
THE ROLE OF FINANCIAL INNOVATION IN PROMOTING GROWTH AND INNOVATION OF FINANCIAL INSTITUTIONS: A CASE STUDY OF RAFIDAIN BANK

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Abstract

This study aims to evaluate the impact of financial innovation on economic growth and financial services in Rafidain Bank and to analyze the factors that affect the success of financial innovation and its associated challenges. This study was limited to the sample of Rafidain Bank (employees, department heads, and general managers), which was a stratified random sample of 100 employees, using a descriptive survey method as an appropriate research method as the questionnaire was conducted using statistical procedures (SPSS Ver. 27). The results showed that: The application of financial innovations in Rafidain Bank has improved financial services, increased profitability, and competitiveness. Therefore, the institution has promoted growth and innovation; based on these findings, the researchers recommend that: There is a need to develop new policies and procedures to encourage and support financial innovation and mitigate the barriers and challenges associated with it, which represents a continuous challenge to promote innovation in the financial services industry and achieve strong and sustainable development.

Keywords: innovation, technology, policies and legislation, partnership and cooperation, growth.

Introduction

This paper has shown that financial innovation is significant in a country's ability to advance financially and foster the progress of financial institutions. In the background of technology advancement and shifting global economy structure, financial innovation has become necessary to satisfy demands of the market and increase effectiveness of the financial services. It is against this background that the current paper aims at investigating the possibilities of financial innovation in a specific context of development of financial institutions – Bank of Iraq. This work focuses on identifying the practices on how Rafidain Bank applies financial innovations and to what extent such innovations help enhance efficiency rates and increase the number of clients. Banks' experiences in these innovations and problems in their implementation, as well as possibilities to enhance competitiveness are also considered here. Thus, the study contributes to the practical knowledge on the ways of implementing financial innovation in the context of corporate management to ensure sustainable trends and customers' demands. For attaining the benchmark requirements,(Said,

2016, 2) it is crucial to identify and analyze the factors governing the financial innovation and its outcome on business development. Hence, this study will serve as a useful guide to managers and decision-makers in the financial field in regard to the emphasis placed on innovation as a way of enhancing the performance of the financial institutions and the amount of value added.

I. STUDY PROBLEM

The research question or question raised at the core of this study is as follows: How does financial innovation influence the or Rafidain Bank's growth and innovation? Rafidain Bank receives several issues that are clinched with the implementation of financial innovations namely; qualified staff, advanced technological environment, etc. , which hinders the bank to come up with new innovative financial services. It is necessary to identify the differences between the innovations created in the bank and the customer demand. In some cases, certain innovations do not fit the customers' expectations and wants, which takes a toll on the acceptance of such innovations in the market. Further, there is a need to focus on the research on the evaluation of the effectiveness of financial innovation on the firm's performance, both in terms of financial revenues, adding new customers, and upgrade of the levels of service. Thus, the role of the regulation factor cannot be ignored when emphasizing the significance of financial innovations. Local laws and regulations represent another area of interest, which is aimed at understanding how banks' capabilities to adopt and implement innovations in the sphere of finance are constrained by legal regulation. Given the fact that more and more other financial institutions aim at adopting innovation strategies, it is crucial to revealed the impact of rivalry on Rafidain Bank's innovative and growth strategy.

1) The importance of research

The need for such a study arises from the necessity to develop and enhance the consequences of financial innovation in the provision of advanced financial services and, consequently, stimulating the economic growth. This is in view of the fact that financial institutions are very essential fulfillers of economic activities in every economy. It is also expected that the study will also help in explaining the involvement of; Rafidain Bank being one of the major financial institutions in Iraq, and the ways through which the bank can be innovating into enhancing the level of the services delivered to customers in the country. This research also seeks to explore the moderating variables that impact the efficiency of financial innovation, in addition to establishing more needed transformations toward realizing a sustainable economy in Iraq. Through researching these problems, it will be founded a comprehensive and timely conception to investigate the role of financial innovation in stimulating the economic effect and constructing the financial service of Iraq.

II. RESEARCH OBJECTIVES

This work's objectives and research questions comprise assessing the effects of financial innovation in Rafidain Bank on economic growth and on financial services as well as identifying the factors influencing the effectiveness of financial innovation, and the challenges that come with it. The researcher sought to establish the factors that facilitate the

successful implementation of financial innovation in Rafidain Bank. He also looked at the influences of financial innovation on the development of banking market institutions. Bank Rafidain Iraq Financial Structures & Techniques to cope with the Risks of Financial New Techniques He mentioned the Resources Planning for Rafidain Bank to counter the needs of financial innovation.

Research hypotheses

The assumption can be expressed as follows:

The first main hypothesis: The hypothesis that was formulated here is that there is a positive relationship between financial innovation and the formation of financial institutions, with a significance level less than (0.05). This hypothesis is divided into several sub-hypotheses:

The first sub-hypothesis: There is a statistically significant correlation between technology and the growth of financial institutions, with a significance level of less than (0.05).

The second sub-hypothesis: There is a statistically significant correlation between legislation, policies, and the growth of financial institutions, with a significance level of less than (0.05).

The third sub-hypothesis: There is a statistically significant correlation between partnerships, cooperation, and the growth of financial institutions, with a significance level of less than (0.05).

The second main hypothesis: There is a statistically significant correlation between financial innovation and institutional innovation, with a significance level less than (0.05). It is divided into several sub-hypotheses, including:

- First sub-hypothesis: There is a statistically significant correlation between technology and institutional innovation, with a significance level less than (0.05).

- Second sub-hypothesis: There is a statistically significant correlation between legislation, policy, and institutional innovation, with a significance level of less than (0.05).

Third sub-hypothesis: A statistically significant correlation exists between partnership, cooperation, and institutional innovation, with a significance level of less than (0.05).

Research Limitations:

The scope of the research includes the following:

Human Limits: Selected by employees of Rafidain Bank in Saladin Governorate.

Time limits: 2024-2025.

Study Methodology

Since the questionnaire was conducted using a statistical program (SPSS Ver.27), a descriptive survey method was appropriate for the study.

Data Collection Tool

After reviewing the literature for this study and previous studies on the topic of this study, a questionnaire was prepared. The questionnaire included three dimensions: presented as personal information, two main axes, and a total of (25) items distributed on each axis and the dimensions they belong to, as shown in Table (1):

Table (1) Questionnaire axes and phrases

Axis	Dimension	Number of ferries
Financial Innovation	technology	5
	Legislation & Policies	5
	Partnership & Cooperation	5
Institutional Growth and Innovation	Growth of financial institutions	5
	Institutional Innovation	5
Total		25

Default search schema

The hypothesis schema is designed to illustrate the logical relationship between sub-study variables or related variables. The schema represents a set of relationships connecting the study variables, as shown in the diagram (1).

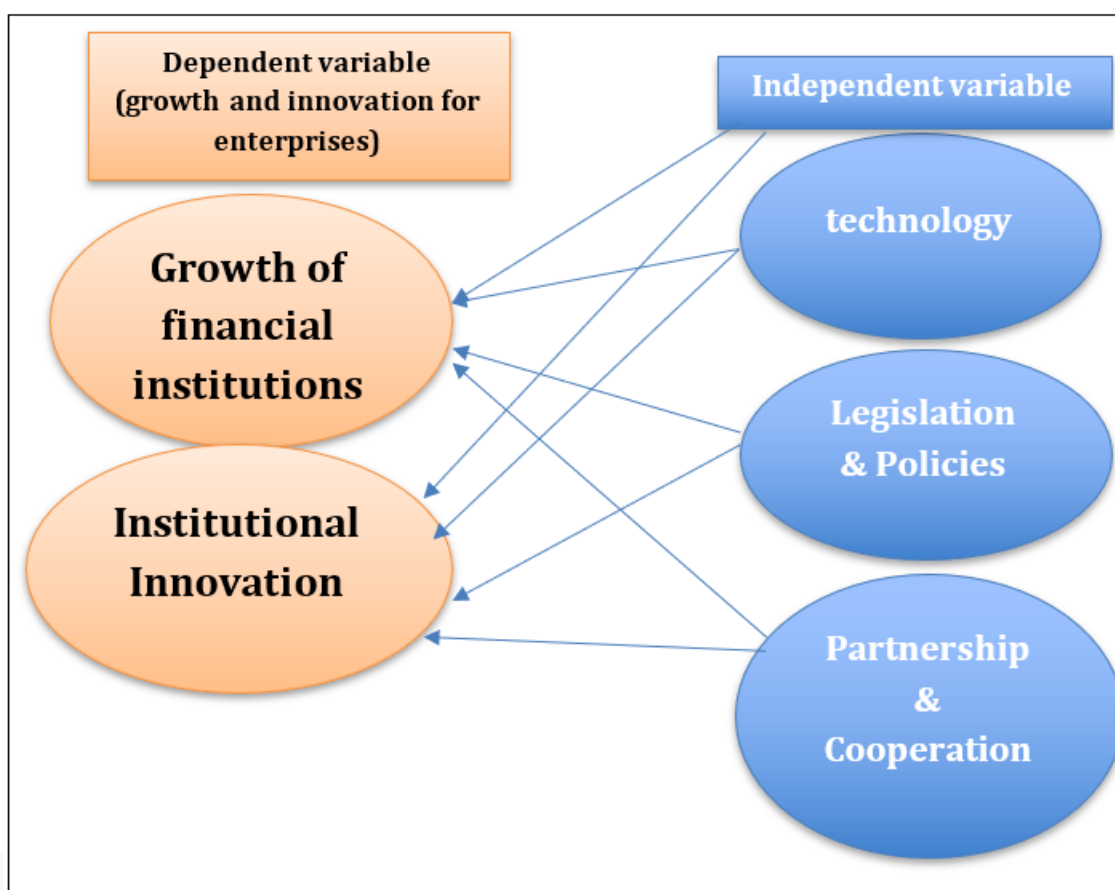


Figure (1) Default search schema
The first topic: basic concepts

A. Financial Innovation

Financial innovation is how institutions introduce or apply new ideas and technologies to improve financial services and meet customer needs. Financial innovation is one of the key factors in developing and improving the financial industry and a necessary condition for economic growth. The basis for understanding financial innovation is to identify its different

types, which can be divided into new financial product innovation, new financial business innovation, (Media, 2014, 15) new marketing, and organizational innovation. New product financial innovation is a new marketing technique or tool developed to help address customer's new and various financial wants. Such innovations in the area of financial derivatives and services create a possibility for a conscious and efficient influence on the financial market and consequently open new opportunities to investors and customers to achieve prosperity. While product innovations in the financial sectors relate primarily to the enhancement of the quality and range of financial services offered to consumers and the enhancement of existing products, process innovations pertain to changes in the manner through which financial institutions' deliver financial services. Such innovations are creating new systems and processes to help in the faster and accurate financial transactions, reorganizing work flows and managing complex comprehensive financial business transactions. Last but not the least, the advancement in the marketing and regulatory areas in financial institutions is crucial for enhancing the communication with the customers, serving the customers' needs and marketing of financial products. Innovation in this area implies the application of current marketing instruments and technologies, bringing new approaches to audiences targeted, potential consumers' attraction and creating stable business relationships. Financial innovation serves the purpose of satisfying customers' demand and realizing economic development and is an important factor of the financial industry updating and enhancing. When different financial innovations are applied, there can be positive changes towards innovation in products among financial institutions, the operations, (Bilhimer, 2016, 103) promotional strategies, or supervision, thus boosting the creation of more economic opportunities and development.

1) Types of financial innovation

Financial innovation can be divided into the following types:(Bin, 2015, 40)

1. Innovation in financial services, meaning the evolution of new or superior solving customer needs' financial products.
2. Financial process innovation in this case means. The enhancement of efficiency of current financial activities, or the creation of new tactics for the enhancement of efficiency of financial organizations.
3. Marketing and regulatory innovation that deals with creating marketing and regulatory frameworks within the financial institutions.

B. The importance of financial innovation to financial institutions

It can be argued that financial innovation plays an important role in the success and continuation of the financial institutions used in the dynamic daily business context. Due to financial innovation organizations avails oneself to various new and highly developed financial products or services that can satisfactorily meet the needs of the customers.(Rayed , 2016, 78) This, in its own turn, leads to higher customer satisfaction and consequently their loyalty to the organization, which contributes to its perpetual success and creation of long-term sustainable revenues. As is stated it is crucial to notice that financial innovation can refer to emerging new technological environments, making the processes efficient, applying

new technologies for online banking services, introducing new means of payment, etc. Financial innovation is not only linked to the development of organizations but can also benefit the general financial industry as well as assisting economic growth and sustainable development.(Belhimer, 2016, 100)

1- Improving financial services

Financial development is thus a form of helping the financial institutions to enhance and advance their services so effectively. There is also the aspect of improvement of the existing financial processes by making them easier and more efficient through this innovation. (Aziza , 2015, 269) Also, financial innovation can take the form of delivering new and sophisticated digital solutions of financial services that would be convenient to the consumers. Due to the use of modern technology and innovations in finance, the institutions are in a better position to provide customers with what they really need in terms of a new experience. For this reason, financial innovation is a chance in the sphere of financial successes and development and the way to occupy a leading market position and grow the level of competitiveness.

2- Reduce costs and increase profitability

Much has now been said about the role of financial innovation on the operating expenses of financial institutions and the associated improvement of efficiency of various financial processes (Fadi, 2004, 130). This is done through new technologies and implementing the electronic financial management solutions. There is possibility to have better performance and to save more time and resources with help of financial innovations in financial institutions. Moreover, financial innovation also can bring very large changes in the earning of financial institutions. (Beirut, 2006, 292)

3- Enhancing competitiveness

Financial innovation can help improve the position of financial institutions by offering a wide range of unique, innovative and distinctive financial products and services that can irresistibly attract customers, maintain strong customer loyalty and weaken competitors' position in the market. By improving efficiency, responding effectively and quickly to better market needs, and providing innovative, unique, and advanced services, financial institutions can consolidate their leadership in the industry and achieve and maintain a significant competitive advantage over the many other financial institutions in the market. A form of competition. (Samer, 2010, 2)

C. Growth and innovation in the financial sector

Innovation is one of the most important growth drivers in the financial sector. The development of new financial products and services, such as digital banking applications and autonomous systems, helps meet customers' growing needs and improve their experience. innovation helps the financial institutions to increase their competitiveness in constantly evolving market conditions. (Abd, 2007, 182) New generation technologies like the artificial intelligence and big data also enhance the functionality by raising the rate of transaction complexity. These technologies do not only assist to offer enhanced strategies in the financial

sector but also avenues for growth since the markets are offered new solutions. However, innovation brings with it some drawbacks that the financial sector is still grappling with and they are; the financial cost that comes with the implementation of new technology as well as the training of employees to adapt to new systems, and last but not the least, the issue of cyber-security. Thus, it becomes a challenge for financial institutions to manage these aspects in order to maximize the potential of innovation. Implementing innovation in the financial sector can drive the sustainable growth of economies mainly through the enhancement of the financial inclusion especially in the un-banked remote regions. Mobile banking and crowdfunding are examples of the services that can help financial institutions to including more people in the economy and contribute to the process of economic development. regulators predict that there will be more shifts within the financial sector as innovation and growth is expected due to technology. Thus, financial institutions will go on in their search for new ways to become more efficient and adapt to novel customer demands, which in turn should enhance their operations globally.(Yusuf, 2018, 189).

1) The impact of financial innovation on economic growth

The prospect depicts that financial innovation does positively influence the economic development to a considerable extent as per the experience of the emerging economies. (Yam, 2012, 24) Financial innovation as stated above can help in the realisation of sustainable economic growth in the following ways; Thus, by broadening the customer base and attracting deposits and other funds. Financial innovation carries with it the potential of decreasing a country's financial risks and as such the probabilities of a crisis in the financial sector. This enable more trust in the financial system and it is able to absorb any future shocks in the financial market. Moreover, it has been noted that financial innovation is effective in enhancing the role of the financial sector in the progressive development of a nation's economy. Thus, the development of innovation in this regard will increase the number and accessibility of financial services in all sectors to meet the needs of the population. In turn, this enhances economic development since new business entities appear, new jobs are generated, and citizens' well-being increases. Finally, it is worth highlighting that financial innovation has a positive effect on economic growth and creates new possibilities for development, allows enhancing the population's financial security and increasing the role of financial sector in the national economy (Nassima, 2015, 24) . In this regard, the countries and economic institutions should encourage and facilitate the formation of financial innovation for the sustainable development and economic growth.

III. CHALLENGES TO FINANCIAL INNOVATION

Financial innovation by financial institutions faces many challenges and barriers that must be overcome to succeed and achieve sustainable development and prosperity. These important challenges include: (Merdasi, 2017, 51).

1- Government legislation and policies

Government legislation and policy are some of the main challenges to financial innovation for financial institutions. Financial and banking laws and regulations can be a significant

barrier to implementing many types of financial innovations because they set the rules and framework within which financial innovation occurs and can limit the freedom of financial institutions to adopt and implement innovations (Abd, 2007, 183). Therefore, government legislation and policies should be flexible enough to enable financial institutions to adopt and apply the necessary innovations to meet the needs and desires of their customers and improve their financial services. Encouraging and promoting financial innovation can make a significant contribution to the positive development of the socio-economy. Therefore, it is important for governments and legislators to recognize the important role of financial innovation and take steps to create a favorable environment for financial innovation and remove potential negative legal or regulatory barriers. It is essential to regulate financial and banking markets in a way that supports and encourages innovation so that individuals and businesses can provide new innovative financial solutions to meet their needs and improve their level of financial services. (Merdasi, 2017, 50)

1) 2- Organizational culture and resistance to change

It is of great importance and significance to note that organizational culture exercises profound and a central influence on the management and introduction of financial innovations as well as their adoption with the firm of financial organizations. (Rayed, 2016, 69) Yet when the regulatory culture is one of saying no to change and no to anything that is new, it becomes a problem for financial institutions to deal with the innovation challenges let alone embrace them. But, in contrast, it is possible for organizational culture to improve positively with the enabling and promotion of financial innovations. This can be done by raising the level of change management readiness within the organization and aligning with the new changes in the aspect of Finances and motivating the employees and supplying them with all the resources they may need in order to meet the objectives set by the financial innovation. Thus, establishing a regulatory culture for financial development implies that certain actions are continually taken with the aim of driving change and modernizing the structures of financial institutions along with the realization of all potentialities of financial innovations being in accordance with the principles of successful implementation. (Abd, 2007, 179)

B. Innovation at Rafidain Bank

Rafidain Bank was established in 1941 and is currently one of the biggest banks in Iraq as well as one of the oldest in the Middle East. The bank plays a crucial role in the banking and financial operation of the Iraq and had a great role in the financing of both public and private sectors. Rafidain Bank plays an important role in Iraq and boosts the development of domestic and/or international trade. It will also assist to improve Iraq's capacity to formulate national structures and main projects. Rafidain Bank offers its services in variety, general and in most fields of activity such as deposit and loan, internal and international transfer, investment services, and wealth management. Moreover, express transfer and exchange is also offered under the service offer of the bank; being available in various international currencies. Thus, Rafidain Bank has the main strategic objective of fulfilling the needs and demands of its customers and ensuring that every client meets a distinctive and secure

banking experience. Having vast experience behind it and also having an international recognition, Rafidain Bank is one of the most popular and likely the greatest choice for many investors in Iraq and across the world.(Samir and Ruqaya, 2020, 23)

1) Financial Innovations at Rafidain Bank

The goal of Rafidain Bank is to introduce such concepts as financial innovations in order to enhance the service and improve productivity. In that regard, the bank aims at improving on the needs of customers and customer satisfaction by offering advanced and efficient products that include internet banking, mobile banking, and electronic money. It is also devoted to introducing various financial services to help financiers and the industrial and commercial industries in Iraq. Also, the bank wants to extend the branch networks in several cities and regions of Iraq, so it will be able to offer its customers comfortable banking services. The team of the bank can continue to advance artificial intelligence and data analysis for banking services' requirements and support optimization and the speeding up of general processes. The bank acknowledges the issues related to innovation and development of financial technologies and therefore, in its capacity, constantly tries to familiarize itself with what is new in this industry. Also, the bank offers new forms of financing for SMEs in Iraq with the desire to help the economy and promote small business initiatives. This entails extending loans at reasonable interest to match the ability and capacity to repay and a further extension of services in terms of offering financial advice on how to handle the funds in order to realise the company's objectives of profitability. Lastly, the desired goal of Rafidain Bank is the becoming the number one bank in Iraq and the bank of choice regarding the needs of the customers tomorrow. Through innovation and by offering new services the bank will also keep on improving and will be able to achieve customers' expectations and satisfaction. (Samir and Ruqaya, 2020, 27)

The second topic: the practical framework

Basically, the study will also attempt to acquire information from the perspectives of the employees, department heads and the general managers of Rafidain Bank Salah Al-Din Governorate Branch regarding the impact and the role of financial innovation to the growth and innovation of the financial institution. The findings of this study are based on the feedback of the research participants collected through the research instrument.

2: Research Community

The study population included (employees, department heads and managers) of the Salah Al-Din Governorate Branch of Rafidain Bank.

- **Research Sample**

The study was limited to the sample (employees, department heads and managers) of Rafidain Bank, based on a stratified random sample of 100 employees. Table 2 shows the characteristics of the sample examined.

Table (2) Characteristics of the research sample

figure	Variable	Category	Number of sample members	Percentage %
1	Marital status	male	62	62%
		Female	38	38%
		Total	100	100
2	lifetime	Less than 30 years	17	17%
		31 – 40 years	33	33%
		41 -50 years	35	35%
		Over 50 years old	15	15%
		Total	100	100
4	Years of service	Less than 5 years	15	15%
		5 to less than 10 years old	35	35%
		From 10 to less than 15 years old	30	30%
		15 years and above	20	20%
		Total	100	100

- **Stability of the study instrument**

The stability of the search tool was confirmed by calculating the Cronbach alpha coefficient. Table (2) shows the stability coefficient values for each axis and the number of related elements for each axis. It is important to note that all values are greater than (0.7), which indicates that the search tool is characterized by stability and that the research tool was created, prepared and evaluated in an acceptable manner and achieved its objectives.

Table (3): Honesty coefficient for measuring the study tool

Axis	Dimension	Number of ferries	Believe the axis
Financial Innovation	technology	5	0.741
	Legislation & Policies	5	0.830
	Partnership & Cooperation	5	0.844
Enterprise Growth and Innovation	Growth of financial institutions	5	0.813
	Institutional Innovation	5	0.783
Total paragraphs		25	0.864

Source: Created by researchers using SPSS program

2.2 Study results and discussion

- Financial Innovation (Technology Dimension)

Table 4: Arithmetic mean and standard deviation of financial innovation dimensions

Axis	Paragraphs	Arithmetic mean	Standard deviation	Order
Financial Innovation	technology	3.66	1.18	2
	Legislation & Policies	3.71	1.10	1
	Partnership & Cooperation	3.46	1.20	3

Source: Prepared by the researcher based on SPSS program

As can be seen from Table (4), the dimension of legislation and policy has the highest arithmetic mean of (3.71) and a standard deviation of (1.10). The dimension (technology) ranks second with an arithmetic mean of (3.66) and a standard deviation of (1.18). The dimension (partnership and collaboration) ranks last with an arithmetic mean of (3.46) and a standard deviation of (1.20).

- Growth and innovation of financial institutions

Table 5: Arithmetic mean and standard deviation of the dimensions of growth and innovation of financial institutions

Axis	Paragraphs	Arithmetic mean	Standard deviation	Order
Financial Innovation	Growth of financial institutions	3.59	0.970	2
	Institutional Innovation	3.68	0.843	1

Source: Prepared by the researcher based on SPSS program

Table (5) shows that the dimension (institutional innovation) ranks first with an arithmetic mean of (3.68) and a standard deviation of (0.843), while the dimension (financial institution growth) ranks second with an arithmetic mean of (3.59) and a standard deviation of (0.979).

- Hypothesis analysis

The first main hypothesis: There is a statistically significant correlation between financial innovation and financial institution growth, with a significance level of less than (0.05).

Table (6) Relationship between financial innovation and financial institution growth

minion Independent	Growth of financial institutions	Sig
Financial Innovation	0.681**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (6) shows that the correlation coefficient (0.681) and the significance level (0.000) indicate a mean positive correlation between financial innovation and the growth of financial institutions, namely: H. As financial innovation increases, the growth of financial institutions also increases. Therefore, the researchers concluded that the hypothesis is accepted.

The first sub-hypothesis: There is a statistically significant correlation between technology and financial institution growth with a significance level of less than (0.05).

Table 7 shows the correlation between technology and the growth of financial institutions

minion Independent	Growth of financial institutions	Sig
technology	0.652**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (7) shows that the correlation coefficient (0.652) has a significant level (0.000), indicating that there is a moderate positive correlation between technology and the growth of financial institutions, i.e., a positive correlation. H. With the advancement of technology, the growth of financial institutions also increases. Therefore, the researchers concluded that the hypothesis is accepted.

The second sub-hypothesis: There is a statistically significant correlation between legislation, policy, and financial institution development, with a significance level of less than (0.05).

Table 8 shows the correlation between legislation, policies, and the growth of financial institutions

minion Independent	Growth of financial institutions	Sig
Legislation & Policies	0.573**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (8) shows that the correlation coefficient (0.573) with a significance level of (0.000) indicates that there is a weak positive correlation between legislation and policy and the growth of financial institutions, namely: H. The growth of financial institutions increases with the increase in legislation and policy. Therefore, the researchers concluded that the hypothesis is accepted.

Third sub-hypothesis: There is a statistically significant correlation between partnership, collaboration, and growth of financial institutions, with a significance level of less than (0.05).

Table 9 shows the correlation between partnership, cooperation, and growth of financial institutions

minion Independent	Growth of financial institutions	Sig
Partnership & Cooperation	0.548**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (9) shows that the correlation coefficient (0.548) with a significance level of (0.000) indicates that partnership and cooperation have a weak positive correlation with the growth of financial institutions, which means that the growth of financial institutions increases with the increase in the degree of partnership and cooperation. Therefore, the researchers concluded that the hypothesis is accepted.

The second main hypothesis: There is a statistically significant correlation between financial and institutional innovation, with a significance level of less than (0.05).

Table (10) shows the correlation between financial innovation and institutional innovation

minion Independent	Institutional Innovation	Sig
Financial Innovation	0.656**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (10) shows that the correlation coefficient (0.656) with a significance level of (0.000) indicates a positive mean and positive correlation between financial innovation and institutional innovation, which means that as financial innovation increases, institutional innovation will also increase. Therefore, the researchers concluded that the hypothesis is accepted.

The first sub-hypothesis: There is a statistically significant correlation between technological and institutional innovation at a significance level of less than (0.05).

Table 11 shows the relationship between technology and institutional innovation

minion Independent	Institutional Innovation	Sig
technology	0.852**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (11) shows that the correlation coefficient (0.852) has a significance level of (0.000), indicating that there is a high positive correlation between technology and institutional innovation, i.e., H. Institutional innovation increases with technological advancement. Therefore, the researchers concluded that accepting the hypothesis.

Second sub-hypothesis: There is a statistically significant correlation between legislation, policy, and institutional innovation at a significance level of less than (0.05).

Table 12 The relationship between legislation, policy, and institutional innovation

minion Independent	Institutional Innovation	Sig
Legislation & Policies	0.431**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (12) shows that the correlation coefficient (0.431) and the significance level (0.000) indicate a weak positive correlation between legislation, policy, and institutional innovation. H. Financial innovation increases with the increase of legislation and policy. Therefore, the researchers concluded that the hypothesis is accepted.

The third sub-hypothesis: A statistically significant correlation exists between partnership, collaboration, and institutional innovation, with a significance level of less than (0.05).

Table 13 shows the relationship between partnership, cooperation, and institutional innovation

minion Independent	Institutional Innovation	Sig
Partnership & Cooperation	0.502**	0.000

Source: Prepared by researchers using the SPSS statistical program

** At 0.05 morale level

Table (13) shows that the correlation coefficient (0.502) with a significance level of (0.000) indicates that there is a weak positive correlation between partnership, cooperation, and institutional innovation, which means that institutional innovation increases with the increase of partnership and collaboration. Therefore, the researchers concluded that the hypothesis is accepted.

Conclusions:

- 1- The application of financial innovation in Rafidean Bank has improved financial services, increased profitability and competitiveness, and promoted growth and innovation within the company.
- 2- The factors that affect the success of financial innovation require changes in organizational culture and local government policies. Rafidean Bank is a successful example of the application of financial innovation in the financial field.

3- There is a positive correlation between financial innovation and the growth and innovation of financial institutions. That is, the growth and innovation of financial institutions increase with the increase in economic innovation.

4- There is a positive correlation between technology and the growth and innovation of financial institutions. That is, the growth and innovation of financial institutions increase with the advancement of technology.

5- There is a positive correlation between legislation and policies and the growth and innovation of financial institutions. That is, the growth and innovation of financial institutions increase with the increase of policies and laws.

6- There is a positive correlation between partnerships and collaboration and the growth and innovation of financial institutions. That is, as partnerships and collaboration increase, the growth and innovation of financial institutions will also increase.

IV. RECOMMENDATIONS

1- The study identifies improving and expanding financial services, reducing costs, and increasing profitability as key recommendations that must be considered to support financial innovation in banks.

2- New policies and procedures are needed to promote and support financial innovation and mitigate the barriers and challenges it may face. Fostering innovation in the financial services industry and achieving strong and sustainable development is an ongoing challenge.

3- In this context, collaboration with financial institutions and other relevant regulators should also be considered to achieve positive and tangible results in financial innovation.

4- Strong and effective strategies are needed to promote governance and innovation, foster a progressive innovation culture within the organization, and develop human capabilities in innovation and financial and technological excellence.

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