

The Effect of Diversification Strategy Earnings Quality Companies in Iraq

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Abstract

The study's goals were to determine the factors affecting the quality of corporate profits, the nature of the relationship between diversification strategy and the quality of corporate profits, and the extent to which it affects both, and to identify the nature of the diversification strategy and the motivations behind resorting to diversification strategy. The research used a descriptive analytical strategy, with the help of selected statistical techniques. Findings from the research indicated with a mean of 1.985 and a standard deviation of 0.492, the claims about the effect of the diversification strategy on the achievement of quality profits for Iraqi insurance businesses are generally agreed upon by the study's participants. It is also apparent from the data in this table that "use of product packages" ranked first with an arithmetic mean of 2.84 and a standard deviation of 1.173, while "capabilities are transferred between work units in different industries" ranked last with an arithmetic mean of 1.10 and a standard deviation of 0.533.

Keywords: The effect of diversification, strategyearnings, qualitycompanies , inIraq , public sector.

Introduction

One of the most common business practices in the last two decades has been diversification. This trend was especially prevalent in the United States and Europe from the late 1960s to the early 1980s, when large corporations frequently merged or acquired smaller businesses in order to grow their global reach. Although

Also, diversity is a choice that more and more managers are making to boost performance, and it has become a common survival strategy for businesses striving to outperform competition. Strategic options for optimizing resource use in pursuit of a performance target abound, with organizations being only one possible course of action. And the Diversification is carried out when an organization seeks to alter the nature of its business by, for example, developing new products or expanding into a new market on its own or in partnership with another entity; he is both an incentive for competitive advantage and a means by which the organization distributes its risks across many companies to boost profits, lessen the likelihood of bankruptcy, foster synergies, improve market operations, and boost overall performance. in addition to the The company's ability to take on debt and deploy its assets is bolstered by the diversification strategy, and the company's existing expertise, knowledge, and resources are put to good use in the development of novel offerings. It is possible for diversified companies

to mitigate the feasibility of operating cash flow in order to gain a competitive advantage by efficiently combining unsystematic risks.

The Study Problem

In light of the current economic conditions followed the global financial crisis, Creative accounting methods, which are practiced, have appeared many companies, including profit management, with the aim of maximizing life, and improvement its center financial which is reflected in its listings. Published in Finance. Therefore, Executive departments resort for this companies to like those practices, in order to satisfy share holders, wa. To limit the decline in the price of its shares traded in the financial market, what. No. In the forced filtering process that may threaten her because decline significant and continuous increase in its operating profits or in order to achieving its own purposes.

What is impact diversification strategy on the quality of corporate profits in Iraq?

Several emerge from its subsidiary questions, which is next:

1. What is the concept of diversification strategy? What is its importance? What are its types?
2. What are the motives behind resorting to diversification strategy?
3. What considerations must be available for the effectiveness of the plan to diversify?
4. What is concept of quality of corporate earnings?, and what is its importance?
5. 5. What elements contribute to the integrity of business profits?
6. what is the nature of the relationship between Diversification strategy and the quality of corporate earnings?
7. What is the impact of diversification strategy on the quality of corporate earnings in Iraq?

The Importance of Studying

This research is significant because it addresses an issue of importance in the life of the commercial, service and industrial enterprise alike, by addressing the role that the diversification strategy plays in the survival and growth of the enterprise within the market and in the heart of competition, and this is by highlighting specifically result of the approach to diversity on the quality of profitability companies Iraqi.

Objectives of the Study

- 1- Following are some of the goals of the research:
- 2- Learn about the diversification strategy, its importance, and its types.
- 3- Statement of the motives behind resorting to diversification strategy
- 4- Clarify the considerations that must be available for the success of the diversification strategy.
- 5- Recognize the quality of corporate profits, and indicate their importance.
- 6- And a review of the factors affecting the quality of corporate profits.

The limits of the study:

to be achieved HudP study and fledha The limitations in the research are not restricted to the following points:

- spatial boundaries: Some Iraqi companies operating in the insurance sector.
- human limits: The study is limited to workers in some Iraqi insurance companies.
- Time limits: conducted this is Study during the period between 2021 and 2022.

Study Approach:

In light of the research problem, Watt Nos of the importance of the study And achieve to its goals, It was completed during the a Following penalty display What is the diversification strategy, and whether it contributes positively as a means of bettering the standard of profits of Iraqi companies, by relying on the descriptive analytical approach, and by using some methods of statistics suitable for nature of the subject of the study.

section One**Theoretical framework on diversification strategy and the quality of corporate earnings****First: diversification strategy****1- Concept, importance, and types of diversification strategy**

The term strategy is an old term that has been in use for centuries, as many individuals have come to use the term strategy in the context of their organizational, political, military, and perhaps sports, as well as business discourse. According for "Druker" is represented by the strategy in a Analyze the current situation and change it if so command required, This includes Sort the available resources for the purpose of their use for t Right's goals selected while he sees Chandler" that La strategy on that it: "Defining long-term goals Term for the institution and choose way sthe work, and resource allocation necessary to achieve those goals. has sought "Mintzberg" To try to formulate a concept to a Strategy, trying to include it Perspectives large group of explanations researchers, to finally arrive into what is known as a model the (p5) And for a challenge The concept of a strategy here it is (plan plan, f Polymaneuver, f Patteunmodel, f Positionlocation, and Perspective perception or aspiration).

And on it It can be said that "strategy is translation the planning aspects Ye to methesides executive with a view to achieving the long-term objectives of the economic enterprise, Through Optimal exploitation of resources Especially rare ones, in the form of coherent, coherent and interdependent decisions and actions, with a purpose Achieving the institution's goal in a comprehensive manner to be reached.

Known (Ansoff, 1965) as diversification strategy: "Entering new markets with new products" while knowing it (Kamien and Schwartz, 1975) as: "the degree of firm participation in products and the market". For (Jacquemin and Berry, 1979), product diversity refers to: "The degree of correlation between the different product segments". And the Many scholars view diversification as a strategy to add related or similar product/service lines to an existing core business, either through the acquisition of competitors or through internal development

of new products/services, which means increasing the managerial efficiency available within a company¹.

The researcher defines the diversification strategy procedurally as: “a strategy implemented by senior executives in Iraqi companies that includes expansion or entry into new markets that differ from the production lines or current markets of those companies in order to achieve higher than average returns.” By taking advantage of the opportunities presented”, the diversification strategy can be considered as a basic growth strategy due to the quantitative increase generated by the business operations in such companies.

2.1. The importance of diversification strategy

The importance of diversification is reflected in the fact that it guarantees the organization a good position compared to its competitors by maintaining its competitive position and market share, and thisBecauseAdd new productsand stormingNew markets too.Plus itguarantees the enterprise the useoptimumfor available resources,EspeciallyWhenHe is sizeFixed costs are significant, and lesstransportation fees,As forcase of vertical integration ifwere combinedProduction stages in one area,FthatThis woulddecreaseInland transportation costs for products and materials.Also reduceRisksEspeciallyexpected risksRetreatthe demandthroughInta another commodityj High demandIn addition to reducing the risks arising from delays or deterioration in the quality of raw materials. Achieving the economic balance of the facility while covering the aspects that the facility is exposed to with its current products².

3.1. Types of diversification strategy

And theIn the study of diversification strategy, how to divide the type of diversification strategy is a key issue in the study of diversification strategy, where he didMany researchers at home and abroad do many different classification categories, such as: class methodWrigley class method, Rumelt class method, Ansoff class method, etc. And theDiversification strategies can generally be divided into two categories: correlated diversification and non-correlated diversification. One is related to diversity and the other is unrelated. Associated diversification

Enrico Santarelli, and Hien Thu Tran (2013), “Diversification Strategies and ¹ Firm Performance: A Sample Selection Approach”, Quaderni – Working Paper DSE, No. 896, Alma Mater Studiorum – Università di Bologna, Dipartimento di Scienze Economiche (DSE), Bologna, p 3,<https://doi.org/10.6092/unibo/amsacta/3845>

² Flower hands(2018)The role of diversification strategy in improving the performance of the productive enterprise: a field study in the Ibash Public Works Corporation, Adrar", A magister message that is not published,College: economic, commercial and management sciences,Ahmed Derayah Adrar Universityp. 18.

can also be called focused diversification, which refers to choosing a new product or a new market area for an organization based on its existing business or market. Compared with unrelated diversification, related diversification gives full play to the original company's experience, ownership market³.

Traditionally, diversification has been categorized into two types: correlated and non-related diversification. And the sharing or transfer of resources between different firms by the firm is the traditional basis for classifying its diversification as related, while in the absence of resources shared or transferred between firms, it is traditionally classified as unrelated diversification. However, since early in the twentieth century, management literature has developed the concept of understanding strategies. Diversification is along a continuum of interdependence and independency rather than two separate distinct types, which are as follows⁴:

- **strategyCenter diversification:** Concentrated diversification is the direction of diversification that can be classified into two types: vertical (forward and backward integration) and horizontal, and according to Sakhartov and Folta, 2014), linked diversification reduces deployment costs needed to retain employees. In addition, related diversification makes it easier to adjust equipment and plants in an alternative market.
- **strategyconglomerate diversification:** Unrelated diversification occurs when the company moves to a field and activities that are not related to its current activities. This type of diversification includes adding entirely new products or lines to the field of the organization or company that are not related to the current activities. In this strategy, senior management is concerned with the percentage of return on investment.

2- Motives for resorting to A Plan For Diversifying Your Assets

The following are some of the most important factors that influence a company's decision to diversify in a free market economy:

- Raising levels of competition Businesses can benefit from economies of scale, breadth, and market impact by diversifying their operations.
- Protection from a variety of threats The Company can spread the irregular risks in its operations through a varied business portfolio;

Han Le (2019), "Literature Review on Diversification Strategy, Enterprise Core ³

Competence and Enterprise Performance", American Journal of Industrial and
Business Management, 9, p 97.

Fuad Al-Sheikh Salem, Mohammad Khair, and Ahmad Bani Omar (2018), "The ⁴
Impact of Diversification Strategy on Competitive Advantage: A Case Study on
Nuql Group", International Journal of Research in Social Sciences, Vol. 8 Issue
12, p 67-77.

Ansoff (Ansoff) classified the motivations for diversification into four groups. As a first example, when a company's growth strategy inevitably fails to produce the desired results. Second, the company's excess considerably beyond its growth requirements; Third, the firm pursues more than merely expansion when more lucrative new market opportunities arise; Fourth, in this particular scenario, expansion and diversification prospects are questionable. Among the three primary motivators of diversification efforts, which Montgomery (Montgomery) identified as the "diversity benefit," are To begin with, the market recognizes that businesses diversify not to increase efficiency but to increase "collective power." Capturing market dominance requires diversification. Cross-subsidization, conspiracies, and cross-dealing across diversified enterprises can restrict market competition and cement their own exploitative prices, despite the fact that this conduct is extremely harmful to consumers. Managers focused on expansion can boost their company's competitiveness and save money by diversifying their holdings. Scott's multi-market correlation hypothesis is a powerful tool for expanding a company's influence in the marketplace. Multi-market competitors have a larger stake in maintaining their combined power through network formation.

3- Multi-product companies, on the other hand, can boost their market strength and the value of industry resources by investing in activities that benefit both industries. Economies of scale, economies of scale posed by firms implementing diversification strategies, superior access to information from multiple product markets, stable market returns, efficient use of internal resources, and knowledge and skill sharing between pathways and business units are all examples of coordination effects that benefit diversified firms.

Considerations that must be met for results from implementing a diversified approach for success of diversification strategy should Availability of some necessary considerations in the organization, And the Diversification matter se reduction degree risks and increase profits, Where There area group Basic considerations should tua Farha for the success of the diversification strategy ej⁵:

- ✓ Availability of a high degree of attractiveness for a forest products in the Mix productive, in terms of obtaining a tangible competitive advantage or advantages that consumers know in their target markets. For example, some high cash-generating products must be constantly available;
- ✓ The diversification strategy provides the respective organizations with some advantages associated with achieving lower costs, higher sensory perceptions among consumers, strengths big in domains marketing and technological comparison with the main competitors;

⁵ My girl Layla(2019) The role of the diversification strategy in improving the performance of the institution: a case study of the Halliburton Foundation, an unpublished master's thesis, College of Economic, Commercial and Management Sciences, Mohammed Kheidar University – Biskra Algeria, p. 39.

- ✓ Must aThe cost of internal development of the product mix or external development is not high, exceeding profitsresulting fromproducts currently in the mix;
- ✓ The products to be added to the product mix provide returns on investment at acceptable ratesFrom beforestandards for financial and marketing analysts;
- ✓ Availability of an acceptable level of sufficient cash to deal with the requirementsthe production mixjAccording to the rate of cash inflows and outflows;
- ✓ Having a department capable of managingthe production mixjfor the designated institution;

It must be emphasized that it is difficultbut whoIt is impossible to present all these considerations together at the same time, but it is important to study each case separately, because each case has its own characteristics and specifications.the environmentin which you work.

Second: the quality of corporate earnings management

Representglorify the LordhThe most important elementTcompanies focus onin a formgeneral,why leWho's turnMehM FjinvestigatesThe goal of continuing work eye companies, whereasMaximize profit levelseais oneGoalsHaAstraticYeh, where it is It is consideredTop management objectivesHence on cmill of decisionseathe publicwhether related to investment orrelated tofinancing.Efforts are always being made to adapt a hillKdecisions including goes alongWithwishTahaFjprofit maximization eye companies⁶.

1- The concept of quality corporate earnings.

There are many different definitionsAnd thediversified earnings,Waltjcan useeTo express market power for the organizationand use itas a measure ofECL money and C leveliRahEnterpriseon an investmentatHa andFhigh structure Rao your money beaSo, it is donestripjP profits onanea: "express theFRsbetween prices tj sell outthe organization MintcateA and servicesbetween the different costsj you incur in order to submiteye itemcat and services⁷.

⁶Sayed Ahmed Ahmed Hassan, (2020), "Factors Affecting the Profits of Egyptian Telecom Companies: A Case Study of Orange Egypt," Journal of Financial and Commercial Research, Faculty of Commerce, Port Said University, Issue (4), p. 671.

⁷Mr.Hussein, Ali Mahmoud, and Abdel Nasser Hafez (2012), "The Impact of Long-Term Financing on Net Profit: An Analytical Study of a Sample of Iraqi Banks," Journal of Accounting and Financial Studies, Volume (7), Issue (20), p. 223.

T was done showyfprofitsAlso on anea:"Value increasesthesalesFromgoodsaand servicesthat she presentsOrganizeratbusiness at costsaproductTransportation, storage and marketinghillKgoodsaand services"⁸.

used profitabilityfrequentlyas standardto evaluateperformance of industrial enterprisesits goalThe main thing is to glorify the Lordh.And promiseprofithe isThe main criterion takenin aConsideration when evaluating projects and choosing an alternativeConveniencebetween projects.And thein general,profithethe isthe difference betweenTotalrevenue andTotalcosts to the institution.asThe profit is part of the price:⁹

Unit price =Totalcostsproductionper unit + profit

asnot noticeand cAnd thed agreementaboutThe concept of profit, as a conceptemy accountantadifferent from the concepteeconomicaThis is due to the difference in the accounting concept of costs from the concept ofHaThe economist.¹⁰

- **First:The accounting concept of the Lordh:** PrepareprofitaccordingThis conceptpassFor the difference between the company's revenue andWhat you bear fromother costs, ieWhatThe remainder of the revenues after the payment of all requirements for the production elements that are involved in the production process.WhereCosts represent the direct financial sacrifice that the producing organization makes to others in exchange foraFor production services or raw materials you receiveto completeproductive processSuch aswages, the value of purchases of intermediate materials,Such asInsurance, electricity, debt interest ...and others.

- **Secondly:Economic Concept of Profit:** profitaccording to the concept of economicrepresents thereturn ortheEnterthefunctional, Such aswagesand rentAnd interest, and mustCalculating it in costs. And thecosts indicateato the concept of economictoThe so-called opportunity cost, WhichMaximum return returnjIt is sacrificed as a result of the diversion of resources from other uses tothe organizationcurrent.And it is dividedcostsaccording aThe economic concept is costs that can be seen and those that cannot be seen, or implicit costs.

✓ "Explicit costs" are the out-of-pocket monetary payments that an organization must make to others for production services or raw materials, andCompletechallengejd. These

⁸Abdullah Al-Sanafi (2013), "Financial Management", University Book House, second edition, Sana'a, p. 66.

⁹ Mahmoud Jassem Al-Sumaida'i, Redina Othman Youssef, (2006), "Introduction to Administrative Economics," Dar Al-Manhaj for Publishing and Distribution, Jordan, p. 153.

¹⁰ Khadija Ababsa, and Ruqaya Zarrouk (2019), " The impact of diversification strategy on the profits of economic institutions",Journal of Industrial EconomicsVolume (9), Issue (1), p. 361.

payments are based on opportunity cost, and inLightmarketTCompete jcompletely, where there is complete freedom to move the elements of production.

✓ As for implicit costs TIt represents the opportunity cost of the factors of production that cdieFor the organization and for which no direct monetary consideration is paid. And in the likeThatCase,Revenue sacrificed in the alternative best use must be accounted for among the cost components.

asnotice,That accounting conceptfor profitdoes not takeinto considerationimplicit costs. Hence it can be saidBthat¹¹:

profitIn the senseAccounting = Total Total Revenue - Visual Costsh (public).

profitIn the senseEconomic = Total Total Revenue - Visual Costsh (public)Implicit costs.

aWhat about the net profit?He isIt is considered as an indicator of profitability measuretheprojectpafter a sipB allcosts and taxesB, And it includesGodhtheFperhapsjfor the facilitycommercialOperating expenses excluded from EcCapitaljGodh. So,jT was donehowjF clearjGodhOnaNo: The amount of increase injRaQ The company's capital and the result of an inchiTHaregular, aAnd the increaseFsurplus ftrevenue afterDiscountcosts,including f j thatIncome tax". It is also known as:"theFRsBetween the total total revenue of the firm generated by the practitionereNonuiTeMiscellaneous and total total costs tj includes(Processes,levelings,management) tjF is spentjway to achieveseye Revenues plus taxesB¹².

there are many themotivestoTo manage to practice earnings management, in generalover theredefendjn to manage earnings in companies,two¹³:

Faruk Ulgen, (2003), "Théories de la firme et stratégies anticoncurrentielles: ¹¹

firme et marché",Editions L'Harmattan, France, p 245.

¹²Ragheb Al-Ghoussein and Lana Zaher, (2014),The impact of liquidity, financial solvency, and administrative efficiency on the profitability of insurance companies: an applied study on Syrian private insurance companies. Tishreen University Journal for Research and Scientific Studies, Economic and Legal Sciences Series, Volume (3), Issue (36),p. 250.

¹³ Osama Jamal Al-Nsour(2019)Earnings Management and its Impact on Company Value: An Empirical Study on Jordanian Public Shareholding Industrial Companies Listed on the Amman Stock ExchangeAl-Mithqal Journal of Economic and Administrative Sciences, University of Islamic and International Sciences, Volume (6), Issue (1), p. 47.

- opportunistic motivation(Opportunistic motive): to achieve benefits personality to manage, And in this case Will be toEarnings management effectbigOn the situation real financial for the company.
- Efficiency motive(Efficiency motive) When influencing users of accounting information and financial statements UK 'VDR show the company in a way that balances the return And the risk with a purpose Ensure the survival of the organization The competition Sue Qiya.

As forFor earnings quality, good earnings reflect an organization's current operating performance, give an indication of future operating performance, and provide a new measure of an organization's value. Some studies also indicated that good profits contribute to Submit Useful information for users of financial statements help them to make their own decisions, in good Some have indicated that earnings are getting better Taha The more they are free from the exercise of earnings management¹⁴.

2- The importance of quality corporate earnings.

3- Instead of looking at receivables, focus on cash flow continuity as a measure of profits quality. In the recent decade, investors have become more concerned about the sustainability of profits after a number of multinational corporations disclosed temporary increases in their quarterly reports. There is also the decision-making procedure and investment results that affect the quality of earnings. Whatever Management uses it as an indicator of dividends and it factors into user evaluations, internal evaluations of the company's financial health, and external evaluations by linked parties. Receivables consistency is less crucial than steady earnings. In the past decade, investors have become increasingly concerned with the quality of earnings after numerous international corporations included temporary earnings in their quarterly reports. When assessing the company's performance and the financial situation of the company, a huge number of users and connected parties place a high value on the financial and investment decision-making process and the quality of earnings. Investment choices and payouts are both factored into its calculation.

4- Factors affecting the quality of corporate profits.

may come back The company's achievement of extraordinary profits by some institutions in the industry is short term to several reasons:¹⁵

¹⁴Doaa Ahmed Saeed Faris Brik (2020), "A study of the effect of the quality of accounting profits and dividend distributions on stock returns: an experimental study on Egyptian joint stock companies," Scientific Journal of Accounting Studies, Faculty of Commerce, Suez Canal University, Volume (2), Issue (3) , p. 468.

¹⁵ Ahmed Saeed Bakhrama, (1994), "Industrial Economics", Dar Zahran for Publishing and Distribution, Saudi Arabia, p. 216.

- the situation Economic: Presence leads state of recovery and boom To increase demand and increase prices and the expansion in a production, and then more enterprise profits, and vice versa correct in the event of contraction;
- considered an investigation extraordinary profits Prevailing In a certain period necessary to attract entrepreneurs and organizers willing to take the risk of producing a new commodity or entering new markets in exchange for investigation Relatively high yield a for their investments and efforts; As for for long-term factors that effect on profitability of industrial enterprises, she is It is the relationship between the price of a commodity at a given volume of production and the average cost at a given volume same volume of production, and embodied Factors affecting the level of profitability in this case in following:
 - Goal Enterprise: such as achieving the maximum profit, the largest growth rate for the walker, With consider at market conditions and the costs it incurs in setting prices for its products in a consideration.
 - Market condition: f Complete Tmth for these Circumstances B Many variants, Such as industry structure (level of focus, baffles Log in industry/market The volume and elasticity of demand for the commodity, and expected behavior for installations other competition in the industry.

While many studies have divided the factors that affect the quality of profits into two types: the first type: are those factors that reflect inherent or inherent features such as management decisions, information systems, auditing and review, governance structure, organization and standards, and the second type: are those factors that reflect Prepare the same financial reporting as the operating risks, operating environment¹⁶.

while see Z (Teitel, and machaga, 2007), that the factors affecting earnings quality are as follows¹⁷:

- ✓ effect The Audit Committee and review on earnings quality, where lead The growing interest in committees Review In the recent period to improve the quality of earnings by improving commission quality Review and audit By enjoying it with independence full and experience, Than Contribute to improving the quality of earnings.

¹⁶Allam Muhammad Musa Hamdan (2012), "Factors Affecting the Quality of Earnings: Evidence from Jordanian Industrial Companies," Journal of the Islamic University for Economic and Administrative Studies, Volume 20, Number 1, p. 471.

Teitel, K., & Machuga, S., (2010), "The Interaction of Audit Firm Quality and ¹⁷ the Mexican Code Of Best Corporate Practices On Earnings Quality", Review of Business Research, p 270.

- ✓ controlcontributorsIn somethe countriesSamesystemssocialism, where tThe fact that the state control over a percentage ofaCorporate shares go down and controlcontributors to measay half, And therefore go downThe quality of earnings in such companies.
- ✓ structure shareholders, Wherefound that practicesAdministrationProfits in the companies that haveon the percentage ofaBoard members, they influencebig inmaking processdecisionsWiththeeconomic unit policy
- ✓ thedifferencein aaccounting standards, where thedifferencein aThe standards reports are standardsaMinemisuse andexploit
- ✓ He contributed Applicationprinciples andaInstitutional governance foundationse in improving the quality of earnings.
- ✓ will preventThe quality of management accounting standards from the practice of earnings management.
- ✓ WorkingQuality of internal control to improve the quality of earnings.

Section two

Quantifying the link between a company's diversification efforts and the strength of its bottom line

1- The role of diversification in increasing profits.

The diversified and multiple business model based on diversification focuses on finding ways and methods to take advantage of and exploit the distinctive or unique capabilities of the organization to create entered into, however, the organization that implements the diversification strategy is the organization that industries each a new operating unit or business for a particular. According to what was indicated (Hill et Jones), that in order to maximize profitability throughaDiversification strategy, the new operating division or the new organization should perform one or more functions of the value chain in order to reduce the cost of production, a method that enables differentiation and provides pricing options for the organization, and a method that helps in better management.

According tothat,Managers shouldSuccessful enterprises pay attention to diversification to generate flowatmonetaryfreee (anyin terms of creationCashPlusFor funds required to finance investments in the enterprise's current industry fromanother side in order toFulfill obligations to creditors),And theFree cash flow in this caseMeaning: "ThoseAdditional funds that can be reinvestedone more timeprofitably in any existing businessCurrentlyor potentialhis existenceIn the near future.When it is createdFree cash flowManagers shouldstrategistsfor the institutiondecide whether to distribute it to shareholders in the form of dividends or investments in diversification,in order toDiversification is logical and acceptable, necessary thatThe return on investment is in free cash flowExceedThe return that shareholders can makethey getHe should invest in a diversified portfolioFromStocks and bonds¹⁸.

And theAlong the same lines, may bebeDiversification strategy noconsistentFirstconsonant With Goalglorifyreturnsto shareholders, unless the multiple business model that managers use

¹⁸ My girl Layla(2019), previous reference, p. 40.

to justify entering a new industry will increase or improve the value that the new operating division or organization can create, and there are sixJustificationskeyto findMulti-business modelbased on aDiversification strategy, in a wayTIncrease the profitability of the organization throughTendencyManagers to follow what¹⁹:

- ✓ Utilize the general core capabilities of the organization that increase the performance of all the different business units.
- ✓ to lifland improveCapacitywith a goal constructionunitsapaternal uncleatoNewin various industries;
- ✓ shareresourcesand assetsbetween modulesBusinesssto achievesavingsthe sizeor scope;
- ✓ Use a strategyDiversification to reduce competition in an industryoneormore;
- ✓ use the size of the products;

Two, how a diversified product portfolio affects the way that risks and rewards are shared.

Diversification increases the chance of survival of organizations, as it allows them to distribute risks with opportunities to add new products, and we will explain this inthe following:

1.2-EffectUse a strategyDiversification of risk distribution:

Risks can be distributed throughUse a strategyDiversification on a numberManalUncorrelated domainsBactiveIt's productive,In order to reduce the exposure of the facility torisks in the caseFocus on doingWith a single investment, it can be said that the idea of choosing an investment portfolio to reduce these risks by adopting diversification as a strategy will lead to the formation of portfolios in areas unrelated to activity, which will be achievedby doing Bacquisition or purchase²⁰.

2.2- The relationship between the use of strategydiversificationAnd theOpportunities for product diversification:

And theThere are opportunities availableto the facility To providenew products, Ehj²¹:

¹⁹ Saad Ali Hammoud Al-Anzi, Maha Abdul-Karim Hammoud Al-Rawi (2013), "The philosophy of forming a business organization by following diversification strategies", Journal of the College of Economic Sciences, University of Baghdad, Iraq, pg. 32.

²⁰ Nabil Morsi Khalil (1996), "The Competitive Advantage in Business", University House for Printing and Publishing, Alexandria, p. 148

²¹ Rahim Hussain (2008), "aThe Institution's Strategy", Dar Bahaa for Publishing and Distribution, Constantine, Algeria, pg. 66.

the growth of the facility: have to add a new product in often affected growthEnterprise, and hasresortsomeFacilitiesTo owning entire other facilities, and thus adding the products of that institution to its production lines.

energyProductivityExcess:and meant ExistenceKind ofBroken resourcesIt can be exploitedain a profitable wayby using it inAdd a new product. Therefore, he comprehendsNew product excess capacity, if the cost of productionAnd sell it for lessI'm deadThe cost of a new establishment set up for the production of this product only,That isexcess energyMay beA source of competitive advantage in terms of costs thatThe enterprise enjoysto produceproductsDiverse and multiple make it superiorAn organization that produces a productaonea.

Section III

Study methodology, method and procedures

Introduction:

The questionnaire was used to collect data from the research community, which necessitates an accurate and clear preparation of its paragraphs; thus, its data is used in the statement of the applied side of the research, to conduct statistical analysis to reach results that are interpreted in the light of the research literature related to its subject, and thus achieve the goals that it seeks to achieve.

Therefore, this chapter discusses the study's methodology, the study community, and the sample to which the study was applied, as well as the study's tools, its steps, and the statistical methods used to analyze the data, communicate the results, and finally achieve the study's objectives, all of which were conducted in the field. Statistical methodologies and treatments utilized in the analysis of the research findings are also detailed in this chapter.

Study Approach

YaaTExtending the study approach to, which is organized method used to solve the research problem, in addition to it being the science that is concerned with how to conduct scientific research. WhereabaptizedTThis study uses the descriptive analytical approach to obtain sufficient and accurate information about diversification strategy corporate profits in the companies in sample studied, and then analyzes and interprets them in order to determine the indicators for addressing the problem.

Definitions of the Study Group and Sample

The study population consists of workers in Iraqi insurance companies, within the borders of the city of Baghdad, represented by three companies: (company Eligibility insurance-company Insurance Iraqi the public-company Insurance national). And was chosenthese companiesDue to the large volume of business and the concentration of a large number of employees. Due to the difficulty of communicating with all members of society, a random sample of workers was chosen, where a number was distributed93A questionnaire was given to them, and it was found that all of them are valid questionnaires for analysis.

Study hypotheses:

This study is based on a set of hypotheses aimed at examining the nature of the effect of the independent variable "diversification strategy" in its dimensions (diversification application - the diversified strategic nature - diversification of decisions), and "the quality of corporate profits" and its sub- (Reducing costs - increasing revenues - its relationship to increasing profitability). The following is an explanation of these hypotheses.

-First hypothesis: noneaStatistically influence statistically substantial enough to be seen (0.05) Pertaining to perceptions workers in Iraqi insurance companies about The importance of applying diversification strategy steps as one of the aspects of evaluating the diversification strategy applied by the company.

The second No significant difference can be seen at the 5% level of significance (0.05) regarding the perceptions of workers in Iraqi insurance companies about the importance of the nature of the diversification strategy as one of the aspects of evaluating the diversification strategy applied by the company.

The third hypothesis: To the level of significance used, no statistically significant difference can be shown (0.05) regarding the perceptions of workers in Iraqi insurance companies about the importance of diversification decisions in Iraqi insurance companies as one aspect of evaluating the diversification strategy applied by the company.

The fourth hypothesis: To the level of significance used, no statistically significant difference can be shown (0.05) regarding the perceptions of workers in Iraqi insurance companies about the diversification strategy applied by the company to achieve the quality of profits in Iraqi insurance companies.

Study tools

A special questionnaire was developed and used to collect data with reference to relevant scientific studies and research. The questionnaire consisted of two parts:

The first section is general data: the general data about the participants in the study is represented in all data related to educational qualification, experience, age, and others.

Section Two: This section contains phrases related to the subject under study. It is axes:

The first axis: This axis:27 Paragraph aboutAspects of evaluating diversification strategy in the company, namely:(Application of diversification - diversified strategic nature - diversification of decisions).

The second axis: it includes:22 A paragraph about the extent to which diversification strategy contributes to investigation quality of corporate earningsWith its dimensions (reducing costs - increasing revenues - its relationship to increasing profitability), in Iraqi insurance companies. All the questionnaire phrases were formulated in a positive way, and each of its phrases was given a graded weight to estimate the degree of achievement of the phrase to answer the paragraphs of the axis in the questionnaire, and the answers according to this scale are limited

to: very, somewhat, or not at all Strongly Disagree. The weights of the responses to the paragraphs were determined according to the following table:

Schedule (1) Weights of responses according to likert scale with five options

Evaluation of Satisfaction Weight Range weighted average Percentage Level of approval Significance level

very high	84-100	From 4.20 to 5	5	Strongly Agree
High	68-83.99	From 3.40 to 4.19	4	OK
Medium	52-67.99	From 2.60 to 3.39	3	Somewhat ok
weak	36-51.99	From 1.80 to 2.59	2	not agree
non-existent	20-35.99	From 1 to 1.79	1	Strongly Disagree

The reliability of the method

By ensuring that the questionnaire is truthful and covers all the topics that need to be covered in the analysis, on the one hand, and that its paragraphs and vocabulary are clear enough so that they can be understood by anyone who uses them, on the other, the validity of the research tool has been confirmed.

For the sake of to ascertain of the measurement and to ensure that the statements that make up the questionnaire can lead to accurately collecting the required data, chooseTTThe researcher has two ways to achieve this purpose:

A- Presenting the questionnaire in its initial form to a number of its members and Teaching specialists in insurance companies, statistics and scientific research, with the aim of evaluating the questionnaire, in terms of the clarity of the phrases and the extent of their ability to be understood and assimilated by the respondents, and their connection to. Some opinions and observations were presented about the questionnaire's expressions, which led to the formulation of some of its expressions, in accordance with those observations made by the arbitrators.

b- Choosing a random sample of the members of the community under studyStudy Pilot in order to find out the appropriateness and clarity of the questionnaire statements for the respondents, and the appropriate adjustments were made in the light of their observations.

The questionnaire was judged in its initial form on a group of arbitrators consisting of (5) faculty members in the College of Administration and Economics, Department of Business Administration at Dhi Qar University, insurance companies in Iraq, and specialists in: business administration, strategy, diversification and statistics. . The judges were asked to give their opinions on the appropriateness of the statements to measure the purpose for which they were developed, the clarity of the wording of the statements, and the relationship of each statement to the axis to which it belongs. And the suitability of the phrases to cover each of the axes of the basic variables of this study, in addition to suggesting what they deem necessary to modify or delete the wording of the phrases, or add new phrases to the research tool, as well as express

their opinions regarding the primary data (personal and functional characteristics required of the respondents).

The majority of the arbitrators decided to make changes to the language of the phrases and to eliminate or add others based on their observations and suggestions.

Tool stability

For purpose verifying the precision of the instrument's stability, the researcher used coefficient tool's expressions through the Cronbach alpha equation, which was applied software package for social science statistics.SPSS. A statistically acceptable value for Cronbach's alpha coefficient is of 60% or more. The validity test was conducted on the respondents' answers to the questionnaires. The reliability of the survey was determined using Cronbach's alpha, and its value was 0.739, and we find that this value is greater than 60%. This indicates that there is a strong correlation between results from the responses of the study sample vocabulary all Phrases of the questionnaire axes.

Therefore, content Form The questionnaire has a high degree of stability, stability and reliability, and then we can recognize the validity of the results reached through the field study and then the possibility of circulating it to the community under study.

Study procedures

aNor: Demographics of study participants:

Distribution of study participants according to academic qualification. And the The table shows (2) The frequency and relative Statistical representation of the research population's educational qualification.

Schedule (2) The frequency and relative proportion of research subjects assigned to each the educational qualification

percentage	the number	Qualification
22.6	4	Ph.D
57	15	Master's
16.1	53	BA
4.3	21	Middle Certification
100	93	the total

It is evident from the data presented in the table (2) that 22.6% of the participants in the study hold a doctoral degree, while the percentage of holders of a master's degree 57% It is the highest percentage. As for the holders of a bachelor's degree, they reached the percentage 16.1%. Those with an intermediate qualification accounted for 4.3% of the sample, which is the lowest percentage. Thus, we note that the ratio 95.7% Of the participants in the study have high academic qualifications, and the enjoyment of the participants in the study with these academic qualifications increases the level of confidence in their auditing capabilities.

Distribution of participants in the study based on how many years of practice they have had in insurance companies

table shows (3) Regularity and percentage spread of research participants after much trial and error.

Schedule (3) Regularity and percentage spread of research participants after much trial and error.

percentage	the number	Years of Experience
30.1	28	From 5 to less than 10 years
50.5	47	From 10 to less than 20 years
19.4	18	From 20 and more
100	93	the total

shows a table (3) that of the research sampleFromNumber of years of experiencefor him in insurance companies20year or moreShe wasPedigreeTe19.4% of the research sampleIt is the lowest percentage,Followed by who she wasNumber of years of experience "5 to less than 10 years" BPercentage30.1% of the research sample, As for the higher percentage, it was for whom it wasYears of Experiencefor them in insurance companiesFrom10 to less than20year" by 50.5% of the research sample. These percentages are high and give an indication of the presence of good years of experience among the research sample, and this means that most of the participants in the study have extensive experience in their field of work, which enables them to understand the nature of the subject under study and answer the questionnaire questions correctly.

Distribution of study participants according to age

table shows (4) Prevalence and comparison distribution of study participants by age.

Schedule (4) Prevalence and comparison distribution of study participants by age

percentage	number	Age group
8.6	8	Less than 30 years old
23.7	22	from 30 to less than 40 years old
50.5	47	From 40 to less than 50 years old
17.2	16	50 years old or more
100	93	the total

Using the information presented in the preceding table, it is clear the age group that took the largest percentage in the study sample is the category From40to less than50year Where the percentage50.5%,The age group from 30 to less than 40 years came in second place, with a percentage23.7%,Those who reached the age of 50year or morepercentage of 17.2%,As for those under 30 years of age, their percentage was small and did not exceedg 8.6%. From the previous ratios, it can be concluded that the study sample has a good level of awareness, which is reflected positively in answering the questions posed to them in the questionnaire.

Distribution of the study participants according to job level

table shows (5) Frequency distribution and relative percentage of study participants according toFunctional class.

Schedule (5) Frequency distribution and relative percentage of study participants according to Functional class

percentage	the number	Functional class
15.1	14	General manager or deputy director
4.3	4	Accountant
21.5	20	Head of the Department
32.3	30	Investment officer
7.5	7	finance audit
10.8	10	contributors
8.6	8	Officer
100	93	the total

Shows a table(5) that 15.1% of the research sample Functional class for them "Director general", And the 4.3% of the research sample Functional class for them "Accountant" It is the lowest percentage, and its ratio 21.5% of the research sample "Head of the Department", and its ratio 32.3% of the research sample "Investment Officer", which is the highest rate. And the 7.5% of the research sample Functional class for them "finance audit", And what is its ratio? 10.8% of the research sample "shareholders", And what is its ratio? 8.6% research sample "Officer".

The Dissemination of Knowledge participants according to academic specialization

table shows (6) Frequency distribution and relative percentage of study participants according to academic specialization.

Schedule (6) Frequency distribution and relative percentage of study participants according to academic specialization

percentage	the number	Specialization Scientific
10.8	10	Accounting and finance
10.8	10	Economic sciences
39.8	37	Business Administration
4.3	4	Banking and administrative sciences
15.1	14	marketing
19.4	18	Statistics and insurance
100	93	the total

shows a table (6) that what percentage 10.8% of the research sample their scientific specialization "Accounting And financing", And what is its ratio? 10.8% of the research sample their scientific specialization "Economic sciences" and its ratio 39.8% of the research sample their scientific specialization "Business Administration" It is the highest percentage, what is its ratio 4.3% of the research sample their scientific specialization "Sciences banking and administrative" It is the lowest percentage, And what is its ratio? 15.1% of the research sample their scientific specialization "marketing", And what is its ratio? 19.4% of the research sample their scientific specialization "Statistics and insurance".

Second: Examination of study hypotheses

(1) test the hypothesis and for:

First hypothesis: none a Statistically a statistically significant impact (0.05) Pertaining to perceptions of workers in Iraqi insurance companies about The importance of applying diversification strategy steps as one of the aspects of evaluating the diversification strategy applied by the company.

Schedule (7) the arithmetic mean and standard deviation for perceptions staff in a Iraqi insurance companies About The importance of applying the steps of diversification strategy as one aspect of evaluating the diversification strategy in Iraqi insurance

Sort according to the arithmetic mean	mode value	vein	standard deviation	SMA	ferries	X
VII	89	Strongly Agree	0.270	1.05	Determine the company's current strategy	1
the fourth	90	OK	0.180	2.01	Choose the attractiveness of the industry	2
The second	80	neutral	0.512	2.90	Competitive strength test	3
the first	58	not agree	1,015	3.28	Strategic alignment test	4
Third	47	OK	0.786	2.03	Resource compatibility testing	5
VI	42	Strongly Agree	0.859	1.74	Business classification	6
Third	52	OK	0.865	2.03	Classification of work units, in relation to priorities for resource allocation	7
Fifth	52	OK	0.773	1.89	Formulating the strategic movement to improve the company's overall performance	8

companies.

Looking at the table (7) showing a statistically significant effect Belonging to perceptions staff in a Iraqi insurance companies About The importance of applying the steps of diversification strategy as one aspect of evaluating the diversification strategy whereas arithmetic mean of a measure application aspects steps strategy diversification of the companies under study Iraqi insurance companies ranged between 1.05 and 3.28, and it was the highest percentage of approval indicating Bezel miles perceptions The

researched sampleTowardCheck the dimensions of the diversification strategy, which include:(application of diversification - diversified strategic nature - diversification of decisions). This is an indication of effectivenessaspects of strategic evaluation

diversification In Iraqi insurance companies according to perceptionsThe study sample.

(2) a testimpositionThe second:

The second hypothesis is, "At the level of significance, there is no effect" (0.05)regarding the perceptions of workers in Iraqi insurance companies about the importance of the nature of the diversification strategy as one of the aspects of evaluating the diversification strategy applied by the company.

Schedule (8) the arithmetic mean and standard deviationfor perceptions staff in a Iraqi insurance companies About The importance of the nature of the diversification strategy as one aspect of evaluating the diversification strategyin Iraqi insurance companies.

Sort according to the arithmetic mean	mode value	vein	standard deviation	SMA	ferries	X
VII	83	Strongly Agree	0.724	1.23	Boosting the value of its stock on the stock market.	1
Third	88	OK	0.231	2.03	Getting your hands on certain raw materials, such manufacturing machinery or retail locations, is a must.	2
first	55	neutral	0.913	2.64	The use of available funds better than if they were spent in the areas of internal diversification.	3
The second	52	OK	1,039	2.49	Expanding the company's business base through diversification into additional new businesses.	4
Fifth	40	OK	0.955	1.85	Reducing the business base to a narrower base by getting rid of some of the current businesses	5
VI	48	OK	0.765	1.82	Restructuring the company's business portfolio.	6
the fourth	51	OK	0.758	1.89	Diversification in the business of insurance policies	7

Looking at the table (8) showing a statistically significant effectBelonging to perceptions staff in a Iraqi insurance companies About The importance of the nature of the diversification strategy as one aspect of evaluating the diversification strategy.whereas arithmetic mean of a measureaspects of nature strategy diversification of the companies under study Iraqi insurance companies ranged between 1.23 and 2.64,It was the highest percentage of approvalSuggesting tendency perceptionsThe researched sampleTowardCheck the dimensions of the diversification strategy, which include:(application of diversification - diversified strategic nature - diversification of decisions). This is an indication of effectivenessaspects of strategic evaluation

diversification In Iraqi insurance companies according to perceptionsThe study sample.

(3) a testimpositionThird:

Third No significant difference can be seen at the 5% level of significance (0.05) regarding the perceptions of workers in Iraqi insurance companies about the importance of diversification decisions in Iraqi insurance companies as one aspect of evaluating the diversification strategy applied by the company.

Schedule (9) the arithmetic mean and standard deviation for perceptions staff in a Iraqi insurance companies About The importance of diversification decisions as one aspect of evaluating diversification strategy in Iraqi insurance companies.

Sort according to the arithmetic mean	mode value	vein	standard deviation	SMA	ferries	X
The tenth	88	Strongly Agree	0.444	1.10	The company takes the following steps to achieve the long-term goals that it wants to achieve through diversifying its business.	1
Third	87	OK	0.308	2.05	Achieving a vertical move to contribute to the technological progress in its current field of work.	2
The second	67	neutral	0.754	2.68	Achieving a horizontal movement to cover the insurance market.	3
the first	40	OK	1,106	2.84	Get business sales up as a proportion of total sales by shifting horizontally.	4
the fourth	42	OK	0.965	1.94	The multiplicity of strategic options for diversified business organizations depends on expanding the important business base.	5
ninth	43	OK	0.796	1.73	Purchasing new businesses and building a new site in related or unrelated industries.	6
the fourth	51	OK	0.818	1.94	Adding works that would complement or strengthen the company's market position.	7
Fifth	38	OK	0.842	1.86	The business base is reduced to a narrower one to get rid of weak businesses.	8
Third	54	OK	0.826	2.05	Focusing company resources on businesses within a few carefully selected industries.	9
VIII	41	Strongly Agree	0.806	1.74	Restructuring the company's business portfolio and selling low-performing businesses.	10
VII	48	OK	0.741	1.81	Using the capital available as a result of selling the business in value acquisitions.	11
VI	49	OK	0.751	1.82	Entering new businesses or new global markets to achieve sustainable growth.	12

View a schedule (9) showing a statistically significant effect Belonging to perceptions staff in a Iraqi insurance companies About The importance of diversification decisions as one aspect of evaluating diversification strategy. whereas arithmetic mean of a measure aspects of diversification decisions of the companies under study Iraqi insurance companies ranged between 1.10 and 2.84, It was the highest rate of approval Suggesting tendency perceptions The researched sample Toward Check the dimensions of the diversification strategy, which include: (application of diversification - diversified strategic nature - diversification of

decisions). This is an indication of effectiveness aspects of strategic evaluation **diversification** In Iraqi insurance companies according to perceptions The study sample.

(4) a testimpositionthe fourth:

Fourth In terms of statistical significance, we find no effect (0.05) regarding the perceptions of workers in Iraqi insurance companies about the diversification strategy applied by the company to achieve the quality of profits in Iraqi insurance companies.

To validate this hypothesis, the averages and spreads of the scores were calculated The study sample about dimensions evaluation **Role Diversification strategy To achieve quality profits for insurance companies in Iraq**. This section deals with the statement of the sample's view No The positive impact of diversification strategy on achieving the quality of profits for insurance companies when focusing on developing aspects of diversification strategy b this is The table shows perceptions of the research population of workers in insurance companies in Iraq about the positive the diversification strategy on achieving how good those earnings are for insurance companies., This is according to the answers of the examined sample of workers in insurance companies in Iraq.

and table (10) demonstrate the math means both mean and variance fa Towards views study sample of workers in insurance companies in Iraq about The positive impact of diversification strategy on achieving the quality of profits for insurance companies

The table displays (10) Some statistical indicators of the answers of the participants in the study about the statements related to the extent of the contribution of the diversification strategy in achieving the quality of the profits of the insurance companies.

Schedule (10) Statistical indicators for the answers of the participants in the study about the statements related to the extent of the diversification strategy's contribution to achieving the quality of profits for insurance companies

Sort according to the arithmetic mean	mode value	vein	standard deviation	SMA	paragraphs	X
Minimizing costs						
nineteenth	86	Strongly Agree	0.589	1.15	The company is constantly studying the possibility of reducing its operating expenses	1
VIII	88	OK	0.231	2.03	The company compares the total costs of its operations with the revenues obtained	2
Third	70	neutral	0.709	2.73	The company harnesses its capabilities to reduce the costs of its operations	3
ninth	66	OK	0.699	1.97	The company's ability to control costs.	4
Increase revenue						
eighteen	83	Strongly Agree	0.570	1.18	The company seeks to continuously increase its cash flows	4
VII	85	OK	0.288	2.06	The company continuously distributes dividends	5
the fourth	57	neutral	0.841	2.45	The company is seeking to reduce the optional accruals	6
The second	42	OK	1,100	2.75	The ability of the company to achieve an appropriate return on the funds invested in its activities	7

Sort according to the arithmetic mean	mode value	vein	standard deviation	SMA	paragraphs	X
eleventh	42	OK	0.858	1.88	The main elements that determine the company's profitability are analyzed and taken into account.	8
sixteen	47	OK	0.732	1.75	Benefit from the skills, capabilities and resources available in the company	9
VI	48	OK	0.912	2.08	The efficiency of the company's management in the use of assets to generate sales	10
Thirteenth	44	OK	0.779	1.85	Achieving profit above public fairness	11
twelfth	46	OK	0.726	1.87	Gain competitive advantage, capabilities and skills	12
Fifteenth	43	OK	0.820	1.82	Develop resource strengths and benefit from strategic alignment relationships	13
fourteenth	50	OK	0.712	1.84	Integrate skills and resources within similar value chains	14
Fifteenth	54	OK	0.675	1.82	Achieving economies of scale and scope	15

Diversification strategy and increase the company's profitability

XX	89	Strongly Agree	0.533	1.10	Capabilities are transferred between business units in different industries.	16
Fifth	84	OK	0.457	2.14	Raising capacities in order to create business units in new industries.	17
Third	65	neutral	0.662	2.73	Sharing resources and assets among business units to achieve economies of scale or scope.	18
the first	44	not agree	1,173	2.84	Use product packages.	19
The tenth	44	OK	0.918	1.94	The use of diversification to reduce competition in one or more industries.	20
seventeenth	49	OK	0.672	1.70	Benefit from the general core capabilities of the company that increase the performance of all the different business units	21

from table data (10) shows the following:

The general arithmetic mean of the expressions related to the impact of diversification strategy on achieving the quality of profits for insurance companies Iraqi Equal 1,985 And the standard deviation of 0.492 This average is located in the degree of agreement, meaning that there is agreement by the study participants on these statements. As it is clear from the data of this table that the phrase "Use product packages" It came first with an average score 2.84 And a standard deviation 1,173 As for the last place, the phrase "capabilities are transferred between work units in different industries" came with an arithmetic mean 1.10 And a standard deviation 0.533.

And reached The highest percentage of money For all statements related to the impact of diversification strategy on achieving the quality of profits for insurance companies Iraqi degree of approval This means that there is agreement by the study participants on these statements, and this confirms the impact of the diversification strategy on achieving the quality of profits for Iraqi insurance companies.

and from table data (10Also, the following appears:

1- for the axis"Minimizing costs::

The general arithmetic mean of the expressions related to the impact of diversification strategy on reducing costs in achieving the quality of profits for insurance companies in Iraq is equal to 1,970 and web standard deviation 0.280 This average and this percentage fall into the degree of agreement, which means that there is agreement by the study participants on these statements. It is also clear from the data of this table that the phrase "the company harnesses its capabilities to reduce the costs of its operations" came in the first place with an arithmetic mean 2.73 And a standard deviation 0.709 As for the last place, the phrase "the company is constantly studying the possibility of reducing its operating expenses" came with an arithmetic mean 1.15 And a standard deviation 0.589.

And theThe highest value of the mode reached the degree of agreementFor all the statements related to the impact of the diversification strategy on reducing costs in achieving the quality of profits for insurance companies in Iraq, which indicates that the answers of the participants in the study about these statements are statistically significant with an agreement degree, and this means that there is agreement by the participants in the study on these statements, and this confirms The impact of the diversification strategy on cost reduction, which contributes to achieving quality profits for insurance companies in Iraq.

2- Regarding the "Increasing Revenue" axis::

The general arithmetic mean of the expressions related to the impact of diversification strategy on increasing revenues in achieving the quality of profits for insurance companies in Iraq is equal to 1,946 and web standard deviation 0.246 This average and this percentage fall into the degree of agreement, which means that there is agreement by the study participants on these statements. It is also clear from the data of this table that the expression "the company's ability to achieve an appropriate return on the money invested in its activities" came in the first place with an arithmetic average 2.75 And a standard deviation 1,100 As for the last place, the expression came: "Utilize the skills, capabilities and resources available in the company."

My average 1.75 And a standard deviation 0.732.

And reachedThe highest of the veinFor all statements related to the impact of diversification strategy on increasing revenuesdegree of approval Which is reflectedIn achieving quality profits for insurance companies in Iraq, This indicates that the answers of the participants in the study about these phrases are statistically significant with an agreement degree, and this means that there is agreement by the study participants on these phrases, and this confirms the impact of the diversification strategy on increasing revenues in achieving the quality of profits for insurance companies in Iraq.

3- Regarding the axis of "the relationship of diversification strategy to increase the company's profitability":::

The general arithmetic mean of the expressions related to the impact of diversification strategy on the relationship of diversification strategy to increase the company's profitability in achieving the quality of profits for insurance companies in Iraq is equal to 2,074 and web standard deviation 0.286 This average and this percentage fall into the degree of agreement, which means that there is agreement by the study participants on these statements. It is also clear from the data of this table that the phrase "using product packages" came in the

first place with an arithmetic mean 2.84 And a standard deviation 1,173 As for the last place, the phrase "capabilities are transferred between work units in different industries" came with an arithmetic mean 1.10 And a standard deviation 0.533.

And reached the highest values for all statements related to the impact of diversification strategy on the relationship of diversification strategy to increase the profitability of the company which is reflected on achieving quality profits for insurance companies in Iraq degree of approval, which indicates that the answers of the participants in the study about these phrases are statistically significant with a degree of agreement, and this means that there is agreement by the participants in the study on these phrases, and this confirms the effect of diversification strategy on the relationship of diversification strategy to increase the profitability of the company in achieving the quality of profits for insurance companies in Iraq.

- Comment on the interlocutor** The three which represent aspects of achieving the quality of profits for companies affected by the development of the components of the diversification strategy among workers in insurance companies in Iraq:

To find out the amount of the positive impact of the diversification strategy on achieving the quality of profits for insurance companies in Iraq, The mean, standard deviation, and effect size were calculated for each of the terms. The three dimensions of the impact of diversification strategy on achieving the quality of profits for Iraqi insurance companies Separately. These dimensions are: (Reducing costs - increasing revenue - the relationship of diversification strategy to increase the company's profitability). The following table illustrates this.

Schedule (11) The arithmetic mean and standard deviation of the dimensions of the measure of the positive impact of the diversification strategy on aspects of achieving the quality of profits for insurance companies in Iraq

The amount of effect	standard deviation	average	The dimension
0.283	0.280	1.9704	Minimizing costs
0.248	0.246	1.9462	Increase revenue
0.289	0.286	2.0735	The relationship of diversification strategy to increase the profitability of

Given a table (11) It was found that there is a positive effect of the diversification strategy To achieve the quality of profits for companies from the point of view of workers at all administrative levels in these companies, whereas The arithmetic mean for measuring the impact of the diversification strategy on achieving the quality of profits for insurance companies in Iraq is close and reached the highest of these averages 2.0735 with a standard deviation 0.286 and the amount of impact 0.2884 for axis "The relationship of diversification strategy to increase the profitability of the company". These averages were the lowest 1.9462 with a standard deviation 0.246 and the amount of impact 0.248 for axis "Increase revenue" Which indicates the positive impact of the diversification strategy on achieving the quality of profits for insurance companies among the study sample, and this is an indication of the need to take

measures to apply additional methods to enhance the role of diversification strategy, which contributes to achieving the quality of profits for insurance companies in Iraq.

• Comment on the results of the hypothesis testthe fourthTo study:

From the above table, we note that the general trend of the study sample related to the positive impact of the diversification strategy on achieving the quality of corporate profits is centered around "approvalThis indicates that Iraqi insurance companies focusOn developing aspects of diversification strategyshe hasthrough a contributioncost minimization,And theIncrease revenueIn the presence ofRelationshipbetweenDiversification strategy to increase the company's profitabilityAnd it seems that they are aware of the importance that reliance on this approach plays in administrative work, which requires the need to apply a mixture of diversification strategy in order to achieve the quality of profits for insurance companies in Iraq..

Conclusion:

The study aimed to identify the role of diversification strategy in achieving quality profits for insurance companies IraqiFrom the point of view of workers at all administrative levels in these companies, the questionnaire was distributed to workers in insurance companies in Iraq, and by analyzing the data obtained through the questionnaire that was specially designed for this purpose, a set of results were reached, the most important of which are:

- show Effect with indication Statistic Belonging to perceptions staff in a comp Insurance Iraqi About Importance(Application diversification–nature The strategy Miscellaneous-diversification decisions)as aspects essential for evaluation strategy diversification. Wherethataverage Arithmetic To measure aspects Application steps strategy diversification companies Shop studying,Which comp Insurance Iraqi ranges between 1.05And the 3.28,And he has She was The ratio the above to agree Than Indicatesto meBezel Tendency perceptions the sample surveyed Toward Achieve dimensions strategy diversification which Include:(Application diversification–nature The strategy Miscellaneous-diversification decisions).and this is Prepare an indicatorOneffectiveness aspects Evaluation strategy diversification in a comp Insurance Iraqi According for perceptions a sample studying.
- The general arithmetic mean of the expressions related to the impact of diversification strategy on achieving the quality of profits for insurance companies Iraqi Equal 1,985 And the standard deviation of 0.492 This average is located in the degree of agreement, meaning that there is agreement by the study participants on these statements. As it is clear from the data of this table that the phrase "Use product packagesIt came first with an average score 2.84 And a standard deviation 1,173 As for the last place, the phrase "capabilities are transferred between work units in different industries" came with an arithmetic mean 1.10 And a standard deviation 0.533.
- The presence of programs to develop aspects of diversification strategy and binding in the insurance companies in Baghdad, makes the achievement of quality profits to these companies In continuous development, as a result of the existence of laws or conditions that force workers to accomplish a number of administrative points in order to Achieve quality profits for the company.

- The presence of great interest and diligence on the part of the workers inImportant Iraqi insurance companiesApplying the dimensions of the diversification strategy in the field of administrative work, as well as sufficient knowledge of the prevailing legal systems and legislationin diversification strategy, which in turn increases the quantity of knowledge and science.
- The interest of insurance companies in Iraq to try to reach a supervisory performance based on a diversification strategy to acquire different experiences and knowledge at workaccounting who aims toAchieving quality profits for companies.
- It turns out that lower costs, and existenceRelationshipbetweenDiversification strategyAnd theIncrease the company's profitabilityAnd longer revenue increaseAmong the developments in the business environment, including laws and recent publications related to achieving quality profitsAnd theHelp to raise his professional competence and increaseAchieving the quality of corporate profits.
- AdoptZInsurance companies in Iraq provide responsibilityall aspects Application Diversification strategy thatyou can rely on himain achieving quality profitsand improve it.

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