

The Impact of Human Resources Management on Financial Performance in Iraqi Commercial Banks

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Abstract

The study aimed to identify the impact of human resources management on financial performance in Iraqi commercial banks. The descriptive analytical approach was used to prove the impact between the variables. The study was applied to the study population of managers and workers in senior, middle, and lower management in Iraqi commercial banks in the capital, Baghdad, who are adults. Their number is (16) banks, while the size of the study population will be (1081) individuals. The study sample was chosen randomly, and stratified, and its size is (346) individuals. The study concluded that there is a statistically significant effect of human resources management on the financial performance of Iraqi banks. The study recommended focusing on and choosing the best employees, as this is the first image of the bank when it meets customers. Therefore the bank's image is insufficient if the employees reflect another image.

Keywords: *human resources management, financial performance, commercial banks.*

1. Introduction

Modern theoretical literature in the field of human resources management has clarified the importance of the relationship between situational variables, the most important of which is the banking business strategy and human resources management in the bank's confrontation with competitive challenges, the most important of which is the global challenge with the intensification of competition between commercial banks in local and international markets, and the challenge of meeting customers' needs and desires in these markets better. From competitors according to their preferences, and to challenge the opportunities and risks of the increasing technical developments affecting the bank's field of business on the skills, capabilities, and knowledge of human resources outside and inside the organization required to meet the needs of the bank's current and future jobs, by taking advantage of the opportunities and adapting to the threats emerging from these challenges to increase financial performance, and research has reached A recent field study that took place in foreign countries led to inconsistent results regarding the impact of this relationship on financial performance (Al-Samman and Al-Bakdali, 2023).

Human resources management gains its importance by embracing the human factor as a key factor to increase the quality of service and the increasing importance of human relations, motivating employees and satisfying their needs, because the success and failure of all banks depends on the human factor, in addition to the costs incurred to pay workers' wages and compensation, as they represent a large part of their expenses, so they

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must The best investment should be directed to working individuals, because its investment needs to be benefited from, used well and maintained, and striving to improve its performance continuously, and for this reason it is necessary to adopt a humane approach in dealing with human resources and meeting their needs (Al-Lahibi and Habib, 2023).

Financial performance represents an important fundamental concept for banks, as it reflects the bank's activities and achievements and determines the extent to which it exploits its resources, capabilities, and ability to achieve its goals. Entrepreneurship in the banking sector constitutes an important indicator of financial performance, as it is one of the mechanisms for making decisions related to better use of resources, in order to Achieving the provision of a new service or product, and contributing to stimulating the role of creativity in banks, by searching for new opportunities, and ensuring their implementation through innovative approaches to bear risks, help achieve profits, and make better use of available resources (Hamdan and Talal, 2023).

The importance of the current study, in comparison with previous studies, is highlighted in that it is a new attempt to define and study more comprehensively human resources management and its impact on financial performance according to a dual approach: the circumstantial approach to human resources management, and the formal approach on an experimental basis to human resources management, as the aforementioned research dealt with the impact of this relationship. In financial performance according to the formal approach on a theoretical basis for human resources management, and for the first time in Iraq, within the limits of the researcher's knowledge and the banks studied with analytical frameworks for their proposed hypotheses to determine the extent of support first for each of these two approaches, and the extent to which the researched banks benefit from them.

In line with what was mentioned above, the study included selecting a sample of (302) people from managers and workers in senior, middle, and lower management in Iraqi commercial banks in the capital, Baghdad, numbering (16) banks. Several hypotheses were formulated to address the problem of the study, represented by the existence of correlation and influence relationships between... Dimensions of human resources management and financial performance from the presence of variation in variables in their dimensions at the level of the banks in the study sample, and by using several non-parametric statistical tools in analyzing and processing data and information, by adopting the ready-made statistical program (26.SPSS.V). The study aims to know the extent of the perception of the banks in the study sample The two variables of the study reveal the correlation and influence relationships between the dimensions of human resources management and financial performance in banks, the field of study, as well as testing the extent to which the sample adopts the dimensions of the main and subsidiary variables of the study. This study reached several conclusions and identified a set of recommendations. The study was structured into two axes, the axis dealt with The first is the conceptual framework for human resources management and financial performance, and the second axis is devoted to research methodology, analysis, and testing of the study hypotheses.

2. The concept of human resources management.

Human resources are the basic resources that determine the existence and development of any business. Therefore, human resources issues are always a primary concern. There are many different aspects that have addressed the concept of human resource management: According to the American professor Dimock, "Human resource management includes all the procedures applied "Human resource management is the art of selecting new employees and using old employees so that the productivity and quality of each person's work are maximized," said Professor Felix Migros. Therefore, human resources management is understood as one of the basic functions of the management process,

which is a solution to all problems related to people related to their work in any organization. Human resources management is both a scientific and technical activity because human resources management is a field closely related to the organizational culture that contains human values. More than any other area of human resource management and any other value. (Wool, 2022).

The dictionary defines human resource management as “the process of recruiting and developing employees so that they become more valuable to the organization.” Human resource management includes job analyses, human resource planning, recruitment, orientation, training and development, wage and salary administration, performance appraisal, providing benefits and incentives, communication, and conflict resolution (BusinessDictionary, 2013). According to Rouse (2011), human resource management Also known as Human Resources (HR), is primarily responsible for creating, implementing, and managing policies that lead to employee behavior as well as a company's behavior towards its employees. The main functions of HR management include recruitment and retention, motivation, exit interviews, task selection, training, and performance reviews. , labor law compliance, professional development, and change management, on the other hand, Armstrong (2006) defines human resources management as: “a coherent strategic approach to managing an organization’s most valuable assets – the people who work for the organization and who contribute individually and collectively to achieving its goals.” According to Bratton & Gold (1999), human resource management is defined as: “Part of the specialized management process concerned with the management of people in business organisations, human resource management asserts that employees are important to achieving sustainable competitive advantage, and that human resource practices should be Integrated with corporate strategy, and that HR professionals help organizational controllers achieve goals with efficiency and fairness,” Suli (2013) identifies two important human resource management processes, which are important for the growth and success of the organization, which include (a) the process of managing people in the organization; (b) The process of managing employee interpersonal relationships Suli (2013) also identifies the basic component of HRM which includes recruitment, retention, reward packages, benefits, performance management etc. According to Jha (2009) people, management, integration, consistency, influence and application are the foundation of the components of HRM As for the business approach, human resources management “is a model of personnel management that focuses on the individual rather than a collective approach. Responsibility for human resources management is often transferred to executive management, and is characterized by an emphasis on strategic integration, employee commitment, workforce flexibility, and quality of goods and services” (Practice, 2009), and the researcher believes that human resources management includes creating policies and procedures for employees that support business goals and strategic plans. Central to this mission is fostering a culture that reflects core values and enables employees to be as productive as possible.

3. The importance of human resources.

The importance of human resources management lies primarily in the productivity it provides to the organization. Human Resource Management is also responsible for helping employees thrive by providing them with the tools and training they need to develop themselves. Through employee guidance, management training, and leadership training, Human Resource Management can help an organization grow from within through employees and their growth (Stone, 2017).). HR can also help restore the critical balance of compliance. By understanding employee demands, labor laws, compensation, and workplace safety, HR plays a critical role in creating a balanced, employee-friendly workplace among the company's employees as a whole (Stone, 2017). Human resources management is a basic and fundamental management in the organization, and the success of this management is part of the success of the entire organization, as it is the primary

driver for all components of the organization as it is the sole manager of the human element, which is considered one of the most important elements of the organization, and its importance can be summarized in the following points:

- The presence of specialized expertise in human resources management capable and qualified to attract the best workers to fill vacant positions, and maintaining this element will increase the organization's productivity and enhance its economic position.
- Successful management of human resources saves organizations from exorbitant costs in legal cases, which employees may resort to, especially in cases of dismissal, non-granting of bonuses, or over-promotion.
- Correct and fair treatment of potential problems in the areas of selection, appointment, performance appraisal, training, and promotions will save potential costs resulting from rapid turnover, low performance rates, or low productivity.

4. Dimensions of human resources management.

(Hamdan and Talal, 2023) indicated that human resources functions vary according to the industry, business size, and types of workers employed. In most cases, the primary goals of human resource management are to acquire and develop talent and improve communication and collaboration among members of the workforce. Other key human resource management functions include:

- Job analysis: Identifying the skills and experience needed to perform a job well may make it easier to hire the right people, determine appropriate compensation, and create training programs.
- Workforce operations: Establishing health and safety policies, responding to employee complaints, working with labor unions, etc. can help support regulatory compliance.
- Performance Measure: Performance appraisal is important as it not only promotes employee growth through constructive feedback but also serves as a guide for raises, promotions and firings.
- Incentive Programs: Recognizing achievements and rewarding high performers with bonuses and other perks is a proven way to motivate employees to own business goals.
- Professional Development: From mentoring to advanced educational programs, employee training improves productivity, reduces turnover, and reduces supervisory needs.

As for (Al-Lahibi and Habib, 2023), he pointed out that planning and developing career paths in a way that achieves both the goals of the individual and the organization requires the effective practice of human resources management functions, which includes proper planning of human resources, describing and evaluating jobs, attracting and selecting individuals to work in the organization, training them, and evaluating their performance. The basic functions of human resources management can be briefly explained in the following elements:

- Workforce planning: It is concerned with determining the organization's need for types and numbers of workers. This requires determining the organization's demand for workers, determining what is offered and available, and comparing them to determine the net deficit and increase in the organization's workforce.
- Work analysis: This job means identifying the activities and tasks that make up the job, describing this job, determining the responsibilities assigned to it, designing the job appropriately, and determining the specifications of the person who occupies it.

- Selection and appointment: This job is concerned with searching for workers in the labor market and filtering them through job applications, tests, personal interviews and other methods, in order to ensure that the right individual is placed in the right place.
- Polarization: It is the process of inducing and attracting a sufficient group of individuals to form the base from which the most suitable individuals can be selected or selected to fill vacant positions.
- Employee training and development: the process of employees acquiring skills, knowledge, and positive attitudes related to their jobs to contribute to correcting deviations in current performance or improving future performance.
- Performance evaluation: A system for reviewing and evaluating the performance of tasks for an individual or for work teams, which is a comparison between the level of actual performance and the required and assumed performance.
- Establishing a promotion and transfer system: formal and systematic efforts that assist workers in their development and advancement as they are a vital resource in the organization. These programs provide the opportunity for workers to be promoted to a higher position or to enrich their current jobs.
- Designing the wages and incentives system: It includes direct financial compensation, such as the wages the employee receives in exchange for his work, rewards and incentives, indirect financial compensation, such as voluntary or legally stipulated compensation, and material benefits such as social security, compensation for work injuries, and employee dismissal, and intangible benefits such as Job satisfaction and satisfaction resulting from the work environment.
- Providing services to workers: These are policies designed to provide the human and social needs of workers in the organization, and to establish communications and peaceful interactions between them and management on the one hand and between them and trade unions on the other hand.
- Maintenance and care of employees: Human resources management in the organization means providing appropriate working conditions that prevent the occurrence of risks that threaten the health and safety of employees. This care derives its basis from a moral factor whose goal is to preserve the human element, avoid accidents and injuries that endanger his life, and provide healthy working conditions that ensure the continuity of work. The organization's activity also derives its strength from the cost factor.

5. The concept of financial performance.

(Hussein and Hashim, 2022) found that financial performance came from the word “performance,” derived from the French word “Parfourmen,” which means performance for the accuracy and completeness of activities and completion of tasks. It can be measured by pre-determined criteria, knowing that the cost and speed of achieving the company's goals, whether long or short-term, depend on the available resources. Performance is important because it gives a complete picture of the company, so performance highlights the efficiency of all levels of management in the company and all the organizational units that make up the company, as indicated by (Anthony, 2007), but performance consists of two main axes:

- Effectiveness: represents the relationship between the outputs of responsibility centers and its objectives.
- Efficiency: represents the amount of output per unit of input.

There are some studies that add a third axis, which is “productivity, which is a measure that the company enjoys in converting various inputs into outputs, which are in the form of different goods and services provided by the company” (Fatima, Al-Zahra, 2017).

Researchers often use performance to express a set of input-output efficiency measures. Performance is also one of the most important issues for for-profit organizations, especially banks and non-profit organizations. Financial performance is a complete assessment of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenues and overall profitability. It is measured through several business-related formulas that allow users to calculate fine details regarding the potential effectiveness of the company, and (Ranjbar, Espeed, and Bagheri, 2017) defines financial performance as the ability of the economic unit to use its resources efficiently and produce outputs appropriate to its goals and users, and each indicated From (Al-Aboudi and Al-Banna, 2022) that financial performance is a subjective measure of a company's ability to use the assets of its basic business model and generate revenues. The term is also used as a general measure of a company's overall financial health over a specific period of time. Analysts and investors also point out that financial results are used to compare with similar companies in the same industry, or to compare industries or sectors in general. (Hassan, 2021) explained that there are many stakeholders. In the company, including trade creditors, bondholders, investors, employees and management. Each group is interested in tracking the company's financial performance, because financial performance determines the company's success in achieving revenues, managing assets and liabilities, and economic benefit for stakeholders and shareholders. Both (Al-Fatli and Daham, 2022) believe that financial performance means that there are many ways to measure financial performance, but it must be considered. On all scales together. In addition to total unit sales, items such as operating income, operating income, or operating cash flow can also be used. Additionally, analysts or investors may want to dig deeper into the financial statements and look for margin growth rates or any declining debt. Six Sigma methodology focuses on this aspect.

(Hussein, 2020) says that financial performance depends to a large extent on how money is managed. Financial management includes applying general management principles to the company's financial resources, and includes strategic planning, organizing, directing and controlling the company's financial activities. (Al-Othman, 2022) found that financial performance is the degree Through which management succeeds in achieving a balance of return and risk in terms of achieving returns alongside acceptable risks, while (Miller & Jordan, 2009) explained that financial performance is a systematic and organized process of collecting data, analyzing it, and submitting reports for management to use to monitor the resources used and the results obtained by the organization, which helps In identifying strengths and weaknesses in its performance. Based on the above, the researcher believes that financial performance means:

- Financial performance tells investors about the overall well-being of the company. It's a snapshot of its economic health and the job its administration does.
- Financial statements used to evaluate overall financial performance include the balance sheet, income statement, and cash flow statement.
- Financial performance indicators are quantifiable measures used to measure how well a company is performing.
- No single measure should be used to determine a company's financial performance.

6. Factors affecting financial performance.

(Hadi and Al-Burhan, 2022) explained that there are a group of factors that affect financial performance, including:

- **Organizational structure:** It is an integrated group, coordinated within a unified structure, in a specific organization, in an organizational form between managers, supervisors and workers, each of which has its own work and tasks, with the possibility of continuity and expansion in the long term. It includes all administrative and organizational parts, human and financial, and it is not possible to limit ourselves to daily management methods and practices and their modifications and changes, but must be changed according to the development of needs, as well as the need to fundamentally develop the basics of the company's mission and its general purpose, and then achieve all goals through unified strategic planning to satisfy everyone. From management, workers and beneficiaries, which represents a unified approach to all company activities, achieving quality at the organizational and structural levels. Levels: Coordination between employees, defining roles and tasks, and making decisions to achieve goals. Any shortcomings in the organization of this structure can burden the financial performance of production and service items (Abdel Sattar and Diab, 2015).

- **Organizational climate:** It is an executive organizational environment in which employees can be linked to achieving the project objectives by directing human resources, through organized performance, teamwork, and harmony with advanced technological models and the nature of the business that benefits from them, to make effective decisions within its framework and follow effective methods for completion. tasks and gaining competitiveness. Achieving productivity at the lowest cost, highest quality, and a positive organizational environment that leads to employee and consumer satisfaction (Abdel Sattar and Diab, 2015).

- **Project size:** refers to the investment capital for the horizontal and vertical expansion of the financial, administrative, and technical capabilities of the project according to a set of metrics and standards to determine total imports and assets, production and service costs, total sales imports, and addition value. The larger the project size, the greater the computational complexity, as this is reflected in the effectiveness of project performance (Abdel Sattar and Diab, 2015).

- **Technology:** It is the methods, techniques and methods that an organization adopts to achieve expected goals and link resources and needs. It is available in different types and conforms to the specifications required by consumers. Organizations must determine the type of technology that is appropriate to the nature of their business and compatible with their goals (Abdel Sattar and Diab, 2015).

7. Field study.

This axis deals with testing the study hypotheses from the point of view of the individuals in the study sample.

➤ **Study methodology:** In order to achieve the objectives of the study, the researcher used the descriptive analytical method because it is the most appropriate method for such a study, in addition to using a questionnaire as a means of collecting data related to the study.

➤ **Sources of data collection:** To achieve the primary objective of the study, which is to identify the impact of human resources management on financial performance in Iraqi commercial banks, the researcher used two main sources to collect information, which are:

- **Primary sources:** To address the analytical aspects of the subject of the study, the researcher resorted to collecting primary data through a questionnaire as the main tool for the study, designed specifically for this purpose.

- **Secondary sources:** To address the theoretical framework of the study, the researcher turned to secondary data sources, which are relevant Arabic and foreign books and

references, periodicals, articles, reports, scientific studies and journals, and research and reading on various Internet sites that dealt with the subject of the study.

➤ Study population and sample: The study population consists of managers and workers in senior, middle, and lower management in Iraqi commercial banks in the capital, Baghdad, who number (16) banks. The size of the study population will be (1,081) individuals (Iraqi Ministry of Finance, 2021).

Table No. (1): Study population (banks).

Drains	Number of Employees
Rafidain Bank	50
Al Rasheed Bank	242
National Bank of Iraq	110
Bank of Baghdad	29
Gulf Bank	92
Middle East Bank	30
United Bank	46
North Bank	42
Ashur Bank	39
Elaf Bank	59
Investment Bank	44
Credit Bank	123
Abu Dhabi Bank	96
Industrial Bank	79
Agricultural Bank	51
Mosul Bank	45
Total	1081

The study sample was chosen randomly, stratified, with a size of (346) individuals (Sekaran & Bougie 2010: 295) proportional to the number of managers and workers in senior, middle, and lower management in Iraqi commercial banks, and the number of its respondents was (302) respondents. The researcher used the stratified random sampling method according to The bank and the sample size were calculated using the following equation: (Moor et al., 2003).

$$n = \left(\frac{Z}{2m} \right)^2$$

whereas:

z: The standard value corresponding to a known level of significance.

M: marginal error, expressed in decimal point.

The sample size is corrected for the final population in the equation:

$$n = \frac{nN}{N + n - 1}$$

Where N represents the population size, and thus the appropriate sample size in this case is at least 302.

➤ Results of the analysis of the (Human Resources Management) items: To analyze the Human Resources Management items, the researcher calculated the arithmetic mean, standard deviation, relative weight, and T-test to determine the extent of the sample's response, whether the average degree of response had reached the average degree of agreement or not.

- Analysis of the items in the "Selection and Appointment" field: The arithmetic mean, standard deviation, relative weight, and T-test were used to determine the degree of agreement, as shown in Table No. (2):

Table No. (2): Arithmetic mean, standard deviation, relative weight, and T-test for each item in the "Selection and Appointment" field.

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	The selection process focuses on filling job vacancies within the Commercial Bank	0.932	3.28	65.6	43.218	0.000	8	Medium
2	The Commercial Bank seeks to obtain highly qualified human resources from abroad	0.964	3.46	69.2	44.054	0.000	7	High
3	The Commercial Bank relies on functional mobility as one of the internal sources of human resources.	0.847	3.54	70.8	51.321	0.000	6	High
4	The Commercial Bank uses structured and scheduled interviews in the employee selection process.	0.992	3.62	72.4	44.892	0.000	4	High
5	The introduction of modern technology requires the use of expertise and competencies from outside the bank	0.973	3.86	77.2	48.748	0.000	2	High
6	Current employees can accomplish many of the tasks assigned to them.	0.829	3.57	71.4	52.928	0.000	5	High
7	Promotion of employees in the bank leads to job satisfaction.	0.925	3.94	78.8	52.322	0.000	1	High
8	The bank works to promote employees to raise their morale.	1.038	3.83	76.6	45.328	0.000	3	High
	Total	4.37927	29.09 27	72.725	81.634	0.000	8	High

The arithmetic mean is statistically significant at the significance level (0.05)

Source: Prepared by the researcher based on the results of statistical analysis.

From Table No. (2) the following results can be drawn:

➤ Paragraph No. (7) came in first place, which states, “Promoting employees in the bank leads to satisfaction with work,” with an arithmetic mean equal to (3.94), with a relative weight (78.8), a (T) value (52.322), and a significance level of (0.000), so this is considered The paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

➤ Paragraph No. (1) came in last place, which states, “The selection process focuses on filling job vacancies within the commercial bank,” with an arithmetic mean of (3.28), a relative weight of (65.6), a T-value of (43.218), and a significance level of (0.000). Therefore, it is This paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph is moderate, that is, equal to the average degree of agreement, which is (67.67). This means that there is a moderate degree of agreement among the sample members on this paragraph.

In general, the level of the field as a whole is that the arithmetic mean for all items in the field of selection and appointment in the banks under study is equal to (3.65), and it came with a relative weight of (72.7%), the test value (T) is (81.63), and the probability value (Sig) is equal to 0.000, which means The probability value is less than 0.05, so the field of selection and appointment is considered statistically significant at a significance level of 0.05, which indicates that the average degree of response to this field is fundamentally different from the average degree of approval, which is (67.67), and this means that there is agreement to a large degree by individuals. The sample is based on the “selection and appointment” paragraphs in general, and the researcher believes that the high approval of the selection and appointment of human resources may be attributed to the good approach by the committee in charge of appointing by the bank in the process of selecting and appointing individuals and attracting them from among the qualified individuals and candidates to fill the vacant positions, and thus enhancing The banking system works to produce more positive results and in the right direction. This is consistent with the study of (Khalifa, 2018) and the study of (Al-Khatib, 2017). The reason for the agreement is the institutions’ policy of training and qualifying individuals as an essential part of the institution’s work towards individuals.

- Analysis of the items in the “Empowerment” field: The arithmetic mean, standard deviation, relative weight, and T-test were used to determine the degree of agreement, as shown in Table No. (3):

Table No. (3): Arithmetic mean, standard deviation, relative weight, and T-test for each item in the “Empowerment” field

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	The bank is keen to establish a relationship based on mutual trust between employees.	0.921	3.79	75.8	50.545	0.000	1	High
2	Employees at the bank have sufficient administrative powers to carry out their work.	0.959	3.27	65.4	41.933	0.000	8	Medium
3	The bank's management encourages employees to	0.939	3.40	68	44.529	0.000	7	High

	participate in making decisions related to their work.							
4	The bank's management provides employees with sufficient information to enable them to make decisions.	0.939	3.60	72	47.042	0.000	5	High
5	The bank's management is in the process of linking empowerment policies and practices with the bank's main strategy.	0.850	3.40	68	49.214	0.000	6	High
6	Through empowerment, the bank's management realizes achieving efficiency and effectiveness.	0.844	3.68	73.6	53.637	0.000	3	High
7	The bank's management works to empower employees to achieve initiative, creativity and innovation.	0.858	3.65	73	52.267	0.000	4	High
8	The bank's management aims to empower and develop the potential of employees.	0.862	3.74	74.8	53.258	0.000	2	High
	Total	5.12095	28.52 98	71.3	68.460	0.000		High

*The arithmetic mean is statistically significant at the significance level (0.05)

Source: Prepared by the researcher based on the results of statistical analysis.

From Table No. (3), the following results can be drawn:

➤ Paragraph No. (1) came in first place, which states, “The bank is keen to establish a relationship based on mutual trust between employees,” with an arithmetic mean of (3.79), a relative weight of (75.8), a “T” value of (50.545), and a significance level of (0.000). This paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

➤ Paragraph No. (2) came in last place, which states, “Employees in the bank have sufficient administrative powers to carry out their work.” With an arithmetic mean of (3.27), a relative weight of (65.4), a T-value of (41.933), and a significance level of (0.000), this is why this is considered The paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph is moderate, that is, within the average degree of agreement, which is (67.67). This means that there is moderate degree of agreement from the sample members on this paragraph.

In general, the level of the field as a whole is that the arithmetic mean of all items in the field of empowerment in the banks under study is equal to (3.56), and it came with a relative weight of (71.3%), the test value (T) is (46.68), and the probability value (Sig) is equal to 0.000, which means the value The probability is smaller than 0.05, so the “empowerment domain” is considered statistically significant at a significance level of 0.05, which indicates that the average degree of response to this domain is fundamentally different from the average degree of approval, which is (67.67), and this means that there is approval to a large degree by the sample members. Regarding the “Empowerment”

paragraphs in general, the researcher believes that empowerment obtaining a high degree of approval may be attributed to the bank management's interest in the process of empowering employees because of its role in performing a person's duties skillfully and effectively in whoever occupies the job, and thus raising the efficiency of banks' performance, and this is consistent with A study by (Wadfel, 2016) and a study by (Fadwan, 2014). The reason for the agreement is the nature of the banks' work and the focus on empowerment.

- Analysis of the items in the field of "Training and Development": The arithmetic mean, standard deviation, relative weight, and T-test were used to determine the degree of agreement, as shown in Table No. (4):

Table No. (4): Arithmetic mean, standard deviation, relative weight, and T-test for each item in the "Training and Development" field

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	There are strategic training plans to train employees in the bank.	0.990	3.68	73.6	45.608	0.000	4	High
2	The bank considers training and development among its strategic priorities.	0.965	3.70	74	47.157	0.000	3	High
3	The Bank encourages self-development to a greater extent than formal training and development programmes.	0.992	3.48	69.6	43.136	0.000	7	High
4	The Training and Development Department is located close to the bank's decision makers	0.922	3.45	69	46.010	0.000	8	High
5	The bank's training programs are designed to focus on achieving its strategic objectives.	0.906	3.71	74.2	50.289	0.000	2	High
6	When determining the time and place for implementing training programs, the strategic objectives of training are taken into account	0.925	3.60	72	47.769	0.000	5	High
7	The bank is interested in preparing and preparing future managers.	1.021	3.60	72	43.281	0.000	6	High
8	The bank benefits from the experiences of other institutions in designing training programs.	0.924	3.82	76.4	50.797	0.000	1	High
	Total	5.20822	29.0331	72.5	68.500	0.000		High

*The arithmetic mean is statistically significant at the significance level (0.05)

Source: Prepared by the researcher based on the results of statistical analysis.

From Table No. (4) the following results can be drawn:

➤ Paragraph No. (1) came in first place, which states, “The bank benefits from the experiences of other institutions in designing training programs,” with an arithmetic mean of (3.82), a relative weight of (76.4), a “T” value of (50.797), and a significance level of (0.000). Therefore, it is This paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

➤ Paragraph No. (2) came in last place, which states, “The training and development department is located in a location close to the decision makers in the bank,” with an arithmetic mean of (3.45), a relative weight of (69), a T value of (46.010), and a significance level of (0.000). Therefore, this paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

In general, the level of the field as a whole is that the arithmetic mean for all items in the field of training and development in the banks under study is equal to (3.62), and it came with a relative weight of (73.5%), the test value (T) is (50.68), and the probability value (Sig) is equal to 0.000, which means The probability value is less than 0.05, so the “training and development field” is considered statistically significant at a significance level of 0.05, which indicates that the average degree of response to this field is fundamentally different from the average degree of approval, which is (67.67), and this means that there is a high degree of approval by individuals. Sample paragraphs on “Training and Development” In general, the researcher believes that obtaining high approval for the training and development of individuals may be attributed to the organized and planned effort of banks to train and qualify individuals, improve and develop their skills and abilities, and change their behavior and attitudes in a positive and constructive manner, which is reflected in improved performance in work. The banking system, and this is consistent with the study of (Khalifa, 2018), the study of (Al-Khatib, 2017), and the study of (Mahawi, 2016). The reason for the agreement is the nature of the work of banks. The work of banks requires training on an ongoing basis, as training exists with the continuity of work.

- Analysis of items in the field of “Salaries and Wages”: The arithmetic mean, standard deviation, relative weight, and T-test were used to determine the degree of agreement, as shown in Table No. (5):

Table No. (5): Arithmetic mean, standard deviation, relative weight, and T-test for each item in the field of “salaries and wages”

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	The salary, wages and incentives system is characterized by fairness among employees.	1.147	3.26	65.2	34.972	0.000	8	High
2	The bank grants compensation (material and moral) to appreciate the efforts of distinguished employees at work.	1.111	3.56	71.2	39.407	0.000	4	High
3	The salaries and wages provided by the bank contribute to increasing employee performance.	0.967	3.82	76.4	48.574	0.000	1	High

4	There is continuous follow-up by the bank on the salaries, wages and incentives system.	1.042	3.58	71.6	42.271	0.000	3	High
5	The bank relies on performance evaluation reports to determine whether to grant employees appropriate salaries and wages	1.118	3.45	69	37.935	0.000	6	High
6	The bank compares salaries, wages and incentives offered by other banks.	1.122	3.36	67.2	36.832	0.000	7	High
7	The bank is interested in developing a salary, wages and incentives strategy to achieve employee satisfaction.	1.058	3.50	70	40.708	0.000	5	High
8	Salaries, wages and incentives strategy contribute to retaining current employees.	0.953	3.66	73.2	47.161	0.000	2	High
	Total	0.51975	28.20 53	70	54.267	0.000		High

*The arithmetic mean is statistically significant at the significance level (0.05)

Source: Prepared by the researcher based on the results of statistical analysis.

From Table No. (5), the following results can be drawn:

➤ Paragraph No. (3) came in first place, which states, “The salaries and wages provided by the bank contribute to increasing the performance of employees,” with an arithmetic mean of (3.82), a relative weight of (76.4), a “T” value of (48.574), and a significance level of (0.000). Therefore, it is considered This paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

➤ Paragraph No. (1) came in last place, which states, “The system of salaries, wages, and incentives is characterized by fairness among employees.” With an arithmetic mean of (3.26), a relative weight of (65.2), a T-value of (34.972), and a significance level of (0.000), this paragraph is therefore considered Statistically significant at the level of significance (0.05), which indicates that the average degree of response to this paragraph is within the range of the average degree of agreement, which is (67.67). This means that there is a moderate degree of agreement from the sample members on this paragraph.

In general, the level of the field as a whole is that the arithmetic mean for all items in the field of salaries and wages in the banks under study is equal to (3.50), and it came with a relative weight of (70%), the test value (T) is (54.267), and the probability value (Sig) is equal to 0.000, which means The probability value is less than 0.05, so the field of salaries and wages is considered statistically significant at a significance level of 0.05, which indicates that the average degree of response to this field is fundamentally different from the average degree of approval, which is (67.67), and this means that there is agreement to a large degree by individuals. Sample paragraphs on “Salaries and Wages” In general, the researcher believes that obtaining high approval for salaries and wages may be due to the banks’ interest in the wage systems related to each specific job level, in addition to determining financial incentives at the individual and collective levels for employees in banks according to the performance assigned to them, and thus Increasing employee satisfaction and improving their performance, and this differs from the study of

(Khalifa, 2018), the study of (Al-Khatib, 2017), and the study of (Mahawi, 2016). The reason for the difference is the nature of the work of banks, as working in banks requires motivation and compensation of workers.

- Analysis of the items in the "Performance Evaluation" field: The arithmetic mean, standard deviation, relative weight, and T-test were used to determine the degree of agreement, as shown in Table No. (6):

Table No. (6): Arithmetic mean, standard deviation, relative weight, and T-test for each item in the "Performance Evaluation" field.

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	The bank has an effective performance evaluation system based on standards of experience and competence	1.049	3.56	71.2	41.725	0.000	7	High
2	The process of handling deviations is carried out in cooperation with management and employees	0.923	3.49	69.8	46.474	0.000	8	High
3	The bank adopts the opinion of the direct supervisor in evaluating performance	0.920	3.57	71.4	47.666	0.000	6	High
4	Performance is measured according to behavioral considerations of cooperation, discipline, and regularity.	0.938	3.61	72.2	47.288	0.000	4	High
5	In evaluating performance, the bank relies on tangible quantitative results.	0.896	3.59	71.8	49.202	0.000	5	High
6	The individual performance evaluation system contributes to developing employees and increasing their skills	0.889	3.79	75.8	52.433	0.000	1	High
7	The bank works to provide employees with information for the purpose of developing the performance evaluation system	0.951	3.62	72.4	46.712	0.000	3	High
8	In evaluating performance, the bank relies on applying one form for the various grades.	0.990	3.42	68.4	42.518	0.000	9	High
9	Objective and continuous evaluation of employees at the bank stimulates creativity in their field of work.	0.866	3.75	75	53.201	0.000	2	High
	Total	5.68176	32.40 40	81.01	70.082	0.000		High

*The arithmetic mean is statistically significant at the significance level (0.05)

Source: Prepared by the researcher based on the results of statistical analysis.

From Table No. (6) the following results can be drawn:

➤ Paragraph No. (6) came in first place, which states: “The system for evaluating the performance of individuals contributes to developing employees and increasing their skills” with an arithmetic mean of (3.79), a relative weight of (75.8), a T-value of (52.433), and a significance level of (0.000). Therefore, it is considered This paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

➤ Paragraph No. (2) came in last place, which states, “The process of dealing with deviations is carried out in cooperation with management and employees” with an arithmetic mean equal to (3.49), a relative weight (69.8), a T value (46.474), and a significance level of (0.000). Therefore, this paragraph is considered Statistically significant at the level of significance (0.05), which indicates that the average degree of response to this paragraph exceeded the average degree of agreement, which is (67.67). This means that there is a large degree of agreement among the sample members on this paragraph.

in general, the level of the field as a whole is that the arithmetic mean of all items in the field of performance evaluation in the banks under study is equal to (4.05), and it came with a relative weight of (81.01%), the test value (T) is (70.082), and the probability value (Sig) is equal to 0.000, which means The probability value is less than 0.05, so the “performance evaluation domain” is considered statistically significant at a significance level of 0.05, which indicates that the average degree of response to this domain is fundamentally different from the average degree of approval, which is (67.67), and this means that there is a high degree of approval by individuals. The sample includes “performance evaluation” paragraphs in general.

Below is a presentation of the most important results of the statistical analysis of the dimensions of the first axis, which represents the independent variable within this study, the dimensions of human resources management. The arithmetic mean, standard deviation, relative weight, and One Sample T test were used to determine whether the average response score had reached... To the average degree of approval, or not, among employees in the banks under study, and Table No. (7) shows the results of the analysis.

Table (7) Results of all dimensions of the first axis, “Areas of human resources management”

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	Selection and appointment	0.547	3.63	72.7	81.634	0.000	2	High
2	Enable	0.640	3.56	71.3	68.460	0.000	4	High
3	training and development	0.052	3.62	72.5	68.500	0.000	3	High
4	Salaries and wages	0.064	3.52	70.5	54.267	0.000	5	High
5	Performance evaluation	0.057	4.05	81.01	70.082	0.000	1	High
	Total	0.369	4.45	89	79.652	0.000		High

Source: Prepared by the researcher based on the results of statistical analysis.

It is clear from Table No. (7) that the arithmetic averages of the responses of the study sample members regarding the areas of the human resources management scale ranged between (3.52, 4.05), that the most dimension of the areas of human resources management and approved by the workers in the banks surveyed under the study is the area of “evaluation.” “Performance” came in first place, with an arithmetic average of (4.05) and a relative weight of (89%) and a high level of approval, while the field of salaries and wages “came in last place, with an arithmetic average of (3.52) and a relative weight of (70.5%) and a high level of approval. As for the arithmetic average The estimates of the study sample on the scale of the areas of human resources management as a whole amounted to (4.45) of the total score, with a relative weight of (89%) and a high level of agreement, and the test value (79.65), and the probability value (.Sig) is equal to (0.000). Therefore, the items are considered statistically significant when Significance level (0.05), which indicates that the areas of human resources management among the sample members agree to a large degree.

- Analysis of paragraphs (financial performance). The previous question was answered through the results of the arithmetic mean, standard deviation, relative weight, and T-test to determine the extent of the sample’s response, whether the average degree of response had reached the average degree of agreement or not.

Table No. (8): Arithmetic mean, standard deviation, relative weight, and T-test for each item in the “Financial Performance” field

t	Paragraph	standard deviation	mean	Relative weight	Test (T)	Significance level	Ranking	Degree of approval
1	The bank's financial system is characterized by efficient planning at its multiple levels (operational, tactical, and strategic).	0.928	3.56	71.2	47.183	0.000	6	High
2	The bank's financial system is characterized by efficient continuous monitoring and monitoring systems.	0.984	3.63	72.6	45.322	0.000	2	High
3	The bank's financial system is characterized by its response to the requirements of development and expansion.	0.947	3.65	73	47.371	0.000	1	High
4	The bank's financial system is characterized by meeting the needs of all employees of the company with important information in a timely manner.	1.023	3.57	71.4	42.871	0.000	5	High
5	The bank's financial system is distinguished by the efficiency of dealing with all offers and programs that the bank provides to customers.	0.967	3.60	72	45.681	0.000	3	High
6	The bank's financial system is characterized by the efficiency of dealing with the various discount	0.886	3.50	70	48.497	0.000	7	High

	systems that the bank offers to its customers.							
7	The bank's financial system detects deviations immediately.	0.946	3.60	72	46.690	0.000	4	High
	Total	5.17140	28.09 93	71	59.64	0.000		High

Source: Prepared by the researcher based on the results of statistical analysis.

From Table No. (8) the following can be concluded:

The arithmetic mean of paragraph (3) “The bank’s financial system is characterized by its response to the requirements of development and expansion” is equal to (3.65) with a relative weight of (73%), and the value of the T test is equal to (47.371), and the probability value (.Sig) is equal to (0.000), so this is considered The paragraph is statistically significant at a significance level of (0.05), which indicates that the average degree of response to this paragraph has exceeded the average degree of agreement. This means that there is a large degree of agreement by the sample members on this paragraph, and thus it is ranked first in this field.

The arithmetic mean of paragraph (6) “The bank’s financial system is characterized by the efficiency of dealing with the various discount systems that the bank offers to its customers.” is equal to (3.50), with a relative weight of (70%), the test value is equal to (48.497), and the probability value (Sig) is equal to (0.000). Therefore, this paragraph is considered statistically significant at the level of significance (0.05), which indicates that the average degree of response to this paragraph has exceeded the average degree of agreement, and this means that there is a large degree of agreement by the sample members on this paragraph, and the researcher notes that this paragraph obtained It has a high percentage, but is less poor, in this dimension, and thus its ranking is ranked last in this axis.

In general, the arithmetic mean of the “Financial Performance Axis” was (3.52), with a relative weight equal to (70%), a T-test value of (59.64), and a probability value (Sig) equaling (0.000). Therefore, the Financial Performance Axis is considered “statistically significant.” At a significance level of (0.05), which indicates that the average degree of response to this field has exceeded the average degree of agreement, and this means that there is a large degree of agreement by the sample members on the paragraphs of the financial performance axis.

The researcher explains this by the availability of the ability of Iraqi banks to optimally exploit their resources and sources available for long-term and short-term uses efficiently and effectively to achieve their goals, preserve the banks’ assets, and achieve the highest possible profitability. They have the ability to confront market fluctuations and crises and move in the right and desired direction by determining Obstacles, explaining their causes and proposing corrective measures, rationalizing the general uses of the bank and its investments, in accordance with its general objectives, and contributing to making sound decisions to preserve its continuity and survival. This result agreed with some studies, such as the study (Saleh (2014)), which showed the availability of financial performance to a high degree in banks. Listed on the Amman Stock Exchange, it disagreed with the study (Qaisiya 2018), which concluded that the financial reality of banks in Palestine needs significant improvement, especially when compared to the situation of banks in Iraq. The difference between the studies is due to the different application environment and community.

□ Testing the study hypotheses: For the purpose of identifying the significance of the effect between the variables, the research relied on structural equation modeling, in which the path analysis method was used, which means studying and analyzing the relationships

between one or more independent variables, whether these variables are continuous or discontinuous, and the level of significance was relied upon. (0.05) to judge the significance of the effect, where the calculated level of significance was compared with the value of the approved level of significance. The effects are considered statistically significant if the value of the calculated level of significance is smaller than the considered level of significance (0.05) and vice versa.

Research hypothesis: There is an impact of human resources management on financial performance:

Table No. (9): The relationship between human resources management and financial performance

			Estimate	S.E.	C.R.	P	Label
Financial performance	<---	Human Resource Management	.180	.011	15.795	***	Accept the hypothesis

Source: Prepared by the researcher based on the results of statistical analysis.

The results of the table indicate that there is an impact between human resources management and financial performance. In order to give a detailed form for testing the hypothesis, the researcher tested the effect of human resources dimensions on financial performance.

Table No. (10): Path analysis values between human resources management and financial performance

			Estimate	S.E.	C.R.	P	Label
Financial performance	<---	Selection and appointment	0.009	0.071	0.125	0.900	Not accepting the hypothesis
Financial performance	<---	Enable	0.237	0.080	2.957	0.003	Accept the hypothesis
Financial performance	<---	training and development	0.183	0.087	2.114	0.034	Accept the hypothesis
Financial performance	<---	Salaries and wages	0.027	0.064	0.430	0.667	Not accepting the hypothesis
Financial performance	<---	Performance evaluation	0.415	0.068	6.089	***	Accept the hypothesis

Source: Prepared by the researcher based on the results of statistical analysis.

The data in the table above indicates the acceptance of three hypotheses (empowerment, training, development, and performance evaluation affect financial performance) because the value of the significance level is less than 0.05, while the rejection of two hypotheses also confirms that selection, appointment, salaries, and wages do not affect financial performance because the value of the significance level is greater than 0.05.

Conclusion

In today's competitive business environment, maximizing financial performance is a top priority for organizations. While many factors contribute to financial success, two key areas that are often overlooked are human resource management and marketing knowledge. By understanding the role of these two areas and their synergy, organizations

can create a cohesive culture that drives productivity, profitability, and growth. Human resource management plays a critical role in maximizing financial performance. Performance by attracting, developing and retaining talent. A company's employees are its most valuable assets, and investing in their development and engagement can increase productivity and profitability. Employee engagement, in particular, has been shown to have a significant impact on financial performance. Performance management is also important in aligning employee goals with organizational goals. By setting clear expectations and providing regular feedback, employees are better equipped to contribute to the company's success.

1. results

➤ The arithmetic averages of the responses of the study sample members regarding the areas of the human resources management scale ranged between (3.52, 4.05). The most significant dimension of the areas of human resources management that was approved by the employees of the banks surveyed under the study was the field of “performance evaluation,” which came in first place with an average An arithmetic power of (4.05) with a relative weight of (89%) and a high level of agreement, while the field of salaries and wages came in last place, with an arithmetic average of (3.52) and a relative weight of (70.5%) and a high level of agreement. As for the arithmetic average of the study sample's estimates on a scale of fields Human Resources Management as a whole reached (4.45) in terms of the total score, with a relative weight of (89%) and a high level of agreement, and the value of the test (79.65), and the probability value (.Sig) is equal to (0.000), so the items are considered statistically significant at the level of significance (0.05). This indicates that the areas of human resources management agree to a large degree among the sample members.

➤ The arithmetic mean of the “Financial Performance Axis” was (3.52), with a relative weight equal to (70%), the value of the (T) test (59.64), and the probability value (Sig) equals (0.000). Therefore, the “Financial Performance Axis” is considered statistically significant at the level Significance (0.05), which indicates that the average degree of response to this field has exceeded the average degree of agreement, and this means that there is a large degree of agreement by the sample members on the paragraphs of the financial performance axis.

➤ The results of the statistical analysis proved that empowerment, training, development, and performance evaluation affect financial performance (because the value of the significance level is less than 0.05).

➤ The results of the statistical analysis proved that there is an impact between human resources management and financial performance because the value of the significance level is less than 0.05.

2. Recommendations: Based on the above results, the researcher recommends the following:

➤ Focus and choose the best employees. This is the first image of the bank when it meets customers, and therefore the bank's image is not enough if the employees reflect another image.

➤ Meeting the needs of employees, allowing them to express their ideas, and contributing to the creation of ideas by participating in the planning process, because they are closer than anything else to going through every working moment in the bank.

➤ Providing modern training programs for junior bank employees to develop the bank's internal performance. Working to improve employees' work ethics and rewarding them for creative and innovative work, thus inspiring others to emulate them.

➤ Banks need to pay attention to applying the financial failure model, especially the modified Altman model, which has a strong ability to judge the bank's financial failure,

and it is an important tool in the hands of bankers to improve the financial situation and performance, avoid the risks of bankruptcy and face financial obligations or investment opportunities.

In order to improve the level of the bank's financial performance, the study recommended that managers regularly evaluate financial performance through the physical performance matrix, as this approach allows managers to improve their management strategies as it indicates major weaknesses that need to be addressed immediately.

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