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The impact of financial sustainability in reducing financial fragility An analytical research in Al Khaleej Commercial Bank

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Abstract. The research is concerned with a vital contemporary topic, which is financial sustainability and measuring its impact in reducing the financial fragility of the banking sector in Iraq (Khaleej Commercial Bank). The research also addresses the problem of the bank's lack of interest in researching and determining financial sustainability, and determining its impact on financial fragility, and the aim of the research is to analyze the reality of financial sustainability. And its impact on financial fragility.

The elements of financial sustainability (investment of capital and time, possibility of making profit, continuous financial review, planning, commitment, good management and teamwork) and their impact on financial fragility were relied upon. The research followed the descriptive analytical approach in presenting the research topics, and the comprehensive inventory method in determining the sample size, as the sample size reached (69) individuals, The study utilized descriptive and inferential statistical methods using SPSS (Version 23). Descriptive statistics were employed to summarize the data, while reliability and validity were confirmed through internal consistency and Cronbach's alpha. Spearman's correlation was used to examine relationships between variables, and multiple regression analysis with ANOVA was applied to test the impact of financial sustainability on financial fragility at a 0.05 significance level. Based on the research results, the importance of financial sustainability in minimizing financial fragility within the studied research sample is clarified. In addition, the research has resulted in several recommendations, of which the main highlight is the need to strengthen the bank's ability to plan for a large number of different situations.

Keywords: investment of capital, potential for profit, financial fragility.

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Introduction

The pursuit of a more sustainable future necessitates a comprehensive approach across various industries, with particular attention directed towards the financial sector due to its significant influence and resources. This sector possesses substantial capabilities to finance initiatives and raise awareness regarding sustainability issues, whether through supporting research and development efforts in alternative energy sources or backing enterprises committed to fair and sustainable business practices. Sustainability, as a concept, addresses environmental challenges and endeavors to transition the financial sector into an environmentally sustainable state by addressing specific environmental goals. This endeavor is intrinsically linked to the endeavors of environmental entrepreneurs who endeavor to operate in an environmentally conscious manner, introducing environmentally friendly products, processes, and services. These sustainable entrepreneurs aim to make a meaningful impact

by generating environmental value, promoting environmental responsibility, conserving natural resources, and fostering economic development.

In this perspective, financial sustainability represents a vital and growing field of business studies. In a broad sense, the relatively recent concept is associated with innovative behaviors of business actors in sustainability contexts, so that it can be linked to various other concepts and phenomena, including the financial sustainability of organizations, the social responsibility of organizations, and organizational citizenship. , creativity, or social entrepreneurship, from a more detailed perspective, although definitions vary, financial sustainability is essentially a proactive, innovation-oriented business approach, aiming to generate competitive advantage by identifying sustainability as new business opportunities, leading to production methods Or ways to organize financial operations in a sustainable way with the aim of reducing financial fragility.

Literature Review

1. Rahi, S., et al. (2024)study, Titel "**Corporate sustainability and financial performance: A hybrid literature review**"
This study examined the relationship between corporate sustainability and financial performance through a comprehensive bibliometric review of 38 studies. The findings revealed a generally positive correlation between corporate sustainability practices and financial performance, but this correlation appears over time rather than immediately. The study indicated that sustainable corporate activities create reserve resources by avoiding critical costs associated with sustainability risks. Effective risk management also reduces the likelihood of costly environmental or legal liabilities, and sustainable companies enhance their brand reputation, leading to increased customer loyalty.
2. Novitasari, et al. (2024)study, Titel "**A Systematic Literature Review of Financial Sustainability Systematic Literature Review on Financial Sustainability**"
Novitasari et al. provide a systematic literature review tracing how financial sustainability has been conceptualized, measured, and applied across contexts. They analyze 27 key articles (2013–2022), highlighting trends, gaps, and research directions, especially the limited work in public and private sectors beyond microfinance and banking.
3. Munandar et al. (2025) study, Titel "**Financial sustainability research: A bibliometric analysis of global scholarly output**" This research employs bibliometric methods, utilizing data from the Scopus database, as well as the Bibliometrix R-package (Biblioshiny) and VOSviewer analysis tools. The analysis showed that research on Financial Sustainability experienced significant growth with an annual growth rate of 8.84% from 1987 to 2025. The literature reviewed is relatively young and influential, with an average age of 5.92 years and 13.65 citations per document. The high diversity of keywords and international collaboration (21.86%) reflects the cross-national and interdisciplinary approach. The variety of document types also enriches understanding. Publication peaks occurred in 2023 and 2024, as the urgency of sustainability issues increased globally. The United States, Italy, and the United Kingdom are the main contributors, followed by a significant increase from Asian countries. The Journal of Cleaner Production is the main reference source.
4. Abuamsha's (2025)) study, Titel "**The impact of FinTech on financial sustainability in the GCC: A comparative study of FinTech and non-FinTech companies**" develops a composite Financial Sustainability Index (FSI) for firms in the Gulf Cooperation Council. The research examines internal (ROA, leverage) and external factors (GDP, inflation) influencing sustainability, offering a novel integrated measurement approach beyond traditional isolated ratios.
5. Chen, et al. (2024) study, Titel "**How does financial literacy affect households' financial fragility? The role of insurance awareness**" This study investigates the impact of heads of households' financial literacy on household financial vulnerability, focusing on the mediating role of insurance awareness. The study employed a tablet-based model using tablet data from four waves (2015, 2017, 2019, and 2021) of the China Household Finance Survey, comprising 58,802 observations. First, improved financial literacy significantly reduces household financial vulnerability, with insurance participation emerging as a crucial mechanism. Second, cross-sectional analyses show that the beneficial effects of financial literacy are most pronounced in

households not constrained by wealth or cognitive skills, as well as in households with low health risks and those located in centralized areas. Third, the study identifies that financial literacy, through its distinctive financial knowledge characteristics

6. Donou-Adonsou, et al.(2025) study, Titel "**BNPL and financial fragility in U.S. households. ScienceDirect.**" **This study examines the relationship between Buy Now, Pay Later (BNPL) usage and financial fragility among U.S. households**" Using nationally representative survey data, we assess how indicators of financial vulnerability, such as lack of emergency savings, income irregularity, and perceived financial insecurity, relate to both the likelihood and frequency of BNPL use. Employing ordered probit and probit models, as well as propensity score matching and instrumental variable probit estimators, we find consistent evidence that financially fragile individuals are significantly more likely to use BNPL services, and to use them more frequently. These results suggest that BNPL is not merely a convenient payment alternative to traditional credit but may serve as both a marker and a consequence of financial stress. Subgroup analyses reveal that this relationship is particularly strong among middle- and higher-income households, while financially fragile individuals with lower incomes or younger age are less likely to use BNPL, possibly due to access barriers. The findings underscore the importance of integrating BNPL into broader financial health monitoring frameworks and suggest the need for stronger regulatory oversight to protect economically vulnerable consumers. Overall, this research contributes to the growing understanding of how emerging fintech products intersect with household financial stability.
7. Dahmash's (2025) s study, Titel "**Determinants of Financial Fragility in Non-Financial Firms**" explores financial fragility within Jordanian non-financial companies, using Minsky's Financial Fragility Index. It identifies factors — especially cyclical pressures and sector vulnerabilities — that make firms structurally fragile, emphasizing firm-level and macro conditions
8. Kleimeier, et al.(2023) study, Titel "**Determinants of individuals' objective and subjective financial fragility during the COVID-19 pandemic**" This study examines the objective and subjective determinants of individuals' financial vulnerability during the COVID-19 pandemic. It distinguishes between two types of financial vulnerability: objective (the ability to cope with unexpected expenses) and subjective (the pressures of managing current finances). The findings show that financial literacy and government support play a significant moderating role in reducing objective financial vulnerability at varying levels of income instability. The study also found that internal locus of control and psychological resilience reduce subjective financial vulnerability. These findings have implications for policymakers, providing leverage to reduce both objective and subjective financial vulnerability by promoting financial literacy, providing adequate government support, and developing psychological resilience.

The first section - the methodological presentation

First - the problem and research questions

In the context of monetary policy decision makers in Iraq seeking to modify paths for sustainable financial decisions that focus on environmental, social and governance considerations to reduce cases of financial instability and face difficulties in fulfilling their obligations related to responsibility or that they rely heavily on debt refinancing, there are some Banks face difficulty in applying the elements of financial sustainability, including Al-Khaleej Commercial Bank, so some problems related to financial instability arise, which is the knowledge gap specific to this research.

Financial sustainability in the context of the financial sector involves the meticulous integration of environmental, social, and governance (ESG) considerations into investment decisions. This strategic approach fosters a commitment to long-term investments in economically sustainable activities and projects. Environmental factors encompass strategies aimed at both mitigating and adapting to climate change, as well as broader initiatives such as biodiversity conservation, pollution prevention, and the advancement of circular economies. Social considerations encompass critical issues such as addressing inequality, promoting inclusivity, managing labor relations, investing in human capital and community development, and upholding human rights standards. The effective management of public and private enterprises, including governance structures, employee relations, and executive

compensation, is paramount to ensuring that social and environmental factors are duly prioritized within the decision-making framework.

Through the previous presentation, the research focuses on a main question, which is (What is the impact of financial sustainability in reducing financial fragility in Khaleej Commercial Bank?) and the following questions branch out from it:

1. Is there a correlation between financial sustainability and reducing financial fragility?
2. Is there an impact of financial sustainability in reducing financial fragility?

Second - The significance of research

The significance of research is demonstrated by:

1. Discussing the conceptual frameworks for the research variables (financial sustainability, financial fragility) and their elements.
2. Diagnosing and testing the reality of the main research variables by presenting the trends in the answers of the individuals surveyed at the Gulf Commercial Bank in Iraq.
3. Testing a correlation between financial sustainability and its elements (investment of capital and time, possibility of making profit, continuous financial review, planning, commitment, good management and teamwork) and financial fragility in the field under research.
4. Analysis of the impact of financial sustainability with its elements (investment of capital and time, possibility of making profit, continuous financial review, planning, commitment, good management and teamwork) on financial fragility in the field under research.

Third - Research objectives

The primary objective of the research is to identify the impact of financial sustainability in reducing financial fragility, and other objectives are:

1. Knowing the extent to which Al Khaleej Commercial Bank, the researched field, is aware of the issue of financial sustainability and its use in reducing financial fragility.
2. Measuring the correlations and influence between the research variables (financial sustainability, financial fragility).
3. Coming up with a set of recommendations for the bank and the research community that would help reduce the financial fragility of its leaders through financial sustainability.

Fourth - the default search scheme

This paragraph presents the hypothetical research plan by presenting the research variables, where the researcher adopted financial sustainability as an independent variable, and the researcher adopted (investing capital and time, the possibility of achieving profit, continuous financial review, planning, commitment, good management, and teamwork) as main elements for measurement, and financial fragility as a variable. Continue, as shown in Figure (1).

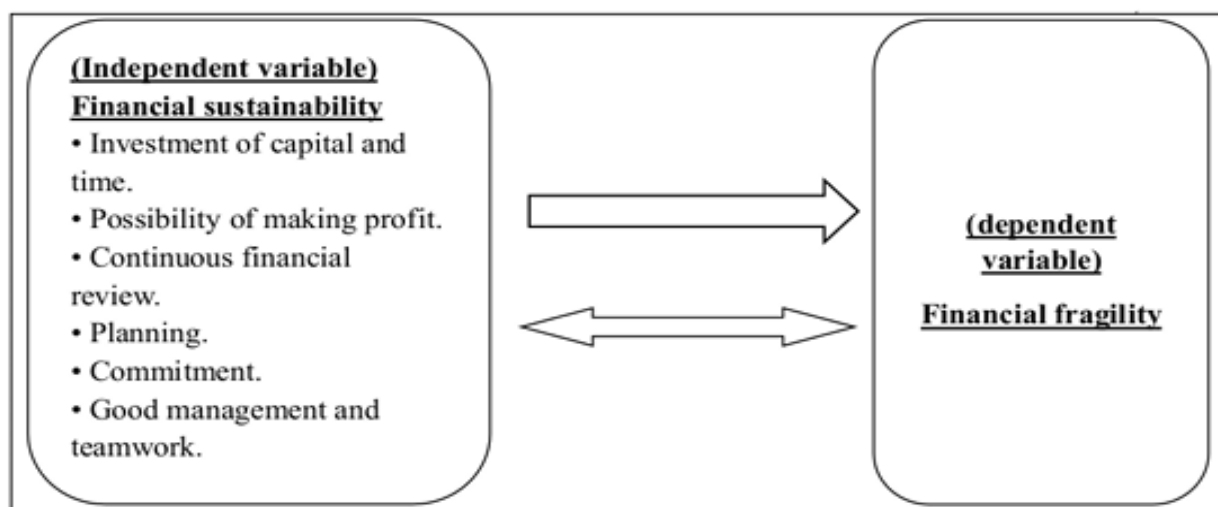


Figure (1) Research model

Fifth - Research hypotheses

1. There is a significant correlation between financial sustainability and its elements (investment of capital and time, the possibility of achieving profit, continuous financial review, planning, commitment, good management and teamwork) and financial fragility in the field under research.
2. There is a significant effect of financial sustainability with its elements (investment of capital and time, possibility of achieving profit, continuous financial review, planning, commitment, good management and teamwork) in reducing financial fragility in the field under research.

Sixth - Research methodology

The applied descriptive method is the method adopted by the researcher. It is an approach that specializes in a phenomenon or problem in an organization or group of organizations for the purpose of examining that problem, analyzing it, and showing the statistical relationships between the research variables.

Seventh - Research tools

The researcher relied on the research tools in the theoretical framework of scientific research and university theses, and in the applied framework on the questionnaire, and the questionnaire included:

First, personal variables.

Secondly, it included the main research variables, which are: (financial sustainability, financial fragility), shown in Table (1).

Table (1): Dimensions, variables, and approved sources

Financial sustainability	Investment of capital and time	4	(Nier et al, 2017: 2036) (Sardaro et al, 2017: 161) (Markulev, 2013: 32) Thomas, & Paraque,) (2018: 84
	Possibility of making profit	4	
	Continuous financial review	4	
	Planning	4	
	Commitment	4	
	Good management and teamwork	4	
Financial fragility		8	(Stiglitz, 2010: 389) (Allen et al, 2014: 1017)

Source: Prepared by the researcher.

Eighth - Research test

1. Honesty of the arbitrators: The researcher distributed the questionnaire to several arbitrators to express their opinion on the questionnaire paragraphs and evaluate and evaluate them. They numbered 9.
2. Internal validity: The researcher adopted the correlation coefficient to indicate the consistency of the questionnaire items, as the correlation reached (0.772) and this indicates good consistency.
3. Reliability: The researcher adopted the Cranach's Alpha coefficient to indicate the reliability of the questionnaire items, and its value reached 0.69, which is a good percentage, As demonstrated in Table (2).

Table (2) A reliability assessment of the scale instrument.

Search scale.	α -Cronbach.	Pearson correlation coefficient	Spearman-Brown coefficient	Guttman split-half coefficient
Sum	.781	.780	.813	.812

The source of the data is derived from the statistical software program (SPSS-23) and compiled by the researcher.

Ninth - The scholarly community and the research participants

The research encompassed a representative sample of the target population. by managers working at Al Khaleej Commercial Bank, and the sample size was determined by relying on the comprehensive inventory method, as (71) were distributed and (69) questionnaires valid for measurement were retrieved. As for the field of research.

Tenth - Limits of research

The boundaries of the search can be identified by:

1. Temporal constraints: The research was carried out between June 1, 2023, and November 25, 2023, delineating the overall timeframe for the research.
2. Geographical parameters: The research encompassed the Gulf Commercial Bank as its spatial confines.
3. Human parameters: The investigation established a deliberate, non-random sample, comprising 71 individuals, including bank managers, their assistants, and department heads.

The second section - theoretical literature

First - The theoretical literature on the subject of financial sustainability

1- Concept: Signal (Mbulawa, 2019: 117) indicated that it is the ability of banks To establish and uphold a robust financial foundation, it's crucial to assess various financial and operational factors, including revenue sources and debt levels, to gauge an organization's financial sustainability. Additionally, annually reviewing the diversification of a company's investment portfolio is essential (only applies if the company conducts primarily investment operations) and the overall profitability of the company (particularly of its core operations).

Sustainability achieves a set of goals, the most important of which is Reducing poverty levels and exploring alternative approaches to managing economic crises with a focus on ensuring equitable distribution of financial resources among individuals. . Providing a set of solutions to maintain global food proportions. And ensuring the provision of comprehensive and adequate education that maintains sustainability, through the emergence of new studies that provide ideas for adequate support for sustainability (Vandyk & Christian, 2019: 42). In the context of EU policy, financial sustainability is understood as financing to support economic growth while reducing pressures on the environment to help achieve the climate and environmental goals of the European Green Deal, taking into account social and governance aspects. Financial sustainability also includes transparency when it comes to risks related to environmental, social and governance factors. that may have an impact on the financial system, and mitigate these risks through appropriate governance of financial actors and banks (Soppe, 2019: 14).

Financial sustainability refers to a company's ability to plan for different scenarios and effectively execute those plans to mitigate negative impacts or optimize gains. This is heavily influenced by the proficiency and responsiveness of senior management in addressing global or local circumstances that may affect the company's financial standing in regions or countries where it operates.

2- Importance: "Sustainability encompasses addressing environmental challenges and endeavors to transition industries toward an environmentally sustainable state by achieving targeted environmental objectives. This aligns closely with the endeavors of environmental entrepreneurs who aim to operate in an eco-friendly manner through the introduction of 'green' products, processes, and services. Sustainable individuals aspire to have a meaningful impact by fostering environmental value, adhering to eco-conscious principles, preserving natural resources, stimulating economic development, and ensuring financial viability. (Seuring, & Müller, 2018: 1699).

Sustainability in terms of financing is crucial for the bank for the following reasons: (Bottani et al, 2017: 4)

Ensuring the prudent utilization of financial resources involves safeguarding natural assets to preserve an environment akin to what we inherited for the benefit of future generations, particularly when alternatives to depleted resources are scarce. Recognizing the environment's finite capacity to absorb waste is crucial. Determining the precise allocation of each depleted resource depends on its actual economic worth and establishing an appropriate price reflective of that value. The ultimate aim of financial sustainability is to harmonize economic progress with environmental preservation, while

respecting the rights of forthcoming generations to access natural resources, especially those in decline.

3- Areas of sustainability:

In a broad sense, environmental sustainability encompasses various dimensions, spanning policy, finance, culture, institutional backing, human resources, and markets. These domains encapsulate a wide array of intricate and diverse subjects, as delineated by (Van der Zwan et al. 2012: 630):

- Policy: Encompasses governmental regulations and support.
- Finance: Encompasses the entirety of financial services accessible to entrepreneurs.
- Culture: Encompasses societal norms and success narratives that serve as motivational catalysts for entrepreneurial endeavors.
- Institutional support: Encompasses non-governmental organizations (NGOs), infrastructure, and the backing of professionals such as investment bankers, technical experts, and consultants.
- Markets: Encompasses leadership networks and consumer bases.
- Human resources: Encompasses the educational framework and the proficiency level of the workforce.

4- Dimensions: The concept of financial sustainability is based on a set of basic dimensions, which are as follows: (Sardaro et al, 2017: 161) (Nier et al, 2017: 203)

- Equity investment: The term equity investment refers to any amount of money provided as financing for a company; To help them achieve and enhance a specific commercial goal, some institutions specify an amount of money to be granted as a loan to another company to be repaid within a specific period of time or resulting in the company granting the loan owning a share of the future profits of the company that took the loan. With this definition, capital is Money is cash money.
- Achieving profit: Companies constantly seek to increase their profitability rates as much as possible, and in order to achieve this they may resort to one or more of the following policies, dispensing with non-profit-generating products: If the financial analysis shows that a particular product is constantly causing losses, it may be beneficial Giving up this product will improve profitability rates. Reducing expenses: Various means can be explored to reduce the company's unnecessary expenses in order to improve its profitability. For example, indirect expenses that are not directly related to the production process can be reduced. Raising commodity prices : this may force organizations to raise their prices for the products they put on the market in order to increase the level of profits they receive .
- financial auditing: it is an evaluative and systematic work of financial statements of companies. It is intended to ensure consistency between the data and the fact of the company's work. Audit teams work to examine accounting and financial operations and ensure their compliance with recognized accounting standards. One of the objectives of the financial audit is to ensure the accuracy and reliability of the financial statements provided by companies, it also includes identifying errors and detecting possible cases of financial fraud that occur in some financial records, and the financial audit also includes ensuring that the company applies the specified accounting standards .
- Financial audit and evaluation evaluates projects and financial allocations to ensure their effectiveness and suitability, and also includes providing ideas that improve the financial landscape of the company as well as enhancing the process of making rational financial decisions . Regardless of whether this assessment includes the investigation of corporate performance levels , the exercise of control over the development of financial plans , or the drawing up of optimal investment prospects .
- Dedication: Obligations are an important aspect of personal finance management. The financial commitment ratio, which is a quarterly measure provided by the Federal Reserve, is an estimate, as the ratio of family debt payments to available income is an accurate measure

of the budget of individuals. It is necessary for each budget to prioritize all financial responsibilities that an individual must fulfill within a specific time frame. The financial commitment ratio, a quarterly measure provided by the Federal Reserve, serves as an estimate... The ratio of family debt payments to disposable income is a valuable measure of the budget of individuals. This kind of accurate debt assessment is especially important in planning for retirement or leaving work. Therefore, when making long-term plans such as retirement planning or financing the education of children, individuals who manage budgets should take into account long-term obligations such as mortgage interest rates or expected health care expenses that have not yet been incurred

- Collaboration and effective leadership: Assuming the role of leading a team necessitates a solid grasp of leadership competencies and managerial techniques to thrive. Each of these skills must be carefully considered to excel as a leader and foster teamwork. Proficient communication stands as a cornerstone requirement for all effective leaders. They must articulate their ideas adeptly, convey the organization's vision to team members, ensure timely task completion, and provide clear job expectations to prospective hires

Second - The theoretical framework of financial fragility

1- The concept of financial fragility: Financial fragility is the weakness of the financial system in the face of financial crises (Krugman, 2011: 51). Lagunoff, & Stacey, 2011: 223 define financial fragility as the degree to which small shocks have disproportionately large impacts.

Financial fragility refers to the vulnerability of the financial system to collapse during periods of financial crises. According to Franklin Allen and Douglas Gill, it is characterized by the extent to which minor disturbances can have outsized effects. Roger Lagunoff and Stacy Schrieff similarly describe it in macroeconomics as the tendency of the financial system to experience significant crises stemming from minor, routine economic shocks. (Allen et al, 2014: 101).

Financial fragility refers to the situation of insufficient financial resources or means to deal with unexpected events or financial shocks. It is a situation in which a household, individual or economy is exposed to the risk of not being able to manage its financial obligations, or may not have sufficient savings or reserves. To cover unexpected expenses. Financial fragility can result from a variety of factors, including low income, high debt levels, or insufficient savings, and can also be caused by external events such as job loss, illness, or economic recession. Financial fragility can lead to financial instability and can be a significant cause of stress and anxiety (Raghuran, 2011: 289).

Financial fragility is a state of instability in financial markets that occurs when it becomes difficult to obtain financial liquidity (cash) to finance operations and projects. Financial fragility causes falling prices, increasing interest rates, and the collapse of financial and economic institutions. Financial fragility usually occurs when public (government) debt becomes so large that it becomes difficult for the government to repay investors and lenders (Dybvig, 2003: 402).

From the above, financial fragility can be defined as the state of the economy in which its financial system is at risk of collapse, or is already under pressure. Financial fragility can have many negative effects on the economy.

2. The ramifications of financial fragility, as a macro-market characteristic, directly influence the micro-level decisions made by market participants. Scholars are investigating how governmental intervention, such as selectively disseminating information about economic conditions, can foster market stability (Lagunov and Stacy, 2009: 533). In the modern global economy, financial fragility poses a pressing concern due to the interconnectivity of financial systems and the intricacies of financial instruments, rendering them susceptible to contagion and risk-sharing effects (van, 2006: 568). These effects can have widespread repercussions, impacting not only financial institutions but also exerting influence on the real economy and governmental actions. (Keister, 2010: 32).

We've shown that various characteristics of monetary instability impact the perfect data structure. During economic slumps, if the danger-sharing result is dominant, likely damages because of monetary fragility demonstrate a concave pattern. In such scenarios, the leadership ought to steer the marketplace toward complete wealth or downturn to diminish normal losses among participants by advocating wary investment at reduced costs. On flip side, if the pecuniary contagion consequence

takes over, potential money-related losses soar (Ricardo, 2010: 43). Even though there's plenty explorations on how financial instability affects both bank systems and fiscal markets as well its influence on economic growth, barely any studies probe into how it touches job rates. To our awareness, Poirier and their team (2013) inspect fallout of fiscal disturbances on work positions, eyeing different labor market schemes and financial solidity of banks in varied nations. They particularly deduce that banks with high leverage have more capability for both employment generation and annihilation compared to their less leveraged matches (Stein, 2010: 42).

3- Financial fragility risks:

Financial fragility refers to the vulnerability of financial systems to shocks, which may lead to a crisis (Stiglitz, 2010: 389). Risks resulting from financial fragility include: (Allen et al, 2014: 1017)

- Credit risk: It is the risk that borrowers will not be able to repay their debts. When borrowers default on their loans, lenders may lose money.
- Liquidity risk: includes the risk of the inability of the asset holder to convert the asset into cash and quickly without resulting in a loss in the value of the asset as a result of the conversion . Weak or insufficient liquidity levels lead to weak credit strength of banks, as it is difficult for banks to provide money to borrowers or creditors Or provide new credit facilities
- Market risk is the possibility of changes in the value of an asset or investment due to market conditions. The value of securities or investments may decrease due to market conditions or other factors, which leads to losses for investors and also affects the financial stability of the farmer in general .
- Operational risks are the risks of loss resulting from inadequate or failed internal operations, external events or staff errors. This can lead to financial losses and damage the reputation of financial institutions.
- The risks of the second party are the risks of the counterparty's inability to fulfill its obligations at the maturity specified in the contract. This can lead to financial losses of the First-party issuer of the contract, which depends on the counterparty to fulfill its obligations. Overall, financial fragility can create significant risks to the financial system and individual financial institutions. These risks can lead to financial losses, damage to the reputation of financial institutions, and even economic crises.

Third - the relationship between the two research variables

Financial sustainability is the financial state in which the organization is able to continue to achieve its mission in the long term. Hence, the importance of financial sustainability becomes clear as it is a condition for the survival of the organization itself and its ability to bring about the desired change in the target on the ground. Money is the lifeblood of the organization and its pulsating artery. Although financial sustainability is a condition for the sustainability of the organization in general, the organization is required to balance achieving financial solvency and achieving the mission, and this is truly one of the challenges facing the organization. Preoccupation with enhancing the financial position of the organization must not be at the expense of achieving the mission for which the organization was founded, and vice versa. Therefore, organizations' leaders and executives are called upon to adopt a strategic model that combines the efficiency of the financial and capital performance of their organizations (Gambetta et al, 2019: 62).

Distorted financing refers to practices, systems or policies that deviate from standard or appropriate financing methods. On the other hand, financial fragility refers to a situation in which an individual, company or economy is at high risk of experiencing financial difficulties, instability and even collapse, and there is a relationship between distorted financing processes and financial fragility. Distorted financing processes can lead to financial fragility when they lead to the accumulation of excessive debt, misallocation of resources, or poor financial decision-making, and this can lead to an increased risk of financial instability, insolvency, and bankruptcy (Palmer, 2014: 255).

For example, if a company engages in aggressive accounting practices to manipulate its financial statements, this could lead to distorted financing operations. This can lead to an overstatement of

profits or assets, which may make a company appear more financially stable than it actually is. This can lead to overvaluation of a company's shares and increase the risk of financial fragility. When the truth eventually emerges, distorted financing processes can actually lead to financial fragility, and it is essential for individuals, companies, and economies to avoid such practices to maintain financial stability (Henning, & Jordaan, 2016: 72).

(Bobinaite, 2015: 795) As an illustration, accounting departments must enhance their expertise in gathering, overseeing, analyzing, and presenting a diverse array of business metrics. Similarly, finance teams are required to assess the risks associated with renewable energy agreements, conduct thorough evaluations comparing balance sheets with the potential profits and losses stemming from investments in initiatives ranging from electric vehicle conversion to energy efficiency, and engage in extensive employee training. Additionally, treasury departments must grasp the intricacies of green bonds and comprehend how assessments of climate risk can influence credit arrangements or insurance decisions.. (Henock, 2019: 3).

The third section - the applied part
First - analysis of the research variables
1. Financial sustainability

Financial sustainability is the independent variable in the questionnaire research, as this paragraph focuses on answering (to what extent do sample members have a perception of the dimensions of financial sustainability in the field under investigation?) A set of statistical methods (arithmetic mean, standard deviation, and coefficient of variation) were used for the variable.

Table 3: Description of the independent variable

T	Dimensions	Arithmetic mean	standard deviation	Coefficient of variation
1	Investment of capital and time	3.811	0.612	%16.1
2	Possibility of making profit	4.271	0.585	%13.8
3	Continuous financial review	3.960	0.551	%14.2
4	Planning	3.831	0.475	%12.6
5	Commitment	3.650	0.594	%16.2
6	Good management and teamwork	3.623	0.612	%16.8
	Overall rate of financial sustainability	3.819	0.449	%11.7

Source: SPSS program.

The general arithmetic mean for this variable was (3.89), with a standard deviation of (0.449), and a coefficient of variation (11.7%), with a high evaluation of the answers, which indicates the homogeneity of the respondents' answers and their lack of high dispersion towards the administrative leaders in the bank under question being able to develop strategies that are consistent with its vision and goals. After (the possibility of making a profit), it obtained the highest arithmetic mean (4.269), a standard deviation (0.587), a coefficient of variation (13.8%), and a very high level. It came in second place (continuous financial review), in third place (planning), in fourth place (investment of capital and time), in fifth place (commitment), and finally (good management and teamwork) with a mean of (3.623) and a standard deviation of (0.612). The coefficient of variation of power (16.8%) is at an average level.

2. Financial fragility

Financial fragility is the dependent variable in the research in the questionnaire and it includes eight sub-items to measure it. In order to answer the question (to what extent do sample members have a perception of the dimensions of financial fragility in the field under investigation?) a set of statistical methods (arithmetic mean, standard deviation, and coefficient of variation) were used.) for the variable.

The general arithmetic mean for this variable was (4.073), with a standard deviation of (.484), a coefficient of variation of (11.8%), and a high evaluation of the answers, which indicates the

homogeneity of the respondents' answers and their lack of high dispersion regarding the leaders in the bank under question having ideas to reduce financial fragility. Item (n3) obtained the highest arithmetic mean (4.255), standard deviation (0.447), coefficient of variation (10.6%), and a very high level. While paragraph (n1) came in last place according to its data shown in the table below.

Table 4: Description of the dependent variable

T	Dimensions	Arithmetic mean	standard deviation	Coefficient of variation
1	N1	3.885	0.526	%13.3
2	N2	4.251	0.477	%11.2
3	N3	4.255	0.447	%10.6
4	N4	4.072	0.485	%11.9
5	N5	4.014	0.450	%11.2
6	N6	4.239	0.484	%11.6
7	N7	3.964	0.521	%13.2
8	N8	4.248	0.480	%11.3
Overall rate of financial fragility		4.073	0.484	%11.8

Source: SPSS program.

Second - Analysis of research hypotheses

1-Analysis of correlation hypotheses:

This paragraph focuses on analyzing the hypothesis (the existence of a correlation between financial sustainability and reducing financial fragility in the field under investigation). The statistical treatment of the first hypothesis requires the use of the Correlation Coefficient Spearman to test the correlation between the research variables (financial sustainability, financial fragility), and its results are shown below:

Table (5) Spearman test analysis between the research variables

Dependent variable	Correlation and significance	Financial sustainability	Investment of capital and time	Possibility of making profit	Continuous financial review	Planning	Commitment	Good management and teamwork
Financial fragility	Spearman correlation (R)	**0.863	**0.823	**0.462	**0.817	**0.442	**0.873	**0.822
	Sig (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: SPSS program.

It is clear to us from the above that there is a correlation at the level of research variables, and the correlation value was 0.86, which is a positive value. As for the dimensions of financial sustainability, the most closely related to financial fragility was the commitment dimension, with a value of 0.87, then it came after capital investment, with a value of 0.823, and then it came after Good management and teamwork with a value of 0.822, then it came after continuous financial review with a value of 0.81, then it came after the possibility of making a profit with a value of 0.46, and finally it came after planning with a value of 0.44. Thus, this result confirms the validity of the first hypothesis that there is a significant correlation between financial sustainability in terms of its elements and reducing financial fragility in the field under investigation.

2- Analysis of impact hypotheses

This paragraph is concerned with explaining the result of the impact hypothesis, which is that there is an impact of financial sustainability in reducing financial fragility in the field under investigation. To know the effect of financial sustainability in reducing financial fragility, and to answer the second hypothesis, we used regression coefficients and analysis of variance (ANOVA) as shown below:

Table No. (6): Results of the influence relationships between the research variables

Dependent variable	Model Summary		ANOVA			Coefficients			
	R	R ²	F	DF	Sig*	Financial sustainability	B	t	Sig*
Financial fragility	0.924	0.854	132.87	6	0.00	Investment of capital and time	0.271	5.106	0.00

					Possibility of making profit	0.152	4.053	0.00
					Continuous financial review	0.177	3.014	0.00
					Planning	0.101	1.917	0.04
			63		Commitment	0.410	6.901	0.00
			69		Good management and teamwork	0.352	6.162	0.00

Source: SPSS program.

As shown above, the data shown in the table show that there is an effect of the financial sustainability variable in reducing financial fragility in the field of the research sample. This is evident through the value of the coefficient of determination of 0.85, and this is supported by the F value of 132.87 and within the level of significance of 0.05. As for the dimensions of sustainability We note that there is an impact for all dimensions in reducing financial fragility, and the commitment dimension had the highest impact, with the value of the impact factor (B) reaching (0.410), and what confirms this is the value (t) for the same variable, which reached (6.901). At a significance level less than (0.05). The least influential element was (planning) (0.101) in terms of the degree of influence, and therefore these results confirm the validity of the second hypothesis in the form of proof, which says: There is a moral effect of financial sustainability in terms of its elements in reducing financial fragility in the field investigated.

The fourth section - results and recommendations

First - results

1. Social considerations encompass matters pertaining to inequity, inclusivity, labor dynamics, investment in human capital, skill development, and community development.
2. The administration of both public and private organizations, encompassing managerial frameworks, labor relations, and executive compensation, is paramount in facilitating the incorporation of social and environmental factors into the decision-making paradigm.
3. Findings from the research suggest a discernible association between financial sustainability and the mitigation of financial vulnerability within the Gulf Commercial Bank..
4. The field results showed that there is an impact relationship between financial sustainability in reducing financial fragility in the Gulf Commercial Bank This is evident through the value of the coefficient of determination of 0.85, and this is supported by the F value of 132.87 and within the level of significance of 0.05
5. Financial fragility refers to the state of having weak or unstable financial resources, which may make a company vulnerable to economic shocks and financial risks. The financial impact of financial fragility on companies can be significant.
6. The truth is that reaching a state of financial sustainability is a long road, as it has an operational dimension that permeates the daily work of the organization and a strategic dimension that is attached to distant goals. It requires that the organization have a financial plan that works in parallel with the strategic plan, and that the organization's leadership demonstrate a high level of interest and commitment.

Second - Recommendations

1. Focuses on environmental, social and governance considerations to reduce financial instability and difficulties in meeting its liability obligations.
2. Promoting consciousness regarding sustainability concerns may entail facilitating the exploration of research and development avenues for alternative resources, or endorsing enterprises that adhere to equitable and sustainable business practices.
3. Sustainable strategies must be prepared taking into account several different factors, such as economic conditions, current state, the direction in which the market is moving, etc.
4. While acknowledging the significance of financial sustainability, it is essential to recognize it as an outcome stemming from an organization's financial capacity. This capacity

encompasses the possession of requisite resources enabling the organization to capitalize on existing opportunities, navigate unforeseen risks, and effectively manage its routine operations.

5. Ensuring diversification of the company's sources of income and investments, even if these investments are considered to be less risky, as this helps in distributing and reducing risk, and improving and managing cash flows effectively, by adopting strict and organized policies for managing payments between customers, suppliers, and shareholders.
6. Ensure that you conduct a periodic evaluation of the company's financial performance and analyze the financial statements on a regular basis to count and recover losses, communicate extensively with banks and other financial institutions, and negotiate with them to extend the company's repayment period and reduce pressure on the cash reserve.
7. Ensure restructuring debts, getting rid of high-interest debts, and paying attention to appropriate and low interest rates. And take restrictive and structural measures to manage financial risks, identify the required risks, and manage these risks properly. And keenness to shift to complex and advanced strategies, such as using financial derivatives markets and advanced technologies to control risks and rationalize expenses.

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