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Measuring The Impact of Applying the Dimensions of Total Quality for Some Iraqi Private Banks on Financial Capacity using Ordinal Logistic Regression

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Abstract. In this article , we aims to analyze the impact of applying the dimensions of total quality on the financial capability in some of Iraqi banks listed in the Iraq Stock Exchange, namely (Middle East Investment Bank of Iraq - National Bank of Iraq - International Development Bank - Islamic Bank of Iraq - Mansour Investment Bank). A questionnaire was applied that includes four main axes of total quality, which are (customer focus, continuous improvement, and senior leadership commitment, decision-making). The questionnaire included 20 questions for each axis. In addition, financial capability was evaluated using five dimensions, which are (knowledge, skill, behavior, confidence, attitude), and each dimension included five questions.we used ordinal logistic regression to measing the effect of there on others, The results also showed a strong relationship between the application of the dimensions of total quality and financial capability, indicating that the application of these dimensions has a positive impact on financial capability. The results also showed that knowledge comes at the forefront of the dimensions of financial capability in terms of importance, followed by attitude, then confidence, and finally skill and behavior. The results of the analysis showed that confidence was the most consistent dimension among the sample members, indicating the participants' agreement on the importance of this dimension.

Keywords: Financial Capability, Ordinal Logistic Regression, Spearman Correlation, Total Quality.

1. INTRODUCTION

There is a lack of a performance rating for certain aspects, like service quality, in the various performance evaluation standards given for the various activities that these banks engage in, despite the fact that good performance standards are crucial to their development and success. The capital standard and the quality of service that customers experience are economic reflections of any banking characteristics in the bank's ability to carry out its financial tasks. When analysing the bank's finances, own funds and relative liquidity are used. Focussing on quality aspects helps with the analysis. Thus, banking services must support the different parts of the national economy; this places a social responsibility on commercial banks, which in turn guarantee growth, profitability, and a prominent market position whenever they are able to help the community. Businesses now understand that providing excellent, personable customer service is the key to standing out in today's cutthroat marketplace. A bank's ability to compete in the market depends on the strength, confidence, and influence of the connections it maintains with its clients. This section provides a summary of the scientific methodology of research, outlining the interconnected and sequential steps to reach the research goal. The methodology of the thesis explains the research problem, its importance, the research objectives, the dimensions and approved measures, the sampling methods, the research limits, the methodology followed, and the statistical tools used for data analysis. It also describes the field procedures that were adopted for the research. In an ever-evolving economic and regulatory landscape, there are several obstacles that Iraq Stock Exchange-listed banks must overcome to enhance their financial performance. Improving their financial capacity via banking behaviour that allows them to handle their money with high efficiency may be achieved by using the dimensions of complete quality. But how exactly these factors relate to banks' ability to pay is still up for debate. To comprehend the impact of each component of comprehensive quality on banks' different financial aspects, a thorough examination of this connection is necessary. Consequently, we determined that there was an issue with the degree of knowledge on the implementation of all-encompassing quality criteria that would result in enhanced financial capability. Adopting methods that include complete quality dimensions is one of the main variables that help to increase financial capability. The study was conceptualised via the aforementioned. Our main emphasis was on answering the following question: "How can comprehensive quality dimensions help Iraqi banks listed on the Iraq Stock Exchange improve their financial capacity?"

In view of this, the study issue may be framed correctly by how well do the banks listed on the Iraqi Stock Exchange respond and are they aware of the aspects of comprehensive quality and financial capacity? Does financial capability relate to the characteristics of comprehensive quality?

How do the components of comprehensive quality affect the financial capability of the Iraqi banks that were examined?

The study is significant because it aims to improve investment in Iraq's banking industry, which is crucial given the country's current economic situation, which makes banks more accountable for driving economic growth. Applying the dimensions of overall quality to the financial capacity of Iraqi banks listed on the stock

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market is the goal of this research. The research is based on the strong association between work quality and financial performance. Applying the aspects of complete quality, this study aims to give practical advice for banks to enhance their financial performance. This will help achieve the objectives of financial management and establish practical solutions in this vital industry.

The main objectives of this article is to reveal the impact of the dimensions of comprehensive quality on financial capacity was diagnose the extent of banks' response and interest in the dimensions of comprehensive quality and the extent of their adoption of this strategy, and Explain the extent of banks' interest in improving financial capacity, Explain the relationship between the dimensions of comprehensive quality and financial capacity, Explain the impact of the dimensions of comprehensive quality on financial capacity.

2. TOTAL QUALITY CONCEPT

The philosophy of total quality is an administrative and modern meaning based on a set of advanced administrative foundations that are relied upon in combining basic administrative tools and innovative efforts with specialized technical skills in order to develop, improve and elevate performance continuously. Many administrative organizations have begun to apply it to improve and develop the quality of their services and production and help in facing difficult challenges and gaining public satisfaction. (Al-Khatib, 2000, p. 83). Quality was included and defined in the Oxford Dictionary as high-grade quality and value, and was known for completing assigned tasks on time and with the participation of all individuals. In education, it means the educational bank's commitment to achieving real and recognized indicators and standards such as: promotion rates and education cost rates. Given the interest of many individuals and different organizations in quality, the concepts of quality have differed, and it often means to them conformity to the required needs. (Qasim: 2005, p. 20). Quality in the language means good and good, which is the opposite of bad and serious about something Quality, i.e. it became good. (Ibn Manzur: 1984, p. 72). The definitions that address the subject of quality have varied, but they all fall within the field of upgrading the product and the organization that provides that product continuously and continuously and providing what meets the customer's requirements and increases his satisfaction or it is the constructive process that aims to develop the final product. Others indicate that quality does not only mean meeting the needs and expectations of the final customer, but also reaching his happiness. What is required is not only ensuring the quality of the product, but what is required is ensuring the quality of the organization because the quality of the organization guarantees the quality of its outputs and ensures the continuation of that quality, its development and continuous improvement. (Al-Jisr: 2004, p. 4). Quality in education represents strategies that express planned visions that include specific and applicable activity procedures with the aim of reaching the best possible educational and educational product. These visions and strategies must be presented on behavioral rules and foundations that outline the stages of application. In this context, it refers to the quality of higher education as the ability of the sum of the characteristics and features of the educational product to meet the requirements of the student, the labor market, society and all internal and external beneficiaries. (Badisi, 2004: 123). Total Quality (TQ) is an improvement of the traditional way of doing business and is a well-known technique to ensure survival in global competition. By changing management behaviors, the entire culture and behavior of the bank will be transformed.

3. THE CONCEPT OF TOTAL QUALITY MANAGEMENT

Total Quality Management (TQM) has been defined by several definitions, including the system through which a certain type of integration is created between all functions, operations and practices within the bank in order to achieve continuous improvement in the quality of its products and services in order to achieve customer satisfaction and enhance competitive advantages (Ross, 1995: 1-2). (Kram & Jarah) defined it as a set of principles and philosophical orientations that the bank follows for the purpose of its continuity, which requires the application of quantitative methods and harnessing a group of human resources to improve all its operations and exceed the needs of customers at present and in the future. (2023: 123 Mefleh et al.,11) was defined as a set of features and characteristics related to the educational process, and can meet the needs of students. (Quality: 2004, p. 29). (Daft, 2001) defined it as a major change in the thinking system of all managers and employees and requires broad participation at the bank level in controlling quality, training employees, involving them in implementing operations, and granting them authority (Daft, 2001:142). (McNurlin & Sprague, 2006) defined it as an administrative technique that focuses on managing the quality of the product or service through the use of quality control measures to reach high levels of customer satisfaction and reduce costs as much as possible (McNurlin & Sprague, 2006: 618).(Cupla, 2008) defined it as an administrative approach that focuses on continuous improvement at all levels within the bank, whether in relation to individuals or managers, thus representing an integrated philosophical group, statistical tools, and management processes that achieve the bank's goals of better performance, quality, delivery of products and services, and raising the level of customers and employees together. (Ghopal &, Kristensen, 2008: 433). Through the above definitions of total quality, a comprehensive definition can be formulated that represents (the philosophy of applying the organizational administrative approach that is based on the continuous improvement of the bank's mechanisms to satisfy the desires of customers and on the basis of the active participation of all members of the bank in the pursuit of achieving quality by relying on data in decision-making by distinguishing it by focusing on customers, involving employees, improving operations, and committing to providing high-quality products or services).

4. DIMENSIONS OF TOTAL QUALITY

Total Quality (TQ) includes different dimensions that collectively contribute to improving quality and excellence within the bank according to the dimensions that will be addressed: (Mazen, et al., 2020: 18-20)

4.1. Customer Focus

Customer Focus is a fundamental dimension of Total Quality (TQ) and emphasizes the importance of understanding, meeting and exceeding customer expectations to ensure satisfaction and loyalty, as Total Quality Management includes the relentless pursuit of understanding customer needs and requirements, including both stated and unstated needs (Evans, 2005: 16). Total Quality aims not only to meet customer expectations, but to exceed them by consistently providing high-quality products or services. It also encourages the continuous collection of customer feedback and comments that are valuable for identifying areas for improvement and addressing problems immediately. Establishing effective feedback loops ensures that the bank stays in touch with its customers and can adapt to changing expectations. (Stevenson, 2015: 398) Customers are key factors in evaluating quality through the value provided to them by the characteristics associated with quality or service, as this value contributes to achieving their goals and thus gaining their preferences. Therefore, management must focus on customers by providing value, satisfaction and preference, which can be affected by several factors during the customer's interaction with the institution, including, for example, the banks' relationship with the customer audience (Ivancevich, 2007: 45). This relationship contributes to building trust and loyalty between customers and financial institutions, which prompts banks to focus on customers to achieve the concept of service quality as a pivotal strategy aimed at retaining existing customers and increasing market share. To achieve this, management must interact sensitively with the ongoing requirements of customers and markets. This also requires measuring the factors that lead to customer satisfaction, through awareness of recent developments in technology adopted by competitors (Quality, 2009: 44).

4.2. Continuous Improvement

Continuous improvement within the framework of Total Quality (Total Quality - TQ) is an ongoing process that aims to improve all aspects of business by identifying and applying gradual and permanent improvements in processes and procedures. This approach is based on several basic principles that aim to achieve the highest levels of quality and productivity in the institution, as applying continuous improvement within the framework of total quality can lead to achieving many benefits, including reducing costs, increasing efficiency, improving customer satisfaction, and enhancing the institution's competitiveness in the market. (Foster, 2001: 54).

Continuous improvement and continuous development are among the highest achievements in achieving high levels of quality and competitiveness. This requires following A specific and precise mechanism for achieving continuous improvement. The term continuous improvement refers to the gradual and sudden progress in knowledge or technology. Improvement also means meeting needs so that they become an integral part of the approach within which all banks operate. What is meant by being an integral part here is the following: (Joudah, 2009: 55)

A: It is considered part of the daily work of the bank and includes all units.

B: Striving towards improvement processes to get rid of problems and their sources.

C: Carrying out the improvement process through available opportunities that develop the work in a better way, and through problems that need to be solved. The existence of opportunities for improvement can be considered as having four basic sources: employee ideas, research and development, and information derived from customers (Joudah, 2004, 64)

4.3. Senior Leadership Commitment:

The key to achieving total quality in banks is through setting a clear vision and strategy, allocating resources, leading change, monitoring performance, and promoting a culture of quality. Senior leadership can ensure that high levels of quality are achieved in banking services, which leads to improved customer satisfaction and increased efficiency and effectiveness in banking operations. It is a crucial factor for achieving total quality. Without strong leadership support and guidance, it may be difficult to achieve continuous improvement and the required quality. To achieve senior leadership commitment to total quality in banks, the following is required: (Renier, 2024, 17)

1- Setting the vision and strategy: Through: (Esam M at al., 2012: 23)

A. Formulating the vision

• Defining quality objectives: Formulating a clear vision for total quality that includes specific and realistic objectives.

• Directing the message: Disseminating a clear and convincing message about the importance of total quality to all employees.

B. Developing the strategy

• Long-term plans: Developing long-term strategic plans to achieve total quality.

• Aligning objectives: Ensuring that the objectives of total quality are in line with the general objectives of the bank.

2- Allocating resources through the following: (Raficul & Mustapha, 2008: 22)

A. Providing financial resources

• Budget: Allocating a sufficient budget to support total quality initiatives, including training and process development.

B. Supporting human resources

• Appointing quality teams: Creating specialized teams in total quality and appointing qualified individuals to lead them.

• Continuous development: Supporting training and continuous development programs for employees.

4- Leading change

A. Role model

• Leading by example: Leaders must be role models in applying total quality principles.

• Effective participation: Participation of senior leadership in total quality initiatives and continuous improvement meetings.

B. Motivating employees (Roslina et al., 2011: 181)

• Encouragement and motivation: Using methods of encouragement and motivation to enhance employee participation in quality initiatives.

• Recognizing efforts: Providing awards and appreciation to teams and individuals who contribute significantly to improving quality.

4- Monitoring and evaluating performance

A. Performance measurement

• Performance indicators: Identifying key performance indicators (KPIs) to measure the progress of quality initiatives.

• Data analysis: Using data analysis tools to evaluate the effectiveness of improvements and identify areas that need improvement.

B. Periodic review

• Evaluation meetings: Holding periodic meetings to review the progress of quality initiatives and provide the necessary guidance.

• Modification and improvement: Making necessary adjustments to strategies and plans based on the evaluation results.

5- Promoting a culture of quality

A. Building a culture of quality

• Awareness and education: Organizing awareness and education programs on the importance of total quality and its principles.

• Continuous communication: Ensuring continuous communication about quality initiatives and their importance among all levels of the organization.

B. Enhancing collective commitment

• Work teams: Creating multidisciplinary work teams to work on quality initiatives.

• Cooperation and participation: Promoting a culture of cooperation and participation among employees at all levels of the bank.

6- Dealing with challenges (Tan, 2011: 34)

A. Handling Resistance

• Change Awareness: Educating employees about the importance of change, its benefits, and how it can positively impact the business.

• Resistance Management: Using change management strategies to deal with employee resistance.

b. Crisis Response

• Rapid Response: Developing rapid response plans for quality-related crises.

• Crisis Analysis: Analyzing crises and learning lessons learned to improve operations in the future.

In general, the dimensions of comprehensive quality are shown as follows:

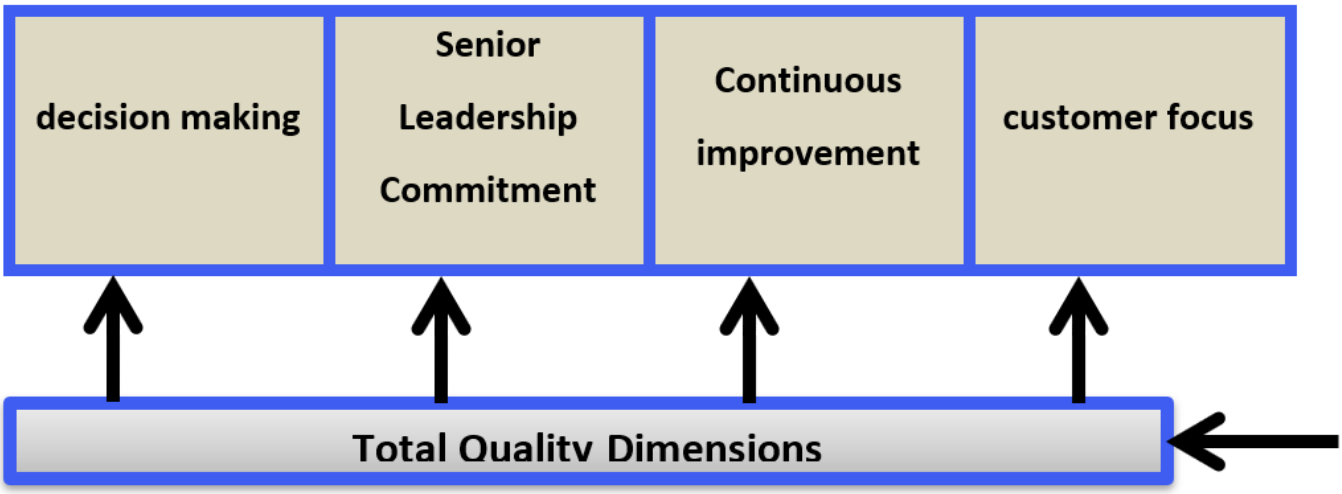

Figure 2: Dimensions of Total Quality.

5. FINANCIAL CAPABILITY (FC)

Financial Capability is used by scholars to describe individuals' financial ability, confidence and motivation to manage their finances. The international movement to promote financial capability began in the United Kingdom in 2005, when experts found that individuals think of financial capability in terms of behaviour because some have the knowledge to make sound financial decisions but do not actually put them into practice. Researchers from the Financial Services Authority in the United Kingdom studied consumer financial capability from several factors. First, consumers are becoming more responsible for securing income, especially when they retire. Second, consumers face important borrowing decisions such as mortgages, education loans and subprime mortgages, but they lack the capacity to deal with them, and some misuse these loans or lose control of debt. Third, financial inclusion in financial products and services has become a major policy issue facing many regulatory bodies (Atkinson et al., 2007: 33).

The concept of financial capability is linked to the individual's financial knowledge with the individual's ability to apply knowledge to achieve his goals and the goals of society. Financial capability is a major goal for government organizations and users of financial education for participants in their programs. It is the ability to act in the best financial interest of the individual in light of the social and economic environmental conditions. Financial capability includes the knowledge, attitudes, skills and behaviors of consumers regarding managing their resources and understanding, selecting and using financial services that suit their needs (Xiao et al., 2022: 3). The National Foundation for Educational Research defined "financially capable people in making important financial decisions. They are aggressive and can budget and manage money effectively. They have the ability to manage credit and debt, assess insurance and protection needs, and evaluate the different risks and returns involved in different savings and investment options. They have an understanding of the ethical, social, political and environmental dimensions of finance." (Morrow-Howell & Sherraden, 2015:37). Financial capability is defined as "the ability of an individual to obtain, understand, and evaluate relevant information needed to make decisions with awareness of potential financial consequences" (Sicong et al., 2021: 727). Financial capability is the ability to act in one's best financial interest in light of social and economic environmental conditions. It includes the knowledge, attitudes, skills, and behaviors of consumers regarding managing their resources and understanding, selecting, and using financial services that suit their needs (Lusardi & Mitchell, 2014: 2). It is also known as an emerging topic in consumer finance (Xiao & Kumar, 2023: 12). It is also a human capital that leads to success in life (Heckman & Mosso, 2014: 691) and financial capabilities and other human capitals alone cannot improve financial well-being without interacting with environmental factors such as financial services and public policies (Hill & Sharma, 2020: 560). Some researchers define financial capability and financial literacy as interchangeable concepts and others consider it synonymous with access to financial services, which is an important concept in relation to financial inclusion (Huston, 2010: 298) (Lusardi & Mitchell, 2014: 22). Financial capability can mean the ability of an individual to apply appropriate financial knowledge and perform desired financial behaviors to achieve financial well-being (Xiao et al., 2014: 427). Or it refers to both personal ability and environmental support (Huang, J. & M., Johnson, 2020: 21). Financial capability is a high-level concept that explains the interactions between three components: knowledge, behavior, and opportunity. The ability here refers to individual ability, which represents a significant difference from the concept of financial ability proposed by Sherraden (Huang, et al., 2015:124). From the above, financial capability can be defined as the ability that enables an individual or institution to bear financial costs and obligations and implement various financial operations efficiently and effectively, including the ability to finance, repay, invest, expand, manage financial risks, and the ability to financially innovate.

6. FINANCIAL CAPABILITY DIMENSIONS

The World Bank relied on four main components of financial capacity, which are:
(Xiao et al., 2016: 719-721) (Piotr & Jing, 2023: 7-8)

6.1. Knowledge

It is the stock of information about any issue or topic that an individual obtains and retains. It is the first and most important element of financial capacity. It is formed through three sources: education, training, and experience or the flow of information from various resources (such as relatives, friends, the media, etc.). All of these sources represent the channels through which information is obtained and transmitted. Some of this information will be understood and retained by the individual. The content chosen to assess financial knowledge depends on the level of development of the financial system in a particular region of the country. Based on experience, countries with a developed financial system have more knowledge and information. Depending on the number of financial services provided in the relevant financial market, survey questions may cover a much larger range of topics than in countries with backward financial systems.

6.2. Skill

It represents "the ability of a person to use his financial knowledge" For example, if a person knows how to calculate a compound percentage, this is knowledge, but if he is able to apply the calculation of a compound percentage while using a financial service, this is a skill. Developing and refining these skills through education, practice and experience enables individuals to enhance their financial capabilities and achieve their financial goals. Continuous learning, self-reflection and seeking guidance from reliable sources can further improve financial skills and enhance financial well-being in the long term. Knowledge and skill are usually not sufficient to manage financial affairs appropriately, as there must be a willingness to take the necessary steps to apply knowledge and practice skills. Different circumstances lead people to develop certain perceptions that affect their decisions when managing financial affairs (Atkinson et al, 2007:33)

6.3. Attitude

It means a person's desire and willingness to invest the time and other resources necessary to apply his knowledge and practice his skills. Attitude plays an important role in financial ability because it affects how individuals deal with, perceive and manage their financial affairs.

Developing a positive attitude towards money and financial education Adopting sound financial habits is essential to enhance financial capacity and achieve long-term financial well-being by recognizing the impact of attitudes on individuals' financial and mental behaviors 0

6.4. Behavior

It is defined as "the actual application of knowledge, skills, and attitudes in daily life that affects how individuals manage their money, make decisions, and interact with financial products and services. Fear of loss and making suboptimal financial decisions can lead to recognizing these biases and effectively mitigating their effects and helping individuals make more rational choices. Behavioral traits such as self-discipline and perseverance are essential for setting and adhering to financial goals over time. Individuals with self-regulation skills are more likely to save continuously, invest for the future, and resist impulsive spending.

Risk perception and tolerance vary among individuals, which affects their willingness to take financial risks. Understanding risk preferences can help develop an appropriate risk management strategy and choose appropriate investment products (Xiao et al., 2022:34).

6.5. Confidence

Confidence in financial ability usually refers to an individual's belief in his or her ability to manage his or her financial affairs effectively, make effective and feasible financial decisions, and achieve his or her financial goals. It includes various aspects such as budgeting, saving, investing, debt management, and financial planning. Confidence in financial ability is essential for individuals to effectively navigate the complexities of financial finance and achieve financial well-being. Continuing education, practical experience, and financial management can contribute to building and maintaining confidence in this area (Piotr et al., 2023: 8).

In general, understanding and addressing behavioral factors is essential to enhancing financial ability and promoting positive financial behaviors. By recognizing behavioral biases, developing self-awareness, and adopting strategies to overcome behavioral barriers, individuals can improve their financial well-being and achieve their long-term goals.

7. GENERAL RELATIONSHIP BETWEEN TQM & FC

Total Quality Management practices are very important in the organization today to link them with the commitment and participation of stakeholders to achieve excellence. The banking sector is focusing heavily on quality practices to maintain the competitiveness of global banks. Many banks in Japan, the United States of

America and Europe have gained or regained their competitive advantage based on the principles of Total Quality Management. The application of Total Quality Management can overcome quality challenges such as adopting appropriate quality practices, improving quality performance, following ISO procedures, etc. Organizational performance is defined as the measurable results of decisions and processes that indicate efficiency, profitability and growth rate. Accordingly, the performance of the organization shows an evaluation pattern in order to identify the rate of performance excellence and specific quality in a dynamic and competitive environment. (A. S. Sathish & J. Shanmuganathan, 2019:100) Despite the wide acceptance of Total Quality Management in maintaining banking performance, organizations are still striving for continuous improvement in order to survive in a competitive environment. From the organizational development and these organizations enter financial capacity as a means to increase their efficiency by focusing on Total Quality Management (Mehmood et al. 2014: 362). The theory of Total Quality Management (TQM) has become more familiar since 1980 where the banking industry provides services of different types of high quality goods and services to its customers that meet the required standard where the work is executed as desired from the beginning while keeping any hurdles at a minimum during the routine work for almost all institutions and rapid developments have made them adopt achievement and innovation so that they can meet the changing needs and expectations of customers equally in order to compete effectively and it has become necessary for companies to continuously improve the quality of their products and services through marketing, product differentiation and cost reduction for this financial institutions adopt these quality management practices in order to improve their financial performance and therefore all banks have to stay in touch with the needs of customers and meet them continuously (Patyal, Vishal & K. Maddulety, 2015: 120). There are a large number of organizations that are increasingly adapting to Total Quality (TQ) as a business strategy to reduce management costs and improve customer satisfaction rather than just restricting it to managing product quality and service level. The concept of Total Quality has been used since the last century and has become very popular and has been promoted to achieve competitiveness, better financial results and overall business performance. Contemporary insights presented by Brun (2011) emphasize that Total Quality Management is an integrated practice in which all departments, namely marketing, finance, design, manufacturing, purchasing, engineering and human resources, come together to achieve the organization's goals and objectives and meet customer requirements. It is also noted that every organization tries to make continuous efforts to improve products, processes and services using the knowledge and experience of the organization's workforce (Tehmeena et al., 2021:78).

8. STUDY THE CORRELATION BETWEEN RESEARCH VARIABLES

8.1. Evaluation of the First Basic Hypothesis Included:

(There is no statistically significant correlation between the dimensions of comprehensive quality and financial capacity)

The value of the correlation coefficient between the dimensions of comprehensive quality and the dimensions of financial capacity reached (0.87 (which is highly significant and supports the existence of a high and influential correlation between the variables, which in turn supports the acceptance of the alternative hypothesis, which states (There is a statistically significant correlation between the dimensions of comprehensive quality and financial capacity) This indicates that the dimensions of comprehensive quality have an effective and significant role linked to financial capacity.

From the main hypothesis, four sub-hypotheses branch out, which are:

8.1.1. Evaluation of the First Sub-Hypothesis, Which Includes:

(There is no statistically significant correlation between customer focus and financial ability)

The values of the correlation coefficient between customer focus and financial ability are (0.58 (which is highly significant and indicates the existence of a medium correlation between them, which means accepting the alternative hypothesis, which includes (customer focus and financial ability).

8.1.2. Evaluation of the Second Sub-Hypothesis, Which Includes

(There is no statistically significant correlation between the continuous improvement dimension and financial ability). The value of the correlation coefficient between the continuous improvement dimension and financial ability reached (0.88 (with a significant degree of (0.000) which is less than the significant degree of (0.05), which says that there is a high correlation between the two variables, which means not rejecting the alternative hypothesis, which states (there is a significant correlation between continuous improvement and financial ability).

8.1.3. Evaluating the Third Sub-Hypothesis, Which Includes

(There is no statistically significant correlation between the commitment of senior leadership and financial capacity)

The value of the correlation coefficient between the commitment of senior leadership and financial capacity reached (0.60 (with a significant degree of (0.000) which is less than the significant degree of (0.05) which is highly significant and indicates the existence of a high correlation between the variables and significant. This means accepting the alternative hypothesis which states (There is a statistically significant correlation between the commitment of senior leadership and financial capacity).

8.1.4. Testing The Fourth Sub-Hypothesis, Which Includes

(There is no statistically significant correlation between decision-making and financial ability). The value of Spearman's correlation coefficient between decision-making and financial ability reached (0.87), which is highly significant, indicating a high and highly significant correlation between the two variables. This means accepting the alternative hypothesis, which states (There is a statistically significant correlation between decision-making and financial ability).

Table 1: Correlation values between the dimensions of total quality and financial capacity.

Confidence	Behavior	Attitude	Skill	Knowledge	financial capacity	financial capacity / dimensions of total quality
*0.68	**0.77	**0.88	0.79**	**0.67	**0.87	dimensions of total quality
0.001	0.000	0.000	0.000	0.000	0.000	Sig.
**0.65	**0.72	**0.88	0.68**	0.66**	*0.58	Focus on customers
0.000	0.000	0.000	0.000	0.000	0.002	Sig.
**0.74	*0.59	*0.51	**0.74	**0.75	**0.88	Continuous improvement
0.000	0.003	0.001	0.000	0.000	0.000	Sig.
**0.74	0.55*	**0.85	**0.76	**0.76	*0.60	Senior leadership commitment
0.000	0.001	0.000	0.000	0.000	0.000	Sig.
*0.54	**0.81	**0.77	0.85**	**0.77	**0.87	decision making
0.003	0.000	0.000	0.000	0.000	0.000	Sig.

The results of the correlation indicate that there is a strong link between the application of the dimensions of total quality and the enhancement of financial capacity in banks. From an administrative perspective, the commitment of senior leadership, continuous improvement, and focus on customers contribute to improving the internal performance of the institution, as it leads to enhancing the efficiency of operations and simplifying procedures, which supports effective and rapid decision-making. This commitment to quality is positively reflected on the financial aspect, as it contributes to increasing efficiency and reducing costs, in addition to improving customer satisfaction and enhancing their loyalty, which leads to increasing revenues and financial stability for the institution. At the economic level, the successful application of total quality leads to improving competitiveness in the market, as banks' ability to adapt to economic changes and respond to the changing needs of customer's increases, which supports the sustainable growth of the institution and contributes to strengthening the general economy.

8.2. Ordinal Logistic Regression

A statistical model used when the dependent variables (response) (the variable we expect) are of an ordinal nature, i.e. they have multiple ordered levels but the differences between these levels are not necessarily equal. This model is considered an extension of the traditional logistic regression used for binary variables. The independent variables are either continuous or categorical and it is based on the assumption that the relationship between each level of the dependent variable and the independent variables is similar, i.e. the effect of the independent variables on each level of the dependent variable is relatively constant. This model uses the logarithm formula to estimate the probabilities of the occurrence of different ordinal cases. The model can be written as follows:

$$Log(\frac{P(Y\leq i)}{P(Y>i)}) = a_i + b_1x_1 + b_2x_2 + \cdots + +b_ix_i$$

where $P(Y\leq i)$ is the cumulative probability of level i or lower. a_i is the constant for each class. $b_1, b_2, \ldots, b_i$ are the coefficients of the independent variables that are usually interpreted as an increase or decrease in the log-odds of the lower classes relative to the higher classes. If the coefficient of the independent variable is positive, it means that it increases the probability of the case being classified at a higher level. The results of the rank logistic regression analysis are as follows:

First: Testing the main effect hypothesis:

The test of this hypothesis, which states (there is no statistically significant effect relationship for the variable of comprehensive quality dimensions on financial capacity), and the results were as follows:

Table 2: Summary of the number of cases and marginal percentages for the different values of the dependent variable (Y).

		N	Marginal Percentage
Y	3.40	2	2.4%
	3.48	2	2.4%
	3.52	2	2.4%
	3.64	1	1.2%
	3.72	1	1.2%
	3.76	1	1.2%
	3.80	2	2.4%
	3.84	1	1.2%
	3.88	4	4.8%
	3.92	2	2.4%
	3.96	4	4.8%
	اتفق	3	3.6%
	4.04	4	4.8%
	4.08	2	2.4%
	4.12	3	3.6%
	4.16	6	7.2%
	4.20	10	12.0%
	4.24	6	7.2%
	4.28	4	4.8%
	4.32	1	1.2%
	4.36	5	6.0%
	4.40	1	1.2%
	4.44	2	2.4%
	4.48	5	6.0%
	4.52	2	2.4%
	4.56	1	1.2%
	4.60	1	1.2%
	4.68	1	1.2%
	4.72	1	1.2%
	4.76	1	1.2%
	4.80	1	1.2%
	4.84	1	1.2%
Valid		83	100.0%
Missing		0	
Total		83	

Table 2 shows a summary of the number of cases and marginal percentages for the different values of the dependent variable (Y) in the analysis. The table shows that the variable Y contains 83 valid cases, and there were no missing cases, meaning that the sample is 100% complete. The different values of the variable Y are displayed with the number of cases in which each value was repeated and the percentage of each. We note that the most frequently repeated values are 4.20 with 10 cases, i.e. 12.0%, and 4.16 and 4.24 each with 6 cases, i.e. 7.2%. The rest of the values are distributed in lower percentages, ranging between 1.2% and 4.8%. This indicates that the distribution of values is not equal, and that some values appear more commonly than others. This frequent presence of some values indicates that there may be a specific combination of data that contributes to focusing on these values.

Table 3: Model suitability information.

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	527.014			
Final	484.396	42.619	4	.000
Link function: Logit.				

Table 3 shows the suitability of the rank logistic regression model to the data. The value "-2 Log Likelihood" for the model containing only constants is 527.014, while this value decreases to 484.396 when including the independent variables in the final model. This decrease indicates that the final model provides a better fit to the data. In addition, the Chi-Square value for the final model appears to be equal to 42.619 with a degree of freedom df equal to 4 and a probability value (Sig.) equal to 000. This result is statistically significant, which means that including the independent variables in the model significantly improves the accuracy of prediction compared to the model that relies on constants only. In other words, the independent variables have a significant effect on the dependent variable, which makes the model valuable in interpreting the data.

Table 4: Goodness of fit test for the model.

	Chi-Square	df	Sig.
Pearson	2325.040	2383	.799
Deviance	479.897	2383	1.000
Link function: Logit.			

Table 4 shows the extent of the model's goodness of fit to the data through Pearson and Deviance statistics. The Pearson statistic gives a Chi-Square value equal to 2325.040 with a degree of freedom df equal to 2383, and a probability value (Sig.) equal to 799. This result is not significant, indicating that the model fits the data well and there is no significant difference between the expected values and the actual values. As for the Deviance statistic, it gives a Chi-Square value equal to 479.897 with a degree of freedom d.f equal to 2383, and a probability value (Sig.) equal to 1.000. This result is also not significant, which confirms that the model is very suitable for the data.

Table 5: Model parameter estimates.

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	**Upper Bound**
Threshold	[Y = 3.40]	14.940	2.986	25.032	1	.000	9.087	20.792
	[Y = 3.48]	15.861	2.982	28.297	1	.000	10.017	21.705
	[Y = 3.52]	16.443	3.002	29.998	1	.000	10.559	22.327
	[Y = 3.64]	16.700	3.014	30.692	1	.000	10.792	22.608
	[Y = 3.72]	16.934	3.026	31.307	1	.000	11.002	22.866
	[Y = 3.76]	17.128	3.037	31.807	1	.000	11.175	23.080
	[Y = 3.80]	17.448	3.055	32.624	1	.000	11.461	23.436
	[Y = 3.84]	17.585	3.062	32.972	1	.000	11.583	23.587
	[Y = 3.88]	18.054	3.089	34.171	1	.000	12.001	24.108
	[Y = 3.92]	18.266	3.100	34.719	1	.000	12.190	24.341
	[Y = 3.96]	18.649	3.120	35.719	1	.000	12.533	24.764
	[Y = 4.00]	18.900	3.133	36.383	1	.000	12.759	25.041
	[Y = 4.04]	19.188	3.148	37.145	1	.000	13.017	25.358
	[Y = 4.08]	19.316	3.155	37.486	1	.000	13.133	25.500
	[Y = 4.12]	19.505	3.165	37.989	1	.000	13.303	25.708
	[Y = 4.16]	19.888	3.184	39.003	1	.000	13.646	26.129
	[Y = 4.20]	20.511	3.218	40.632	1	.000	14.204	26.817
	[Y = 4.24]	20.901	3.239	41.640	1	.000	14.553	27.249
	[Y = 4.28]	21.198	3.256	42.400	1	.000	14.818	27.579
	[Y = 4.32]	21.276	3.260	42.597	1	.000	14.887	27.665
	[Y = 4.36]	21.697	3.284	43.651	1	.000	15.261	28.134
	[Y = 4.40]	21.790	3.289	43.882	1	.000	15.343	28.237
	[Y = 4.44]	21.973	3.300	44.334	1	.000	15.505	28.441
	[Y = 4.48]	22.541	3.334	45.712	1	.000	16.007	29.076
	[Y = 4.52]	22.871	3.354	46.500	1	.000	16.297	29.444
	[Y = 4.56]	23.076	3.367	46.984	1	.000	16.478	29.675
	[Y = 4.60]	23.325	3.382	47.557	1	.000	16.696	29.954
	[Y = 4.68]	23.639	3.403	48.254	1	.000	16.969	30.308
	[Y = 4.72]	24.043	3.432	49.088	1	.000	17.317	30.769
	[Y = 4.76]	24.618	3.479	50.061	1	.000	17.799	31.438
	[Y = 4.80]	25.468	3.582	50.565	1	.000	18.448	32.488
Location	Customer Focus	2.143	1.447	16.102	1	.009	-.733-	1.019
	Continuous Improvement	2.267	.606	14.001	1	.000	1.080	3.455
	Senior Leadership Commitment	.767	.479	2.563	1	.109	-.172-	1.706
	Decision Making	2.021	.612	10.913	1	.001	.822	3.219
Link function: Logit.								

Table 5 shows the parameter estimates (thresholds) for each level of the dependent variable (Y) in addition to the independent variables. These estimates represent the different thresholds used to determine the different categories of the dependent variable in the context of the ordinal logistic regression, which represent the points separating the levels of the dependent variable. The estimates indicate the values at each level (such as [Y = 3.40], [Y = 3.48], and so on). The positive values of these estimates mean that there is an increasing probability of reaching higher categories with increasing influence of the independent variables. As for the independent variables, customer focus refers to the role of interest in customer needs and expectations in influencing the dependent variable. Continuous improvement reflects the extent to which continuous improvement practices affect the final results. Senior leadership commitment shows the importance of senior leadership commitment in supporting and enhancing improvement and development processes. Decision-making: indicates how effective decision-making affects results and outputs. This enables us to conclude that factors such as customer focus, continuous improvement, senior leadership commitment, and decision-making play an important role in influencing the results of the dependent variable, reflecting their importance in the context being analyzed.

Table 6: Testing the hypothesis of stability of slope coefficients.

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	484.396			
General	239.046[b]	245.349[c]	120	.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

Note:
a. Link function: Logit.
b. The log-likelihood value cannot be further increased after maximum number of step-halving.
c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.

Table 6 shows the test of the hypothesis of the stability of the slope coefficients across the different response categories in the ordinal logistic regression model. This test determines whether the effects of the independent variables on the dependent variable are similar across all categories. The probability value (Sig.) is equal to 0.000, indicating that the differences in the slope coefficients across the different categories are statistically significant and the Chi-Square value is 245.349 with a degree of freedom df equal to 120, which means that the hypothesis of the general model does not differ significantly from the hypothetical model. This means rejecting the null hypothesis, indicating that the hypothesis of the stability of the slope coefficients applies to this model. This means that the effect of the independent variables on the dependent variable does not differ across the different categories, indicating that using the ordinal logistic regression model with the hypothesis of constant slope coefficients is appropriate.

9. CONCLUSIONS

1- The research sample members have a generally good awareness of the variable of total quality dimensions in banks, as the results showed a noticeable understanding of these dimensions.

2- There is a strong significant correlation between the total quality dimensions and financial capacity in the research sample banks. This indicates that the application of total quality dimensions can have a significant and positive impact on enhancing the financial capacity of institutions.

3- There is a significant impact of total quality dimensions on financial capacity in the banks included in the research.

10. RECOMMENDATIONS

Based on the conclusions reached, the following recommendations can be suggested:

1. Include a larger number of banks and financial institutions from different geographical regions to achieve more diverse and comprehensive results. The research can also include comparisons between institutions of different sizes (large, medium, small) to analyze the differences in the impact of total quality dimensions on financial capacity

2. Enhancing the research using multiple research methodologies such as longitudinal studies that follow the impact of total quality dimensions on financial capacity over an extended period of time. In addition, case studies can be used to provide a more detailed analysis of internal processes in organizations that effectively implement TQM standards. 3. Conduct comparative studies of the impact of TQM dimensions on financial capacity in different economic sectors, such as banking, insurance, and investment companies, to see how these relationships differ across sectors.

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