

The Impact of Strategic Agility in Reducing Liquidity Risks in Iraqi Commercial Banks

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Abstract

This study aims to investigate the effect of strategic agility in reducing liquidity risks in Iraqi commercial banks. This study relied on a quantitative design. The primary data was used to measure the dimensions of strategic agility through a questionnaire that was distributed in paper form to 400 employees, including managers, assistants, and workers at other administrative levels. While liquidity risk was measured based on secondary data for the period between 1995 and 2023. The results of this study found that strategic sensitivity has a clear effect in reducing liquidity risk. Also, collective commitment and fluidity of resources had a positive impact on liquidity risk; this shows that banks have the ability to reduce liquidity risks by adopting strategies that suit the economic environment. The limitations included the use of commercial banks only, but future research could include various sectors in other countries and non-financial companies. Practical implications indicate that banks must be more rational and have sufficient justifications when making decisions to choose the strategy that suits sudden changes to avoid liquidity risks. Moreover, commercial banks must apply the dimensions of strategic agility to achieve the desired comprehensive results. The originality of the study lies in giving insight into the dimensions of strategic agility and liquidity risk. Therefore, the results of this study have important implications for investors, managers, and shareholders.

Keywords: Strategic Agility, Strategic Sensitivity, Collective Commitment, Resource Fluidity, Liquidity Risks.

Introduction

Commercial banks play an important role in improving economic growth and development in various markets around the world. Liquidity contributes to expanding productive investments for investors, individuals, and institutions. Despite the difficulties facing Iraqi commercial banks as a result of the ongoing dynamic changes in the economic environment, they continue. The Central Bank of Iraq has taken the initiative to address the liquidity risks that Iraqi commercial banks suffer by implementing several structural reforms, but the problem of liquidity risks continues to threaten the safety of Iraqi banks.

Liquidity risk has been a contradictory and confusing phenomenon from its inception. Many studies in different economies have focused on the factors affecting reducing liquidity risk, but it remains one of the most controversial issues (Damayanthi et al. 2023; Ismail and Ahmed, 2023; Ghabri et al. 2021; Ghenimi et al. 2021; Choudhary and Limodio, 2022; Widarjono et al. 2022; Ahamed, 2021). Accordingly, the results of these studies concluded that there is a relationship and impact between liquidity risk and a different group of variables. Understanding how liquidity risks are mitigated is crucial for investors, management and all stakeholders. In addition, the strategy that can be chosen by the bank is considered one of the important points in addressing liquidity risks (Damayanthi et al., 2023).

Strategic agility is considered one of the foundations of contemporary strategic management, and it has emerged and gained an important place at a time when organizations are struggling to adapt to rapid changes in markets (Nkoda, 2017; Khoshnoud and Nematizadeh, 2017). Agile banks adapt to change quickly by making tough and bold decisions, reconfiguring resources quickly, and constantly increasing sensitivity to strategic developments (Doz and Kosonen, 2008).

The concept of strategic agility includes many aspects, such as skillful management of disturbances, anticipating market shifts, aligning with market requirements, and responding proactively (Angraini and Sudharion, 2019; Pot et al., 2022; Narasimhan et al., 2006). It also includes simplifying operations, improving cost management, and reducing inefficiencies (Dehaghi and Navabakhsh, 2014). Another important point that concerns banks is to maintain their course strategically to adapt smoothly to the changing environment (Dehaghi and Navabakhsh, 2014). Thus, it is possible to benefit from opportunities and reduce risks (Cotter, 2014).

Moreover, strategic agility provides institutions with the ability to adapt to continuous changes in the environment and respond quickly. It also focuses on proactive measures, as this makes it easier for banks to anticipate transformations and find appropriate solutions to them (Khochand and Zadeh, 2017). Therefore, adopting strategic agility in a turbulent and constantly changing environment has tangible benefits in reducing banks' financial risks, especially in addressing liquidity risks.

The rest of the research is organized as follows: reviewing the literature related to liquidity risk and strategic agility, the methodology adopted in this study included collecting data and methods that were adopted to verify its validity; then moving on to discussing the research results, conclusions, and Suggestions.

Literature Review

Liquidity risk is a complex phenomenon and there are many determinants that affect it. Many studies have focused on the risks that threaten the continuity of banks under turbulent and rapidly changing conditions, such as the study (Tran et al., 2022; Raz and Zhao, 2022; Kaharuddin & Yusuf, 2022; Chen and Huang, 2021; Al-Ardah and Al-Okdeh, 2022; Akram and Hushmat, 2024; Liu et al. 2024; Ben Lahouel et al., 2024). These studies aimed to maintain financial stability by reducing liquidity risks because these risks cause instability. financial institutions. Making the right decisions requires understanding the factors that affect them, speed in dealing, and agility in performance. Some other studies have also found that improving institutional work plays an important role in stabilizing economic systems (Larson, 2006; Driffield et al., 2013; Ghosh, 2013). Since banks are working to improve their financial performance to achieve stability in their internal and external systems to reduce liquidity risks, many studies have focused on researching the relationship between liquidity risks and

performance, such as a study (Wanjiru & Jagongo, 2022; Hacini et al., 2021; Al-Husainy and Jadah, 2021; Kalimashi et al., 2022; Chen, 2021). The results of these studies have concluded that there is a relationship and impact between these variables despite the differences in their economic environments and the rapid fluctuations in their markets.

On the other hand, strategic agility has an important role in management, so it was considered one of the basic and important points in the field of strategic management. It has gained an important place in times when banks struggle to avoid sudden shocks and adapt to environmental changes (Nkoda, 2017). Agile organizations have the ability to deal and adapt quickly and make difficult decisions that require boldness (Doz and Kosonen, 2010). Therefore, many researchers have been interested in linking strategic agility to its three dimensions (strategic sensitivity, resource fluidity, and collective commitment) and linking them with many different variables such as (organizational performance, financial performance, quality, and competitive advantage) as a study (Omar, 2021; Orojloo et al. 2016; Sampath and Krishnamoorthy, 2017; Owusu-Tucker, 2018). These studies found a relationship and impact between the variables, these also found that strategic agility plays an important role in adapting to dynamic changes and exploiting opportunities.

In addition, other studies were interested in finding the relationship between strategic agility and performance, as the interest of these studies was in markets that suffer from rapid changes, such as the study (Lyn and Muthuveloo, 2021; Arokodare, 2021; Suradi et al., 2020; Nurjaman et al., 2021). The researchers reported in their studies that there is a relationship between the variables, and they also stressed the practice of strategic agility in unstable markets. Based on what was discussed in previous studies, it can be concluded that there is a relationship between strategic agility and liquidity risk. However, no such important study was addressed or paid attention to between the dimensions of strategic agility (strategic sensitivity, fluidity resources, collective commitment) with liquidity risks. Therefore, the current study recognizes the importance of considering the use of strategic agility in reducing liquidity risks in Iraqi commercial banks. Then, the current study is considered an effective contribution to much of the existing literature.

Risk Management Theory

This theory developed by David (1997) focused on the importance of risk management. The model of this theory consists of risk assessments and then managing them in a way that reduces those risks and allows exploiting opportunities. Risk management can improve the regulatory scope of institutions. However, the problem that financial institutions suffer from is instability, which increases the difficulty of managing these risks, as fluctuations play an important role in increasing the risks that most institutions suffer from. It also requires bank departments to assess liquidity in advance to adapt it to changes that occur quickly. Agility at work plays an important role in unstable times because of its ability to exploit available opportunities and avoid risks. Therefore, financial institutions are working hard to find a mechanism that suits rapid changes to reduce risks, this can be done by implementing a strategy that suits the dangerous fluctuations that threaten the continuity of the financial institutions' businesses.

Hypothesis Development

1- Effects of (SS) on (LR)

Strategic sensitivity is an organization's cognitive ability to understand external factors. Strategic sensitivity requires an environment that accepts internal dialogues (Dawes and

Kosonen, 2008). It also requires good knowledge of the environment in which organizations operate to access the necessary information (Brueller et al., 2014). Strategic sensitivity plays an important role in understanding the market and sensing changes early, so decisions are made more accurately and quickly in dealing with risks (Kownatzki, 2013).

The study of Aquier and Dalmaso (2013) found that strategic sensitivity is an important means of managing changes. Although predicting the mechanism by which financial institutions adapt to their economic environment is very difficult, but it can be achieved through strategic and knowledge exchanges between relevant parties (Vecchiato, 2012). Hussein (2016) pointed out the importance of companies knowing the work environment to avoid risks.

In addition, Tice (2007) concluded in his study that dynamic ability is the ability to control and reshape emotions. Strategic sensitivity has an important role in developing education and adapting to sudden environmental changes. This contributes to developing the ability of organizations to sense opportunities and risks and then address them proactively. The sensing capabilities possessed by organizations are of prominent importance in identifying sudden changes that occur in the environment. Accepting the uncertainty that accompanies making decisions related to the future in environments that are constantly changing is considered difficult (Ince & Hahn, 2020). Strategic sensitivity plays an important role in identifying opportunities and risks before they occur, so it contributes to proactively addressing risks before they worsen. It also helps in moving from forward-looking strategies to sensitive strategies (Doz, 2020). Over (2006) also concluded that strategic sensitivity has a role in disseminating knowledge to avoid risks and exploit opportunities.

Regarding Iraq, the study by Faleh et al (2022) and the study by Radi and Hassan (2022) found that proactive measures have an important role in protecting institutions from sudden losses. As for the study of Abbas et al (2019) concluded that Iraqi banks cannot face sudden fluctuations due to their lack of strategic sensitivity. In addition, a study of (Hlehel and Shalaka 2022) found that there is a relationship between agility and sensing processes. As the study of (Al-Yasiri, 2022), it showed that there is an impact relationship between crisis management and strategic sensitivity. Based on what was clarified from previous studies, the following hypothesis was built:

1- *There is a significant impact of strategic sensitivity on liquidity risk in Iraqi commercial banks.*

2-Effects of (CC) on (LR)

To reach goals quickly and effectively, banks must rely on collective commitment (Fabohonda, 2013). Unity of command indicates the management's ability to make quick and bold decisions Debellis et al (2021), so commercial banks can make decisions quickly by relying on an organized management team (Stamevsk & Stamevski, 2020). On this basis, financial institutions will be able to respond quickly to sudden changes, which enhances the institution's ability to reduce risks and motivate departments to work more accurately (Rose and Norwich, 2014).

Collective commitment can be considered crucial in implementing effective strategies because it negatively or positively affects change and adaptation (Waldman et al., 2001). Rapid changes force organizations to make quick and bold decisions to be able to keep pace with the changes (Campello et al., 2011). Logical and realistic directions in organizations create good and decisive results, it also can support the organization in making quick strategic decisions (Kamasak et al., 2017). The risks to which organizations are exposed can be reduced

when critical decisions are made based on the exchange of opinions between leaders and workers (Lichtenstein et al., 2006).

Regarding Iraq, the study of Al-Murshidi and Al-Shammari (2022) found that collective commitment is linked to a statistically significant relationship with entrepreneurial alertness. As for Muhammad's (2021) study, it found that strategic agility is linked to a positive relationship with crisis management. Therefore, the current study can conclude that there is an effect of strategic agility on liquidity risk. While the study of Radi and Hassan (2022) found that performance has a strong relationship with collective commitment. Based on what was discussed in previous studies, the following hypothesis was built:

2- There is a significant impact of Collective commitment on liquidity risk in Iraqi commercial banks.

3- Effects of (RF) on (L R)

Resource fluidity is defined as the speed and quality that organizations adopt to confront environmental changes, whether opportunities or risks (Sampath and Kri shnamoorthy, 2017). It is the second important factor for strategic agility, which helps to withdraw resources from other investments to achieve flexibility in their dealings (Breevaart et al., 2014). It contributes to increasing the ability of institutions to face risks and adapt to changes (Junni et al., 2015). Resource fluidity also has a role in creating success opportunities for businesses that suffer from instability problems to avoid their losses (Ogola, 2020).

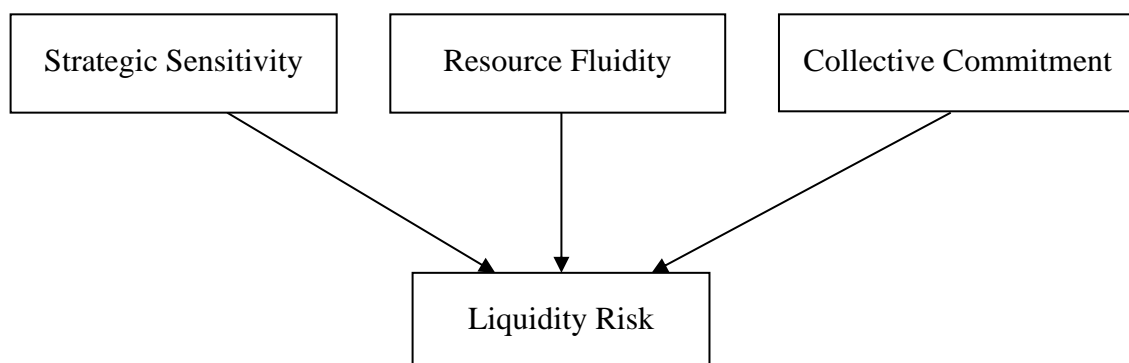
As for the study of Birknshaw and Hamill (2008), they indicated that business concepts developed in times of stable markets. But in unstable markets, they were not taken into consideration. Therefore, some studies, such as Redwell et al (2021) have confirmed that resource fluidity must be flexible to occur at the appropriate time. The problems of recession that companies suffer from in various countries of the world affect the allocation of resources according to their needs (Gilbert, 2005). Therefore, the Dawes and Kosonen (2008) study focused on allocating resources more flexibly so that they are available when they are needed. These resources should not be in the hands of one department or one person.

In addition, illiquid resources increase costs due to the difficulty in providing complementary resources (Wei et al., 2014), while providing them with liquidity will increase business speed and reduce costs (Matthesn et al., 2005). The study of Kitur & Kinyua (2020) found a positive relationship between the fluidity resource and performance, this facilitates the conclusion that resource fluidity affects liquidity risk. The study of Amin et al. (2014) also concluded that there is a relationship between financial risks and companies' performance. Moreover, the study of (Asadollahi et al., 2021) showed that the increase in resources has an important role in reducing risks if used well.

Regarding Iraq, Omar's study (2022) indicated that there is a positive relationship between financial risks and financial performance. As for Al-Yasiri (2022), it showed that resource fluidity has an important relationship with crisis management. While Jedi et al.'s (2022) study indicated that strategic agility has an important relationship with sustainable competitive advantage. In addition, Al-Taha (2021) confirmed in his study that the fluidity of resources affects competitive intelligence among institutions. Based on what was discussed above, it can be concluded that there is a significant relationship between resource fluidity and liquidity risk. Therefore, the following hypothesis was built:

3- There is a significant impact of resource fluidity on liquidity risk in Iraqi commercial banks. **Conceptual Framework**

This model aims to determine the impact of the three dimensions of strategic agility: strategic sensitivity, resource liquidity, and collective commitment in reducing liquidity risks in Iraqi commercial banks. After in-depth research into the literature related to the study, the three dimensions of strategic agility mentioned in the following studies were adopted (Otsupius and Akintaro, 2020; Kosonen and Doz, 2008). These dimensions were adopted to measure the assumed impact on liquidity risk, which was based on a study (Aspal and Nazneen, 2014; Mohamed and Onyiego, 2018). Figure No. (1) displays the three dimensions of strategic agility that are supposed to affect reducing liquidity risks in Iraqi commercial banks.



Figure(1) :Conceptual Framework.

Source: Prepared by Researchers depending on the Previous study

Risk Management in Iraqi Commercial Banks

The banking sector is considered an important pivot in global economic growth, as it is a major source of financing operations (Mahmoud et al., 2015). Therefore, Iraqi private and government banks are trying to keep pace with developments and work to modernize administrative systems to address risks. Despite the efforts of the Central Bank of Iraq and the work of Iraqi commercial banks, they still need expertise to use resources properly (Sam & Khudhair, 2019). The strategies that suit the Iraqi banking environment were not used appropriately, so choosing the strategy is necessary to achieve their goals. Lopez (2003) explained that an organization can manage risks appropriately possesses the critical components of risk management. Banks must not bear any unnecessary risks for the smooth operation and continuity of business. Therefore, it is necessary to consider many aspects to arrive at a risk management approach (Hussain and Al-Ajami, 2010). The Central Bank of Iraq has confirmed that Iraqi banks suffer from choosing a systematic strategy to manage risks more effectively. The Iraqi economic system often suffers from instability due to of dynamic economic changes. A healthy economy needs strong banking systems that keep pace with the outside world. The ongoing changes in the Iraqi economic environment cause many administrative problems in banks, which causes weakness in their ability to manage risks properly. The study of Mahmoud et al (2015) concluded that the main reason for the increase in financial risks in Iraqi banks is sudden and continuous changes in the economic environment. The unstable economic conditions in Iraq are also a major obstacle to achieving the desired goals.

Research Design and Data Samples

The study adopts the analytical and descriptive approach, as this approach consists of the theoretical side and the field side. In the theoretical aspect, analyses and logical descriptions were used, while the field aspect focused on secondary data, questionnaires, and statistical analyses. Strategic agility was measured based on primary data represented by the questionnaire, while secondary data was used to measure liquidity risk. The primary data included employees working in the administrative and financial departments of Iraqi commercial banks. The sample consisted of the largest number of employees, which numbered approximately 400 participants. The questionnaire was designed and distributed in paper form. The researchers were able to obtain 304 questionnaires which could be used for statistical analysis. The secondary data that was used to measure liquidity risk was selected from 16 banks out of 25 banks for the period from 2005 to 2023.

Study Tool

After searching the literature related to the subject of the study, the researchers formulated the questionnaire to include the following sections:

The first section: includes demographic variables. Information related to this section was collected through closed questions, which consisted of four factors: age, gender, qualifications, and experience.

The second Section: Strategic agility consists of three dimensions: strategic sensitivity, collective commitment, and resource fluidity. This questionnaire consisted of 19 items, all of which were based on a Likert-type (5) scale

The liquidity risk measure was based on the formula: Liquid assets/total assets ratio. The higher the ratio, the lower the risk. This formula was adopted based on previous studies such as (Aspal and Nazneen, 2014; Mohamed and Onyiego, 2018).

Statistical Tests

The data collected through the questionnaire responses and historical data were analyzed using the statistical package for the social sciences (SPSS version 26) in analytical and inferential processes. The statistical methods that suit the objectives of this research were chosen, which are (reliability, Cronbach's alpha, (AVE), skewness test, percentage and frequency of distribution, arithmetic mean, and standard deviation).

Validity and Reliability

The researchers relied on the comprehensive method in the content of the questionnaire list to verify the validity of consistency. This was implemented by presenting the draft questionnaire to a group of arbitrators. The criteria that made up the questionnaire were reviewed by the arbitrators to verify its content. These modifications contributed to drafting a set of items to take the questionnaire into its final form (Sekaran, 1992).

As for the reliability of the questionnaire, the study by Bagozzi and Yi (1988) concluded that reliability is the ability that an instrument has to give similar results if the measurement is repeated on the same person several times under similar circumstances. Regarding the evaluation of the measurement tool, the researchers relied on composite reliability (CR) and indicators related to Cronbach's alpha and the average variance extracted. The results of the data analysis appear in Table No. (1)

Table (1)

The Reliability for the Study Variables

Variables	Dimensions	Cronbach's alpha value	CR	AVE
Strategic Agility	Strategic Sensitivity	0.91	0.92	0.59
	Resource fluidity	0.92	0.91	0.79
	Collective Commitment	0.91	0.91	0.82

Source: Prepared by researchers based on field study.

Table No. (1) displays the values of Cronbach's alpha, which range between 0.91 and 0.92. This is consistent with the results determined for the categorical value by (Hu & Bentler, 1999), which should be equal to or greater than 0.60. The value of CR ranged between 0.91 and 0.92, and these values similar to the values determined by Fornell & Larcker (1981), which should be equal to or greater than 0.70. When looking at the values of (AVE), it ranged between 0.59 and 0.82. These results were consistent with what was determined by the study Malhotra & Dash (2011), which should be equal to or greater than 0.5. These results show that the reliability standards are good. In addition, the accuracy of the existing scale to determine the relationship between the normal use of the distribution in the questionnaire data and.

Before addressing the study hypotheses, the researchers intended to conduct skewness and kurtosis tests to ensure whether the data was normally distributed. Table No. (2), shows that the variables analyzed are less than the significance level (0.05). The results for kurtosis and skewness were limited to values ranging between .44 and -.90 this result can give a clear explanation that the distribution results are normal for the study variables, and based on this basis, tests were relied upon to verify the study's hypotheses (Sekaran and Bougie, 2016).

Table (2)

The Normal Distribution Test for the study

Variables	Dimensions	Skewness	Kurtosis
Strategic Agility	Strategic Sensitivity	0.44	-0.90
	Collective Commitment	0.42	-0.83
	Resource fluidity	0.37	-0.73

Source: Prepared by researchers based on field study.

Discussing the results of the analysis and testing hypotheses

Descriptive analysis of the study variables

Table (3)

Descriptive analysis of strategic sensitivity

Strategic sensitivity	N	Mean	Std. Deviation
1-Identify opportunities and risks in new ways as they arise	304	2.30	1.336
2- Maintain strategic advantage through foresight and anticipation	304	2.33	1.259
3-Having flexibility within the organization to recognize environmental changes	304	2.33	1.307
4- The organization has the ability to create new alternatives	304	2.31	1.239
5- Employees work creatively to continuously improve efficiency	304	2.22	1.223
6- Employees work creatively to continually improve ineffective processes, instead of working around them	304	2.26	1.146
7-The business has the capacity for continuous developments.	304	2.32	1.201
8- Communication is the main key driver in the organization's strategy.	304	2.22	1.180

Source: Prepared by researchers based on field study

Table (3) shows the arithmetic means and standard deviation for the lowest and highest answers. Paragraph (3) reached the highest average of (2.33), while the standard deviation obtained by this paragraph was (1.307). This percentage is considered the highest among the paragraphs for this dimension. As for paragraph (8), which concerns continuous developments, it had the lowest arithmetic mean of (2.22), and its standard deviation was (1.180).

Table (4)

Descriptive analyzes of collective commitment.

collective commitment	N	Mean	Std. Deviation
1-Leaders in my organization participate in open dialogue and welcome differences of opinion.	304	2.36	1.298
2-My organization's leaders reveal their core motivations, including aspirations, fears, and biases.	304	2.37	1.344
3-My organization's leaders work as a cohesive, integrated team to create value.	304	2.40	1.408
4-My organization's leaders care about the common interest through an ambitious vision, compelling missions, and shared values and passions	304	2.39	1.340
5-Leaders in my organization care about others and show compassion and empathy	304	2.37	1.291

Source: Prepared by researchers based on field study.

Table (4) shows the standard deviation and the arithmetic mean of the lowest and highest answers about collective commitment. It can be noted that paragraph No. (3) obtained the highest arithmetic mean value of (2.40) and its standard deviation reached (1.408), as this

percentage is the highest among the items in this dimension. While the value of the arithmetic mean for paragraph No. (1) was (2.36), which is considered the lowest value, and its standard deviation was (1.298).

Table(5)

Descriptive Analysis for Resource Fluidity

Resource fluidity	N	Mean	Std. Deviation
1-Teams have the ability to find effective solutions when new problems arise without a book or instructions to guide them	304	2.42	1.287
2-There is a strong sense of “we win together and we lose together” prevailing in the organisation	304	2.53	1.327
3-When making major decisions in the organization, different perspectives are encouraged	304	2.52	1.374
4-It is easy to move resources quickly and flexibly around the organization in response to need	304	2.34	1.269
5-Maintains strategic advantage through anticipation and foresight.	304	2.44	1.275
6-The organization has a parallel business model where it can switch from one to another when needed	304	2.51	1.285

Source: Prepared by researchers based on field study.

Table (5) displays the values of the standard deviation and the arithmetic mean for the lowest and highest rated responses. Item No. (2) obtained the highest average with a rating of (2.53) and a standard deviation of (1.327), as these values are the highest among the items in this dimension. This level can be considered relatively high with the rest of the items among respondents, as it receives priority as the most positively rated item within this dimension. In contrast, item (1) obtained the lowest level of arithmetic mean with a value of (2.42) and its standard deviation was (1.287). This demonstrates the low level of agreement obtained between respondents compared to the other items.

Hypothesis Testing

- 1- There is a significant impact of Strategic sensitivity on liquidity risk in Iraqi commercial banks.**

Table (6)

Testing the first hypothesis of the study “Linear Regression Analysis”

Independent Variable	(B)	T- Value	Sig*(T)	(R)	(R ²)	F-value	Sig*(F)
Constant	.254	6.854	.000	.434	.188	70.026	.000
Strategic Sensitivity	.124	8.368	.000				

Source: Prepared by researchers based on data from the field study.

Table (6) shows that there is a statistically significant effect of strategic sensitivity on liquidity risk in Iraqi commercial banks. Where the value of (F) is equal to (70.026) and the significant level is equal to (0.000), that is less than (0.05), which indicates the validity of the strategic sensitivity variable to predict the values of the dependent variable (liquidity risk). The coefficient of determination (R^2) for this relationship is equal to (0.188). This shows that strategic sensitivity has the ability to explain approximately 19% of liquidity risk, and this is acceptable explanatory power. Accordingly, the first hypothesis was accepted, which states: There is a significant effect of strategic sensitivity on liquidity risk in Iraqi commercial banks.

2- There is a significant impact of collective commitments on liquidity risk in Iraqi commercial banks.

Table (7)

Testing the second hypothesis of the study "Linear Regression Analysis"

Independent Variable	(B)	T- Value	Sig*(T)	(R)	(R ²)	F-value	Sig*(F)
Constant	.367	10.617	.000	.303	.092	30.512	.000
Collective commitment	.072	5.524	.000				

Source: Prepared by researchers based on data from the field study.

Table (7) shows that collective commitment has a statistically significant effect on liquidity risk in Iraqi commercial banks. Whereas the value of (F) reached (30.512) at a significant level (0.000), and this value is less than (0.05), which indicates that the independent variable (collective commitment) has the ability to predict the values of the dependent variable (liquidity risk). The value of the coefficient of determination (R^2) reached (0.92), and these values show that the collective commitment has the ability to explain 9.2% of the value of the change in liquidity risk, as this explanatory value is acceptable. The collective commitment also has a direct impact on liquidity risk at a significance level of (0.000). Therefore, the second hypothesis was accepted, which states: There is a significant effect of collective commitment on liquidity risk in Iraqi commercial banks.

3- There is a significant impact of resource fluidity on liquidity risk in Iraqi commercial banks.

Table (8)

Testing the third hypothesis of the study "Linear Regression Analysis"

Independent Variable	(B)	T- Valu	Sig*(T)	(R)	(R ²)	F-value	Sig*(F)
Constant	.452	11.571	.000	.139	.019	5.869	.016
Resource fluidity	.035	2.423	.016				

Source: Prepared by researchers based on data from the field study.

The results in Table (8) showed that resource fluidity has a statistically significant effect on liquidity risk in Iraqi commercial banks. Whereas the value of (F) reached (5.869) at a significant level (.016), and this value is less (0.05), which shows that the independent variable (resource fluidity) is valid for predicting the values of the dependent variable (liquidity risk).

Also, the value of the coefficient of determination was (.019), Although the explanatory power of this relationship is weak, resource fluidity has a direct impact on liquidity risk. Therefore, the third hypothesis was accepted, which states: There is a significant effect of resource fluidity on liquidity risk in Iraqi commercial banks.

Conclusion

The aim of this study is to verify the impact of the dimensions of strategic agility in reducing liquidity risks in Iraqi commercial banks. Strategic agility has been adopted as a form of management to address risks. Strategic agility also promotes proactive identification of liquidity risks to exploit available opportunities and reduce risks. The results of this study found that strategic sensitivity has a clear and important effect in reducing liquidity risks in Iraqi commercial banks. The results also showed that collective commitment has a positive impact on reducing liquidity risk. The increase in the frequency of participation as a single work team and the increase in levels of cooperation among senior employees contribute to improving risk management. Moreover, the results of this study found that resource fluidity has a positive effect in reducing liquidity risk. Fluidity in resources plays an important role in providing the important needs of banks in times of shock, which contributes to reducing financial defaults and increases confidence among borrowers and investors.

In addition, the results of this study found that the level of strategic sensitivity, collective commitment, and resource fluidity is low in Iraqi banks, so the level of knowledge and skills in practicing the dimensions of strategic agility was not impressive. Also, the majority of employees in these banks lack sufficient awareness of risk management, which negatively affects the banks' operations. The results of the study also concluded that the increase in liquidity risks in Iraqi banks is due to neglecting to apply the dimensions of strategic agility. This strategy has an important role in adapting to changes in unstable markets, improving risk management, and working effectively with those changes.

Suggestions

Based on the results discussed above, Iraqi commercial banks need to take into account the following suggestions to understand the use of strategic agility dimensions to reduce liquidity risks, banks also need to understand the relationship between these two variables. Strategic agility has an important role in enhancing the capabilities of institutions to adapt quickly to economic and financial changes, it also enables departments to improve the level of their risk management. Banks must pay attention to applying strategic sensitivity as an early warning system to predict liquidity risks before they occur. Emphasis must also be placed on analyzing historical financial data to predict future liquidity needs. Reducing liquidity gaps by anticipating and preparing for sudden changes and improving the ability to quickly make informed decisions regarding liquidity.

In addition, Iraqi commercial banks need to encourage collective commitment and cooperation among employees at different levels because this improves the results of liquidity risk management. Iraqi commercial banks must also pay attention to the work of the specialized technical committee to implement the collective commitment because it play an important role in the financial stability of banks. Bank management not only needs to focus on speed and flexibility, but it also needs to feed this mechanism through effective leadership.

Moreover , Iraqi commercial banks need to enhance fluidity resources to reduce liquidity risks during periods of sudden change. Banks must also believe that adaptation to changes in the market is not possible without resources being liquid during the exercise of

their activities, due to their role in enhancing the ability of banks to change course to reduce liquidity risks. In addition, banks must develop appropriate plans and procedures to overcome obstacles that delay the proper use of strategic agility. They also need to increase awareness of the practice of strategic agility among employees at various administrative levels. Strategic leadership must align employees' actions with the dimensions of strategic agility because it improves their abilities to manage liquidity risks and deal with changes.

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