

The Role of Administrative Leadership in the Quality of Investment Decisions: An Applied Study on a Sample of Iraqi Banks

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ABSTRACT

The economic and technological developments witnessed in the international environment have led to enhanced cooperation, partnerships, and the transfer of modern technologies and skills to financial and banking institutions. As a result of these transformations, institutions have sought to keep pace with global financial and accounting changes by implementing substantial reforms to improve their financial performance. With the escalation of financial crises, the need for efficient leadership capable of handling crises and making high-quality investment decisions has become urgent, which strengthens their financial position and builds trust among investors and stakeholders. The research found a strong and significant correlation between administrative leadership and the quality of investment decisions, based on standard tests. The implementation of strong and effective administrative leadership enhances the ability to make well-considered investment decisions, analyze financial and economic information, and guide the team towards achieving investment goals in a systematic and efficient manner. This high level of leadership contributes to risk reduction and improved investment returns. The research recommends that administrative leadership be carefully selected, as it is a key factor in the success and distinction of organizations. Furthermore, it emphasizes the need to adopt periodic mechanisms to evaluate investment performance, as this helps learn from past mistakes and develop more effective investment strategies in the future. Additionally, there should be a balance between making short-term investment decisions aimed at achieving quick results and long-term decisions that enhance the performance of banks over the long term.

INTRODUCTION

The economic and technological developments that have emerged in the global environment, along with the transformations and new variables introduced by these changes, have contributed significantly to enhancing methods of cooperation and partnership. They have also facilitated the transfer of technology and advanced managerial skills, which can lead to the creation of added value and increased production capacity. Consequently, various institutions, especially financial and banking ones, have been striving to keep up with contemporary financial and accounting changes brought about by globalization and modern financial technology. This has led these institutions to implement a series of reforms and substantial changes that allow them to positively impact their financial aspects in response to these changes.

As financial crises and economic shocks have intensified, many companies have suffered significant losses, which negatively impacted their shareholders and investors. This has necessitated holding the executive management accountable, aiming to protect investors and shareholders and limiting the management's ability to misuse its power in financial statements. This includes evaluating its compliance with regulatory rules and good accounting practices and ensuring the review of financial performance and organizational structures. Undoubtedly, effective and competent administrative leadership is a critical factor for the success of financial and banking institutions. It is not easy to hire

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individuals who are willing to take on the leadership of vital institutions in a competitive business environment, which makes it challenging for these managements to achieve their goals effectively.

Competent administrative leadership results from a combination of talent, education, and proper training, which refines the talent and academic education through practical experience. The role and effectiveness of such leadership become particularly evident when institutions face crises and shocks in the business environment. It is during these times that the management's ability to steer the institution towards safety through decisive and courageous decisions becomes crucial, as these decisions enable the institution to adapt to and confront the crisis, mitigating its effects on the organization and its stakeholders.

Administrative leadership is closely linked to the financial performance of an institution through its impact on how resources are allocated in areas that can yield the highest return, thereby achieving the institution's goals and maximizing its resources. This, in turn, reflects positively on the institution's performance and financial position, which are key factors that investors and shareholders consider when making investment decisions.

Ultimately, administrative leadership is a critical factor in influencing an institution and its stakeholders. When there is wise, prudent, and efficient management of resources, it provides a clear picture of the financial and accounting information in the reports disclosed by the institution. This allows for making sound investment decisions that are of high quality, as they take into account all the financial, economic, and internal factors within the financial institution, as well as external factors related to the business environment and the changes affecting it. As a result, both investors and shareholders will make investment decisions characterized by a high degree of quality.

RESEARCH PROBLEM

Administrative leadership has gained unparalleled attention in investment circles, particularly following the changes in the global business environment and the crises it faces. This has led various supervisory and regulatory bodies across the world to emphasize the need for its implementation in institutions, especially financial and banking ones, due to its crucial role in transparent financial reporting. This, in turn, provides stakeholders with essential information that influences investment decision-making processes. Moreover, the presence of competent administrative leadership contributes to enhancing the quality of investment decisions made by stakeholders.

Thus, the research problem can revolve around the following questions:

- Do the banks in the research sample possess administrative leadership? And to what extent does it impact the quality of investment decisions?
- Does administrative leadership contribute to producing high-quality financial reports that enable stakeholders to rely on them when making investment decisions?

Research Importance

The importance of the research stems from the significant role that administrative leadership plays in the success and development of institutions that apply this element. An institution that is managed efficiently, effectively, and with a high degree of transparency and disclosure can make sound investment decisions. Investors rely on the leadership efficiency index in financial and banking institutions when making investment decisions, as it contributes to enhancing the effectiveness and quality of the decisions made. Furthermore, it helps reduce corruption and waste of resources within the institution, protects its integrity, and strengthens its accounting procedures. This enables the institution to improve the quality, transparency, and credibility of its financial reports, ensuring they accurately reflect the actual financial performance.

Research Hypothesis

This study is based on the following hypothesis:

" There is a statistically significant correlation and impact between administrative leadership and the quality of investment decisions in the banks of the research sample."

Research Objectives

This study aims to achieve the following objectives:

- ☐ Study and track the nature of administrative leadership and the quality of investment decisions
- ☐ Clarify the extent to which the banks in the research sample rely on appointing competent administrative leadership and its impact on the quality of investment decisions.
- ☐ Highlight the impact of administrative leadership on the quality of investment decisions.

Research Scope

- **Temporal Scope:** Covers the period from 2015 to 2022.
- **Geographical Scope:** Focuses on a sample of private Iraqi banks.
- **Sectoral Scope:** The study is limited to the banking sector.

THE NATURE OF ADMINISTRATIVE LEADERSHIP

Administrative leadership is considered both a science and an art, much like management. The creation of plans, the formulation of administrative policies, and their implementation are tasks that can only be achieved through the guidance and supervision of wise leadership. Successful leadership is a fundamental necessity for any organization, regardless of its size or type, and represents an important phenomenon in social interaction. Leaders play a crucial role in directing the activities of an institution or organization, impacting its productivity and the team spirit among its members. (Khalaf, 2010: 26)

Leadership is also considered a social phenomenon that arises naturally from human interactions, fulfilling necessary social functions. It encompasses various social, economic, religious, and ethical aspects.

The term "leader" refers to the person who guides, directs, or leads others, indicating a relationship between the leader and the people who accept this guidance. Leadership, in this sense, is seen as a rational process where a person directs and guides others towards specific goals. (Kanaan, 2009: 86)

Administrative leadership is defined as the ability of a manager to influence their subordinates and guide them in a way that earns their respect and loyalty, motivating them to achieve goals cooperatively. (Jabbar, 2006: 20). It is also defined as the ability to motivate employees to contribute effectively to collaborative work activities (Abd al-Baqi, 2004: 271). Additionally, administrative leadership represents a sense of responsibility that the manager holds, directing the efforts of their subordinates towards achieving institutional goals, transcending individual interests. The essence of administrative leadership lies in the ability to positively influence others, making them freely support and adopt the leader's decisions, recognizing the importance of their role in achieving shared objectives and their personal aspirations. Therefore, an effective administrative leader is one who can build trust and cooperation among team members, showing them that the success of the organization is a personal success for each individual in the team (Frajat, 2017: 237).

It can be concluded from the above that administrative leadership is not only a talent or an art but also a skill that relies on rules, foundations, and principles that a manager must possess. A successful manager needs to equip themselves with a set of fundamental principles to become a leader capable of influencing others and guiding their administrative behavior in the desired way. Leadership can be manifested through a person's creativity and excellence in a specific area, relying on experience, intellectual and cognitive abilities that make the leader an object of admiration and a role model. This enables the leader to effectively influence their employees and colleagues in the workplace.

THE CONCEPT OF INVESTMENT DECISION

Investment is inherently a **risk-laden activity**, largely dependent on the decisions made by investors based on the circumstances they face during the investment process. These decisions are influenced by several factors (Jasim, 2020: 223)

Price-to-Value Relationship: Investors assess the price of an asset and compare it with its potential value to determine whether it presents a lucrative investment opportunity.

- **Expected Return:** Investors weigh the risks associated with an investment against its expected return, aiming to maximize profits relative to the risks undertaken.
- **Financial and Market Risks:** These risks include fluctuations in asset prices and economic changes that may negatively impact investment returns.
- **Timing and Economic Cycles:** The timing of an investment decision is critical, as investors seek to capitalize on economic growth phases and avoid downturns.

Based on these factors, investors make decisions through a **comprehensive analysis** of potential risks and returns to achieve their investment goals optimally. The investment decision-making process is **a result of careful study** of available options and alternatives, ensuring the selection of the most beneficial choice.

Investment decisions are characterized by **caution and prudence**, as they can lead to either **significant profits or substantial losses**. The success of an investment depends on the investor's knowledge and understanding of the company being invested in, the **quality and reliability of available financial data**, and the **absence of fraud or manipulation** (Houwari et al., 2013, p.64).

Accounting information plays a fundamental role in investment decision-making, as it provides critical data on a company's performance, resource management efficiency, and profitability. This includes financial statements, annual reports, and future projections, which help investors assess company performance, analyze risks, and evaluate potential returns.

Ultimately, investors agree that transparent and reliable accounting information serves as the foundation for making well-informed investment decisions that maximize returns while minimizing risks (Jassim, 2020, p.225).

OVERVIEW OF THE IRAQI BANKING SECTOR

The banking sector in Iraq currently faces significant challenges that are expected to persist in the near future, primarily due to the continuous changes in the global financial sector. The banking industry, by nature, is characterized by continuous evolution, with new financial institutions emerging to offer a variety of financial services aimed at greater inclusivity, making it easier for individuals and businesses to access banking services more efficiently and swiftly.

In this context, there is a clear trend towards the merger of banking institutions to form larger, more powerful entities, enhancing their ability to compete effectively in the market. This process contributes to the creation of large banking units capable of meeting the demands of the modern era, where these entities need to adapt strategically to the fast-paced changes in global financial markets. Moreover, banking standards are constantly evolving, with new standards being set to improve performance, increase efficiency, and enhance transparency in banking operations.

However, the challenges faced by Iraqi banks go beyond just mergers and internal developments. Amid the accelerating global economic and financial transformations, these banks face a complex and challenging environment. These transformations include a technological revolution that significantly affects all aspects of banking operations. For instance, the shift towards financial technology, advancements in digital banking, and innovations in online banking services are all factors that require Iraqi banks to be fully prepared to face these changes and take advantage of them.

The need to develop the banking sector in Iraq has become urgent, with banks required to adapt to technological and economic changes while capitalizing on the opportunities these changes provide to enhance their capabilities and improve services to meet the growing demands of customers.

The Iraqi banking sector faces substantial challenges that demand a focus on the necessity of leadership, as it plays a vital role in influencing investment decisions. Effective banking governance ensures the presence of a regulatory framework that defines the policies and procedures necessary to achieve transparency and accountability, which enhances investor confidence and facilitates well-informed investment decisions.

Additionally, the presence of competent administrative leadership that works to improve the quality of financial reporting is essential for analyzing investment opportunities more accurately. The more effective the administrative leadership, the greater the bank's ability to seize investment opportunities at the right time, contributing to better returns and risk reduction.

In this context, the researcher decided to select the best banks that have demonstrated their ability to keep up with these technological changes and developments. The Gulf Bank, Mansour Bank, and Iraqi Commercial Bank were chosen based on their outstanding performance in adopting administrative leadership principles and making sound investment decisions. This selection highlights the importance of focusing on banking entities capable of innovation and adaptation to changes, which enhances their market position and increases their ability to provide high-quality services that meet customer needs and achieve competitiveness in the contemporary financial environment.

Selection of Study Sample

In light of these developments, the researcher has selected three prominent Iraqi banks that have demonstrated strong governance practices and adaptability to technological advancements: Gulf Bank, Al-Mansour Bank, Iraqi Commercial Bank

The selection of these banks was based on their outstanding performance in implementing banking governance principles and their strategic investment decisions. This focus underscores the importance of financial institutions that prioritize innovation and adaptation, which in turn strengthens their market position, enhances their ability to deliver high-quality services, and ensures their competitiveness in the modern financial landscape.

Research Population and Sample Description

The research population consists of employees from Baghdad, Gulf, and Mansour banks, with a total of 270 individuals, including 121 female employees and 99 male employees. Due to the difficulty of conducting the study on the entire population, the researcher decided to use a relatively large random sample to ensure the accuracy and comprehensiveness of the results. To achieve this, the researcher selected a purposive sample that includes all members of the target population, distributing 270 survey questionnaires to them. Of these, 245 valid responses were received, yielding a high response rate of 90.7%. This high response rate reflects the participants' commitment and cooperation, thus enhancing the reliability of the study's findings.

Table (1) illustrates the demographic and professional distribution of the research sample. Looking at the gender distribution, it is notable that females made up a significantly higher proportion of the sample, comprising about two-thirds of the total at 63.3%, compared to 36.7% for males. This indicates that the sample primarily consisted of women. In terms of age groups, the most represented group was between 25 and 34 years old, comprising 54.7% of the total sample. This suggests that the majority of participants were young adults. The older age groups were less represented, with those aged 35 to 44 making up 26.9%, those between 44 and 50 years accounting for 13.5%, and those aged 51 years or older comprising only 4.9%.

Regarding job positions, most of the participants worked in customer service roles, representing 62.9% of the sample. A smaller proportion, 15.9%, held responsibilities in units and sections, while the number of managers was notably lower, with 6.9% serving as branch managers and 14.3% as department managers.

Lastly, in terms of years of experience, it is evident that the majority of the sample had work experience ranging from 1 to 10 years. Specifically, 31.8% had between 1 and 5 years of experience, and 33.9% had between 6 and 10 years. Fewer participants had longer experience, with 18.8% having 11 to 15 years of experience, 9.4% with 16 to 20 years, and only 6.1% having over 21 years of experience.

Overall, the table highlights that the sample consists mainly of a young demographic, predominantly women working in customer service roles. The data also indicates that most participants have relatively short to moderate work experience in their respective fields. This distribution showcases the dynamic nature of the studied group, contributing to a deeper understanding of the sample's composition in the study.

Table 1: Demographic Information of the Study Sample

No.	Variables	Category Distribution	Number	Percentage
1	Gender	Male	90	36.7%
		Female	155	63.3%
		Total	245	100%
2	Age	25-34 years	134	54.7%
		35-44 years	66	26.9%
		44-50 years	33	13.5%
		51 years and above	12	4.9%
		Total	245	100%
3	Position	Employee	154	62.9%
		Unit Head	39	15.9%
		Branch Manager	17	6.9%
		Department Manager	35	14.3%
		Total	245	100%

Testing the Research Instrument's Face Validity

The researcher ensured the face validity of the measurement tool used in the study to confirm that it accurately covers the area it aims to measure. To achieve this, the initial version of the instrument was presented to six expert judges in the field of management, who were provided with a questionnaire to gather their opinions on the clarity of the statements in terms of content and phrasing.

The researcher asked the judges to provide feedback on any statements that needed modification, as well as their opinions on whether some items should be added or removed in various sections of the instrument. After receiving the feedback, the researcher made the necessary adjustments in line with the judges' recommendations, which included improving the phrasing to enhance clarity and accuracy.

All the modifications were documented in the final version of the measurement tool. Through this step, the researcher ensured a strong face validity of the instrument, thereby enhancing the credibility of the results and the overall reliability of the research.

Testing Internal Consistency using Cronbach's Alpha

The "Cronbach's Alpha" test is one of the most prominent methods used to measure the internal consistency of a measurement tool's components. It is used to assess the tool's ability to achieve reliability and stability when measuring the target concept. When the questions are interconnected and aim to measure the same idea or concept, it is expected that the responses will be notably consistent. Through the "Cronbach's Alpha" test, the level of correlation between the different questions within the scale is examined. When the Cronbach's Alpha coefficient is high, it indicates that the tool has a high level of reliability, meaning there is clear consistency between the responses, thus enabling the tool to measure the target concept reliably.

In this study, the Cronbach's Alpha coefficient was calculated for all dimensions and variables used in the measurement tool, as shown in Table (2). The results indicate that all values exceeded the minimum acceptable limit of 0.70, reflecting strong internal consistency within the tool. These results increase confidence in the tool's effectiveness and reliability in collecting and analyzing data. The high Cronbach's Alpha values enhance the tool's reliability in measuring its intended goal and reduce the likelihood of random variation in the results. This, in turn, makes the conclusions drawn from the data more accurate and reliable and strengthens the potential for the instrument's use in similar studies or applications in the future.

Table 2: Cronbach's Alpha Values for the Study Variables

Scale	Cronbach's Alpha
Administrative Leadership	0.816
Quality of Investment Decision	0.791

Source: Prepared by the researcher based on SPSS program.

Analysis of the Sample Responses on the Study Variables

Variable 1 : Administrative Leadership

Table (3) presents the assessments of the respondents regarding administrative leadership within their institutions, highlighting aspects related to investment decision-making. Based on the analysis of the mean for each item, there is noticeable variation in the performance ratings of leadership, with some items achieving higher averages, while others recorded lower averages.

The highest mean of 4.25 was achieved by item (14) “The leader relies on market information and economic trends in making investment decisions.” This indicates that respondents greatly appreciate the leader's reliance on market information and economic trends when making investment decisions. The reason for this could be attributed to the importance of these factors in making more accurate and effective investment decisions, which enhance overall investment performance. It also reflects the leader's ability to adapt to the ever-changing market environment by making decisions based on reliable and objective data, such as financial reports, economic indicators, market trends, and forecasts about future market directions. This approach ensures that decisions are made on solid, studied foundations, reducing investment risks and enhancing the chances of success. Understanding market information and economic trends helps the leader make decisions that align with market changes, such as fluctuations in supply and demand or changes in economic and trade policies, contributing to sustainable investment goals and enhancing the institution's resilience to challenges.

Meanwhile, items (4) and (11) “The leader has a strong ability to make timely decisions, which contributes to improving investment returns” and “The administrative leader adopts a participatory approach in investment decision-making,” both achieved a high mean of 4.04. This indicates the respondents' recognition of the importance of the leader's ability to make timely decisions, a crucial factor for achieving positive investment returns. This reflects the leadership's ability to analyze situations accurately and make decisive decisions during critical times. The participatory decision-making approach indicates the importance of involving employees in the investment process, creating an environment of cooperation and commitment between the leadership team and employees.

On the other hand, item (9) “The administrative leader motivates continuous learning and development of investment-related skills” achieved a mean of 4.11, which suggests a strong appreciation by respondents for the leader's role in encouraging continuous learning and skill development. This motivation is essential for maintaining the institution's competitiveness, as it leads to the development of employee competencies, keeping them up-to-date with the latest trends in investment and enhancing the quality of investment decisions made.

However, item (10) “The administrative leader involves employees in the investment decision-making process” recorded the lowest mean of 3.34, suggesting that involving employees in investment decision-making is one of the weaker aspects observed in administrative leadership. Possible reasons for this low rating may be the absence of clear mechanisms for effective employee participation or the feeling among employees that investment decisions are made centrally without their active contributions. This could lead to a decline in employees' sense of ownership and responsibility for investment outcomes, potentially weakening the institution's performance in the long term.

It can also be argued that involving employees in investment decision-making carries some potential drawbacks that could affect the effectiveness and speed of decisions. One of the most notable downsides is that the decision-making process might slow down, as more time is required to discuss and reconcile different opinions. This could be unsuitable in investment environments that require quick, decisive decisions. Additionally, involving employees might lead to conflicting opinions, especially if there are differences in views and attitudes regarding investment risks, complicating the process of reaching a final decision. Some employees might lack the necessary experience or knowledge about investments, making their contributions inaccurate or inappropriate, which could weaken the quality of decisions made. Moreover, involving employees might lead to ambiguity in responsibility allocation, as everyone feels part of the decision-making process. However, if negative outcomes occur, there may be no clear party held accountable.

Furthermore, there is the issue of group pressure, where some employees may feel inclined to agree with the leader's or colleagues' opinions rather than express independent views, which could reduce the effectiveness of genuine participation in decision-making.

Despite the fact that involving employees can promote team spirit and encourage commitment, these negative aspects could complicate the decision-making process if not properly managed and effectively executed.

Therefore, the results indicate that administrative leadership excels in areas such as utilizing economic information, making timely decisions, and encouraging continuous learning. These strengths significantly contribute to positive investment performance. However, there is an urgent need to improve mechanisms for involving employees in the investment decision-making process, as this aspect is currently one of the weaker components of the leadership. This highlights the need for more attention to expanding employee involvement in investment decisions.

Table 3: Respondents' Answers Regarding Administrative Leadership

	Item	Standard Deviation	Mean	Response Direction
1	The administrative leader in my institution has a clear vision that contributes to guiding investment.	0.62	3.90	Agree
2	The leader ensures effective communication with all stakeholders in investment decisions.	0.57	3.84	Agree
3	The administrative leader shows a high ability to assess and manage investment risks.	0.66	3.67	Agree
4	The leader has a strong ability to make timely decisions, contributing to improved investment returns.	0.68	4.04	Strongly Agree
5	The administrative leader in my institution relies on accurate and objective data analysis before making investment decisions.	0.62	3.62	Agree
6	The leader encourages innovation and creativity in investment strategies.	0.53	3.89	Agree
7	The leader regularly reviews investment decisions to ensure they align with market changes.	0.60	3.73	Agree
8	The administrative leader shows the ability to effectively manage changes in investment strategies.	0.65	3.65	Agree
9	The leader motivates continuous learning and development of investment-related skills.	0.76	4.11	Strongly Agree
10	The administrative leader involves employees in the investment decision-making process.	0.85	3.34	Agree
11	The administrative leader adopts a participatory approach in investment decision-making.	0.69	4.04	Strongly Agree
12	The administrative leader is flexible in dealing with environmental variables and their impacts on investments.	0.80	3.87	Strongly Agree
13	The administrative leader demonstrates a strong commitment to achieving long-term investment goals.	0.66	3.75	Agree
14	The leader relies on market information and economic trends in making investment decisions.	0.83	4.25	Strongly Agree
15	The administrative leader encourages the exchange of ideas and experiences among individuals to enhance investment decisions.	0.75	3.81	Agree
Overall Mean		0.68	3.83	Agree

Variable 2: Quality of Investment Decisions

The results in Table (4) highlight the respondents' evaluations of the quality of investment decisions within the institution, showing generally high levels of agreement across most items. This indicates general satisfaction with the investment decision-making process.

The item with the highest mean (4.07) relates to making investment decisions based on long-term strategic studies. This reflects the institution's strong reliance on long-term planning, which is crucial for ensuring ongoing success and achieving future growth goals. It suggests that the institution prioritizes sustainable investment decisions supported by comprehensive, forward-looking analysis, reinforcing the importance of strategic foresight in investment decisions.

Additionally, the item regarding consideration of economic factors and risks before making any investment decision (mean = 4.05) also received high agreement. This demonstrates the investment leaders' awareness of the significance of evaluating surrounding risks, such as unstable economic conditions, before making critical decisions. This practice enhances the quality of decisions and helps protect the institution from potential risks. It indicates that the institution conducts a comprehensive assessment of the economic situation, including market changes, inflation, interest rates, and exchange rates, in addition to identifying risks that could negatively impact investment success, such as political, legal, or technological risks. By considering these factors, the institution can make more sustainable and wise investment decisions, avoiding rash or poorly considered decisions that could lead to losses. This in-depth analysis enables management to formulate investment strategies that align with the surrounding economic environment, balancing risks and returns and improving the likelihood of investment success and achieving financial goals.

The item related to making decisions based on alignment with economic and political risk analysis (mean = 4.04) emphasizes the importance of analyzing external risks and their impact on the institution's investments, enhancing its ability to adapt to economic and political changes.

On the other hand, the item with the lowest mean (3.11) pertains to the alignment of investment decisions between senior leadership and relevant departments. This suggests some difficulties or challenges in coordination between different levels of leadership, which may result in inconsistent decisions or a lack of harmony between various departments in the institution. This challenge may stem from poor communication or gaps in information exchange between senior leadership and executive departments.

When discussing the alignment of investment decisions between senior leadership and relevant departments, several challenges could arise, potentially affecting the investment process:

1. **Time Delays:** The process of reaching a final decision may take longer as each party tries to voice its opinion and participate in decision-making. This delay could be costly in fast-paced economic environments that require quick responses to changes or investment opportunities. Delays may result in missed opportunities or higher investment risks due to sudden market changes.
2. **Compromise Leading to Reduced Innovation:** The pursuit of consensus may stifle creativity and innovation. Instead of adopting bold and potentially high-return ideas, the focus may shift to finding middle-ground solutions that please all parties. This approach limits the institution's ability to capitalize on investment opportunities that require risk-taking or out-of-the-box thinking.
3. **Indecisive or Mediocre Decisions:** The need for consensus may result in decisions that lack decisiveness or are merely average, as parties involved make concessions to reach an agreement. These middle-ground decisions may not be effective enough to achieve ambitious investment goals or may fail to meet the institution's real needs at the time.

Thus, while alignment between senior leadership and relevant departments is essential for coordinating efforts and ensuring internal harmony, excessive focus on this can lead to a loss of flexibility, slow responses, and reduced innovation in investment decisions. Although the institution clearly seeks to achieve its investment goals through thoughtful strategies, this item highlights the need for enhanced cooperation among all involved parties to achieve greater alignment in investment decision-making.

Table 4: Responses of Respondents Regarding the Quality of Investment Decisions

No.	Statement	Mean	Standard Deviation	Response Direction
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1	Investment decisions in my institution are based on a thorough analysis of the financial situation.	3.86	0.79	Agree
2	Investment decisions in the institution are based on long-term foresight studies.	4.07	0.76	Strongly Agree
3	All economic factors and risks are considered before making any investment decision.	4.05	0.85	Strongly Agree
4	The investment decision in my institution is directly influenced by the management leadership style.	3.78	0.82	Agree
5	Investment decisions are made based on consensus between senior leadership and the concerned departments.	3.11	0.83	Agree
6	The investment decision contributes to achieving the institution's long-term strategic goals.	3.56	0.79	Agree
7	The implementation of investment decisions is regularly monitored to ensure the desired results are achieved.	3.85	0.77	Agree
8	Investment decisions are made based on alignment with the analysis of economic and political risks.	4.04	0.77	Strongly Agree
9	Investment decisions in the institution rely on effective communication between all administrative levels.	3.80	0.91	Agree
10	Investment decisions align with the institution's goals for sustainable growth and economic development.	3.97	0.85	Agree
11	Financial data analysis contributes to making investment decisions in my institution.	3.71	0.84	Agree
12	A clear action plan is formulated before making investment decisions.	3.87	0.85	Agree
13	The performance of investments is periodically evaluated to ensure goals are being met.	3.69	0.87	Agree
14	Investment decisions are made based on a financial feasibility study.	3.73	0.82	Agree
15	Decision-makers in the institution consider market and competitive factors when making investment decisions.	3.92	0.83	Agree
Overall Mean		3.80	0.82	Agree

Analysis of the Correlation Between Research Variables

In this section, the focus is on the importance of measuring and testing the correlation relationships between the research variables related to the study hypotheses. The main objective is to verify the validity of these hypotheses through analyzing the relationships between the independent variable (administrative leade) and the dependent

variable (investment decision quality). To achieve this goal accurately, it is also necessary to test the sub-hypotheses related to the main hypothesis. One of the tools used in this context is the **correlation coefficient**, which helps determine the strength of the relationship between the variables as well as the nature of this relationship, whether it is positive or negative. Through this analysis, it is possible to determine the extent of administrative leadership **impact** on **investment decision quality**, contributing to a deeper understanding of how these factors interact. This in-depth understanding of the correlation relationships between the variables can play a vital role in providing information that supports better investment decisions and may help researchers offer recommendations based on accurate data to improve administrative and investment performance in institutions.

Testing the Research Hypothesis:

There is a statistically significant correlation and impact between administrative leadership and the quality of investment decisions in the banks of the sample.

Table (5) illustrates the correlation between administrative leadership and the quality of investment decisions, where the correlation coefficient between the two variables is **0.802**, indicating a strong and positive relationship between effective administrative leadership and high-quality investment decisions. This means that improving administrative leadership within the institution directly affects the quality of investment decisions being made. When administrative leadership is strong and effective, the ability to make well-thought-out investment decisions is high. Leaders with good leadership skills are able to analyze financial and economic information and direct the team towards achieving investment goals in a methodical and effective way. This high level of leadership helps reduce risks and improve investment returns. A strong administrative leadership builds trust among investors and stakeholders, as they see that the institution's decisions are based on deep analysis and strategic thinking. This trust can lead to attracting more investments to the institution, thereby increasing the available capital for investment and enhancing economic growth. Therefore, effective administrative leadership helps balance risks and returns and ensures that investment decisions are not only based on scientific and analytical foundations but are also aligned with the institution's long-term strategic objectives. Leaders' ability to cope with challenges and flexibility in the face of market changes leads to more sustainable investment decisions and contributes to improving the institution's financial performance. Based on these results, it is clear that the quality of administrative leadership plays a crucial role in improving the quality of investment decisions, which positively impacts the overall performance of the institution.

Table 5: Results of the Correlation Relationships Between the Research Variables

Variables	Administrative Leadership	Quality of Investment Decision
Administrative Leadership	1	0.802
Quality of Investment Decision	0.802	1

As for the impact of administrative leadership on the quality of investment decisions, the analysis of the causal relationships between them is a complex process that highlights the importance of leadership in guiding institutional performance. By using the linear regression model, we were able to measure the impact of administrative leadership on the quality of investment decisions, as shown clearly in Table 6, which presents the results of the analysis. The value of the slope coefficient (β) indicates that there is a positive relationship between administrative leadership and the quality of investment decisions, with a value of 0.621. This means that any increase in the level of administrative leadership leads to a proportional increase in the quality of investment decisions, reflecting the importance of leadership in guiding institutional processes and practices toward achieving better outcomes.

Additionally, the coefficient of determination (R^2), which reached 0.847, indicates that approximately 84.7% of the variation in the quality of investment decisions can be attributed to changes in administrative leadership. This high percentage reflects the significant impact of administrative leadership on the quality of investment decisions, making it central to formulating accurate and reliable financial strategies.

Moreover, the calculated (F) value of 13.47 indicates that the statistical model used has good predictive power for the relationship between the variables. A comparison with the tabular (F) value of 3.94 confirms the significance of the results, as the calculated value greatly exceeds the tabular one, enhancing the credibility of the model. Therefore, the quality of investment decisions is improved by administrative leadership, which in turn enhances trust in the institution, contributing to attracting investments on the one hand and increasing the bank's investments on the other. It also reduces borrowing costs due to more precise and accurate risk assessments.

Furthermore, the high quality of investment decisions contributes to raising the financial performance levels of the bank, enhancing the opportunities for the institution's success and financial sustainability. Thus, by understanding the causal relationships between administrative leadership and the quality of investment decisions, institutions can develop effective strategies that enhance their performance and achieve positive financial outcomes. Therefore, administrative leadership should be a focal point in institutional development programs to ensure the improvement of financial information quality and provide a work environment that encourages transparency and efficiency.

Table 6: Analysis of Causal Relationships Between Research Variables

Independent Variable	Dependent Variable	Constant (α)	Slope Coefficient (β)	Coefficient of Determination (R^2)	Calculated (F) Value	Tabular (F) Value	Sig
Administrative Leadership	Quality of Investment Decisions	0.243	0.621	0.847	13.47	3.94	0.00

CONCLUSIONS

The researcher has reached several conclusions, the most important of which are:

- The researcher was able to prove the research hypothesis, as there was a significant correlation and effect between administrative leadership and its impact on the quality of investment decisions in the research sample.
- There is general satisfaction with the investment decision-making mechanism in the organizations of the research sample, as it relies on long-term foresight studies. This indicates that the organization places great importance on long-term strategic planning, which is essential to ensure continued success and achieve future growth objectives, thus ensuring the quality of those decisions.
- Administrative leadership is the core of the administrative process and the foundation for its success. It is the key to achieving management goals, as well as its influential role in all aspects of administrative work. Leadership helps reduce psychological and social gaps between the leader and employees, and has the ability to solve work problems, settle disputes, and resolve conflicts.
- Investors make their decisions based on a careful analysis of risks and potential returns to achieve their investment objectives in the best possible way. These decisions rely on a deep study of available options and alternatives to choose the best one to achieve their goals. Investment decisions are characterized by caution, as they may lead either to profits or losses, depending on the investor's knowledge of the company they intend to invest in, the quality of the available data, and the trust in its accuracy, reliability, and absence of fraud or manipulation.
- The respondents' appreciation of the administrative leader's reliance on market information and economic trends highlights the importance of such data in making accurate and effective investment decisions. This approach enhances investment performance and reflects the leader's ability to adapt to market changes based on reliable information. This indicates that the leader cares about analyzing available information, relying on financial reports and economic indicators, rather than relying on intuition. This approach helps reduce risks, enhances success opportunities, contributes to achieving sustainable investment goals, and strengthens the organization's flexibility in facing challenges.
- There is a strong and close correlation between administrative leadership and the quality of investment decisions based on the correlation coefficient value, which showed a 0.802 value, indicating a strong and positive relationship between effective administrative leadership and the quality of investment decisions. This means that improving administrative leadership within the organization directly affects the quality of investment decisions being made. When administrative leadership is strong and effective, the ability to make well-informed investment decisions is higher. Administrators with good leadership skills can analyze financial and economic information and guide the team toward achieving investment goals in a systematic and effective manner. This high level of leadership helps reduce risks and improve investment returns.
- There is an effect of administrative leadership on the quality of investment decisions based on the coefficient of determination (R^2), which reached 0.847, indicating that about 84.7% of the variation in investment decision quality is attributed to changes in administrative leadership. This high percentage reflects the impact of administrative leadership on investment decision quality, making it pivotal in formulating accurate and reliable financial strategies.

RECOMMENDATIONS

The researcher recommends several key actions, including:

- Banking institutions should adopt regular mechanisms to evaluate investment performance, as this will contribute to learning from past mistakes and developing more effective investment strategies in the future.
- There should be a balance between making short-term investment decisions aimed at achieving quick results and long-term decisions that enhance the bank's performance over the long run. This balanced approach will help reduce instances of misuse of authority and contribute to achieving sustainability and growth. It will also boost investor confidence and result in positive outcomes for the bank and the community as a whole.
- Administrative leadership should be selected with care, as it is a central factor in achieving organizational success and excellence. To ensure this, it is advisable to develop mechanisms for selecting leaders through specialized tests, coupled with appropriate training that aligns with the responsibilities of each leader. This will help create a work environment focused on excellence and high performance.
- Senior management should foster a culture of participation and empower employees to make effective decisions. By encouraging initiative among teams, transparency and legitimacy in organizational processes can be strengthened. This approach also helps establish a work environment focused on organizational excellence, boosting innovation and creativity. Encouraging employees to offer their ideas and participate in decision-making increases their sense of belonging, contributing to improved overall performance within the organization.
- It is crucial to create an appropriate work environment for leadership within selected banks, enabling leaders to understand the risks surrounding them and address them by making suitable alternatives at the right times. This will enhance their ability to make high-quality investment decisions, which will, in turn, improve the stability of the bank and contribute to achieving its goals sustainably. A supportive work environment helps leaders anticipate problems and find effective solutions that improve investment performance.

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