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The Impact of Strategic Intelligence on Banking Performance: An Exploratory Study on a Sample of Employees from Commercial Banks in Baghdad

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Abstract

The research aims to study the impact of strategic intelligence and its dimensions (foresight, systems thinking, future vision, motivation) on banking performance and its dimensions (efficiency, effectiveness, profitability) for a sample of private commercial banks. A total of 100 questionnaire forms were distributed to employees in commercial banks in Baghdad. The researcher relied on the SMART PLS program scale to analyze these variable dimensions, as the benefits of excellence do not stop at merely achieving the bank's objectives but go beyond that, reaching the level of creativity in achieving these objectives in a way that makes the bank a leader in the markets. The research is carried out due to its significant impact on the competitive success of the banking sector. The results show that the bank possesses information management systems and practical methods for gathering information from outside it, and the bank also motivates its staff to document their competitive information which governs experience and learning. Moreover, the bank uses information management to collect facts and indicators about its competitors and employs internal and external sources to obtain information about environmental requirements and their indicators.

Introduction

Strategic intelligence is considered an important tool used by banking institutions, as it plays a major role in solving many problems faced by decision-makers. Strategic guidelines are among the most important and powerful matters for protecting institutions from intense competition and its risks in order to survive and grow for the longest possible period .

A constantly changing environment, as problems and risks that the institution may face from its external environment can be limited. (Alomian et al., 2019:67) Banking performance refers to the tools required, the diverse aspects of the activity, and the efforts made by banks to perform their role and functions in the surrounding environment to evaluate banking services. that achieve the objectives. Also, performance evaluation, effectiveness measurement, and examination of various systems ensure the proper use of available resources and confirm the bank's ability to achieve the desired goals, and thus its ability to achieve profits in the future. Based on this, the research has been divided into four sections: the first section covers the research methodology, the second section the theoretical aspect, the third section the practical aspect, and the fourth section the conclusions and recommendations, followed by the references.

Research Problem: As a result of developments occurring in various aspects of life, including economic and financial aspects, the need has emerged to study the requirements of strategic intelligence

in a vital and very important area, which is the banking sector. Since this sector is the leader in the Iraqi banking market in particular and in all countries of the world in general and has a significant impact on the country's economic development. The research problem can be summarized by a number of questions, which are:

- 1.How can banking performance be administratively developed using strategic intelligence?
- 2.Do managers have a clear understanding of the stages of strategic intelligence?
- 3.What are the current impacts of strategic intelligence in the banks of the research sample?
- 4.Are the stages of strategic intelligence applied in the banks of the research sample?
- 5.Do senior leaderships take strategic intelligence into consideration?

Importance of the Research

The importance of the research stems from the fact that financial institutions are always looking for ways to gain a competitive advantage in their markets, used to achieve banking performance. Based on the vital role played by the researched variables (strategic intelligence and banking performance), which are qualified to support and achieve high performance in all its facilities and fields, the importance of the research can be categorized into two aspects:

1. Scientific Importance: The scientific importance of the research is manifested through the researched variables, which represent modern managerial phenomena that shape the general orientation of distinguished the literature on them still

remains scarce, particularly in Arab and Iraqi studies.

Practical Importance: The practical importance of the research lies in providing a practical contribution on how to achieve interaction between strategic intelligence and banking performance and elevate it to an advanced level that approaches supporting the organization of efforts towards achieving the banks' objectives. The research seeks to select a sector considered a primary source of development, which is the banking sector, playing an important role in supporting and enhancing all sectors of the public and private society.

Research Objectives :

The research seeks to achieve this goal through the following subsidiary objectives:

١. identifying the requirements for the application of strategic intelligence in the research sample,
٢. defining the importance of the variables (strategic intelligence, banking performance) as key variables in the management of profit-oriented institutions,
٣. diagnosing the reality of banking performance in private banks,
٤. highlighting the most important stages of strategic intelligence to outline the path and direction of the banks in the research sample, and
5. providing a set of conclusions and recommendations for the researched banks in light of practical reality results, clarifying the relationship and impact between strategic intelligence and banking performance .

Research Model: The model represents an easy-to-understand depiction that illustrates a set of related variables. For the purposes of this research, a pilot diagram was prepared to give an initial concept of a set of correlation and impact relationships between the research variables. The diagram assumes the existence of an effect and relationship between strategic intelligence in banking performance. Figure (1) shows the proposed research model that was prepared in light of its problem. This model includes the following variables:

Research Hypotheses:

- The first main hypothesis states that there is a significant correlation between strategic intelligence and banking performance.
- The second main hypothesis states that there is a statistically significant effect of strategic intelligence on banking performance.

Data Collection Methods:

1-Secondary data is collected from scientific sources such as books, journals, periodicals, dissertations, and Arabic and foreign books related to the research topic, in addition to foreign research and articles that will be obtained from the internet, considering modernity and relevance to the research subjects.

٢-Questionnaire: The questionnaire is adopted as the main tool for data collection, as it is one of the suitable tools commonly used in the field of descriptive studies in general and in the management field in particular.

٣-Personal Interviews: This includes conducting a number of interviews with

several leaders in the banks included in the research sample at various sites and levels. In this regard, the researcher prepared a structured interview specific to each variable of the research variables, relying on internationally peer-reviewed foreign sources in order to support the responses of the questionnaire results, the questionnaire and assessing the current reality related to the dimensions of the research.

Research Boundaries

1.Theoretical boundaries: The research is defined theoretically and practically based on its variables represented by strategic intelligence and banking performance.

٢.Spatial boundaries: Commercial banks are selected.

٣.Temporal boundaries: 2025-2026

Section Two: Theoretical Aspect – Strategic Intelligence

Today, many organizations continue to build and develop this system through a group of specialists who provide the key analysis upon which senior management decisions are primarily based. (Adel, 2020:212). It is also the process of generating all information and knowledge used in decision-making within organizations or institutions by highlighting all the ways in which the institution can face all challenges and seize all future opportunities to achieve the highest level of excellence and success (El-latief et al., 2023:3). It is the pattern or plan that integrates the main objectives and policies of a What, in turn, provides a coherent series of actions that must be taken (Alomian et al., 2019:67).

Dimensions of Strategic Intelligence

-)Foresight: The term "foresight" was used for the first time on the BBC by an author named H.G. Wells, who emphasized the importance of establishing departments for foresight and employing experts in foresight. Foresight refers to the process of estimating probabilities and predicting potential future options (Al-Daouri & Atrach, 2020:40).

Systems Thinking: The world we live in is increasingly complex, fast moving, and full of information. This new environment makes problem-solving more complicated. However, the greatest challenges do not stem from complexity; in fact, they often result from the disconnect between how systems actually work in the real world and our mental models of how they operate. Systems thinking can help reveal the underlying structures of systems and thought (et al., 2021:3, Cabrera) .

Motivation: The concept of motivation refers to the **act of shaping actions regarding direction, consistency, and firm goal focus by enabling workers, recognizing successes, giving them the chance to contribute meaningfully, and involving them in choices**

-making. It is the action that drives an individual to adopt a suitable perspective for satisfactorily accomplishing a given task by stimulating their emotions and desires to prompt them to perform a specific action (Al-Azzawi, 2021:5).

Banking Performance:

Concept and Definition of Performance: Despite the accumulation of knowledge in the field of performance, it is difficult to frame the concept of banking

performance. Differences have emerged in defining the concept of performance through standards and the diversity of objectives adopted in its study and measurement by researchers. However, there is no specific definition due to the variation of philosophies, approaches, and interests. Nevertheless, there is agreement that banking performance refers to the bank's ability to achieve goals and objectives (Akhisar, 2015). It is a process that ensures and verifies that the resources available to the bank have been used efficiently. Chai (2016) views it as **identifying** strengths and weaknesses so that this **identification helps in creating and developing a strategy** for managing the bank's assets and liabilities. The researcher sees it as **an all-encompassing process** where all accounting and other **information** are **utilized to evaluate** the financial **status** of the bank and **decide** how its resources are **handled** over a **certain time frame** (Hemrit, 2026).

Bank Performance Objectives: The objectives of a bank differ from the objectives of other business enterprises as they are distributed among profitability, liquidity, and safety, and these objectives are compatible with each other. Achieving the first one to a high degree means reducing the degree of achieving the second and third objectives, and vice versa. Thus, if a bank tries to achieve liquidity and safety to a high degree, it is at the expense of the level of profitability it seeks to achieve. Consequently, the main problem facing bank management is addressing the conflict between the

bank's safety and liquidity on the one hand, and its profitability on the other (2026, Yasin).

Dimensions of Bank Performance: The dimensions of bank performance differ from one dimension to another or from one objective to another, in addition to the nature of banking work which requires measuring its performance (2026, Khadhraoui). Bouteska (2026) indicates that measuring performance is one of the success factors for organizations and it is similar to continuous feedback that provides management with data to determine the extent to which objectives have been achieved. Bank performance can be measured through the following:

A. Efficiency: After efficiency, it is considered one of the important dimensions widely used by business organizations to measure their performance as a result of these organizations' strong focus on achieving the highest possible return. Efficiency is meant as working according to available resources to reach goals (Pham, 2026) .

B. Effectiveness: Achieving effectiveness requires fostering a culture that is harmonious and consistent with the organization's strategy, environment, and technologies. (Al-Maamouri). It is the organization's ability to utilize the resources available to it from the environment in order to obtain its needs from limited and essential resources for the continuity of its activities (Jarraya, 2026).

C. Profitability: It is one of the primary objectives of a commercial bank. To achieve this goal, it must employ the funds it receives from various sources in the best manner and minimize its expenses to the lowest possible level. The bank's total revenue is the result of lending and investment operations, in addition to the capital gains achieved by the bank (Ariyani, 2026) .

(Practical Aspect)

Presenting and analyzing the research results:

Dimensions of strategic intelligence in light of the presentation regarding the statistical description of the dimensions of strategic intelligence, it can be said that the levels of all dimensions were high. The levels of these dimensions can be summarized in light of the following Table:(١)

Table (1) Arithmetic means, standard deviations, score of response and relative importance of the main dimensions of the strategic intelligence variable (n=100)

relative importance	Answer score	standard deviation	arithmetic mean	Main dimension
the first	high	0.82	3.99	Motivation
Fourth	high	0.87	3.84	Systems Thinking
the third	high	0.88	3.85	Foresight
the second	high	0.96	3.98	Prospecting
-	high	0.95	3.86	The overall rate of the strategic

intelligence dimension s variable

It can be observed from the data in the table above that after stimulation, the first position is obtained in terms of relative significance according to the answers of the research group, while the least aspect came from the assessment of foresight. In general, the total average for the strategic intelligence variable is (3. 86) with a total standard deviation of (0. 95).

Dimensions of Banking Performance Table (2) Arithmetic Means, Standard Deviations, Response Degree, and Relative Importance of the Main Dimensions of the Banking Performance Variable (100=n)

relative importance	Answer score	standard deviation	arithmetic mean	Main dimension
the first	moderate	0.83	4.21	Efficiency
the third	moderate	0.٧4	٤.٠5	Effectiveness
the second	moderate	0.76	4.06	Profitability
-	moderate	0.82	3.96	The overall rate of the banking performance variable

First: The First Main Hypothesis: The researcher hypothesizes that there is a significant and positive influence of strategic intelligence on banking performance. This assumes that strategic intelligence is a real function of banking performance, and that any increase in (the independent variable) will lead to a corresponding increase in (the dependent variable). The structural equation (SEM-PLS) will be tested, and the results will be extracted through the statistical program (SMART PLS) according to the (simple regression method), where the effect coefficient (Beta) and the significance level appearing on the arrow connecting

the independent variable to the dependent variable are estimated, as shown in Figure (١) and It is as follows:

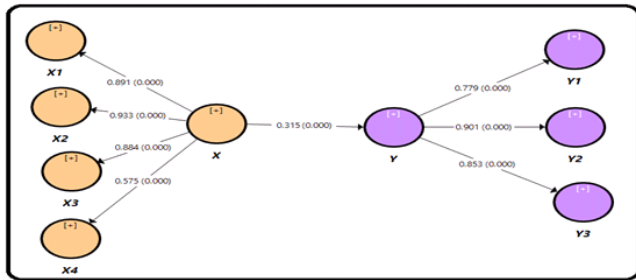


Figure (١) shows the impact factor of strategic intelligence on banking performance.

Source: Prepared by the researcher using the SMART PLS software.

Table (٣) Statistics for the impact factor test of strategic intelligence in banking performance.

	Original Sample (O) Impact factor	R	Standard Deviation (STDEV)	R ²	T Statistics (O/STDEV)	P Values Morale level
SI -> BP	-0.60٣	-0.63٨	0.07٩	0.3٤	-7.80٢	0.000

According to the results of Table (٣), it is evident that there is an influence relationship between strategic intelligence and banking performance. It reached (0.810), which is positive and acceptable at a significance level of (0.05). As shown in Table (٣), the coefficient of determination (R²) reached (0.62), indicating that strategic intelligence explains about (0.61) of the variance in the dependent variable, banking performance. As for the effect size, it reached (0.796), meaning that any increase in the independent variable, strategic intelligence, will lead to an increase in banking performance by (0.795). This is significant at a significance level of (0.05). According to these results, this hypothesis is verified at the level of this study.

The second main hypothesis: The researcher assumes that there is a strong correlation between strategic intelligence and the performance of the banking sector, as shown in Figure (2) and Table (٤)

They are as follows:

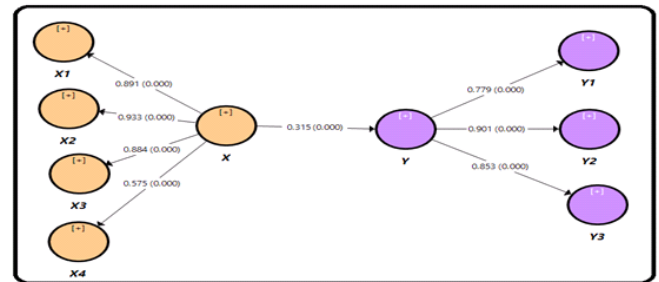


Figure (٢) shows the impact factor of strategic intelligence on banking performance.

Table (٤) Statistics for the impact factor test of strategic intelligence in banking performance

	Original Sample (O) Impact factor	R	Standard Deviation (STDEV)	R ²	T Statistics (O/STDEV)	P Values Morale level
SI -> BP	-0.603	-0.638	0.079	0.34	-7.802	0.000

According to the results in Table (4), a positive correlation of 0.638 was found between strategic intelligence and banking sector performance, a correlation considered acceptable at a significance level of 0.05. Table (4) also shows that the coefficient of determination (R²) was 0.34, indicating that strategic intelligence explains 0.34 of the variance in banking sector performance. Regarding the effect size, Figure (4) shows that the effect size was 0.603, meaning that any increase in the strategic intelligence variable will result in a corresponding increase of 0.603 in banking sector performance. This is significant at a significance level of (0.05). According to

these results, this hypothesis is verified at the level of this study.

Conclusions and Recommendations

Conclusions

١-The results show that the bank possesses information management systems and practical methods for collecting information from outside it. Just as the bank motivates its staff to document their competitive information through expertise and learning, it also uses information management to gather facts and indicators about its competitors, employing both internal and external sources to obtain information about environmental requirements and its indicators.

٢-The results also show that the bank's utilization of the information planning process to monitor research and development trends among competitors, as well as to measure its ability to respond to external changes and meet future customer needs, will have a positive impact on banking performance.

٣-The results indicate that the bank's possession of information management systems, practical methods for collecting information externally, motivating its staff to document their competitive information through expertise and learning, using information management to gather facts and indicators about competitors, and employing internal and external sources to obtain information about environmental requirements and indicators will have a positive impact on banking performance.

٤-It is found that the bank presenting the plans of counterpart banks to specialized

entities for analysis and benefiting from them, and examining all data to ensure the accuracy and credibility of sources, and converting them into useful information used in the decision-making process will have a positive impact on banking performance.

٥-It appeared that the bank evaluating the validity of the information, classifying it into categories, and translating the statistics obtained as a result of information classification into decisions and procedures will have a positive impact on banking performance.

:Recommendations

١-- The bank conducts information planning to monitor competitors' research and development trends, as well as to measure its ability to respond to external changes and its ability to meet future customer needs.

٢-The bank should have information management systems and encourage its personnel to document their competitive information. In addition, the bank should use information management to collect facts and indicators regarding its competitors, and employ both internal and external sources to obtain information about environmental requirements and indicators, ensuring the continuity of outstanding banking performance.

٣-In order to use highly valuable information, the bank must present the plans of correspondent banks to specialized entities for analysis and benefit, examine all data, and convert it into useful information to be used in the decision-making process, which will

positively reflect on banking performance.

ξ-The bank must ensure the existence of a central coordination for receiving and distributing information within the bank and among its branches, in order to benefit from it in formulating its competitive plans, in a manner that ensures the sustainability of distinguished banking performance.

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