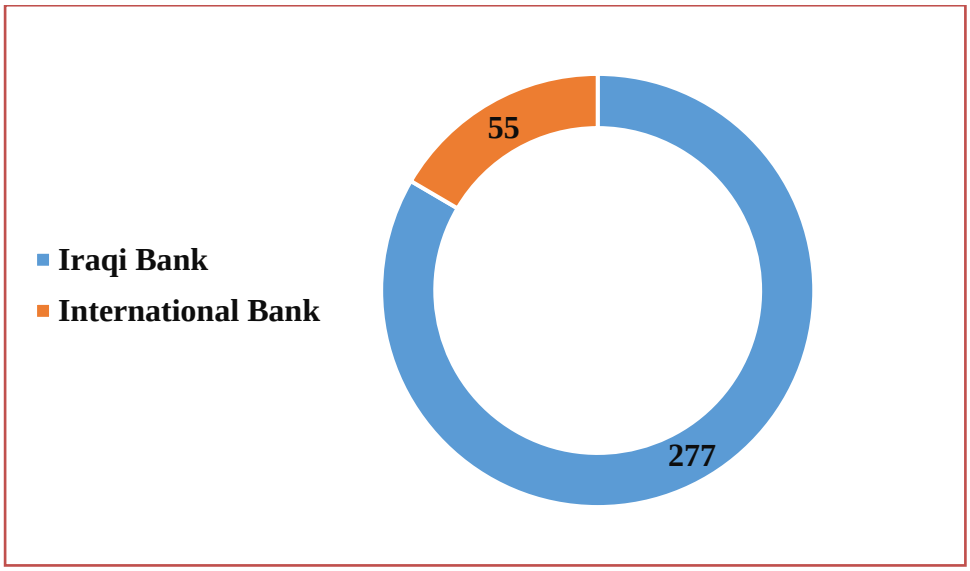


Figure 8. Survey Participants According to Local and International Bank

3.2.2. Descriptive Statistics

In this section of chapter three, the aim of using descriptive statistics, which is the method used to summarize and describe empirical or numerical data to facilitate their interpretation. In this regard, inferential statistics contain those methods through which findings are made about the statistical population represented by managers within commercial banks based on the reality of the sample drawn from this statistical population (Braun et al., 2019; Grice, 2001). Descriptive statistics measure the central tendency of the data set's primary and most informative descriptions. In addition, there are three measures of central tendency: arithmetic means, the median, and the mode. While measures of dispersion provide information about the deviation of variable values, the most critical measures of dispersion are range, standard deviation, and variance (Smith, I. Lindsay (2002). Finally, the percentage of agreement was used to measure the importance (agreement or disagreement) of each variable based on the responses of the survey participants in Iraqi commercial banks.

Consequently, descriptive statistics are applied to determine the study participants' perceptions about the importance of study variables for commercial banks, i.e., the importance of organizational learning and its levels in these banks. Mainly to show the influence of organizational learning in providing banking services to clients and improving bank performance, specifically financial performance, while identifying differences in managers' perceptions. Besides presenting a comprehensive view of the

nature of the study variables based on descriptive statistical tools in variable analysis through statistical mean, standard deviation, and agreement percentage.

3.2.2.1. Results of Organizational Learning Components

Results in Table 6 presented that organizational learning components reached high mean values and lowered standard deviation scores. The statistical mean and standard deviation scores of independent variable organizational learning are (4.1944, 0.3883), respectively, and the agreement weight reached (83.88%); this result displays that respondents in Iraqi commercial banks agreed that organizational learning is significant in developing skills and abilities to provide a better quality of banking services to clients. This result also shows that organizational learning is the correct processing of acquired information that is accompanied by or results in a change in the staff and organization's behavior. Organizational learning is the organization's ability to gain understanding and insight from experience through experimentation, observation, and analysis and its willingness to examine successes and failures.

When we look at the outcomes in Table 6, it also displays that all components of organizational learning, namely strategy, organizing, and cultural component, reached higher mean values (4.0910, 4.2789, and 4.2133), respectively, while the standard deviations scores for all components of organizational learning are lower than average (0.41836, 0.48235, and 0.46230), and the agreements reached (81.82%, 85.57%, 84.26%); all significantly high.

Table 6. Descriptive Statistics Results of Organizational Learning Components

Constructs	N	Minim	Maxim	Mean	Std. Deviation	Agreement Percentage
SC	332	3.00	5.00	4.0910	0.41836	**81.82%**
OC	332	2.80	5.00	4.2789	0.48235	**85.57%**
CC	332	3.20	5.00	4.2133	0.46230	**84.26%**
OL	332	3.20	4.93	4.1944	0.38838	**83.88%**

Note: OL= Organizational Learning, SC= Strategy Component, OC= Organizing Component, CC= Cultural Component.

3.2.2.2. Results of Organizational Learning Indicators

Results in Table 7 and Fig. 8 demonstrated that all indicators of organizational learning reached high agreement percentages. For example, (*SC1 and SC5*) reached their

peak (84.40% and 84.29%); according to these results, which are taken from the perceptions of the study participants, the employees of commercial banks in Iraq learn from their experiences in different situations and apply what they learned in new information in future conditions. Furthermore, participants agreed that management supports employees' learning opportunities and encourages them to apply new knowledge to provide clients with the best quality banking services. Meanwhile, management encourages employees to develop skills to adapt to expected environmental changes. In addition, the various departments within the bank coordinate their efforts by setting common goals for operations and learning in the banking process.

This result is in line with Amarakoon et al. (2018) and Basten & Haamann (2018), who agreed that organizational learning is the process used by the organization to address how individuals learn. That learning process can be embodied in bringing about fundamental changes in behaviors or valuable in the future. In order to reach it, therefore, learning must shift from the particular form to the collective form to the organizational form and must be embodied by bringing about actual changes in behavior.

Table 7. Descriptive Statistics Results of Organizational Learning Indicators

Constructs	N	Minim	Maxim	Mean	Std. Deviation	Agreement Percentage
SC1	332	2	5	**4.22**	**0.761**	**84.4%**
SC2	332	3	5	**4.10**	**0.741**	**82%**
SC3	332	2	5	**3.88**	**0.602**	**77.6%**
SC4	332	3	5	**4.05**	**0.742**	**81%**
SC5	332	3	5	**4.21**	**0.630**	**84.2%**
OC1	332	2	5	**4.01**	**0.714**	**80.2%**
OC2	332	2	5	**4.42**	**0.723**	**88.4%**
OC3	332	3	5	**4.31**	**0.718**	**86.2%**
OC4	332	2	5	**4.22**	**0.774**	**84.4%**
OC5	332	2	5	**4.44**	**0.749**	**88.8%**
CC1	332	3	5	**4.42**	**0.759**	**88.4%**
CC2	332	2	5	**4.42**	**0.684**	**88.4%**
CC3	332	2	5	**4.08**	**0.811**	**81.6%**
CC4	332	3	5	**4.10**	**0.562**	**82%**
CC5	332	2	5	**4.05**	**0.653**	**81%**

Note: OL= Organizational Learning, SC= Strategy Component, OC= Organizing Component, CC= Cultural Component.

Table 7 and Fig. 8 also demonstrated that (*OC5, OC2, and OC3*) reserve the organizing component of organizational learning by (88.8%, 88.4%, and 86.62%) indicating that employees in commercial banks participate in learning activities with

academic and artistic institutions in the community. In this context, management practices decentralization and delegates some of its powers to lower levels appropriate to responsibilities and learning capabilities. Thus, employees can act and think according to a comprehensive system that considers the interactions between the bank's departments. Results also revealed that indicators (*OC4 and OC1*) reached high agreement percentages of (84.4% and 80.2%) regarding the bank's organizational structure, allowing for active communication and learning between levels of the organization. Finally, management supports employees in learning from clients and other stakeholders.

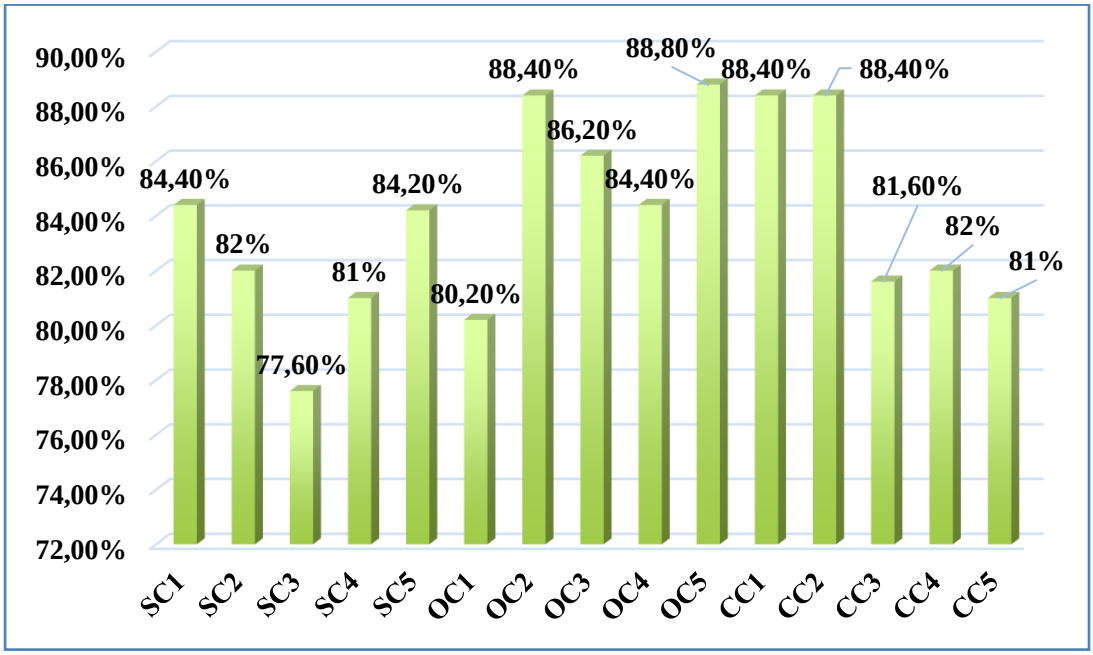


Figure 9. The Percentage of Agreements of Organizational Learning Indicators

The results showed that all indicators of the cultural component reached a high agreement percentage of study participants. The outcomes in Figure 8 presented that (CC1, CC2, and CC4) agreed with most survey samples (88.4%, 88.4%, and 82%) that commercial banks in Iraq treat minor mistakes as learning opportunities and encourage employees and work groups to learn and teach others. Organizational conditions in the bank support organizational learning and support factors for enhancing the bank's financial performance. In addition, electronic business or banking support systems are designed based on learning needs and requirements.

The results of descriptive statistics showed that indicators (*OC3 and OC5*) also reached high agreement percentages of (81.6% and 81%), which means that bank

employees can access the data and information needed to provide banking services efficiently. Furthermore, bank management uses several techniques that help employees perform their duties efficiently, for example, using technology in providing banking services. Based on the results, it appeared that commercial banks in Iraq, especially those participating in the study, benefited from organizational learning, which is a system of activities, active employees, and processes through which the banks and business organizations can transfer and convert information into valuable knowledge, increasing the organization's ability to adapt in the long run.

3.2.2.3. Results of Bank Financial Performance

As demonstrated in Table 8, the managers and employees from commercial banks willingly participated in the survey, and their responses suggested high agreement on bank financial performance indicators. The statistical mean and standard deviation scores of the dependent bank financial performance are (3.9404 and 0.51591), respectively, and the agreement weight reached (78.80%); this result demonstrates that respondents in Iraqi commercial banks agreed that commercial banks in Iraq enhanced their financial performance during the past three years.

Table 8. Descriptive Statistics Results of Bank Financial Performance Indicators

Constructs	N	Minim	Maxim	Mean	Std. Deviation	Agreement Percentage
BFP1	332	2	5	**4.15**	**0.664**	**83%**
BFP2	332	2	5	**3.97**	**0.840**	**79.4%**
BFP3	332	3	5	**4.08**	**0.648**	**81.6%**
BFP4	332	1	5	**3.94**	**0.980**	**78.8%**
BFP5	332	1	5	**3.96**	**0.964**	**79.2%**
BFP6	332	2	5	**3.69**	**0.999**	**73.8%**
BFP7	332	2	5	**3.80**	**0.842**	**76%**
BFP8	332	2	5	**3.94**	**0.914**	**78.8%**
BFP9	332	2	5	**3.74**	**0.893**	**74.8%**
BFP10	332	2	5	**4.14**	**0.601**	**82.8%**
Bank Financial Performance	332	2.7	5	**3.940**	**0.5159**	**78.80%**

Note: BFP= Bank Financial Performance

The outcomes in Table 8 and Figure 9 below presented that most indicators of bank financial performance reached over (73%) of the agreement percentage that enhancing financial performance is the most interest of commercial banks in Iraq. Financial performance, as defined by Ehrami (2017), is the method by which criteria or

indicators are developed concerning the operation of banks using data gleaned from financial statements and other sources, and then these indicators are used to assess the financial performance of the banks. For all parties involved in the bank, including the owners, depositors, and lenders, these indications are extremely important.

Fig. 9 shows that (*BFP1, BFP10, and BFP3*) achieved high percentages of the overall agreement (83%, 82.80%, and 81.60%), which means that the Bank's Return on Equity (ROE) improved over the past three years due to enhancement of the managers and staff skills. Survey participants also agreed that the bank's Operating Profit Margin (OPM) is higher than competing banks. In the last three years, surveyed banks significantly improved their return on assets (ROA).

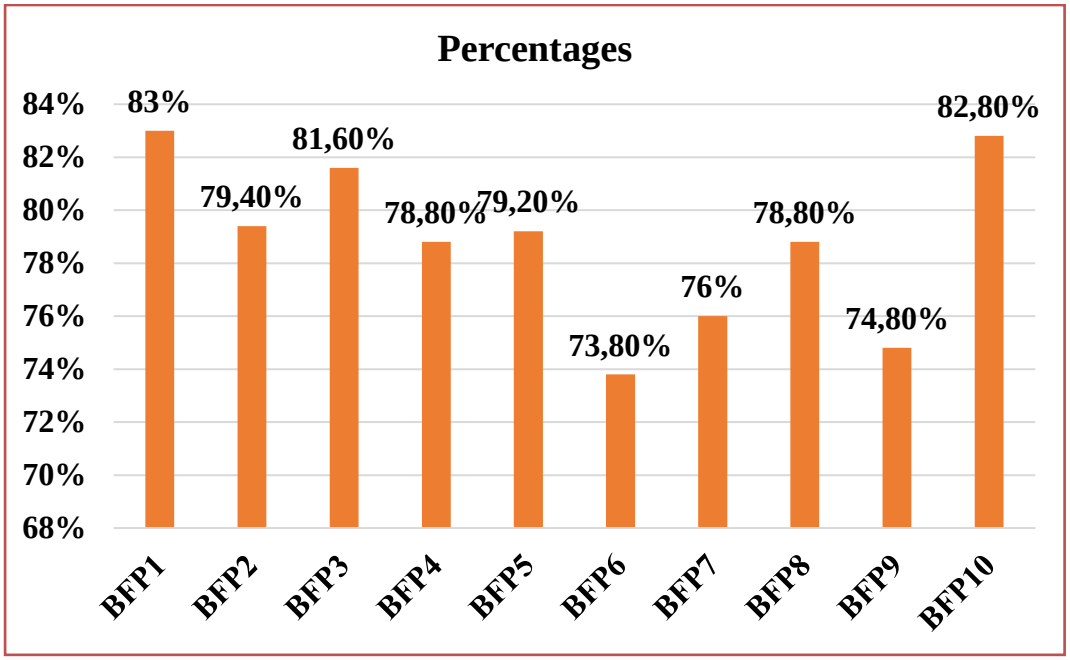


Figure 10. The Percentage of Agreements of Bank Financial Performance Indicators

The managers and bank staff who participated in the survey agreed that the bank's ROE is better than other financial institutions due to improved employee skills and the adoption of new methods. In addition, they reached a better ROA and ROI in the previous three years and made positive changes in ROA and ROI compared to the previous three years. As a result, the owner's return on equity ratio is higher than competing banks. Furthermore, the surveyed banks made a positive change in OPM compared to the previous three years due to improved employee capabilities.

3.2.3. Establishing Reliability

Cronbach's alpha coefficient is mostly used to assess the reliability of statistical tests for determining survey dependability. Sekaran and Bougie (2016) noted that the survey scale's strong Cronbach's alpha score indicates that it is quite accurate in this aspect. Reliability is also defined as the degree to which a survey or scale is free from irregular mistakes that skew the results of the measurement, i.e., the degree to which the test accurately measures the trait it is intended to assess. Finally, if the test consistently assesses a certain trait under a variety of circumstances that may cause measurement mistakes, the test results are fixed. The correlation coefficient between any two test components is represented by the alpha coefficient, which also reflects the average of the coefficients obtained by splitting the test in various ways.

Table 9. Results of Reliability and Validity

Constructs		N	N of Items	Cronbach's α	%
Organizational Learning	***OL***	332	**15**	**0.832**	**100.0**
	SC	332	**5**	**0.654**	**100.0**
	OC	332	**5**	**0.668**	**100.0**
	CC	332	**5**	**0.678**	**100.0**
Bank Financial Performance	***BFP***	332	**10**	**0.812**	**100.0**

Note: OL= Organizational Learning, SC= Strategy Component, OC= Organizing Component, CC= Cultural Component, and BFP= Bank Financial Performance

As shown in Table 9, Cronbach's alpha values for all indicators of organizational learning and bank financial performance are above (0.60). Cronbach's alpha value of organizational learning reached (0.832). In addition, the strategy, organizing, and cultural components all loaded high values (0.654, 0.668, and 0.678), respectively. Furthermore, the indicators of bank financial performance reached (0.812), which is more than (0.6). These results show that the constructs and their indicators used to measure organizational learning and bank financial performance are reliable.

3.3. Model Assessment and Hypothesis Tests

After proving the reliability and validity of data collection tools, measuring the study model, and verifying the adequacy of sampling, this section first tested the relationship between variables as a necessary step before testing hypotheses.

Relationship creation supports testing the role of organizational learning processes in enhancing the financial performance of commercial banks. The results of this analysis are based solely on data obtained from commercial banks and, therefore, may be limited and not generalizable.

3.3.1. Correlation Analysis

The term correlation refers to the degree of connection between two variables. A strong or high correlation denotes a significant relationship between two or more variables, whereas a weak or low correlation denotes a very weak relationship. The ideal negative correlation, which states that as the value of one variable rises, the other falls, is represented by a correlation coefficient of -1.00. Correlation coefficients can vary from -1.00 to +1.00. The perfect positive correlation, on the other hand, is represented by the number +1.00, which denotes that when the value of one variable rises, the value of the other rises as well.

Table 10. Result of Correlations Analysis Between the Study Constructs

	Correlation Coefficient				
Variables	**SC**	**OC**	**CC**	**OL**	**BFP**
SC	1.000				
OC	0.438** 0.000	1.000			
CC	0.539** 0.000	0.703** 0.000	1.000		
OL	0.792** 0.000	0.822** 0.000	0.861** 0.000	1.000	
BFP	**0.570** **0.000**	**0.340** **0.000**	**0.523** **0.000**	**0.598** **0.000**	1.000

****. Correlation is significant at the 0.01 level (2-tailed).**

b. Listwise N = 332

Note: OL= Organizational Learning, SC= Strategy Component, OC= Organizing Component, CC= Cultural Component, and BFP= Bank Financial Performance

As displayed in Table 10, there is a positive relationship between organizational learning and the enhancing financial performance of commercial banks in Iraq, as the relationship coefficient or r was reached (0.598**) with a p-value of (0.000), which is a significant value at the level of (0.000). The results revealed that all components of organizational learning positively related to enhancing the financial performance of commercial banks. For example, strategy and cultural components have a stronger

relationship with bank financial performance, the values of r (0.570** and 0.523**) p-values (0.000 and 0.000) which are all less than (0.05). In addition, the organizing component has a weak relationship with bank financial performance, compared with other components, r (0.340**), which is significant at a p-value (0.000) less than (0.05), see Table 10.

3.3.2. Direct Impact Analysis

Regression analysis is one of the more sophisticated statistical techniques used to test the study's hypotheses statistically, ensuring the precision of inference and improving the study's findings through the best possible use of data to identify causal relationships between the variables under investigation. A mathematical equation known as linear regression is used to estimate and forecast future values as well as to represent the connection between two variables. Furthermore, it foresees modifications in the dependent variable brought on by the impact of one or more independent variables. Thus, linear regression is used to explain the direct impact of organizational learning processes and their components in enhancing the financial performance of Iraqi commercial banks based on experimental data that represent the opinion of the study participants using SPSS v-26.

Table 11. Model Summary and F-test of Significance

Model Summary [b]						
Model	**R**	**R Square**		**Adjusted R Square**	**Std. Error of the Estimate**	
1	0.518[a]	0.268		0.266	0.44193	
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
	Regression	23.649	1	23.649	**121.091**	**0.000[b]**
	Residual	64.450	330	0.195		
	Total	88.099	331			
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Organizational Learning (OL)						

As presented in Table 11, the value of (R2) is the interpretation coefficient that determines the change in the dependent variable bank financial performance (BFP) due to the change in organizational learning. For instance, the value of R2 (0.268), or (26.8%), indicates that changes occurred in enhancing the bank's financial performance by developing the staff abilities through organizational learning. The value of (F) shown in Table 11 is equal to (121.091), and the p-value is (0.000), which is less than (0.05). This indicates that the multiple regression model, with all its variables, is a significant model, which indicates that the data is ideal for discussing the results.

As shown in Table that the constant (*β0*) is equal to (1.054), and this means that if the organizational learning is equal to zero, then the bank financial performance will be (1.054) the test (t) for the constant (β0) is equal to (3.999), p-value (0.000), which is smaller than (0.05), that is, there is a significant effect of the (constant), or organizational learning on bank financial performance (BFP).

Table 12. Coefficients, Beta value, t-value, and p-value

Coefficients [a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.054	0.263		3.999	0.000
	OL	0.688	0.063	**0.518**	**11.004**	**0.000**
a. Dependent Variable: Bank Financial Performance (BFP)						

The first hypothesis is that Organizational learning within commercial banks improves the bank's financial performance. The result in Table 12 demonstrates that organizational learning significantly enhances banks' financial performance with a coefficient of impact up to (0.518), indicating that a change in the organizational learning by one unit will lead to a change in banks' financial performance by (0.518), and the value of (t) is (11.004) that it is a significant value at the level of (0.05) with a p-value (0.000). Furthermore, banking improvements will impact financial performance due to the development of the bank employees' skills and better performance of their duties, including the better provision of banking services to clients.

The hypothesis 1A states that the strategy component of organizational learning enhances a bank's financial performance. The results showed that the value of R2

(0.258), or (25.8%), indicated changes in enhancing the bank's financial performance through strategy learning. The value of the F-test is (109.182), and the p-value is (0.000), which is less than (0.05). According to the results, strategy learning enhances a bank's financial performance, with a coefficient of impact up to (0.518), a t-test is (10.725), and a p-value is (0.000); see Table 13 below. Strategic learning, which includes strategic aspects, is one of the crucial components of organizational learning because it depends on the common perspective of all human resources, environmental change monitoring, and learning strategy. These strengthen the capacity of human resources and the institution as a whole to perform highly.

Table 13. Impact of Strategy Learning on Bank Financial Performance

Model Summary [b]						
Model	**R**	**R Square**	**Adjusted R Square**		**Std. Error of the Estimate**	
1	0.508[a]	0.258	0.256		0.44493	
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
	Regression	22.772	1	22.772	**109.182**	**0.000[b]**
	Residual	65.328	330	0.198		
	Total	88.099	331			
Coefficients [a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.376	0.240		5.722	0.000
	SC	0.627	0.058	**0.508**	**10.725**	0.000
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Strategy Component (SC)						

The hypothesis 1B states that the organizing component of organizational learning contributes to enhancing banks' financial performance. The outcomes demonstrated that the value of R2 (0.111), or (11.1%), suggested that changes occurred in enhancing the commercial banks' financial performance by organizing learning. The value of the F-test reached (41.338), and the p-value is (0.000), which is less than (0.05). Hence organizing learning enhances commercial banks' financial performance, with a coefficient of impact up to (0.334), and the t-test is (6.429) and p-value (0.000); see Table 14 below. Since organizing learning related to structural aspects, which include institutional, structural, and procedural arrangements that allow organizations to collect, systematically analyze, store, distribute and use information related to organizational

effectiveness, organizing thus, generates new knowledge within the internal organizational learning cycle these enable managers and bank employees to perform their activities in the best way that eventually improves bank performance, especially financial performance.

Table 14. Impact of Organizing Learning on Bank Financial Performance

Model Summary [b]						
Model	**R**	**R Square**	**Adjusted R Square**		**Std. Error of the Estimate**	
1	0.334 a	0.111	0.109		0.48708	
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
	Regression	9.807	1	9.807	**41.338**	**0.000[b]**
	Residual	78.292	330	.237		
	Total	88.099	331			
Coefficients [a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	2.413	0.239		10.098	0.000
	OC	0.357	0.056	**0.334**	**6.429**	0.000
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Organizing Component (OC)						

The hypothesis 1C states that the cultural component of organizational learning contributes to enhancing commercial banks' financial performance. The results revealed that the value of R2 (0.248), or (24.8%), indicated that changes might occur in enhancing the commercial banks' financial performance because of organizing learning, which improves the organizational abilities. The value of the F-test is (108.596), and the p-value is (0.000), which is less than (0.05). Consequently, cultural learning enhances commercial banks' financial performance, with a coefficient of impact up to (0.498), a t-test is (10.421), and a p-value of (0.000); see Table 15 below.

Culture is considered one of the essential factors that significantly affect organizational learning. Cultural aspects include values, beliefs, norms, attitudes, and traditional roles, assumptions, and behaviors that enable real learning. Cultural learning generally shapes many behaviors and implements organizational strategies. It also plays an influential role in solving group problems. Finally, it is closely related to the degree of organizational loyalty among individuals and the degree of creativity, renewal, and

innovation enjoyed by employees that lead to better performance, including financial performance.

Table 15. Impact of Cultural Learning on Bank Financial Performance

Model Summary [b]						
Model	**R**	**R Square**	**Adjusted R Square**		**Std. Error of the Estimate**	
1	0.498 a	0.248	0.245		0.44818	
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
	Regression	21.813	1	21.813	**108.596**	**0.000[b]**
	Residual	66.286	330	0.201		
	Total	88.099	331			
Coefficients [a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.601	0.226		7.088	0.000
	CC	0.555	0.053	**0.498**	**10.421**	0.000
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Cultural Component (CC)						

3.3.3. Variance Analysis

It was confirmed if the data were parametric or nonparametric prior to doing the variance analysis. The Mann-Whitney U test and Wilcoxon test have been utilized as nonparametric techniques, whilst independent t-tests and analysis of variance (ANOVA) have been employed for parametric approaches. The received data's degree of significance was determined to have a p-value greater than alpha (0.05). The variance analysis is also used in accordance with the levels of the demographic variables.

Hypothesis two states that the impact of organizational learning on the bank's financial performance differs according to the personal characteristics of the study participants. Table 16 shows the independent t-test results based on the participants' gender. The results presented no variance between the replies of the survey samples according to female and male, F (3.623 and 0.445), respectively, for organizational learning and banks' financial performance, and the p-values (0.071 and 0.505), both above (0.05). Consequently, the impact of organizational learning on the bank's financial performance did not change according to the gender of the study participants.

Table 16. Independent Samples Test According to Gender

		F-test	P-value (Sig.)
OL	Equal variances assumed	**3.623**	**.071**
	Equal variances not assumed		
BFP	Equal variances assumed	**0.445**	**.505**
	Equal variances not assumed		

Variance analysis ANOVA was used based on the survey participants ages, mainly to reveal whether there is variance in the replies of the managers of Iraqi commercial banks regarding the effect of organizational learning on improving financial performance; the results presented variances. The values of the F-test are (7.608 and 11.297), respectively, for organizational learning and banks' financial performance, and the p-values (0.000 and 0.000), both less (0.05), see Table 17 below.

Table 17. ANOVA Test According to Age

		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
OL	Between Groups	3.248	3	1.083	**7.608**	**.000**
	Within Groups	46.679	328	.142		
	Total	49.927	331			
BFP	Between Groups	8.251	3	2.750	**11.297**	**.000**
	Within Groups	79.849	328	.243		
	Total	88.099	331			
Age		**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Less than 30 years	**OL**	55	3.27	4.87	**4.2497**	.54933
	BFP	55	3.30	4.70	**4.1055**	.46683
	Valid N (listwise)	55				
31-40 years	**OL**	169	3.47	4.93	**4.2387**	.34323
	BFP	169	3.30	5.00	**4.0284**	.48809
	Valid N (listwise)	169				
41-50 years	**OL**	57	3.20	4.93	**4.2164**	.39707
	BFP	57	2.70	4.60	**3.7509**	.62796
	Valid N (listwise)	57				
51-60 years	**OL**	51	3.73	4.27	**3.9634**	.18777
	BFP	51	3.10	4.20	**3.6824**	.34566
	Valid N (listwise)	51				

The results further showed that young, aged managers are more positive about the impact of organizational learning on banks' financial performance, since there are variances in the values of means. Thus, the impact of organizational learning on the bank's financial performance varies according to the study participants' age groups.

As showed in Table 18 below ANOVA test conducted according to the level of education of commercial bank managers who is willingly participated in the survey to display if there are differences in the answers of the research participants based on education Level regarding the effect of organizational learning on improving financial performance; the results showed no variances. The values of the F-test are (2.531 and 1.566), respectively, for organizational learning and banks' financial performance, and the p-values (0.057 and 0.197), both above (0.05). Consequently, the effect of organizational learning on the bank's financial performance did not vary according to the education level of the study participants.

Table 18. ANOVA Test According to Education Level

Education Level		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
OL	Between Groups	1.129	3	.376	**2.531**	**.057**
	Within Groups	48.798	328	.149		
	Total	49.927	331			
BFP	Between Groups	1.244	3	.415	**1.566**	**.197**
	Within Groups	86.855	328	.265		
	Total	88.099	331			

As shown in Table 19 ANOVA was used based on the survey participants' overall experience, mostly to reveal whether there is variance in the replies of the managers of Iraqi commercial banks based on their overall experience regarding the effect of organizational learning on improving financial performance; the results presented variances in replies. The values of the F-test are (17.125 and 10.640), respectively, for organizational learning and banks' financial performance, and the p-values (0.000 and 0.000), both less (0.05). The results additionally demonstrated that 6-10 years, 11-15 years, and 16-20 years are more positive about the impact of organizational learning on banks' financial performance since there are variances in the values of means. Therefore, the impact of organizational learning on the bank's financial performance varies according to the study participants' overall experience.

Table 19. ANOVA Test According to Overall Experience

Overall Experience in Banking Sector		Sum of Squares	df	Mean Square	F	Sig.
OL	Between Groups	8.647	4	2.162	17.125	.000
	Within Groups	41.280	327	.126		
	Total	49.927	331			
BFP	Between Groups	10.146	4	2.537	10.640	.000
	Within Groups	77.953	327	.238		
	Total	88.099	331			
Overall Experience in Banking Sector		**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Less than 5 years	**OL**	33	3.53	4.60	**4.0121**	.39702
	BFP	33	3.30	4.80	**3.7121**	.48590
	Valid N (listwise)	33				
6-10 years	**OL**	169	3.27	4.93	4.2126	.40323
	BFP	169	2.70	5.00	**3.8609**	.58687
	Valid N (listwise)	169				
11-15 years	**OL**	101	3.47	4.93	**4.2950**	.26404
	BFP	101	3.50	4.60	**4.1129**	.32021
	Valid N (listwise)	101				
16-20 years	**OL**	12	4.00	4.67	**4.4222**	.31312
	BFP	12	3.90	4.80	**4.5000**	.44313
	Valid N (listwise)	12				
21 years and more	**OL**	17	3.20	3.73	**3.6078**	.23319
	BFP	17	3.60	3.80	**3.7529**	.08745
	Valid N (listwise)	17				

Variance analysis ANOVA was conducted according to a management position to show whether there are differences in the responses of the research participants regarding the effect of organizational learning on improving financial performance; the results showed no variance. The values of the F-test are (3.076 and 0.411), respectively, for organizational learning and banks' financial performance, and the p-values (0.058 and 0.746), both above (0.05). Thus, the impact of organizational learning on the bank's financial performance did not vary according to the management position of the study participants. See Table 20 below.

Table 20. ANOVA Test According to Management Position

		Sum of Squares	df	Mean Square	F	Sig.
OL	Between Groups	1.366	3	0.455	**3.076**	**0.058**
	Within Groups	48.561	328	0.148		
	Total	49.927	331			
BFP	Between Groups	.330	3	0.110	**0.411**	**0.746**
	Within Groups	87.770	328	0.268		
	Total	88.099	331			

Variance analysis also was conducted according to participants from local commercial banks and Arab and international banks. The results showed that the research participants agreed that organizational learning positively impacts the financial performance of commercial banks. Table 21 shows the independent t-test results based on the participants from local and international banks. The results displayed no variance between the replies of the survey samples according to participants' answers from local and international banks, F (0.501 and 2.619), respectively, for organizational learning and banks' financial performance, and the p-values (0.480 and 0.107), both above (0.05).

However, the results of group statistics show that responses from Iraqi and international banks regarding organizational learning are the same, where statistical means (3.9126 and 3.7186), respectively, are both smellier; in addition, statistical means for the financial performance of commercial banks reached (4.0097 and 3.5909), respectively, are both high. Thus, the impact of organizational learning on the bank's financial performance did not vary according to participants' responses from local commercial banks and Arab and international banks.

Table 21. ANOVA Test According to Local and International Banks

Independent Samples Test			
		F-test	**P-value (Sig.)**
OL	Equal variances assumed	**0.501**	**0.480**
	Equal variances not assumed		
BFP	Equal variances assumed	**2.619**	**0.107**
	Equal variances not assumed		

Group Statistics According to Local and International Banks

Group Statistics					
	Local and International Bank	N	Mean	Std. Deviation	Std. Error Mean
OL	Iraqi Banks	**277**	**4.2147**	**.38560**	**.02317**
	International Banks	**55**	**4.0921**	**.38968**	**.05254**
BFP	Iraqi Banks	**277**	**4.0097**	**.47497**	**.02854**
	International Banks	**55**	**3.5909**	**.57390**	**.07738**

3.4. Accepting/Rejecting the Hypotheses

The main objective of this study was to examine the role of organizational learning in commercial banks and its potential impact on improving banks' financial performance based on the development of capacities of bank managers and employees as a result of strategic, organizing, and cultural learning processes. The reliability of the data collection tools, mainly the survey instrument, was tested by applying Cronbach's alpha index, where the results validated the adequacy of the data since all values were above 0.6. To further ensure the adequacy of the survey items and questions, the study model was assessed through factor analysis, and all survey indicators used to measure variables loaded acceptable values. As demonstrated in Table 22, the results supported four study hypotheses related to the role of organizational learning in enhancing banks' financial performance. However, the fifth hypothesis rejected regarding the impact of organizational learning on the banks' financial performance differs according to the personal characteristics of the study participants since there were no variances in responses according to gender, management position and local and international banks.

Table 22. Results of the Hypotheses Testing

Hypotheses	Statements	Criteria	Accepting/ Rejecting the Hypotheses
H1	Organizational learning within commercial banks improves the bank's financial performance	***β1***=0.518, *t*=11.004, *p*=0.000	**Accepted**
H1A	The strategy component of organizational learning contributes to enhancing banks' financial performance.	***β1***=0.508, *t*=10.725, *p*=0.000	**Accepted**
H1B	The organizing component of organizational learning contributes to enhancing banks' financial performance.	***β1***=0.334, *t*=6.429, *p*=0.000	**Accepted**
H1C	The cultural component of organizational learning contributes to enhancing banks' financial performance.	***β1***=0.498, *t*=10.421, *p*=0.000	**Accepted**
H2	The impact of organizational learning on the banks' financial performance differs according to the personal characteristics of the study participants.	*F-test*=3.623, 0.445, *P*=0.071 and 0.505. *F-test*=3.076 and 0.411, *P*=0.058 and 0.746 *F-test*=0.501 and 2.619 *P*=0.480 and 0.107	**Mostly Rejected However partially Accepted**

CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses the findings of the statistical analysis of actual data collected from Iraqi commercial banks to examine how organizational learning might improve the financial performance of these banks. For this reason, the study hypotheses were tested. A discussion of the findings, conclusions, research suggestions, and theoretical and managerial implications of the findings are some of the elements that make up this chapter's many topics.

Discussions

The purpose of this study was to examine the theory that organizational learning and the elements that make it up in commercial banks are essential to improving financial performance. To do this, empirical data were gathered from managers and staff in most of the commercial bank branches in Iraq using the created survey form. Before using statistical software to evaluate assumptions, SPSS v26. By using Cronbach's alpha index to verify and establish the reliability of the data collection methods, particularly the survey instrument, the findings supported the accuracy of the data because all values were above 0.6. The research model was evaluated by factor analysis and all survey indicators were used to measure variables loaded within the permissible ranges, further ensuring the suitability of the survey items and questions. The findings confirmed four research assumptions about how organizational learning could improve banks' financial performance. However, since there were no differences in responses based on gender, management perspective or local versus international banks, the fifth hypothesis regarding the impact of organizational learning on bank financial performance differs according to the personal characteristics of study participants was rejected.

The study participants concurred that organizational learning methods have helped Iraqi commercial banks and that they will use them in the future, based on the findings of the descriptive analysis that was performed on data gathered through survey forms within these institutions. The study concurred that bank management encourages staff development opportunities and encourages them to apply new information to offer consumers the best banking services. While this is going on, the bank management urges the staff to learn how to adapt to the upcoming environmental changes. Additionally, by

establishing similar goals for operations and learning throughout the banking process, various divisions within the bank coordinate their efforts. This finding shows that commercial bank managers place a high priority on organizational learning and staff development to boost bank performance. This outcome is consistent with the findings of Amarakoon et al. (2018) and Basten & Haamann (2018), who concurred that organizational learning is the method employed by the organization to address individual learning. This learning process may result in lasting behavioral changes or be beneficial in the long run. To achieve this, learning must shift from the particular form to the collective form to the organizational form and must be embodied by bringing about actual changes in behavior.

The survey participants in Iraqi commercial banks agreed, according to the findings, that organizational learning is important in building human resource skills and competencies so that they can offer customers better banking services. Because organizational learning entails the proper application of learned information together with or as a result of modifications in staff and organizational behavior. However, through experimentation, monitoring, analysis, and a readiness to look at triumphs and mistakes, organizational learning improves banks' capacity to learn from experience and develop knowledge and insight. According to Ehrami (2017), who investigated the impact of organizational learning on the financial performance of service-based organizations, this demonstrated how organizational learning significantly improves organizations' capabilities and alters behaviors, which in turn improves the financial performance of service-based organizations, including banks.

The results of the descriptive analysis show that commercial bank workers participate or have engaged in learning activities with local academic and cultural organizations. In this situation, management employs decentralization and transfers some of its authority to lower levels in accordance with their tasks and learning capacity. Employees may then act and think according to a thorough framework that takes into account relationships between bank divisions. The organizational structure of the bank, which allowed for active communication and learning between levels of the organization, was also shown by the results. Finally, management encourages staff to get information from clients and other stakeholders.

The study were in agreement that commercial banks in Iraq view mistakes as opportunities for learning and encourage staff and teams to share what they have learned with each other. This fosters group learning and increases organizational capacity, and the organizational conditions in the bank support organizational learning and other factors that improve financial performance. Additionally, e-commerce and financial support systems are created according to the demands and specifications of the learners. In a similar vein, Gomes and Wojahn (2017) demonstrated how organizational learning might boost creativity in human resources and the innovation process within an organization, which in turn improves performance.

The participants also concurred that bank personnel could easily obtain the data and information required to efficiently provide financial services. In this context, bank management employs a variety of strategies to help staff in carrying out their responsibilities successfully, including the use of banking technology to provide banking services. According to the findings, it appeared that commercial banks in Iraq, particularly those that participated in the study, benefited from organizational learning, which is a system of initiatives, engaged staff members, and procedures that allow banks and other businesses to transfer information and turn it into useful knowledge, improving the organizational capacity for long-term adaptation.

The results of the research on bank financial performance indicate that the participants agreed that Iraqi commercial banks improved their financial performance during the previous three years. Because management and employees' abilities were strengthened throughout that period, the Bank's Return on Equity (ROE) also increased. Participants in the survey also concurred that the bank had a better operating profit margin (OPM) than its rival banks. The returned on assets dramatically increased during the previous three years (ROA).

The implementation of innovative techniques and improved personnel abilities are the main reasons why the bank's ROE is higher than that of other financial institutions, according to the findings. In addition, they improved their ROA and ROI from the prior three years and saw improvements from those three years to the current three. The owner's return-on-equity ratio is greater than that of rival banks as a result. Additionally, the institutions examined increased OPM compared to the previous three years as a result of better staff capacities.

Conclusions

In this study, it was anticipated that organizational learning procedures in commercial banks help employees learn new skills and provide better banking services. The findings demonstrated a strong positive correlation between organizational learning and improved financial performance. The findings also demonstrated a favorable relationship between all organizational learning components and improved financial performance of commercial banks. The association between strategic and cultural factors and bank financial success is greater. In addition, the organizing (structural) component has a weak relationship with the financial performance compared to other components. This means that when more attention is paid to learning processes and strengthening employees' skills, it will directly increase banks' ability to provide the best banking services, which will be an essential factor in improving financial performance.

The results of the regression analysis show that organizational learning significantly improves bank financial performance because better banking services have an impact on financial performance due to the increased level of skills of bank employees and improved performance of their duties, including better client banking service.

The findings show that learning new strategies improves a bank's financial success. Because it relies on the common perspective of all human resources, the monitoring of environmental change and learning strategy, strategy learning, which incorporates strategic characteristics, is one of the essential elements of organizational learning. These increase the institution's overall ability to function well and the human resources' capacity to do so.

The results demonstrated that organizing learning improves the financial performance of commercial banks. Since organizing learning related to structural aspects, which include institutional, structural, and procedural arrangements that allow organizations to collect, systematically analyze store, distribute, and use information related to organizational effectiveness, organizing thus generates new knowledge within the internal organizational learning cycle, these enable managers and bank employees to perform their activities in the best way that eventually improves bank performance, especially financial performance.

The findings showed that cultural learning also improves the financial performance of commercial banks. In general, cultural learning influences a wide range of behaviors and organizational tactics. It also has an impact on how group issues are resolved. The level of employee creativity, renewal, and innovation that results in superior performance, including financial success, is also directly related to the degree of organizational loyalty among individuals.

According to the findings of the variance analysis, there were no differences in the responses of the survey sample between male and female respondents. As a result, the effect of organizational learning on the bank's financial performance was not affected by the gender of the research participants. The results showed variances that young, aged managers are more positive about the impact of organizational learning on bank financial performance since there are variances in means values. Therefore, the impact of organizational learning on bank financial performance varies according to the age groups of study participants. Furthermore, the effect of organizational learning on bank financial performance did not vary according to the level of education of the study participants.

However, the results of the ANOVA analysis presented variances in replies based on the overall experience. The results also demonstrated that 6-10 year 11-15 years, and 16-20 years are more positive about the impact of organizational learning on financial performance since there are variances in means values. In the same sense, the impact of organizational learning on bank financial performance did not vary according to the management position of the study participants. Finally, the results did not show any variance between the responses of the survey samples according to the responses of the participants from local and international banks. Consequently, the impact of organizational learning on the bank’s financial performance did not vary according to the responses from local commercial banks and Arab and international banks.

Recommendations

One of the main goals of banks, financial institutions, and corporate organizations is to achieve good financial performance. Commercial banks should pay attention to organizational learning processes, such as strategy learning, cultural learning, and organizational learning, to improve their financial performance, as the

study's findings indicated that organizational learning components have a positive impact on financial performance.

In this sense, banks need efficient organizational learning to sustain their activities, even though banks play an essential role in business financing. At the same time, effective forms of organizational learning are innovative because they enable human resources to use their best abilities. It is also clear that individual, team, and organizational learning are complementary and innovative, through which banks can improve their performance and succeed in the competitive market. Thus, the study recommends that commercial banks in Iraq should also focus on training and skills development of employees along with investment in banking technology, as it plays a significant role in learning and providing services due to its speed of performance.

The study also advises commercial banks to focus on a few elements that influence how well organizational learning occurs within businesses and banks, including their organizational structures' flexibility and dynamic nature, as well as their shared culture, which promotes learning, creativity, innovative problem solving, and deviation from the norm—all of which enhance organizational performance.

In order to increase financial performance, banks' internal environments should encourage initiatives connected to offering the finest banking services. High financial performance refers to the method by which measurements or indicators concerning the operation of banks are created using data gleaned from financial statements and other sources and then used to assess the financial performance of banks. To provide simple access to information sources within the system and teach users how to utilize them, it is also necessary to establish internal information systems and networks.

The Study Implications and Limitations

This study is expected to make a substantial contribution to the literature on organizational learning and financial success. It also has managerial implications while giving commercial bank managers crucial and novel information about the effects of organizational learning and its components on enhancing financial performance and developing banks' capabilities generally. It is obvious that improving financial

performance is related to luring customers and increasing investment in the bank's resources. Here, having access to trained labor is essential.

Additionally, there are several reasons why this study has theoretical and managerial implications. First, the results of this study are of great importance to bank managers in Iraq, primarily to understand the impact of organizational learning on improving business processes and achieving innovative banking delivery. At the same time, the study provides basic and unique information to the managers of commercial banks working in the Iraqi banking sector to encourage employees to pay attention to learning processes and organizational learning, which has a significant impact on improving the work and financial activities of banks and using their talents to reach innovation in the provision of banking services. Although it included data from all commercial banks in Iraq to generalize the results, future studies could include data from the entire banking sector in Iraq, which may yield different results.

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LIST OF TABLES

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LIST OF ATTACHMENTS

Appendix (A1): Questionnaire Form

TC.

KARABUK UNIVERSITY

The main aim of this survey is to obtain empirical data, which measures the role of organizational learning in enhancing the banks' financial performance: evidence from Iraqi Commercial Banks During 2021-2022

Aram Ghazi JABBAR
Karabük University/Master Student

Prof. Dr. Serhan GÜRKAN
Karabük University

1	**Gender**	**Male** **Female**
2	**Age Group**	**Less than 30 years** **31-40 years** **41-50 years** **51-60 years** **61 years and older**
3	**Level of Education**	**High School** **Bachelor Degree** **Master Degree** **Ph.D.**
4	**Overall Experience in Banking Sector**	**Less than five years** **6-10 years** **11-15 years** **16-20 years** **21 years and more**
5	**Management Position**	**General Manager** **Branch Manager** **Department Manager** **Bank Staff**
6	**Local and International Bank**	**Iraqi Bank** **International Bank**

Organizational Learning (OL).

This section measures the organizational learning variable, which includes three components: strategy component (SC), Organizing Component (OC), and Cultural Component (CC).

First: The Strategy Component (SC)

Indicators	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
SC1	Bank employees learn from their experience in various positions and apply what they have learned in new knowledge in future positions and situations.					
SC2	Bank management supports employee learning opportunities and encourages them to apply new knowledge of banking service delivery.					
SC3	The various departments in the bank coordinate their efforts by setting common goals for work and learning in banking services.					
SC4	The bank's management encourages employees to develop skills to adapt to expected environmental changes.					
SC5	The bank's management is responsible for training and guiding the bank's employees on how to learn how to use banking services.					

Second: Organizing Component (OC)

Indicators	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
OC1	The bank's organizational structure allows for active communication and learning between levels of the organization.					
OC2	Bank management practices decentralization and delegates some of its powers to lower levels appropriate to responsibilities and learning capabilities.					
OC3	Bank employees can act and think according to a comprehensive system that considers the interactions between the bank's departments.					
OC4	Bank management supports employees in learning with beneficiaries and other stakeholders.					
OC5	Bank employees participate in learning activities with academic and artistic institutions in the community.					

Third: Cultural Component (CC)

Indicators	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
CC1	Bank management treats minor mistakes as learning opportunities and encourages employees and work groups to learn and teach others.					
CC2	Organizational conditions in the bank support organizational learning and support factors for enhancing the bank's financial performance.					
CC3	Employees can access the data and information needed to provide banking services efficiently.					
CC4	Electronic business support systems are designed based on learning needs and requirements.					
CC5	Bank management uses several techniques that help employees perform their duties efficiently, for example, using technology in providing banking services.					

Source: Mustafa, H. M. (2016). Analysis of the Relationship of Intellectual Capital and Organizational Learning and its impact on Achieving Business Entrepreneurship. Master Thesis in Business Administration, Salahaddin University- Erbil, Iraq.

Third: The Scale of Bank Financial Performance (BFP)

This part of the scale is based on a broad scale that includes a combination of ten questions on ROE, ROA, ROI, and OPM.

Indicators	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
BFP1	Bank's Return on Equity (ROE) improved due to organizational learning over the past three years.					
BFP2	Due to improvements in employee skills and the adoption of new methods, our bank's ROE is better than other financial institutions.					
BFP3	Our bank has significantly improved its return on assets (ROA) in the last three years.					
BFP4	Our bank reached a better ROA in the previous three years.					
BFP5	Our bank made positive changes in ROA compared to the previous three years.					
BFP6	The owner's return on equity ratio is higher than competing banks.					
BFP7	The bank has made a positive change in return on investment (ROI) compared to the previous three years.					
BFP8	Our bank's ROI is higher than competing banks.					
BFP9	Our bank made a positive change in Operating Profit Margin (OPM) compared to the previous three years due to improved employee capabilities.					
BFP10	Our bank's OPM is higher than that of competing banks.					

Hassan, T. A. (2017). The Role of Corporate Governance Mechanisms in Controlling the Financial Performance of Commercial Banks in Erbil-Iraq. Master Thesis in Business Administration, Bingöl University.

Appendix (A2): Dataset and Descriptive

DATASET ACTIVATE DataSet1.

Frequency Table

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	205	61.7	61.7	61.7
	Female	127	38.3	38.3	100.0
	Total	332	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 30 years	55	16.6	16.6	16.6
	31-40 years	169	50.9	50.9	67.5
	41-50 years	57	17.2	17.2	84.6
	51-60 years	51	15.4	15.4	100.0
	Total	332	100.0	100.0	

Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	21	6.3	6.3	6.3
	Bachelor Degree	213	64.2	64.2	70.5
	Master Degree	93	28.0	28.0	98.5
	Ph.D.	5	1.5	1.5	100.0
	Total	332	100.0	100.0	

Overall Experience in Banking Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than five years	33	9.9	9.9	9.9
	6-10 years	169	50.9	50.9	60.8
	11-15 years	101	30.4	30.4	91.3
	16-20 years	12	3.6	3.6	94.9
	21 years and more	17	5.1	5.1	100.0
	Total	332	100.0	100.0	

Management Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	General Manager	21	6.3	6.3	6.3
	Branch Manage	122	36.7	36.7	43.1
	Department Manager	137	41.3	41.3	84.3
	Bank Staff	52	15.7	15.7	100.0
	Total	332	100.0	100.0	

Local and International Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Iraqi Bank	277	83.4	83.4	83.4
	International Bank	55	16.6	16.6	100.0
	Total	332	100.0	100.0	

Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Strategy Component (SC)	332	3.00	5.00	4.0910	.41836
Organizing Component (OC)	332	2.80	5.00	4.2789	.48235
Cultural Component (CC)	332	3.20	5.00	4.2133	.46230
Organizational Learning (OL)	332	3.20	4.93	4.1944	.38838
Valid N (listwise)	332				

DESCRIPTIVES VARIABLES=Q1 Q2 Q3 Q4 Q5 Q6 Q7 Q8 Q9 Q10 Q11 Q12 Q13 Q14 Q15
/STATISTICS=MEAN STDDEV MIN MAX.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
SC1	332	2	5	**4.22**	**.761**
SC2	332	3	5	**4.10**	**.741**
SC3	332	2	5	**3.88**	**.602**
SC4	332	3	5	**4.05**	**.742**
SC5	332	3	5	**4.21**	**.630**
OC1	332	2	5	**4.01**	**.714**
OC2	332	2	5	**4.42**	**.723**
OC3	332	3	5	**4.31**	**.718**
OC4	332	2	5	**4.22**	**.774**
OC5	332	2	5	**4.44**	**.749**
CC1	332	3	5	**4.42**	**.759**
CC2	332	2	5	**4.42**	**.684**
CC3	332	2	5	**4.08**	**.811**
CC4	332	3	5	**4.10**	**.562**
CC5	332	2	5	**4.05**	**.653**
Valid N (listwise)	332				

DESCRIPTIVES VARIABLES=BFP
/STATISTICS=MEAN STDDEV MIN MAX.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Bank Financial Performance (BFP)	332	2.70	5.00	3.9404	.51591
Valid N (listwise)	332				

DESCRIPTIVES VARIABLES=Q16 Q17 Q18 Q19 Q20 Q21 Q22 Q23 Q24 Q25
/STATISTICS=MEAN STDDEV MIN MAX.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
BFP1	332	2	5	**4.15**	**.664**
BFP2	332	2	5	**3.97**	**.840**
BFP3	332	3	5	**4.08**	**.648**
BFP4	332	1	5	**3.94**	**.980**
BFP5	332	1	5	**3.96**	**.964**
BFP6	332	2	5	**3.69**	**.999**
BFP7	332	2	5	**3.80**	**.842**
BFP8	332	2	5	**3.94**	**.914**
BFP9	332	2	5	**3.74**	**.893**
BFP10	332	2	5	**4.14**	**.601**
Valid N (listwise)	332				

Appendix (A3): Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	332	100.0
	Excluded [a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.832	15

```
RELIABILITY
  /VARIABLES=Q1 Q2 Q3 Q4 Q5
  /SCALE('ALL VARIABLES') ALL
  /MODEL=ALPHA.
```

Reliability Statistics	
Cronbach's Alpha	N of Items
.654	5

```
RELIABILITY
  /VARIABLES=Q6 Q7 Q8 Q9 Q10
  /SCALE('ALL VARIABLES') ALL
  /MODEL=ALPHA.
```

Reliability Statistics	
Cronbach's Alpha	N of Items
.668	5

```
RELIABILITY
  /VARIABLES=Q11 Q12 Q13 Q14 Q15
  /SCALE('ALL VARIABLES') ALL
  /MODEL=ALPHA.
```

Reliability Statistics	
Cronbach's Alpha	N of Items
.678	5

```
RELIABILITY
  /VARIABLES=Q16 Q17 Q18 Q19 Q20 Q21 Q22 Q23 Q24 Q25
  /SCALE('ALL VARIABLES') ALL
  /MODEL=ALPHA.
```

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	332	100.0
	Excluded [a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.812	10

Appendix (A4): Correlation Analysis

Correlations

Correlations							
			Strategy Component (SC)	Organizing Component (OC)	Cultural Component (CC)	Organizational Learning (OL)	Bank Financial Performance (BFP)
Spearman's rho	Strategy Component (SC)	Correlation Coefficient	1.000				
		Sig. (2-tailed)	.				
	Organizing Component (OC)	Correlation Coefficient	.438**	1.000			
		Sig. (2-tailed)	.000	.			
	Cultural Component (CC)	Correlation Coefficient	.539**	.703**	1.000		
		Sig. (2-tailed)	.000	.000	.		
	Organizational Learning (OL)	Correlation Coefficient	.792**	.822**	.861**	1.000	
		Sig. (2-tailed)	.000	.000	.000	.	
	Bank Financial Performance (BFP)	Correlation Coefficient	**.570****	**.340****	**.523****	**.598****	1.000
		Sig. (2-tailed)	**.000**	**.000**	**.000**	**.000**	.
**. Correlation is significant at the 0.01 level (2-tailed).							
b. Listwise N = 332							

Appendix (A5): Regression

REGRESSION

H1: Impact of Organizational Learning on Bank Financial Performance

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518[a]	.268	.266	.44193
a. Predictors: (Constant), Organizational Learning (OL)				
b. Dependent Variable: Bank Financial Performance (BFP)				

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.649	1	23.649	121.091	.000[b]
	Residual	64.450	330	.195		
	Total	88.099	331			
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Organizational Learning (OL)						

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.054	.263		3.999	.000
	Organizational Learning (OL)	.688	.063	.518	11.004	.000
a. Dependent Variable: Bank Financial Performance (BFP)						

H2: Impact of Strategy Component on Bank Financial Performance (BFP)

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508[a]	.258	.256	.44493
a. Predictors: (Constant), Strategy Component (SC)				
b. Dependent Variable: Bank Financial Performance (BFP)				

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.772	1	22.772	109.182	**.000[b]**
	Residual	65.328	330	.198		
	Total	88.099	331			
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Strategy Component (SC)						

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.376	.240		**5.722**	**.000**
	Strategy Component (SC)	.627	.058	.508	**10.725**	**.000**
a. Dependent Variable: Bank Financial Performance (BFP)						

H3: Impact of Organizing Component on Bank Financial Performance (BFP)

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.334[a]	.111	.109	.48708
a. Predictors: (Constant), Organizing Component (OC)				
b. Dependent Variable: Bank Financial Performance (BFP)				

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.807	1	9.807	41.338	.000[b]
	Residual	78.292	330	.237		
	Total	88.099	331			
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Organizing Component (OC)						

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.413	.239		10.098	.000
	Organizing Component (OC)	.357	.056	.334	6.429	.000
a. Dependent Variable: Bank Financial Performance (BFP)						

H4: Impact of Cultural Component on Bank Financial Performance (BFP)

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498[a]	.248	.245	.44818
a. Predictors: (Constant), Cultural Component (CC)				
b. Dependent Variable: Bank Financial Performance (BFP)				

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.813	1	21.813	108.596	.000[b]
	Residual	66.286	330	.201		
	Total	88.099	331			
a. Dependent Variable: Bank Financial Performance (BFP)						
b. Predictors: (Constant), Cultural Component (CC)						

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.601	.226		7.088	.000
	Cultural Component (CC)	.555	.053	.498	10.421	.000
a. Dependent Variable: Bank Financial Performance (BFP)						

Appendix (A6): Variance Analysis

T-TEST GROUPS=Gender(1 2)
/MISSING=ANALYSIS
/VARIABLES=OL BFP
/CRITERIA=CI(.95).

T-Test

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Organizational Learning (OL)	Male	205	4.1746	.40985	.02863
	Female	127	4.2262	.35017	.03107
Bank Financial Performance (BFP)	Male	205	3.9185	.50483	.03526
	Female	127	3.9756	.53344	.04734

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Organizational Learning (OL)	Equal variances assumed	**3.623**	**.071**	1.178	330	.240	-.05161	.04383	.13784	.03461
	Equal variances not assumed			1.222	298.035	.223	-.05161	.04225	.13476	.03153
Bank Financial Performance (BFP)	Equal variances assumed	**.445**	**.505**	-.979	330	.328	-.05705	.05826	.17167	.05756
	Equal variances not assumed			-.967	255.942	.335	-.05705	.05902	.17329	.05918

ONEWAY OL BFP BY **Management Position**
/MISSING ANALYSIS.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Organizational Learning (OL)	Between Groups	1.366	3	.455	**2.076**	**.058**
	Within Groups	48.561	328	.148		
	Total	49.927	331			
Bank Financial Performance (BFP)	Between Groups	.330	3	.110	**.411**	**.746**
	Within Groups	87.770	328	.268		
	Total	88.099	331			

T-TEST GROUPS= Local and International Bank (1 2)
/MISSING=ANALYSIS
/VARIABLES=OL BFP
/CRITERIA=CI(.95).

T-Test

Group Statistics					
	Local and International Bank	N	Mean	Std. Deviation	Std. Error Mean
Organizational Learning (OL)	Iraqi Bank	**277**	**4.2147**	**.38560**	**.02317**
	International Bank	**55**	**4.0921**	**.38968**	**.05254**
Bank Financial Performance (BFP)	Iraqi Bank	**277**	**4.0097**	**.47497**	**.02854**
	International Bank	**55**	**3.5909**	**.57390**	**.07738**

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Organizational Learning (OL)	Equal variances assumed	**.501**	**.480**	2.149	330	.032	.12256	.05702	.01039	.23473
	Equal variances not assumed			2.134	76.473	.036	.12256	.05743	.00820	.23692
Bank Financial Performance (BFP)	Equal variances assumed	**2.619**	**.107**	5.761	330	.000	.41884	.07271	.27581	.56186
	Equal variances not assumed			5.078	69.435	.000	.41884	.08248	.25432	.58336

Appendix (A7): Internal Validate

```
NONPAR CORR
  /VARIABLES=Q1 Q2 Q3 Q4 Q5 Q6 Q7 Q8 Q9 Q10 Q11 Q12 Q13 Q14 Q15
  /PRINT=SPEARMAN TWOTAIL NOSIG
  /MISSING=LISTWISE.
```

Correlations [c]

			SC1	SC2	SC3	SC4	SC5	OC1	OC2	OC3	OC4	OC5	CC1	CC2	CC3	CC4	CC5
Spearman's rho	SC1	Correlation Coefficient	1.000														
		Sig. (2-tailed)	.														
	SC2	Correlation Coefficient	.073	1.000													
		Sig. (2-tailed)	.183	.													
	SC3	Correlation Coefficient	.085	.186**	1.000												
		Sig. (2-tailed)	.121	.001	.												
	SC4	Correlation Coefficient	.019	.440**	.476**	1.000											
		Sig. (2-tailed)	.736	.000	.000	.											
	SC5	Correlation Coefficient	.045	.307**	.176**	.574**	1.000										
		Sig. (2-tailed)	.417	.000	.001	.000	.										
	OC1	Correlation Coefficient	.161**	.229**	.167**	.302**	.536**	1.000									
		Sig. (2-tailed)	.003	.000	.002	.000	.000	.									
	OC2	Correlation Coefficient	-.066	.237**	.012	-.129*	.098	.184**	1.000								
		Sig. (2-tailed)	.232	.000	.833	.019	.076	.001	.								
	OC3	Correlation Coefficient	-.120*	.650**	.100	.444**	.307**	.079	.404**	1.000							
		Sig. (2-tailed)	.029	.000	.069	.000	.000	.152	.000	.							
	OC4	Correlation Coefficient	-.099	.368**	.162**	.346**	.631**	.384**	.368**	.516**	1.000						
		Sig. (2-tailed)	.071	.000	.003	.000	.000	.000	.000	.000	.						
	OC5	Correlation Coefficient	.020	.145**	.074	.166**	.175**	.092	.441**	.304**	.233**	1.000					
		Sig. (2-tailed)	.714	.008	.180	.002	.001	.095	.000	.000	.000	.					
	CC1	Correlation Coefficient	.035	.686**	.181**	.538**	.555**	.167**	.256**	.629**	.523**	.251**	1.000				
		Sig. (2-tailed)	.523	.000	.001	.000	.000	.002	.000	.000	.000	.000	.				
	CC2	Correlation Coefficient	.045	.358**	-.089	.044	.397**	.469**	.245**	.258**	.619**	.111*	.428**	1.000			
		Sig. (2-tailed)	.409	.000	.105	.423	.000	.000	.000	.000	.000	.042	.000	.			
	CC3	Correlation Coefficient	-.058	.281**	.057	.188**	.183**	.125*	.436**	.642**	.251**	.375**	.466**	.133*	1.000		
		Sig. (2-tailed)	.292	.000	.297	.001	.001	.022	.000	.000	.000	.000	.000	.016	.		
	CC4	Correlation Coefficient	.163**	.230**	.188**	.115*	.454**	.287**	.174**	.177**	.396**	.073	.268**	.438**	.166**	1.000	
		Sig. (2-tailed)	.003	.000	.001	.037	.000	.000	.001	.001	.000	.183	.000	.000	.002	.	
	CC5	Correlation Coefficient	.056	.391**	.029	.371**	.473**	.236**	.324**	.420**	.527**	.243**	.366**	.533**	.065	.289**	1.000
		Sig. (2-tailed)	.312	.000	.603	.000	.000	.000	.000	.000	.000	.000	.000	.000	.237	.000	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

c. Listwise N = 332

```
NONPAR CORR
  /VARIABLES=Q16 Q17 Q18 Q19 Q20 Q21 Q22 Q23 Q24 Q25
  /PRINT=SPEARMAN TWOTAIL NOSIG
  /MISSING=LISTWISE.
```

Internal Validate

Correlations [b]											
			BFP1	BFP2	BFP3	BFP4	BFP5	BFP6	BFP7	BFP8	BFP9	BFP10
Spearman's rho	BFP1	Correlation Coefficient	1.000									
		Sig. (2-tailed)	.									
	BFP2	Correlation Coefficient	.022	1.000								
		Sig. (2-tailed)	.690	.								
	BFP3	Correlation Coefficient	.255**	.295**	1.000							
		Sig. (2-tailed)	.000	.000	.							
	BFP4	Correlation Coefficient	.193**	.326**	.318**	1.000						
		Sig. (2-tailed)	.000	.000	.000	.						
	BFP5	Correlation Coefficient	.184**	.464**	.309**	.618**	1.000					
		Sig. (2-tailed)	.001	.000	.000	.000	.					
	BFP6	Correlation Coefficient	.106	.272**	.070	.586**	.572**	1.000				
		Sig. (2-tailed)	.053	.000	.207	.000	.000	.				
	BFP7	Correlation Coefficient	.150**	.384**	.028	.368**	.443**	.521**	1.000			
		Sig. (2-tailed)	.006	.000	.611	.000	.000	.000	.			
	BFP8	Correlation Coefficient	.270**	.155**	.200**	.351**	.672**	.495**	.469**	1.000		
		Sig. (2-tailed)	.000	.005	.000	.000	.000	.000	.000	.		
	BFP9	Correlation Coefficient	.298**	-.058	.280**	.278**	.293**	.310**	.297**	.616**	1.000	
		Sig. (2-tailed)	.000	.295	.000	.000	.000	.000	.000	.000	.	
	BFP10	Correlation Coefficient	.179**	.359**	.223**	.224**	.395**	.388**	.413**	.495**	.277**	1.000
		Sig. (2-tailed)	.001	.000	.000	.000	.000	.000	.000	.000	.000	.
**. Correlation is significant at the 0.01 level (2-tailed).												
b. Listwise N = 332												

CURRICULUM VITAE

Obtained bachelor degree in Department of Business Administration the College of Administration and Economics, Kirkuk University Iraq, graduation 2017.

The researcher started Master study in 2020 and graduated from the Karabuk University Department of Business Administration on 01/02/2023.