



## The impact of lean management on the quality of banking financial services in banks: the mediating role of organizational trust

أثر الإدارة الرشيقة على جودة الخدمات المالية المصرفية في البنوك: الدور الوسيط للثقة التنظيمية

<sup>1</sup>\* **Muyad H. Rasheed Abtan**, email : [muyadabtan@gmail.com](mailto:muyadabtan@gmail.com)

<sup>2</sup> **Bassam Dib Hajjar**, email : [President@aul.edu.lb](mailto:President@aul.edu.lb)

<sup>1</sup> Ph.D. student, Faculty of Business Administration, Jinan University (Lebanon)

<sup>2</sup> Professor, Faculty of Business Administration, Jinan University (Lebanon)

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### Abstract

The article aimed to identify the impact of lean management on the quality of banking financial services in banks, considering organizational trust. The analytical descriptive approach was adopted using a questionnaire distributed to a random sample of (300) employees (from middle and upper management) in Iraqi banks. The results showed that there is a positive and statistically significant effect at the significant level ( $\alpha \leq 0.05$ ) of lean management on the quality of banking financial services in banks. It also showed that there are partial means of organizational trust (as a mediator) in the relationship between lean management and the quality of banking financial services.

**JEL Classification Codes** : E58 ; H83 ; G32 ; P34

### Keywords

lean management;  
financial services;  
organizational trust;  
Iraqi banks.

### الكلمات المفتاحية

الإدارة الرشيقة؛  
الخدمات المالية؛  
الثقة التنظيمية؛  
البنوك العراقية.

### المخلص

هدف المقال التعرف إلى أثر الإدارة الرشيقة على جودة الخدمات المالية المصرفية في البنوك بوجود الثقة التنظيمية، ولتحقيق أهداف الدراسة تم إتباع المنهج الوصفي التحليلي من خلال تطوير استبانة وتوزيعها على عينة مكونة من (300) موظف وموظفة في الإدارات الوسطى والعليا في البنوك العراقية تم اختيارهم بطريقة عشوائية من مجتمع الدراسة، وبعد إجراء التحليل الإحصائي أظهرت الدراسة مجموعة من النتائج من أبرزها أن هناك أثر إيجابي وذو دلالة إحصائية عند مستوى الدلالة ( $\alpha \leq 0.05$ ) للإدارة الرشيقة على جودة الخدمات المالية المصرفية في البنوك، كما أن هناك وسائط جزئية للثقة التنظيمية (كمغير وسيط) على علاقة بين الإدارة الرشيقة وجودة الخدمات المالية المصرفية.

تصنيف JEL: P34؛ G32؛ H83؛ E58

\* corresponding author: Muyad H. Rasheed Abtan, email: [muyadabtan@gmail.com](mailto:muyadabtan@gmail.com)

## **I. INTRODUCTION:**

In an unsecured competitive environment, all organizations, whether industrial, commercial, or service, strive to achieve excellence in their performance to ensure their growth, continuity, and survival. To determine their competitive position in the changing environment, increase their market share, and work on the sustainability of their services, they take a set of strategies and procedures that enable them to adopt lean management to improve and diversify their services to suit the aspirations and desires of their customers.

Hence the importance of the term Lean, which refers to the ability of the organization to adapt to changes that may occur in the market in productive and cost-effective ways, to respond quickly to change, to achieve sustainable results, and to make optimal use of available human resources. From this aspect, agility is an inevitable result of organizational intelligence in the organization, as it is a key factor for the organization's success in the changing business environment.

On the other hand, the concept of organizational trust has recently received distinguished and unprecedented intellectual attention, focusing on the nature of that trust and defining its role in building contemporary and future life so that mutual trust between individuals and the organization is an important factor in achieving interaction and a necessary element for forming cooperative relations in the organization and consolidating Organizational stability and satisfaction among the members of the organization. Thus, organizational trust helps mitigate negative conflicts and promote effective problem-solving responses(Helmiati et al., 2019).

As for the quality of services and performance, it is one of the most controversial issues since the emergence of human societies, and this is evidenced by the large number of research and publications that dealt with the issue of human resources and human capital, all to obtain a human element capable of reaching societies and organizations to distinguished services. Thus, there are indicators and criteria according to which it is ensured that human resources keep pace with renewable knowledge, their skill in dealing with modern technologies, and thus their ability to face external challenges and seize opportunities, which is reflected in the vision, mission, and goals of the organization rationally and effectively.

Accordingly, the employee's confidence in the bank where he works is very important to his success. It increases his ability to achieve the set goals, as a lack of confidence leads to indifference and a negative impact on the level of quality of the services provided and on performance, efficiency, and effectiveness. Therefore, it will be difficult to achieve good performance for the employees in the bank if the bank does not have a system of values and beliefs integrated within it that distinguishes it from others. This is referred to as the term organizational trust(Almteri, 2020); this article identifies the impact of lean management on the quality of electronic banking financial services in banks, with organizational trust as a mediating variable.

## 1.1 The problem statement

The quality of banking service is one of the most important criteria that constitutes the field of competition among banks to improve their reputation and increase their market share. Therefore, banks are keen to improve their banking services by forming effective supervisory apparatuses and introducing technology to achieve customer satisfaction. Accordingly, trust in institutions needs teamwork (as a team) and mutual dependence regarding team members and various ways to achieve their personal and organizational goals, so trust is considered a major and essential factor in collective and individual understanding. The behavior among individuals, administrative activities, economic exchange, social stability, and politics - in addition to that, organizational trust is an important factor for organizing and building solid and stable social relations. They are more successful, adaptive, and innovative than unconfident organizations.

After reviewing the theoretical studies and literature that dealt with the study's variables, I did not find that any previous studies in the Republic of Iraq attempted to link lean management, the quality of banking financial services, and regulatory trust. The banking environment today is characterized by rapid changes, continuous complications, and instability as a result of a number of factors, foremost of which are the large, rapid, and continuous developments in the banking field and the activities and strategies carried out by competitors to achieve superiority and excellence in performance over others, which put Iraqi commercial banks in front of a major challenge for their ability to Exploring new opportunities by devising new methods that enable it to remain in doing its business while working at the same time to exploit current opportunities. Iraqi commercial banks have recently faced many challenges due to global crises, including the recent health crisis (Corona crisis) and intense competition among banking institutions at the local, regional, and global levels. This competitive situation prompted commercial banks to raise the level of quality of their services by adapting to the circumstances surrounding them, quickly responding to these changes and being flexible by carrying out unplanned work, and encouraging the completion of tasks and works through the formation of work teams, and the participation of their employees in decision-making, To take advantage of the knowledge, skill and experience available to its employees and develop their innovative capabilities to meet these challenges and overcome them in light of this highly competitive environment and thus maintain existing customers or attract new ones.

Considering the above, the problem of the study is to identify the impact of lean management on improving the quality of banking financial services in Iraqi commercial banks, with the presence of organizational trust as a mediating variable.

## 1.2 The aims

The article aimed to identify the impact of lean management (workplace organizing, continuous improvement, standard work, multifunctional workers) on the quality of banking financial services in banks, considering organizational trust. Also, it aims to identify the role of organizational trust in improving the quality of banking financial services as a whole in Iraqi commercial banks.

### 1.3 The questions

- 1- What is the impact of lean management with its dimensions (organizing the workplace, continuous improvement, standard work, multi-functional workers) on improving the quality of banking financial services with its dimensions (reliability, tangibility, safety) in Iraqi commercial banks?
- 2- What is the mediating effect of organizational trust on the relationship between lean management and improving the quality of banking financial services in Iraqi commercial banks?

### 1.4 The importance

The article focuses on deepening theoretical concepts about each of Lean management in its dimensions (organization of the workplace, continuous improvement, standard work, and multifunctional workers) and the quality of banking financial services in its dimensions (reliability, tangibility, safety) and organizational trust. It is hoped that the current study will be a starting point for new future studies regarding previous concepts, especially in the banking sector and other business sectors.

The study is useful in presenting a clear vision for officials in commercial banks about the impact of lean management on the quality of banking financial services in Iraqi commercial banks in the presence of organizational trust as a mediating variable. Finally, the results will lead to some proposals in the light of the results that can be used in the banks under study and other banking institutions, as well as in conducting future studies.

### 1.5 Hypotheses

To achieve the objectives of the article, the following hypotheses were formulated:

H01: There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of lean management with its dimensions (workplace organizing, continuous improvement, standard work, multifunctional workers) in improving the quality of banking financial services (reliability, tangibility, safety) in Iraqi commercial banks.

H02: There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of lean management with its dimensions (workplace organizing, continuous improvement, standard work, multi-functional workers) on organizational trust in Iraqi commercial banks.

H03: There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of organizational trust in improving the quality of banking financial services in Iraqi commercial banks.

H04: There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of lean management in improving the level of quality of banking financial services through organizational trust as a mediating variable in Iraqi commercial banks.

## 1.6 Terminology

- **Lean management:** a management style that aims to influence the behavior of employees, characterized by rapid response to the needs of employees and the bank using different leadership styles, which leads to providing opportunities for employees in the bank to adapt to changes in the internal and external environment (Abdallah, 2020). Lean Management: The ability of commercial banks to adapt to the circumstances surrounding them, the speed of response to these changes, and the flexibility to carry out unplanned actions, with the aim of providing the best banking financial services according to the latest scientific developments, qualification and training of employees, and good dealings with customers.
  - Organizing the workplace: Commercial banks are committed to following a system to organize the workplace and put everything in its place to facilitate the procedures followed to provide the service, which increases the psychological comfort of the worker and thus increases his productivity and gains customer satisfaction (Al-Baba, 2020).
  - Continuous improvement: a method used by commercial banks to improve and develop their procedures in a way that reduces errors and increases the quality of service provided to customers (Martínez-Jurado & Moyano-Fuentes, 2014).
  - Standard work: unifying and arranging business in commercial banks, the mechanisms for carrying them out, the necessary procedures and equipment so that they lead to efficiency in the use of resources, achieving desirable results, providing good services, and thus achieving customer satisfaction (Addoum, 2021).
  - Multifunctional workers: the ability of workers in commercial banks to carry out more than one task, with advanced skills and knowledge, and who can solve problems (Abdallah, 2020).
- **The quality of banking financial services:** It is the suitability of the banking financial service provided to customers with their actual awareness of the benefit obtained and expected from the bank and the extent of their conviction in it (Eisend et al., 2016).
  - Reliability: It is represented in the ability of employees in commercial banks to provide distinguished banking services to customers and meet their expectations (Al-Qureshi, 2017).
  - Tangibility: It represents all the tangible aspects related to the service, such as buildings, facilities, internal equipment to provide the service, modern technologies used in the bank, and the employees' appearance (Eltahir & Abdallah, 2019).
  - safety: the ability of those in charge of commercial banks to provide service and gain the trust of the customer through the reputation and prestige of the bank, the knowledge and skill of the employees, and their personal qualities (Eltahir & Abdallah, 2019).
- **Organizational trust:** the expectations of individuals or groups in the Iraqi banks in which they work, by relying on them to achieve favorable results for individuals or groups, as a result of the efficiency of the administrative system in them, the heads, the information system, and the organizational relations between individuals, and not to exaggerate the presentation of facts (Helmiati et al., 2019).

## **II. THEORETICAL FRAMEWORK AND PREVIOUS STUDIES:**

### **2.1 Lean management**

Lean management has become an important way and means to improve the performance of organizations. It is a philosophy based on continuous improvement, which requires the commitment and participation of all employees (Martínez-Jurado & Moyano-Fuentes, 2014). Lean management is defined as one of the modern management methods that deal with all kinds of waste in organizations. Lean management expects the maximum use of resources and uses a set of techniques and tools. These tools also express ideas and policies that make reducing squandering in the organization a major goal (Rauch et al., 2016).

Ramly (2012) defines lean management as a set of steps that must be taken in a correct manner and sequence to create value in order to accomplish a specific work, in addition to focusing on the principle of respecting procedures and time to complete the work as required in a timely manner and achieve added value at a high level of quality. Fachrunnisa et al. (2020) refer to lean management as a quick response to job opportunities and threats arising from changes and information technology developments.

Abdallah (2020) defines lean management as a management style that aims to influence the behavior of employees and is characterized by a high degree of rapid response to the needs of employees and the organization using different leadership patterns, which leads to providing opportunities for employees in the organization to adapt to changes in the internal and external environment. Andersson & Andersson (Andersson et al., 2014) define lean management as the leadership that sets the organization's goals, taking into account the organization's capabilities, the extent of its influence, and the agile steps that must be taken to achieve those goals.

Lean management is a comprehensive system for all production process procedures with the aim of continuous development and improvement of all procedures and optimal use of material and human resources in conjunction with addressing all forms of waste of time, effort, and money. Accordingly, the organization needs flexible leadership in dealing with and responding to these changes efficiently and quickly to ensure its survival, stability, and growth. Therefore, lean management is characterized by a humane method for managing the organization's activities through a deep awareness of the value of the employee as an essential element for the organization's success.

### **2.2 The importance of lean management**

The importance of lean management can be summarized in the following points (Abdallah, 2020; Alfatlawi, 2017):

1. Lean management provides a better understanding of the roles required of employees.

2. Better realization of lean applications within the organization contributes to spreading a culture that meets the requirements of lean behaviors through exchanging information and feedback.
3. The agile thought of leadership includes the belief that individuals in the organization constitute intellectual capital, which is considered the most important in the formation of the structure of the organization. Therefore, their role must be clear and effective in decision-making and participation in successful development, finding appropriate solutions to problems, and providing constructive suggestions.
4. Having high levels of lean management behavior builds good bonds between the leader and employees based on love and mutual respect.

Shobaki et al.(2018) stated that there is a high level of lean management (reducing waste, reducing costs, improving service, customer satisfaction, maximizing competitiveness and profitability) in technical colleges in the Gaza Strip and statistically significant differences in the application of lean management dimensions between technical colleges, and the absence of differences in the application of lean management according to levels of experience, except after reducing costs, as there were differences from the point of view of those with low experience. Najm & Kareem(2018) found a strong, significant effect between the variables of organizational trust and the variables of organizational citizenship behavior.

### **2.3 The quality of banking financial services.**

The quality of financial services is implemented through the quality policy, who is responsible for it, monitoring and reviewing it, defining the tasks, the procedures that must be performed, how to correct the error in the event of non-compliance with the procedures, determining the documentation, registration, advice, planning, development, evaluation, selection, and resource allocation. Administrative staff should develop and clarify them and publish work instructions; otherwise, the work will be unsound(Eisend et al., 2016).

Zeithaml et al.(2012) refer to two dimensions of the quality of financial service. The first dimension is technical quality, which includes what is provided to the customer, while the other is called functional quality, which includes how to provide the service. The last dimension reflects the interaction process between the service provider and the customer, and it seems that this dimension is important and decisive in judging the quality of service. Customers evaluate the bank and draw a mental impression of it on these two dimensions.

Thus, the banking financial service is an intangible thing that provides intangible services and good benefits to the customer, or the use of human energy, people, or things that cannot be obtained or consumed financially. It is also defined as the accuracy, responsiveness, and reliability of services in terms of administrative and tangible material service, the level of which can be evaluated by the customers who benefit from them.

The quality of services is the basis of efficiency. Quality contributes to achieving positive results in the long term in terms of reaching a level of efficiency, as the aspects of quality are reflected in restoring the company's capital and allocating its additional costs (Kenza, 2021). The quality of service also stands out in developing the service field, establishing branches for it, maintaining a competitive advantage in the labor market, understanding customers to ensure their loyalty, meeting their needs and desires, and attracting new customers.

Al-Qureshi (2017) revealed a varying effect of the quality of banking services on customer satisfaction of Islamic banks in Jordan (reliability, responsiveness, tangibility, empathy, and assurance) on achieving customer satisfaction in terms of (recurrence of purchase, customer trust, security, and golden image). Also, Awoke (2015) confirmed that the quality of bank service through the tangible and assurance dimensions indicates a positive level of satisfaction for bank customers and that the dimensions of reliability, responsiveness, and empathy indicate a negative impact, revealing that customers are not satisfied with these dimensions.

Saeed et al. (2015) showed that the five dimensions of service quality (reliability, privacy, evaluation, empathy, and website design) play a vital role in bridging the gap between customers' expectations and perceptions regarding Internet banking services and that the five dimensions are of great importance in the quality of banking service via devices, ATMs, mobile phones, or the Internet.

Al-Baba (2020) confirmed the existence of a statistically significant relationship between the extent of applying the dimensions of lean management and the quality of services provided by Jawwal Company in the Gaza Strip, pointing to the need to raise awareness of the concept of lean management and adopt it as an approach and management philosophy in the cellular communications company for its important role in improving the quality of services provided and reducing waste, damage and loss during the stages of service provision, and adopting clear standards that contribute to providing the requirements of lean management. Eltahir & Abdallah (2019) revealed the impact of the dimensions of banking service quality (reliability, responsiveness, tangibility, empathy, and assurance) on the satisfaction of commercial bank customers in Al-Darb Governorate - Saudi Arabia, emphasizing that the two dimensions (reliability and tangibility) are the best in terms of quality in commercial banks. Followed by sympathy, then tangibility, followed by safety. The weakest dimension was the response dimension. They also revealed that there was a statistically significant effect of all dimensions of banking service quality on increasing commercial bank customers' satisfaction.

## **2.4 Organizational trust**

Building organizational trust has a significant impact on the work outputs within the organization, which requires institutions to consider trust as an important economic resource, which encourages them to adopt an investment strategy based on effective standards, the results of which are reflected in the success of this investment significantly (Willems et al., 2016).



The employees' lack of confidence in organization management is one of the main problems facing developed and contemporary institutions, and it may threaten its existence. Therefore, technology alone cannot manage the organization's affairs, and employees will remain important in performance, development, and innovation efforts. Suppose institutions want to achieve their goals and manage them efficiently. In that case, mutual trust is required, as the lack of trust may make individuals prefer their interests over the institution's interests, which leads to a decrease in their loyalty to the institution.

Organizational trust is an important source of competitive advantage that contributes to the formation of intellectual capital in organizations and results in great employee conviction of organizational commitment and great flexibility in work and collective organization, which constitutes a competitive advantage for the organization(Pranitasari, 2020).

Organizational trust is also the continuity, strength, and intensity of relationships between individuals and their institutions, which is the belief of workers that their institutions are fair and ethical, act in accordance with what they expect from them, work for them, solve their problems, and strive to achieve their goals(Akar, 2018), meaning that it is the positive feeling that results from their certainty From doing the agreed actions and actions that serve them, or is the tendency of workers to accept their institutions based on their positive expectations of them related to their intentions and behaviors, and their good expectations resulting from the conviction of their actions(Hasan, 2021).

In short, organizational trust is the positive expectations of individuals about the adequacy, reliability, and well-being of the members of their organizations(Alavije et al., 2020). It is linked to applied administrative practices, procedures, and decisions, such as adhering to ethical and administrative values and avoiding everything that harms common interests, which contribute to their continuity in working in and dealing with them because of the adequacy they find in them in the administrative system and the fulfillment of their obligations towards them(Amer, 2018). Kurnaz (Kurnaz, 2018) examined the relationship between servant leadership and organizational trust among government hospital employees. A significant and positive relationship was found between them. In this context, the sub-components of servant leadership, such as empowerment, humility, responsible leadership, and forgiveness, positively affect the level of organizational trust of workers. In addition, it positively affects the sub-components of organizational trust, such as trust in the manager, colleagues, and the organization.

Lean management principles indicate the importance of accurately determining how to accomplish tasks to achieve the required levels of quality in operations. As for the technical aspect related to how and when to complete it focuses more on lean management than on total quality management(Calabrese, 2012).

Lean banking requires high levels of cooperation, team spirit, self-confidence, creativity, forward-thinking, and entrepreneurial spirit. You will not find this except by activating the role of organizational culture, which will help improve the level of banking agility, and that banking agility and the various requirements it needs, the most prominent of which is the availability of a leadership

style capable of making it successful as there is an important and effective role for leadership and senior management in the success of banking agility by preparing and qualifying leaders in banks and imparting them the behaviors of a leader, which in turn gives the employees the ability to take responsibility and deal with environmental changes(Al-Maghrabi, 2016).

Modern management always strives to look to the future and search for new strategies to achieve the bank's success. Therefore, lean banking is one of the concepts that need conscious leadership that takes into account all the variables and developments that occur and manages them for the benefit of the bank, and the management is keen to create a climate of confidence for workers to realize the importance and value of work while giving workers a degree of independence in performance without direct interference. From management, which gives them the ability to influence and achieve in the work environment (ALmarri & Bashabsheh, 2020).

**III. METHOD AND PROCEDURES:**

**3.1 Method**

The study adopts the descriptive approach, which is based on a set of methods for collecting, summarizing, organizing, and presenting data, as well as the inferential (analytical) approach that extrapolates numbers and reveals their statistical function and interpretation.

**3.2 Population and sample**

The study population consists of all employees in the Iraqi commercial banks within the upper and middle administrative levels in 2023. This study focuses on branch employees in local commercial banks. An available sample (300) has been selected. The following table shows the demographics sample:

**Table 1: Sample demographics**

variable	category	count	ratio
Gender	male	220	73.4
	female	80	26.6
<b>Total</b>		300	100
Age	less 25 years	10	4.7
	25-less 35	200	66.7
	35-less 45	70	22.6
	45- less 55	18	5.7
	55 more	2	0.3
<b>Total</b>		300	100
educational level	diploma	0	8.4
	bachelor	237	77.1
	Master	50	13.5
	Doctoral	13	1
<b>Total</b>		300	100

**Source:** The Spss outputs

### 3.3 Data Collection

A questionnaire was designed to identify the impact of lean management on the quality of financial services, with the presence of organizational trust as a mediating variable. The questionnaire consisted of two parts: the first, the personal variables of the study sample, which are (gender, age, and educational level), and the second part consisted of (36) items distributed over three fields: lean management, quality of banking financial services, and organizational trust. The five-point Likert scale was adopted in answering the questions according to the following options: (1) - strongly disagree, (2) - disagree, (3) - neutral, (4) - agree, (5) - strongly agree. Then, the author transformed the fifth level into three ones to be suitable for three estimations of the sample's answers:

Length of category (higher level- lesser level) / number of levels

$$1.33 = (5-1)/5$$

The means values are as shown in the following: Low, 1.0 – 2.33; middle, 2.34-3.66; high, 3.67-5.

### 3.4 The validity and reliability

The validity of the questionnaire was measured using the apparent validity test and the reliability test. A group of specialists reviewed the questionnaire. The stability coefficient was then calculated using the Cronbach Alpha Coefficient, where the result is statistically acceptable if its value is greater than (0.70)(Sekaran & Roger, 2016). Looking at the data in the table below, we find that all Cronbach's alpha values for the fields and dimensions of the study were greater than (0.70), so the study tool can be described as stable.

**Table 2: Cronbach's coefficient**

Field	Dimension	Cronbach Alpha
<b>Lean management</b>	workplace organizing,	0.866
	continuous improvement	0.825
	standard work	0.861
	multifunctional workers	0.834
	<b>Total</b>	0.943
<b>banking financial services quality</b>	reliability	0.769
	tangibility	0.788
	safety	0.746
	<b>Total</b>	0.798
<b>Organization Trust</b>		0.893

Source: The Spss outputs

**IV. STUDY RESULTS (ANALYSIS AND DISCUSSION) :**

**4.1 Lean management**

To identify the sample responses about the dimensions of lean management, the means and standard deviations of their responses were extracted as in the following table:

**Table 3: Sample responses about the dimensions of lean management**

dimension	mean	s. deviation	level
multifunctional workers	3.95	0.77	high
continuous improvement	3.81	0.77	high
workplace organizing	3.75	0.75	high
standard work	3.43	0.94	middle
<b>total</b>	<b>3.72</b>	<b>0.72</b>	<b>high</b>

**Source:** The Spss outputs

The above table shows that the level of lean management in Iraqi banks is high. The arithmetic mean for lean management is (3.72), and the arithmetic means for the sub-dimensions range between (3.43-3.95). The “multifunctional workers” dimension came in first place with an arithmetic average of (3.95) and a high level, followed by the “continuous improvement” dimension with an arithmetic average. (3.81) and a high level, then the “workplace organizing” dimension with an arithmetic mean (3.75) and a high level, and finally, the “standard work” dimension with an arithmetic mean (3.43) and an average level.

**4.2 Banking Services Quality**

To identify the sample responses about the dimensions of banking financial services quality, the means and standard deviations of their responses were extracted as in the following table:

**Table 4: Sample responses about the dimensions of banking financial services quality**

dimension	mean	s. deviation	level
safety	4.29	0.71	high
tangibility	4.17	0.69	high
reliability	3.71	0.94	high
Total	4.06	0.56	high

**Source:** The Spss outputs

The above table shows that the quality of banking financial services in Iraqi banks is high. The arithmetic mean for the quality of banking financial services as a whole is (4.06), and the arithmetic averages for the sub-dimensions ranged between (3.71-4.29). The "safety" dimension came in first place, with an arithmetic mean (4.29) and a high level, followed by the "tangibility" dimension, with

an arithmetic mean (4.17) and a high level, and finally the "reliability" dimension, with an arithmetic mean (3.71) and a high level.

### 4.3 Organization trust

To identify the sample responses about the dimensions of organization trust, the means and standard deviations of their responses were extracted as in the following table:

**Table 5: Sample responses about the dimensions of organization trust**

item	mean	s. deviation	level
I trust my manager for his knowledge of the intricacies of work.	4.33	0.74	high
Management seriously takes into account the interests of others when making all decisions.	4.29	0.72	high
My managers are trustworthy.	4.28	0.78	high
The administration seeks to establish open communication channels to achieve common understanding among employees.	4.27	0.72	high
The manager always provides help and assistance to all employees.	4.21	0.78	high
My boss considers other people's problems as his own and pays equal attention to them.	4.10	0.81	high
My manager is constantly striving to enhance points of agreement with everyone and move away from points of disagreement.	4.09	0.88	high
My boss at work reacts quickly to me and my co-workers.	4.04	0.86	high
The management appreciates the exceptional efforts of the employees.	4.01	0.87	high
I can depend on my co-workers for their diversity of skills and knowledge.	3.40	1.19	middle
Total	4.10	0.60	high

**Source:** The Spss outputs

The table shows that the level of regulatory trust in Iraqi banks is high as the arithmetic means for the field of organizational trust is (4.10), and the arithmetic mean for items of organizational trust ranges between (3.40-4.33). The item: “I trust my manager for his knowledge of the subtleties of matters at work” has the first rank with an arithmetic mean (4.33). In contrast, the item: “I can depend on my co-workers for their diversity of skills and knowledge" has come last with an arithmetic mean (3.40).

### 4.4 Hypotheses results

#### Hypothesis1:

There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of lean management with its dimensions (workplace organizing, continuous improvement, standard work, multifunctional workers) on improving the quality of banking financial services in Iraqi commercial banks.

To test the validity of the hypothesis, the Multiple Regression equation was applied to explore the impact of lean management dimensions (workplace organizing, continuous improvement, standard work, and multi-functional workers) on improving the quality of banking financial services in Iraqi commercial banks, as shown in the following table:

**Table 6: Multiple Regression equation to explore the impact of lean management dimensions on improving the quality of banking financial services in commercial banks**

variable	unstandardized coefficients		standardized coefficients			R	R square	Adjusted R square	F	sig.
	B	Std. error	β	T	Sig.					
constant	1.625	0.111		14.636	0.000	0.817	0.667	0.663	147.834	0.00
workplace organizing	0.287	0.047	0.389	6.090	0.000					
continuous improvement	0.122	0.049	0.169	2.494	0.013					
standard work	0.096	0.034	0.162	2.847	0.005					
multifunctional workers	0.142	0.039	0.195	3.601	0.000					

**Source:** The Spss outputs

The above table shows that there is a statistically significant effect at ( $\alpha \leq 0.05$ ) for the dimensions of lean management (organizing the work site, continuous improvement, standard work, multifunctional workers) on improving the quality of banking financial services in Iraqi commercial banks, as the value of the correlation coefficient (R) (0.817), which is a statistically significant value and indicates a statistically significant correlation between lean management and the quality of banking financial services. The value of (R-square) is (0.667). It is a statistically significant value that explains the ability of lean management to influence the quality of banking financial services, meaning that lean management contributes to (66.7%) of the change in the quality of financial and banking services. Therefore, the hypothesis is accepted in the alternative form.

This is due to banks realizing the importance of applying the dimensions of lean management and its role in reducing waste, whether in time and effort, improving the service provided, responding quickly to customer needs, responding to their inquiries, containing them and solving their problems, as well as their role in improving the work environment, and encouraging teamwork, which is reflected On the positive performance of banks and thus provide services of a high level of quality.

**Hypothesis2:**

There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of lean management with its dimensions (workplace organizing, continuous improvement, standard work, multi-functional workers) on organizational trust in Iraqi commercial banks.

To test the validity of the hypothesis, the Multiple Regression equation was applied to explore the impact of lean management dimensions (workplace organizing, continuous improvement, standard

work, and multi-functional workers) on organizational trust in Iraqi commercial banks, as shown in the following table:

**Table 7: Multiple Regression equation to explore the impact of lean management dimensions on organizational trust in Iraqi commercial banks**

variable	unstandardized coefficients		standardized coefficients			R	R square	Adjusted R square	F	sig.
	B	Std. error	β	T	Sig.					
constant	0.982	0.034		28.767	0.000	0.887	0.876	0.862	79.679	0.00
workplace organizing	0.302	0.015	0.378	20.853	0.000					
continuous improvement	0.193	0.015	0.246	12.807	0.000					
standard work	0.180	0.010	0.280	17.357	0.000					
multifunctional workers	0.161	0.012	0.204	13.246	0.000					

**Source:** The Spss outputs

The above table shows that there is a statistically significant effect at ( $\alpha \leq 0.05$ ) for the dimensions of lean management (organizing the work site, continuous improvement, standard work, multifunctional workers) on improving organization trust in Iraqi commercial banks, as the value of the correlation coefficient (R) (0.887), which is a statistically significant value and indicates a statistically significant correlation between lean management and the organization trust. The value of (R-square) is (0.876). It is a statistically significant value that explains the ability of lean management to influence organizational trust, meaning that lean management contributes to (87.6%) of the change in the organization's trust. Therefore, the hypothesis is accepted in the alternative form.

This can be attributed to the banks' keenness to unify the executive procedures and to explain the work steps that all employees must follow to carry out their tasks, as well as their organization of workplaces to be organized so that the employees can carry out their tasks easily, which is reflected positively on the level of organizational trust.

**Hypothesis3:**

There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of organizational trust on improving the quality of banking financial services in Iraqi commercial banks.

To test the validity of the hypothesis, the Multiple Regression equation was applied to explore the impact of organizational trust on improving the quality of banking financial services in Iraqi commercial banks, as shown in the following table:

**Table 8: Multiple Regression equation to explore the impact of organizational trust on improving the quality of banking financial services in Iraqi commercial banks**

variable	unstandardized coefficients		standardized coefficients			R	R square	Adjusted R square	F	sig.
	B	Std. error	β	T	Sig.					
constant	0.970	0.128		7.561	0.000	0.816	0.665	0.664	591.674	0.00
organization trust	0.753	0.031	0.816	24.324	0.000					

**Source:** The Spss outputs

The above table shows that there is a statistically significant effect at ( $\alpha \leq 0.05$ ) of the organization trust on improving the quality of banking financial services in Iraqi commercial banks, as the value of the correlation coefficient (R) (0.816), which is a statistically significant value and indicates a statistically significant correlation between the organization trust and improving the quality of banking financial services in Iraqi commercial banks. The value of (R-square) is (0.665). It is a statistically significant value that explains the ability of organizational trust to influence the quality of banking financial services, meaning that organizational trust contributes to (66.5%) of the change in the quality of banking financial services. Therefore, the hypothesis is accepted in the alternative form.

This result is due to the commitment of bank employees to well-known standards that contribute to the completion of tasks in the best way easily through sharing their knowledge and experience, which reflects positively on the quality of services. The employees' possession of a high level of organizational confidence contributes to the development of working relationships and encourages teamwork.

**Hypothesis4:**

There is no statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of lean management in improving the level of quality of banking financial services through organizational trust as a mediator.

To test this hypothesis, path analysis was used to determine the significance of the indirect effect measured through the mediator. The following table shows the result of this analysis.

**Table 9: Path analysis to show the impact of organizational trust (as a mediating variable) on the relationship between lean management and the quality of banking financial services**

Effect direction	B	Sig	direct effect	indirect effect
independent on dependent	0.814	***	0.814	0.29
independent on mediator	0.987	***		
mediator on dependent	0.447	***		

**Source:** The Spss outputs



The above table shows the values of the direct and indirect effects of the intermediary relationship (regulatory trust) on the relationship between lean management and the quality of banking financial services. By reviewing the values of the direct effects in the table, the value of the effect of the independent variable on the dependent is (0.814), the value of the effect of the independent variable on the mediator is (0.987), and the value of the direct effect of the mediator on the dependent is (0.447). These effects have been expressed using standardized values. It is noted that all the values of these effects (coefficients) are statistically significant, as they are all less than 0.05, and at the same time, they are less than 0.001. Therefore, they have been denoted by the symbol (\*\*\*) , which means that there is an indirect effect of the mediator, given that all the values of the significance level are statistically significant, which indicates that there are partial mediators of organizational trust (as a mediator) on a relationship between lean management and the quality of banking financial services, and thus accepts the hypothesis with the alternative formula.

This result is attributed to the fact that organizational trust contributes to increasing the bank employees' sense that they work as a group, not individually, i.e. they work within a unified organizational framework. Therefore, organizational trust in the banking environment, with its beliefs and customs, determines the behavior expected of employees, whether in their relations with each other or with customers, in the way they deal with customers, in the way they perform their work and in their methodology in solving problems.

## **V. CONCLUSION:**

The article aimed to identify the impact of lean management on the quality of banking financial services in banks with the presence of organizational trust as a mediator. The results showed that the level of lean management, the quality of banking financial services, and the regulatory confidence in Iraqi banks were high. The results also showed that there is a statistically significant effect of lean management in its dimensions (workplace organizing, continuous improvement, standard work, multifunctional workers) in improving the quality of banking financial services as well as in organizational confidence in Iraqi commercial banks. In addition, there is a statistically significant effect of organizational trust in improving the quality of banking financial services, and there is a statistically significant effect of lean management in improving the level of quality of banking financial services in commercial banks through organizational trust as a mediator.

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