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# **The impact of financial flexibility in addressing the financial crisis through the interactive role of strategic innovation**

**Analytic study in (the commercial banking sector) listed on the Iraq Stock Exchange for the period of (2006-2015)**

**A thesis Submitted To**

**The Council Of Administration And Economics College In Partial  
Fulfillment Of The Requirements For (Ph.D.) Degree**

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**2017A.D 1439 A.H.**

## Abstract

The financial crisis is one of the basic characteristics of the present era, which that threat the businesses and their sustainability, the study aims to delving into the implications of the current financial crisis, to identify its causes, consequences and choose the appropriate ways to address them through the diagnosis of the financial flexibility impact to avoid a financial crisis, according to the strategic renewal as an interactive perspective variable.

The premise and conceptual study's model was developed through extensive and in-depth review of the literature relevant to the three axes of the study represented by the financial flexibility (leverage ratios, liquidity ratios) as an independent variable, the financial crisis (capital adequacy ratio, profitability ratios, bad debt ratios and the proportion of loans to deposits ) as a dependent variable and strategic renewal (context, content, process) as an interactive variable, the study of these variables represent as a very important financial and strategic thinking, which is one of the sciences that are difficult to separate them.

The study's population consisted commercial banks listed on the Iraqi Stock Exchange, ten of them has been chosen as a sample of the study consisted of time series study to ten years (2006-2015). Data for statistical analysis has been subjected by employing a package of ready-made software, particularly software (SPSS, V.23). The results proved that there was a significant effect of financial flexibility and its role in the reduction of the financial crisis, a positive role of the interactive strategic renewal variable.

The study reached to a set of conclusions, notably the financial flexibility explain the financial crisis at the macro level and at the level of sub-indices, though the adoption of strategic renewal by the study as a variable Interactive has reflected positively in increasing the relationship between financial flexibility and the financial crisis in the commercial banking sector.