



The Impact of Banking Service Quality on Financial Inclusion A Field Study on Commercial Banks in The City of Baghdad

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Abstract

This study aimed to identify the impact of the quality of banking services on financial inclusion through a sample of administrative employees. For this purpose, the questionnaire was used to collect data that will be used to achieve the study objectives, utilizing a randomly selected sample of 242 participants. The descriptive analytical method was applied, and data analysis was conducted using (SPSS). Statistical techniques employed included the arithmetic mean, standard deviation, Pearson correlation, Cronbach's alpha for reliability assessment, and regression analysis.

The study included a basic hypothesis to determine the impact of the quality of banking services on financial inclusion.

The study concluded that there is a significant, statistically significant impact of the quality of banking services on the financial inclusion of the banks that were studied. It also showed that there is a significant, statistically significant impact of the dimensions of the quality of banking services, represented by tangibility, reliability, responsiveness, security, and empathy, on financial inclusion.

This study concluded with a set of recommendations: Among the most important of them is employing distinguished expertise that can be relied upon to provide high-quality services to bank customers, ensuring that services are provided promptly and quickly to commercial bank customers and meeting their needs, and the necessity of providing assistance to commercial bank customers.

Keywords: banking services, financial inclusion, commercial banks.

Introduction

In light of the global economic and financial transformations, banking services have played an important role in promoting financial inclusion, which is considered one of the most important goals of economic and social development. Banking services are considered an essential component of the financial infrastructure of any economy. In recent years, interest in promoting financial inclusion has been steadily increasing, given that access to financial services such as savings accounts, credit, and payment systems is a basic right for all individuals and groups.

Competition among banking institutions increasingly relies on the diversification of services offered. This has highlighted the significance of quality banking services as a competitive strategy, enabling these institutions to differentiate themselves from others. Their goal is to achieve financial inclusion by delivering financial services in an efficient and straightforward manner, while minimizing costs. In this context, banks are motivated, to spread financial culture with how to enhance financial inclusion within the framework of increasing financial service provision networks, through increasing the branches of financial service providers and paying attention to establishing branches or small offices to finance micro-projects, With the increase in the number of automated teller machines or “ATM” machines to make banking services available and available among the classes of society, with the development of technology through payment systems, including communications, to provide digital financial services through mobile payment (YAS, 2022, 35).

Study problem.

Identifying the level of quality of services provided in banks is considered one of the most important aspects of detecting their strengths and weaknesses and working to develop them. It is the main guarantee for raising their level. The banking sector in Iraq in particular suffers from a number of problems that have accumulated over many years. Which led to not achieving the minimum level of customer satisfaction, and that these problems lie in the weak quality of their banking services. In addition, these banks did not raise the level of their services to be compatible with developed banks regionally and internationally, which reflected negatively on achieving financial inclusion.

During her repeated visits to several banks involved in the study, the researcher observed signs of deficiencies in the quality of services offered by these banks. These deficiencies were evident in the absence of modern technological equipment and delays in delivering banking services

Based on the above, we express this problem with the question:: What is the effect of the quality of banking services on achieving financial inclusion in commercial banks in Baghdad?

Hypotheses:

The main hypothesis: There is an impact of the quality of banking services in achieving financial inclusion in commercial banks in the city of Baghdad.

The following sub-hypotheses branch out from them:

- 1) There is an impact of tangibility in achieving financial inclusion in commercial banks in Baghdad city.
- 2) There is an impact of Responsibility in achieving financial inclusion in commercial banks in Baghdad city.
- 3) There is an impact of Reliability in achieving financial inclusion in commercial banks in Baghdad city.
- 4) There is an impact of Assurance in achieving financial inclusion in commercial banks in Baghdad city.
- 5) There is an impact of Empathy in achieving financial inclusion in commercial banks in Baghdad city.

Study importance

The significance of this study stems from the crucial role that the quality of banking services plays as a factor contributing to financial inclusion. It involves a comprehensive examination of the dimensions of banking service quality, including tangibility, responsiveness, reliability, assurance, and empathy. Additionally, this study can serve as a valuable resource for researchers focused on administrative organization and the enhancement of institutions, aiding those aiming to achieve financial inclusion. Furthermore, it can provide a solid foundation for future research endeavors.

Study objectives

The study aims to investigate the impact of the quality of banking services on financial inclusion, through the following:

- Identify the impact of tangibility in achieving financial inclusion.
- Determine the impact of speed of response in achieving financial inclusion.
- Identify the impact of reliability in achieving financial inclusion.
- Identify the impact of Assurance in achieving financial inclusion.
- Identify the impact of empathy in achieving financial inclusion.
- Develop solutions and proposals that work to achieve financial inclusion, and evaluate the level of sustainable marketing in the bank under study.

Study Methodology

To conduct the study according to scientific foundations that show the facts that explain the relationship between the quality of banking services and financial inclusion, the descriptive analytical approach will be followed, by describing the phenomenon under study.

As for the analytical aspect, it will be done through analyzing the relationship between the main study variables, where the data, information, tables and numbers obtained from the field study will be statistically and analytically scanned through the questionnaire. In the theoretical aspect, relying on information and data from scientific sources and references represented in books, magazines, scientific dissertations, previous studies, and some websites on the international information network (the Internet).

Study population and sample

The study population is represented by administrative employees in Iraqi banks, and a random sample will be adopted from these banks in accordance with statistical methods and laws.

Study Limitations

- ❖ Objective limits: They are represented by the impact of the quality of banking services on achieving financial inclusion.
- ❖ Human limits: represented by employees working in Iraqi banks.
- ❖ Spatial boundaries: represented by the Iraqi private banks in the city of Baghdad, which are (Ashur Bank, Iraqi Middle East Investment Bank, International Development Bank, Al-Mansour Bank For Investment, Gulf Commercial Bank).
- ❖ Time limits: The research preparation period (2024-2025).

Study variables and model

Independent variable: quality of banking services (tangibility, speed of response, reliability, empathy, security)

Dependent variable: financial inclusion

Study terminology

The basic concepts related to the study that are closely related to it have been identified.

Banking service: These are services related to providing retail banking products and wholesale banking services such as back-end, front-end and middle-end activities. (Hanafzadeh et al, 2023, 421).

Service Quality: It is considered a standard for determining the extent to which the level of service provided by the bank matches customers' expectations. (Leninkumar,2019,170).

Access to Service: It is the simplicity and lack of complexity that enables customers to easily access the services provided by the bank. (Haddad et al, 2019,6)

Reliability: "Reliability means the ability to perform the promised service dependably and accurately." (Lau et al,2013,267)

Tangibles: It is represented by the tangible elements of the service, such as the equipment and tools used, the physical form, and the appearance of the employees (Ansari et al, 2019, 2).

Assurance: Employees build assurance by being courteous and knowledgeable, and by instilling trust and confidence in customers (Rahaman et al, 2020, 825).

Empathy: It means personal attention, care and dedication to providing services to customers. (Haddad et al, 2019,6).

Responsiveness: To ensure customer satisfaction, responsive and engaged employees prioritize clear communication regarding project completion, dedicated focus on individual needs, and readily available assistance, (Rahaman et al, 2020, 825).

Financial inclusion: is the process of timely provision of financial and credit services to groups classified as low-income at reasonable costs (Sarma, 2010, 22).

Theoretical Aspect

Quality of banking services

For the sake of growth and progress, the quality of service satisfaction has become the main concern of service institutions, providing a service that meets customer expectations is crucial, especially since advancements in technology and information empower customers to differentiate between services based on their individual needs and preferences. (Alallq 2024, 36). The quality of service in banks affects customer loyalty, as this quality is determined based on the comparison between customers' expectations regarding the service provided and what they actually think about this service. (Jasmina L et al 2013, 420).

The quality of service in banks has a significant impact on customer loyalty. This quality is determined based on a comparison between customers' expectations regarding the service provided and what they actually think about that service (Jasmina L et al 2013, 420). (Sulaiman et al 2024, 8), he pointed out that the quality of service depends on the customer to identify it, not the organization. (Fidaa et al. 2020, 2) Research consistently indicates a correlation between the quality of service provided and the satisfaction levels of customers. Businesses and institutions actively work to enhance customer satisfaction, especially those for whom long-term customer relationships are a key strategic advantage. The SERVQUAL model, a service quality assessment framework, was developed to assess different dimensions of service, including tangibles, reliability, responsiveness, assurance, and empathy. This model, which consists of several elements, is often applied in the banking sector to measure service quality. (Awuor B. M. 2014, 2).

Financial inclusion

Financial inclusion provides freedom of access to and use of appropriate financial services for all, whether individuals, institutions or companies, at a reasonable cost, as well as the participation of the community of disadvantaged groups on the principle of equality of rights and duties (**Van Doeveren M., 2017, 1**).

The **World Bank (2018)** defines financial inclusion as : Providing individuals and MSMEs with accessible and safe financial products and services that are used effectively and sustainably benefits both the consumer and the provider (**The National Financial Inclusion Survey Report, 2023**) .

Financial inclusion plays a crucial role in promoting lasting economic growth, alleviating poverty, boosting socio-economic progress, strengthening resilience to crises, and ensuring stability within a nation (**World Bank Group, 2019**).

Here is how financial inclusion relates to these key priorities (**Central Bank of Jordan 2023**):

- Economic Modernization Vision
- Poverty Eradication and Socio-economic Development
- Promoting Stability and Resilience
- Alignment with Sustainable Development Goals (SDGs)

The adoption of financial inclusion targets, such as the Universal Financial Access Goal, has seen significant growth in recent years. (**Beck T. 2016, 3**),

In an Indian study by Inoue and Hamori (2012), The study investigated the relationship between financial inclusion and poverty reduction. Analyzing the credit and deposit activity of regional commercial banks, the research determined that access to financial services can serve as a mechanism for alleviating poverty. (**Yap S., 2023, 5**).

Practical Aspect

The banks studied

In this study, (5) private Iraqi banks in the city of Baghdad were targeted, as follows:

Ashur Bank: Ashur International Investment Bank was established in 2005 as a private joint-stock company within the private sector. It is an investment bank providing banking services to commercial institutions and individuals in Iraq. It has nine branches in Iraq: the main branch in Baghdad, Al-Rubaie, Al-Mansour, Mosul, Erbil, Sulaymaniyah, Basra, Tikrit, and Karbala.

Iraqi Middle East Investment Bank: Middle East Iraqi Investment Bank is a private Iraqi bank established in 1993. The bank's capital amounts to 250 billion dinars.

International Development Bank: The International Development Bank for Investment and Finance is a private Iraqi bank established in 2011. With a capital of 250 billion dinars, the bank was established to provide comprehensive financial services to citizens and residents of Iraq, as well as investors seeking to invest in the country. The bank was listed on the Iraq Stock Exchange in 2018.

Al-Mansour Bank For Investment: Mansour Investment Bank began operations in Iraq in early 2006 with a capital of 55 billion Iraqi dinars. Today, after successive increases, it has reached 250 billion Iraqi dinars. Mansour Bank is a subsidiary of the Qatar National Bank Group, the largest financial institution in the Middle East and Africa, with a 54% stake owned by the group. The bank has eight branches distributed across the largest and most important Iraqi governorates: Baghdad, Karbala, Basra, Sulaymaniyah, Najaf, Hillah, Erbil, and Karkh.

Gulf Commercial Bank: An Iraqi bank. It was established as a private joint stock company in 1999 with a capital of (600,000,000) dinars. Its capital was then increased several times until its capital reached (250) billion dinars, equivalent to (212) million US dollars in 2013. The bank has 23 branches in Baghdad, Basra, Najaf, Karbala, Babylon, Diwaniyah, Erbil, Wasit, and Tikrit

Data collection tool necessary for the study

The questionnaire was used to reach the main objective, which is the impact of the quality of banking services on financial inclusion. The researcher designed a questionnaire that consisted of demographic information for the sample members, such as age, years of experience, educational qualification, and specialization. The questionnaire also contained two basic variables: - First: The independent variable (quality of banking services), which consists of the following dimensions:

First: The independent variable (quality of banking services), which consists of the following dimensions:

First dimension: The tangible aspect, which consists of (5) measurement phrases. Second:

Response speed, which consists of (5) measurement phrases.

Third: Reliability, which consists of (5) measurement phrases. Fourth: Security, which consists of (5) measurement phrases.

Fifth: Empathy, which consists of (5) measurement phrases.

Second: The dependent variable (financial inclusion) consists of 10 questions.

presentation and analysis of data :

The questionnaire was established as the primary instrument for gathering data and information pertinent to the study's topic. It contains general details and demographic attributes of the individuals involved in the study, in addition to (5) basic variables through which we verify the study hypotheses.

After collecting the questionnaires, a digital method was used to code the responses of the study group members, using a Likert scale, where one point was given for the disagree answer, two points for the Undecided answer, and three points for the agree answer.

According to the Lickert scale, if the average score is within the category 1 to less than 1.67, then the level of approval is low, and if the average score is within the category 1.67 to less than 2.34, then the level of approval is moderate, and if the average score is within the category 2.354 to 3, then the level of approval is high.

Methods of statistical analysis of data:

In order to describe any phenomenon in terms of the value that is in the middle of the values, or to recognize the homogeneity of these values and search for extreme values, it is necessary to present some statistical measures through which the characteristics of the phenomenon under research can be identified. The most important of these measures are measures of central tendency and dispersion. The following has been used:

- Arithmetic mean: to determine the degree of agreement for each paragraph of the questionnaire.
- Standard deviation: Standard deviation serves as a metric to assess how much responses vary and how far they stray from the average value.
- Correlation coefficient: to determine the relationship between each of the questionnaire variables and the total questionnaire.
- Cronbach's alpha coefficient: to determine reliability in answers.

Validity of the questionnaire items: This was done through Gathering the views of specialized professors is essential for developing tests and standards. Validity refers to how well the items assess the intended phenomenon, with apparent validity being the most effective way to gauge it. This involves presenting the

scale items to a panel of experts for their evaluation of validity. The scale's apparent validity was established by submitting the items to a group of judges with expertise in business administration, and all recommendations provided were considered.

Reliability (Cronbach's alpha coefficient)

It refers to the stability of the answers obtained from the study targets even if the questionnaire is distributed again after a period of time, and this is done by Cronbach's alpha. This coefficient indicates through its value the stability of the study targets' answers, provided that the lowest acceptable value is (0.6) and less than this value, stability is not considered available in the study targets' answers (Uma Sekaran, 2003, p311). The Cronbach's stability coefficient values ranged from (0.627) to (0.855), and for the entire questionnaire (0.943), so it can be concluded that the stability coefficients were excellent and enable the researcher to generalize what she reached to all the components of the study community.

Table (1) Cronbach's coefficient of reliability

| | Variables | Number of Items | Alpha coefficient |
|----------------------------|---------------------|------------------------|--------------------------|
| 1 | Tangibility | 5 | 0.627 |
| 2 | Reliability | 5 | 0.631 |
| 3 | Responsiveness | 5 | 0.767 |
| 4 | Assurance | 5 | 0.792 |
| 5 | Empathy | 5 | 0.689 |
| 6 | Financial Inclusion | 10 | 0.855 |
| Total Questionnaire | | 35 | 0.943 |

Study community and sample

The community was represented by administrative employees in Iraqi banks. A sample of (5) private banks in the city of Baghdad was selected, where (250) questionnaires were distributed, (50) questionnaires for each bank. (242) valid questionnaires were retrieved for analysis, with percentage of (96.8%). As shown in the table below:

Display and analysis of data related to study variables:

| Bank | Distributed questionnaires | Lost and invalid questionnaires | Percentage of lost and invalid questionnaires | Valid questionnaires | Percentage of valid questionnaires |
|-----------------------------------|----------------------------|---------------------------------|---|----------------------|------------------------------------|
| Ashur Bank | 50 | 0 | 0 | 50 | 100 |
| Iraqi Middle East Investment Bank | 50 | 4 | 8 | 46 | 92 |
| International Development Bank | 50 | 2 | 4 | 48 | 96 |
| Al-Mansour Bank For Investment | 50 | 2 | 4 | 48 | 96 |
| Gulf Commercial Bank | 50 | 0 | 0 | 50 | 100 |
| Total | 250 | 8 | 3.2 | 242 | 96.8 |

First: Frequency distributions of study targets according to their demographic characteristics and features

Table No. (2) shows the number of questionnaires distributed to the banks targeted by the study

Table (2) Distribution of targets according to demographic data

| | | | | | | | |
|---------------------------|-------------------------|--|---|--|------------------------------|--------------|--------------|
| Age Experience | | Under 30 years old | to less 30 han 40 years | to less 40 han 50 years | years 50 and over | Total | |
| | No. | 28 | 56 | 98 | 60 | 242 | |
| | Percentag %e | 11.57 | 23.14 | 40.50 | 24.79 | %100 | |
| Academic Qualification | | ss than 5 years | to less 5 than 10 | to less 10 than 15 | rs and 15 over | Total | |
| | No. | 44 | 64 | 86 | 48 | 242 | |
| | Percentag %e | 18.18 | 26.45 | 35.54 | 19.83 | %100 | |
| ialization Age | | Less than a university degree | niversity degree | Master's degree | PHD | Total | |
| | No. | 43 | 148 | 39 | 12 | 242 | |
| | Percentag %e | 17.77 | 61.16 | 16.12 | 4.96 | | |
| Experience | | Financial Manage ment | Business Adminis tration | ccount ing | onom ics | Other | Total |
| | No. | 48 | 42 | 37 | 29 | 86 | 242 |
| | Percentag %e | 19.83 | 17.36 | 15.29 | 11.98 | 35.54 | %100 |

The results in Table (2) showed that (28) individuals, representing (11.57%), were under 30 years of age, (56) individuals, representing (23.14%), were between 30 and less than 40 years of age, (98) individuals, representing (40.5%), were between 40 and less than 50 years of age, and (60) individuals, representing (24.79%), were 50 years of age or older. As for experience, it

became clear that (44) individuals, representing (18.18%), had less than 5 years of experience, (64) individuals, representing (26.45%), had experience ranging from 5 to less than 10 years, (86) individuals, representing (35.54%), had experience from 10 to less than 15 years, and (48) individuals, representing (19.83%), had experience of 15 years or more.

As for the academic qualification, it was found that (43) individuals, representing (17.77%), had qualifications less than university, (148) individuals, representing (61.16%), held university qualifications (bachelor's), (39) individuals, representing (16.12%), held master's qualifications, and (12) individuals, representing (4.96%), held a doctorate degree.

As for specialization, it was found that (48) individuals, representing (19.83%), specialized in financial management, (42) individuals, representing (17.36%), specialized in business administration, (37) individuals, representing (15.29%), specialized in accounting, (29) individuals, representing (11.98%), specialized in economics, and (86) individuals, representing (35.54%), had specializations other than those mentioned.

Second: Statistical description of the questionnaire dimensions

To assess how much the respondents agreed with the questions in the questionnaire, the average values were compared with the data presented in the table No. (1).

Independent variable (quality of banking services) The First dimension: Tangibility

Table (3) Shows the frequencies and descriptive analysis of the tangibility dimension.

| | | Mean | Standard Deviation | Degree of Agreement |
|---|--|------|--------------------|---------------------|
| 1 | The bank is equipped with state-of-the-art technology and modern banking facilities | 2.5 | 0.671 | High |
| 2 | The bank has parking spaces for customers. | 2.6 | 0.663 | High |
| 3 | The employees of the bank present themselves well, which appeals to customers. | 2.61 | 0.637 | High |
| 4 | The overall look of the bank aligns well with the type of services it offers to its customers. | 2.44 | 0.617 | High |

| | | | | |
|------------------------------------|--|-------------|--------------|-------------|
| 5 | The building's design and the layout of the interior enhance the ease of accessing the services | 2.43 | 0.641 | High |
| Total Tangibility dimension | | 2.52 | 0.409 | High |

It became clear from the data in Table (3) that the arithmetic averages of the questions of the tangible aspect dimension ranged between (2.43) and (2.61). It also became clear that all the questions of the tangible aspect dimension had average values within the category (2.34 to 3). Therefore, the approval of these questions was “high”. It became clear from the table above that the arithmetic average of the total tangible aspect dimension was (2.52), which is within the period (2.34 to 3). This indicates that the level of the tangible aspect in the banks that were studied was high.

The Second dimension: Reliability

Table (4) Shows the frequencies and descriptive analysis of the reliability dimension

| | | Mean | Standard Deviation | Degree of Agreement |
|------------------------------------|--|-------------|---------------------------|----------------------------|
| 1 | Bank employees are committed to providing services to customers at the specified times. | 2.69 | 0.498 | High |
| 2 | The bank is keen to solve problems facing customers regarding its services. | 2.42 | 0.634 | High |
| 3 | The performance of employees in their jobs ensures trust between the customer and the bank. | 2.45 | 0.669 | High |
| 4 | The bank employs distinguished expertise to rely on them to provide services with high quality. | 2.23 | 0.736 | High |
| 5 | Employees provide service to customers according to priority and without discrimination between them. | 2.42 | 0.708 | High |
| Total Reliability dimension | | 2.44 | 0.416 | High |

It was clear from the data in Table (4) that the arithmetic averages of the reliability dimension questions ranged between (2.23) and (2.69). It was also clear that (4) questions from the reliability dimension had average values within the category (2.34 to 3), so the approval of these questions was “high”. One question, “The bank employs distinguished expertise to be relied upon in providing services with high quality”, had an average value of (2.23) and fell within the period (1.67 to less than 2.34), so the degree of approval of this question was average. It was clear from the table above that the arithmetic average of the total reliability dimension was (2.44), which is within the period (2.34 to 3), and this indicates that the level of reliability in the banks that were studied was high.

The Third dimension: Responsiveness

Table (5) Shows the frequencies and descriptive analysis of the responsiveness dimension

| | | Mean | Standard Deviation | Degree of Agreement |
|---------------------------------------|---|-------------|--------------------|---------------------|
| 1 | The bank's management responds quickly to customers' complaints and urgent inquiries. | 2.62 | 0.55 | High |
| 2 | The bank provides its services to customers immediately and quickly. | 2.3 | 0.69 | moderate |
| 3 | Employees respond to customers' needs no matter how busy they are. | 2.57 | 0.615 | High |
| 4 | The bank has sufficient staff to perform banking | 2.19 | 0.766 | moderate |
| | | | | |
| | services. | | | |
| 5 | The bank has electronic signboards to speed up customer service. | 2.48 | 0.713 | High |
| Total responsiveness dimension | | 2.43 | 0.483 | High |

It was clear from the data in Table (5) that the arithmetic averages of the post-response questions ranged between (2.19) and (2.62). It was also clear that (3) post-response questions had average values within the category (2.34 to 3), so the approval of these questions was “high”, and two questions had averages within the period (1.67 to less than 2.34), so the degree of approval of the two questions was average. It was clear from the table above that the arithmetic average of the total post-response was (2.43), which is within the period (2.34 to 3), and this indicates that the level of responsiveness in the banks that were studied was high.

The Fourth dimension: Assurance

Table (6) Shows the frequencies and descriptive analysis of the Assurance dimension

| | | Mean | Standard Deviation | Degree of Agreement |
|---|--|-------------|--------------------|---------------------|
| 1 | The behavior of bank employees reflects the customers' sense of security. | 2.5 | 0.646 | High |
| 2 | The bank provides sufficient security devices to protect customers' savings. | 2.57 | 0.588 | High |
| 3 | The bank provides safe deposit boxes to preserve customers' private and valuable property. | 2.66 | 0.541 | High |
| 4 | The bank provides a system that preserves customers' secrets. | 2.43 | 0.667 | High |
| 5 | The bank reassures customers about the reliability of traditional and electronic banking transactions. | 2.4 | 0.681 | High |
| Total Safety or Security dimension | | 2.51 | 0.463 | High |

It became clear from the data in Table (6) that the arithmetic averages of the assurance dimension questions ranged between (2.4) and (2.66). It also became clear that all the

assurance dimension questions had average values within the category (2.34 to 3). Therefore, the approval of these questions was “high”. It became clear from the table above that the arithmetic average of the total assurance dimension was (2.51), which is within the period (2.34 to 3). This indicates that the level of assurance in the banks that were studied was high.

The Fifth dimension: Empathy

Table (7) Shows the frequencies and descriptive analysis of the Empathy dimension

| | | Mean | Standard Deviation | Degree of Agreement |
|--|--|-------------|--------------------|---------------------|
| 1 | The bank pays special attention to elderly and special needs customers. | 2.56 | 0.61 | High |
| 2 | The management and employees help some customers and do some work on their behalf | 2.31 | 0.643 | moderate |
| 3 | The bank employees are kind and smile when receiving and dealing with customers | 2.44 | 0.616 | High |
| 4 | The bank management and employees are keen to ensure that working hours are suitable for all Customers | 2.62 | 0.55 | High |
| 5 | The bank management cares about its customers and seeks to provide decent services on an ongoing basis | 2.65 | 0.572 | High |
| Total Empathy dimension | | 2.52 | 0.4 | High |
| Total Quality of Banking Services | | 2.48 | 0.374 | |

It was clear from the data in Table (7) that the arithmetic averages of the empathy dimension questions ranged between (2.31) and (2.65). It was also clear that (4) questions from the empathy dimension had average values within the category (2.34 to 3), so the approval of these questions was “high”. It was also clear that one question, “The management and employees help some customers and do some work on their behalf”, had an arithmetic average value of (2.31) and fell within the period (1.67 to less than 2.34), so the degree of approval of this

question was average. It was clear from the table above that the arithmetic average of the total empathy dimension was (2.52), which is within the period (2.34 to 3), and this indicates that the level of empathy in the banks that were studied was high.

From Table No. (8), it is clear that the arithmetic mean of the total quality of banking services is (2.48) and falls within the period (2.34 to 3), so the level of quality of banking services in the banks that were studied was high.

Dependent variable (financial inclusion)

Table (8) Shows the frequencies and descriptive analysis of the financial inclusion variable

| | | Mean | Standar d Deviatio n | Degree of Agreemen t |
|----------|---|-------------|---|-------------------------------------|
| 1 | The bank facilitates opening and using a bank account without any hindrance | 2.52 | 0.671 | High |
| 2 | The bank management is keen on the speed of implementation and completion of banking services | 2.43 | 0.587 | High |
| 3 | The bank management provides guarantees and warranties to access banking services | 2.33 | 0.743 | moderate |
| 4 | The bank management provides a user guide for financial services for the fair and is constantly updated | 2.33 | 0.697 | moderate |
| 5 | The bank management studies how to use financial services before offering them. | 2.26 | 0.7 | moderate |
| 6 | The bank management coughs and simplifies the procedures related to the service | 2.52 | 0.592 | High |
| 7 | The bank management is keen to reduce banking fees for available banking services | 2.46 | 0.591 | High |
| 8 | The bank management provides new services every Period | 2.54 | 0.67 | High |
| 9 | The bank management provides easy financial services that make customers feel comfortable | 2.64 | 0.603 | High |

| | | | | |
|---|---|-------------|--------------|-------------|
| 10 | Banking services are provided to customers in a timely Manner | 2.65 | 0.6 | High |
| Total financial inclusion variable | | 2.47 | 0.426 | High |

It was clear from the data in Table (8) that the arithmetic averages of the financial inclusion variable questions ranged between (2.26) and (2.65). It was also clear that (7) questions of the financial inclusion questions had average values within the category (2.34 to 3), so the approval of these questions was "high". It was also clear that (3) questions had average values within the period (1.67 to less than 2.34), so the degree of approval of these questions was average. It was clear from the table above that the arithmetic average of the total financial inclusion variable was (2.47), which is within the period (2.34 to 3), and this indicates that the level of financial inclusion in the banks that were studied was high.

Hypothesis Testing

The researcher used Pearson correlation coefficients to verify the strength of the association between the dimensions of banking service quality and financial inclusion. If the correlation result is positive, this indicates that the relationship between the two variables was a direct correlation, and if the correlation result is negative, this indicates that the correlation was inverse. However, if the (P-Value) value is less than (0.05), this is evidence that the correlation is significant and statistically significant.

To identify the impact of banking service quality on financial inclusion, linear regression was used to identify the effects of independent indicators on the dependent indicator.

Main hypothesis: There is an impact of the quality of banking services in achieving financial inclusion in commercial banks in the city of Baghdad.

Table (9): Shows the regression of the impact of banking services quality on financial inclusion

| Correlation coefficient | determination factor (R^2) | Factors | | P-value |
|-------------------------|--------------------------------|----------------|-------|---------|
| 0.846 | 0.715 | Constant | 0.112 | 0.279 |
| | | Tangibility | 0.285 | 0.000 |
| | | Reliability | 0.325 | 0.000 |
| | | Responsiveness | 0.153 | 0.001 |

| | | | |
|--|------------------|--------------|--------------|
| | Assurance | 0.11 | 0.042 |
| | Empathy | 0.077 | 0.207 |

Calculated F = 118.43 , Degrees of freedom (5, 236) , Tabulated F = 2.2141, P-value = 0.000

The data in Table No. (9) revealed a direct correlation between the quality of banking services and financial inclusion. Pearson's correlation became (0.846), and (P-Value) was equal to zero, which is less than the value (0.05), and indicates that there is a direct correlation between the quality of banking services and financial inclusion, i.e. the quality of banking services contributes to achieving financial inclusion.

To identify the impact of banking services quality on financial inclusion, the mathematically calculated F (118.436) is greater than the tabulated value (2.2141), and the (P-Value) is zero and less than (0.05), which ensures the great explanatory power of the linear regression model statistically, and the result of the determination factor reached (0.715) indicating that (71.5%) of the changes in financial inclusion are explained by the quality of banking services. Accordingly, the main hypothesis was accepted.

The first sub-hypothesis: There is an impact of tangibility in achieving financial inclusion in commercial banks in Baghdad city, the value of (P-Value) is equal to zero and less than (0.05), indicating the presence of an impact of tangibility on financial inclusion. Accordingly, the first sub-hypothesis was accepted.

The Second sub-hypothesis: There is an impact of Responsibility in achieving financial inclusion in commercial banks in Baghdad city, the value of (P-Value) is equal to zero and less than (0.05), indicating the presence of an impact of Responsibility on financial inclusion. Accordingly, the second sub-hypothesis was accepted.

The third sub-hypothesis: There is an impact of Reliability in achieving financial inclusion in commercial banks in Baghdad city, the value of (P-Value) is equal to (0.001) and less than (0.05), indicating the presence of an impact of Reliability on financial inclusion. Accordingly, the third sub-hypothesis was accepted.

Fourth sub-hypothesis: There is an impact of Assurance in achieving financial inclusion in commercial banks in Baghdad city, the value of (P-Value) is equal to (0.042) and less than (0.05), indicating the presence of an impact of Security on financial inclusion. Accordingly, the

fourth sub-hypothesis was accepted.

Fifth sub-hypothesis: There is an impact of Empathy in achieving financial inclusion in commercial banks in Baghdad city, the value of (P-Value) is equal to (0.207) and more than (0.05), Indicating that security has no impact on financial inclusion. Accordingly, the fifth sub-hypothesis was rejected.

Results and Recommendations First: Results

A. Results related to hypothesis testing:

1. The study revealed the presence of an impact of the tangibility dimension on financial inclusion, as the p-value was equal to zero which was less than 0.05 (Table 9).
2. The study revealed the presence of an impact of the dependency dimension on financial inclusion, as the p-value was equal to zero which was less than 0.05 (Table 9).
3. The study revealed the presence of an impact of the responsiveness dimension on financial inclusion, as the p-value was equal to 0.001 which was less than 0.05 (Table 9).
4. The study revealed the presence of an impact of the Assurance dimension on financial inclusion, as the p-value was equal to 0.042 which was less than 0.05 (Table 9).
5. The study revealed the presence of no impact of the Empathy dimension on financial inclusion, as the p-value was equal to 0.207 which was more than 0.05 (Table 9).
6. It was found that there is a relationship between the quality of banking services and financial inclusion, and the result of the Pearson coefficient was (0.846), which is an indication of the impact of the quality of banking services on financial inclusion, as it was found that (71.5%) of the updates in financial inclusion are attributed to the quality of banking services (Table 9).

Results related to study variables:

1. The study concluded that the level of quality of banking services in Iraqi commercial banks in Baghdad was high, which is a result of the high level of dimensions of quality of banking services, represented by tangibility, reliability, responsiveness, security and empathy, as the arithmetic mean value of the total variable of quality of banking services reached (2.48) according to the three-tier scale (Table 7).
2. The study concluded that the level of financial inclusion in commercial banks in Baghdad was high, as the arithmetic mean value reached (2.47) according to the three-tier scale (Table 8).

Recommendations

The study reached a set of recommendations, which are as follows:

1. The necessity of employing distinguished expertise that can be relied upon to provide high-quality services to bank customers.
2. Ensure that services are provided promptly and efficiently to meet the needs of commercial bank customers.
3. The necessity of providing assistance to commercial bank customers and performing tasks on behalf of those unable to do so.
4. Ensure that sufficient guarantees and warranties are offered to commercial bank customers, facilitating easy and quick access to banking services.
5. The necessity for commercial bank administrations to study the utilization of financial services before offering them to customers.
6. Allow the use of low-cost delivery channels, such as bank agents.
7. Pay attention to the financial education of the population and organize financial education initiatives.

Simplify the documentation required to open an account and grant exceptions to certain segments of low-income individuals or transactions with small values and low risks.

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