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The Role of Applying Corporate Governance Rules in Market Value: The Interactive Role of Digital Culture of Selected Commercial Banks in Baghdad Governorate

AHMED ABDULKADHUM ABDULABASS
College of Agriculture, University of Kufa, Najaf, Iraq
ahmeda.alhadrawi@uokufa.edu.iq

JASIM MOHAMAD
Al Turath University, Iraq
jasim.mohamad65@yahoo.com

MAHER ADIL ABDULHUSSEIN ALTWELEE
College of Computer Science and Mathematics, University of Kufa, Najaf, Iraq
mahera.alfatlawi@uokufa.edu.iq

Abstract. The current research is designed to measure and analyze the interactive effect of digital culture with its two dimensions (adaptive culture and high performance culture) on the relationship between corporate governance rules as an independent variable with its dimensions of shareholder rights, fulfilling stakeholder requirements, board adherence to business ethics and rules, and commitment to disclosure and transparency principles, and market value of banks as a dependent variable with its dimensions of accounting and economic metrics. The main question represents the study problem, which is: "What is the role of digital culture in changing the relationship between the rules of corporate governance and the market value of commercial banks in the Baghdad Governorate?" The study was done within a group of commercial banks operating in Baghdad Governorate. The study population comprised the managers and financial and supervisory staff. Data were collected via administration of an electronic survey questionnaire developed on a five-point Likert scale. (123) questionnaires were returned and were valid for statistical analysis. To meet the goals of the study, the data were analyzed by advanced statistical analysis utilizing SPSS v.28 and AMOS v.26. The study applied descriptive statistics (means, standard deviations and coefficient of variation), confirmatory factor analysis (CFA) and structural equation modeling (SEM) to explore the direct and interacting paths of influence. The study established a number of results, the most important of which is that the role of digital culture in moderation generates a qualitative strategy change that amplifies and enhances the good impact of governance principles in improving the market value of banks. Thus, the main recommendations pointed out the importance for banks to follow an integrated approach that merges strict compliance with corporate governance principles and the flexibility of digital culture. The use of digital technology as interactive channels is able to promote disclosure and transparency and to meet investor expectations.

Keywords: Principles of Corporate Governance, Market Value of Bank, Digital Culture, Sample of Commercial Banks in Baghdad Governorate, Iraq.

1. Introduction

Commercial banks are essential for economic stability and sustainable development. In a fast-evolving and dynamic financial environment, they must constantly seek novel strategies to boost their value in the market and in regulation. This emphasizes the importance of examining the synergistic relationship between the rules of corporate governance as a strong regulatory framework and the market value of banks, as well as emphasizing the interactive role of digital culture as a modulating variable that helps to accelerate the response to technological transformations in the banking sector.

The scientific and practical value of this study is that it offers an in-depth structural model for filling the knowledge gap, which is the absence of local and Arab studies that combine the discipline of governance rules with the flexibility of digital empowerment to enhance the market value of banks, particularly in the Iraqi environment and specifically commercial banks in Baghdad Governorate.

In the course of this study, the investigator was faced with a number of field hurdles, the most prominent of which was the difficulty in getting correct financial and regulatory data, because of the customary norms of confidentiality and secrecy adopted by some banks. Additionally, the variable degrees of understanding and comprehension of the online literacy concepts among some of the surveyed personnel required a lot of effort to overcome these obstacles and define the parameters of the questionnaire to collect accurate and impartial data.

Thus, this research was split and organized in four key linked portions. The first section was devoted to the research methods and the definition of the study problem, its hypotheses and its field constraints. The second part was about the theoretical framework of the study variables and their intellectual dimensions. The third part provided the practical and analytical foundation for the presentation of results of descriptive statistics, hypothesis testing and structural modeling. The fourth and last segment finally gave conclusions and practical recommendations.

2. Methodology

This section presents the problem, aims, importance, research technique, methods for data collecting and analysis, and statistical processing as follows:

2.1 The Problem:

The theoretical problem is the obvious intellectual void in the contemporary literature in the area of administration and accounting in the monitoring and framing of the interactive relationships between governance rules and mechanisms and technological mechanisms and their accumulated impact on the market value of banks. Lack of extensive theoretical frameworks and structural models, especially in the Arabic and local libraries, that elucidate how digital culture (moderating variable) might support effective governance controls to attain sustainable increases in the market value of financial institutions.

The practical problem is embodied in the challenges and fluctuations that commercial banks face in the Baghdad Governorate, represented in the weak application of the disclosure and transparency channels and the difficulty of reconciling traditional regulatory structures with the requirements of rapid digital transformation. This anomaly and the resistance of banking personnel to accept the digital culture, severely influence the financial and economic evaluation indicators, constraining the ability of banks to reassure the investors and increase their value and competitive position in the market.

The Primary Research Question

From the viewpoint of the definition of the aspects of the cognitive and applied problem, the problem of the study can be formulated in the following key question:

What is the interactive function of digital culture in changing the relationship between corporate governance standards and market value for the commercial banks investigated in Baghdad Governorate?

This main topic leads to four sub-questions that the study tries to answer statistically and empirically:

• What is the real level of availability and application of the three research variables (corporate governance principles, digital culture and market value for banks) in the commercial banks studied from the perspective of the sample members?
• Does digital culture, with its characteristics (adaptive culture and high-performance culture), have a direct and statistically significant effect on the market value of the banks studied?
• What is the direct statistically significant effect of the corporate governance standards in its four dimensions on the market value of the analyzed banks?
• Is the link between corporate governance norms and the market value of the banks analyzed reinforced and modified by digital culture (as a moderating and interactive variable)?

2.2 Goals

The primary aim of this research is to develop an integrated scientific model that explains the mechanisms of relationship and interaction between the research variables and convert the research questions into particular applicable objectives that the study wants to attain as follows:
A. Identifying the levels of availability and application of the three research variables (corporate governance rules, digital culture and market value of banks) in the commercial banks researched in

Baghdad Governorate and identifying the extent of interest and consistency in the responses of the study sample on them.
B. To measure and analyze the direct impact of digital culture, in its two dimensions (adaptive culture and high-performance culture), on the market value of the banks analyzed, so as to understand the role of digital human capital in supporting the competitive position of the bank.
C. To detect and study the direct effect of corporate governance regulations, in its four dimensions (shareholder rights, stakeholders, board ethics and disclosure and transparency), on the market value of the analyzed commercial banks.
D. To demonstrate the nature and strength of the interactive and modifying role of the digital culture in modifying and strengthening the interaction between the rules of corporate governance and the market value of the studied banks and to make sound scientific recommendations that contribute to achieving excellence and sustainable institutional success in the Iraqi banking sector.

2.3 Significance:

The theoretical importance of this study is that it presents a knowledge framework that relates three of the most important modern variables in administrative and accounting thought. It fills the study gap on the intersection of organizational factors (governance norms) with the behavioral and technological environment (digital culture) and their combined effect on the competitive financial worth of institutions. This is illustrated by a scientific reference and a detailed structural model that allows researchers and academic libraries to grasp the interaction and regulating mechanisms in critical sectors.

The practical value of this is that it provides a practical guidance and realistic statistical indicators to the decision-makers and management of commercial banks in Baghdad Governorate, to analyze the performance of the current control systems and identify the gaps in their digital transformation. The outcomes of the research contribute to clarifying the way the investment in human resources with digital agility, together with the implementation of the principles of disclosure and transparency, enhances the investment decision, which, in return, reassures the investors, attracting the capital and increasing the real market value of the banks functioning in the Iraqi environment.

2.4 The Hypothetical Model:

The conceptual linkages that describe the reality in which the variables work.

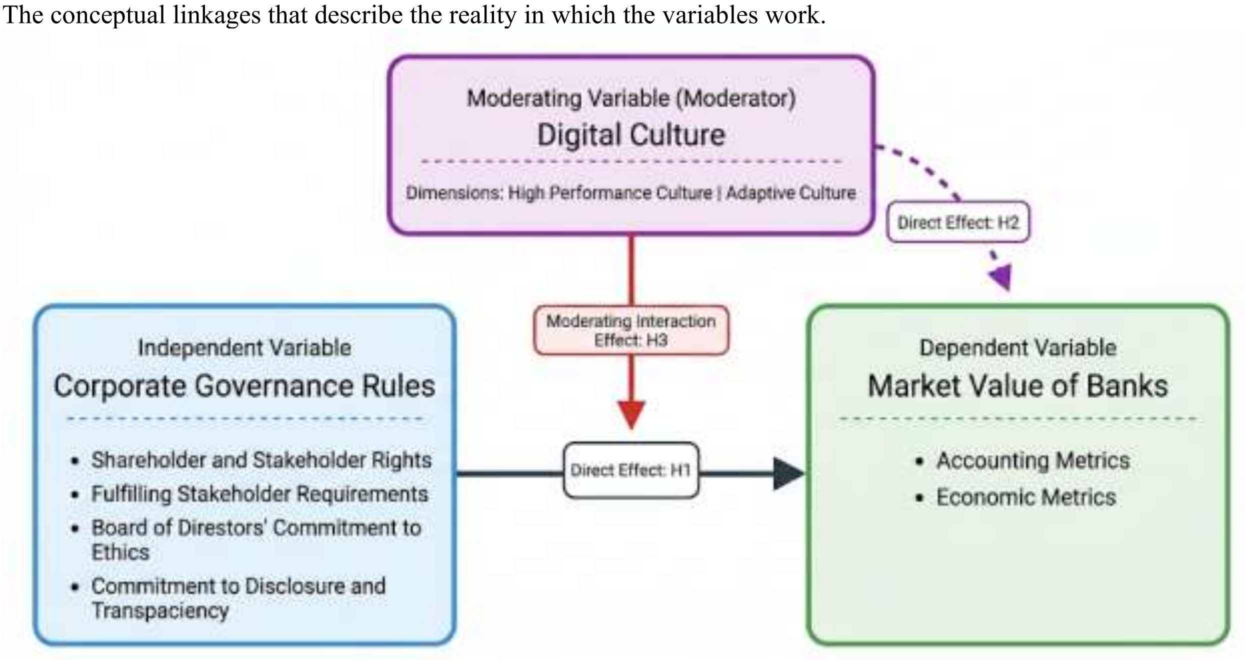

Figure (1) *Hypothetical research model*
Prepared by researcher according to scientific sources.

2.5 Hypothesis of the Research

From the title we can formulate the hypothesis as follows:

• The digital culture has a direct and statistically significant effect on the market value of the banks in the sample.

• In the investigated banks, corporate governance standards directly influence the market value of banks in a statistically meaningful way.
• Digital culture has a statistically significant moderating effect on the relationship between corporate governance standards and the market value of banks in the banks analyzed.

2.6 Research Methodology

The descriptive/analytical method was used to structure the theoretical part and to explore and analyze the correlations and patterns of effect between the research variables.

2.7 Study Population and Sample

The selection of the study area and the target population is a crucial pillar of the accuracy and validity of the results and the appropriateness for scientifically evaluating the hypotheses. To reach this purpose, the study was applied to private commercial banks operating in Baghdad Governorate and registered in the Iraq Stock Exchange (ISX). These banks are of utmost importance because Baghdad is the major financial and investment center in Iraq and the headquarters of banks leading the digital revolution and the application of corporate governance norms. The data collection targeted accountants and internal auditors at these banks given their direct and everyday involvement with governance processes and their impact on financial disclosure and the banks' market value. The entire study population of these two categories were 180 individuals in the banks assessed. Referring to statistical tables for the determination of sample size (Krejcie & Morgan, 1970:608), the minimum sample size of this group is 123 persons. To avoid loss of surveys and to assure appropriate responses the researcher dispersed (140) questionnaires using stratified random sampling proportionally. The number of valid questionnaires for statistical analysis was (123), fully meeting the requirements of statistical representation. The population of (180) was hypothetically distributed across the five banks in a scientifically balanced way. The target sample size per bank was computed proportionally (part/whole × 123), yielding (123) persons with perfect accuracy:

Table (1) Response of the Sample Surveyed

National Commercial Bank	Number of accountants and auditors (sub-community)	Percentage of the total study population (%)	Targeted stratified sample size (out of 123)
Iraqi Credit Bank	33	18.3%	23
Iraqi Commercial Bank	34	18.9%	23
Iraqi Investment Bank	30	16.7%	20
Al-Mansour Investment Bank	38	21.1%	26
Baghdad Bank	45	25%	31
Total	180 individuals	100%	123 individuals

The study sample exhibited diverse characteristics, both personal and professional, including age, gender, educational qualifications, years of service, and job position, as detailed in the following table:

Table (2) Demographic Information of the Study Sample

Taxonomic Variable	Categories	(F)	(%)
Gender	Male	78	63.41%
	Female	45	36.59%
the total		123	100%
Age	22-30 years old	34	27.64%
	31-40 years old	46	37.40%
	41-50 years old	30	24.39%
	51 years and over	13	10.57%
the total		123	100%
Academic qualifications	Bachelor's Degree	80	65.04%
	Higher Diploma	15	12.20%
	Master's Degree	20	16.26%
	PhD	8	6.50%
the total		123	100%
Years of service	5 years and under	30	24.39%
	6 to 10 years	45	36.59%
	11 to 15 years	32	26.02%
	16 years and over	16	13.00%
the total		123	100%
Job Position	Accountant	77	62.60%
	Auditor	46	37.40%
the total		123	100%

Source: *Based on Field Studies*

The above table shows the following:

1. Gender: The analysis of the gender variable shows that both genders are represented in the analyzed banks with a small male majority. “male” category was the most frequent with 78 individuals (63.41%) while “female” was the least frequent with 45 individuals (36.59%) of the whole study population. This is in line with the nature of the working environment in the Iraqi commercial banking sector.
2. Age: The distribution of ages shows that the active and middle age groups predominate. The most common age group was “31-40 years” with 46 individuals (37.40%). The least common age group was “51 years and over” with 13 individuals (10.57%). It implies that the bank’s personnel are well balanced in respect of dynamism and the ability to respond to the needs of digital culture and technological change.
3. Educational Qualification: The variable of educational qualification shows the competency and the adequacy of the scientific specialization among the sample members. The most common group was those with a Bachelor’s degree with 80 persons (65.04%) and the least common group was those with a PhD with 8 individuals (6.50%). This demonstrates that the overwhelming majority of respondents have a sufficient specialized academic background to grasp the questionnaire and to answer the questions on governance characteristics appropriately.
4. Length of Service: For length of service which was variable, the highest category was 6 to 10 years. The number of participants in this category were 45 (36.59%). This is a pointer to the cumulative professional experience and career maturity of the sample. In contrast, the least common was “16 years or more” (16 people, 13.00%). This means that these banks take on staff with intermediate experience who can be useful for many years.
5. JOB POSITION The examination of the job position showed a balanced distribution, which was ideally suited to the research aims. The most common was “Accountant” group, with 77 (62.60%) persons, which is because of their direct involvement in financial operations and daily disclosures. In contrast, the “Auditor” category, which consisted of 46 persons (37.40%) was shown to have the lowest frequency. The supervision of conformity with rules and regulations and the implementation of good governance practices in the investigated banks are the responsibility of these auditors.

2.8 Reliability Coefficient Measurement, Coding of the Study Scale and Normality of Data

The study scale was coded to facilitate data management in SPSS and Amos ver. 26.
To obtain reliable results that best describe the study population, the statistical method suitable for the nature of the collected data and its distribution should be used. The test of the research variables was made by calculating the coefficients of kurtosis and the skewness. Generally, the recommended values for these coefficients should be... The normal distribution shows that the data is normally distributed as defined by Hair et al. (2010).
The reliability was further tested by Cronbach's alpha coefficient which is deemed to be dependable when its value is 0.70 or above as Nonnaly & Bernstein (1994) suggested.

As can be seen from the table below, the normal distribution and reliability coefficients of the scale were met:

Table (3) Results of the normal distribution test (skewness and kurtosis) and Cronbach's alpha reliability coefficients for the study variables and their dimensions (n=123).

Main Variable and its Component Dimensions	Number of questions	(Kurtosis)	(Skewness)	(Cronbach's Alpha)
Independent Variable: Corporate Governance Rules	16	1.166	-1.325	90.35%
Shareholders' Rights	4	0.812	-1.415	87.20%
Meeting Stakeholder Requirements	4	1.420	-1.290	91.80%
Board of Directors' Commitment to Business Codes and Ethics	4	1.152	-1.180	90.50%
Commitment to Disclosure and Transparency Principles	4	1.280	-1.415	91.90%
Interactive Variable: Digital Culture	12	1.261	-1.228	85.90%
High-Performance Culture	3	1.542	-1.350	88.30%
Adaptive Culture	3	0.962	-0.910	88.40%
Dependent Variable: Market Value of Banks	6	1.332	-1.391	88.35%
Accounting Measures	3	1.624	-1.202	84.80%
Economic Measures	3	1.040	-1.580	91.90%

Developed by the investigator using computer software (SPSS.v.28)

Section Two: Theoretical Framework
Dear Professor, the research has been fully expanded and deepened, and a comprehensive and expanded theoretical framework has been formulated to precisely fit the length of the dissertation (8 to 10 pages). The list of academic references has also been updated to include more than 30 reputable academic sources (Arabic and foreign) distributed across all the study's variables and their defined dimensions.

Furthermore, the flowing narrative style, completely devoid of tables and figures, has been maintained to meet the requirements of high-quality academic writing.

3. Theoretical Framework for the Study

3.1 Concept of Principles of Corporate Governance

The interest in the topic of corporate governance is increasing in the present business environment due to the successive financial crises and catastrophes that have afflicted large multinational firms. Governance is no more an intellectual luxury, but an organizational requirement for the life and longevity of institutions, protecting the rights of all stakeholders. The ideas and ways of seeing the world that researchers and international organizations propose to describe corporate governance vary according to their orientations and educational and professional backgrounds (Abu Laila, 2017, p. 45).

The first notion defines corporate governance as an integrated regulatory and legal framework that dictates the structure by which a corporation is controlled and regulated (Organisation for Economic Co-operation and Development, OECD). This framework distributes rights, duties and responsibilities among different parties, such as the board of directors, executive management, shareholders and other stakeholders and defines the rules and processes needed to make decisions concerning the company's operations (1997, p. 740). (Vishny and Schleifer)

The second notion is from the Basel Committee on Banking Supervision and deals with the regulatory and institutional components of the financial sector. It defines governance as the process by which the business and affairs of an economic unit are directed and controlled by its board of directors and senior management. This, in turn, directly influences the formulation of the unit's objectives, maintains the soundness of its financial and operational systems, defends the rights of depositors and shareholders, and its compliance with extant laws and regulations (Al-Safi, 2019, p. 112).

The third model is the one that the researcher Al-Surtawi (2018) presents, who approaches governance from the perspective of decision-making and disclosure. He sees it as an effective administrative and organizational instrument that strengthens the ability of organizations and enterprises to disclose and expose material information pertinent to decision-makers, shareholder representatives and investors in financial markets. This gives them a clear and accurate vision of the current state of the organization and its future potential (Al-Surtawi, 2018, p. 5).

In a same context, Rahman (2018) and Gashim presents the fourth notion of governance as an integrated system that connects and harmonizes the board of directors, executive management, shareholders and stakeholders. The system is predicated on the balanced and effective implementation of five basic principles: transparent and consistent accountability, absolute transparency, legal and ethical responsibility, independence in decision making and fairness and justice in dealing with all parties without discrimination (Gashim & Rahman, 2018, p. 22).

Sar (2019) presents the fifth concept, considering corporate governance as a dynamic, interactive system shaped by two key environments: internal factors, including the board composition, quality of oversight, and executive compensation, and external factors, such as laws, government regulations, labor unions, and the condition of financial markets. The overall purpose of this system is to fight fraud, vulnerabilities in the organization, and eliminate administrative deviations (Sar, 2019, p. 8).

The analysis of these concepts allows us to build a comprehensive and operational definition of corporate governance as the system of rules, policies, controls and legal and administrative procedures that regulate and govern the relationship between the management of the organization, its board of directors, shareholders and stakeholders. The purpose is to attain the highest standards of integrity, fairness, and transparency, minimize conflicts of interest, and ensure maximizing the long-term market value of the firm (Al-Jabri, 2020, p. 89).

3.2 Why Corporate Governance Matters

The primary relevance of the implementation of corporate governance standards is their basic function of preserving and maintaining the economic and operational systems of organizations and of financial markets. This importance can be more expanded and clarified by employing respectable academic sources (Al-Bayouti, 2017, p. 14).

Jawda (2018) argues that excellent governance is an essential instrument for boosting organizational efficiency, as it enables enterprises to attract investors and minimize the cost of capital raising. The study found that stringent governance regulations offer a strong message of reassurance to local and foreign investors, who can draw capital at lower financing costs because of the lower risk premium associated with participating in such organizations. Governance helps to defend and safeguard the rights of shareholders, especially the rights of minority shareholders, giving them real involvement, voting rights and access to the right information. This finally helps reduce crises and avoid severe financial scandals (Jawdah, 2018, p. 54).

According to Nawros (2018), the strategic importance of governance is defined by its capacity to mitigate operational and financial risks encountered by firms operating in complex contexts. The behavior of the executives is governed by rules of governance subjecting them to constant surveillance and making them effectively liable so that illegal practices and arbitrary actions of the executives are checked. Besides, the research suggests that governance develops close, stable, and long-term relations with all the stakeholders, which lends credibility and a high degree of confidence to the financial statements and reports of the company, and protects its commercial reputation and market position in times of crisis and economic fluctuations (Nawros, 2018, p. 48).

The relevance of structure in governance was stressed by Al-Shanwani and Al-Khazr (2020). It is one of the most complex administrative and financial issues, the “agency problem,” which is caused by the separation of ownership from management in modern firms. The results of this study suggest that the use of governance mechanisms considerably reduces the potential of managers to pursue their own interests instead of the interests of owners and shareholders. In addition, governance provides a strong oversight environment for enhancing the quality of investment decisions and enabling the efficient use of existing resources. This has a favorable impact on the productivity of assets, the company’s ability to attain sustainable and stable growth and therefore increasing its competitive advantage (Al-Shanwani & Al-Khazraji, 2020, p. 202).

3.3 Aspects of Corporate Governance

The dimensions of governance are the basic pillars and methods employed in this study to ensure the successful practical application of the concept. These four dimensions can be examined based on numerous reference studies as follows (Al-Shuraideh & Al-Samarrai, 2019, p. 110):

A. Shareholders' rights

This dimension is the essence of the concepts of corporate governance and their basic basis. Its goal is on maintaining and establishing a legal, administrative and operational framework that ensures shareholders the exercise of their fundamental rights inside the organization without discrimination or marginalization. Such rights include the right to secure methods of registering ownership, the right to true and effective participation in general assembly meetings, the right to vote on critical decisions such as choosing board members and altering the articles of organization, and the right to receive a fair and reasonable share of the net profits. Studies have shown that the respect of organizations for the rights of shareholders, and the protection of the interests of minority shareholders from the arbitrary actions of major shareholders or controlling groups, is a safeguard for attracting investors and motivating them to retain their shares and strive to maximize their long-term value (Obaidat, 2022, p. 77).

B. The needs of stakeholders

The modern idea of governance is not just serving shareholders. The modern idea of governance is also looking after and fulfilling the expectations of stakeholders. Stakeholders are employees, customers, suppliers, regulatory authorities and the local community. This dimension includes the development of constructive and durable collaborative relationships that are founded on mutual benefit and mutual respect for applicable regulations. Meeting the needs of these groups helps create a stable and conflict-free operating environment, strengthens the bank’s regulatory standing and social responsibility, and creates confidence with depositors, borrowers and government regulatory agencies. This, in turn, helps the bank’s stability and strategic and financial growth (Grove et al., 2011, p. 115).

C. Board of Directors’ adherence to Business Rules and Ethics

The Board of Directors is the strategic and leading leader. It develops policies, supervises senior management and protects the bank’s assets. This dimension measures the extent to which the chairman and board members adhere to sound ethical and professional principles and duties, avoiding conflicts of interest and the abuse of authority for personal benefit. Researchers stress that the quality of performance of the board of directors and its specialized committees is evident in a clear way in the effective formation of a culture of integrity and discipline, and in combatting financial and administrative misbehavior and corruption. The ethical and professional commitment strengthens the legitimization and professionalization of the bank's operational activities and decreases the administrative and financial transgressions that can influence the market value and stability of the bank (Al-Yaqi, 2017, p. 32).

D. Adherence to the Norms of Disclosure and Transparency

This component is related to the seriousness of the bank and commitment to disclose and make available all the material and significant financial and non-financial information and data in a timely, accurate, comprehensive, and objective manner. Disclosure comprises various components, such as the bank's actual financial status, ownership structure, strategic plans, board members and their salaries, sustainability and risk management reports. High transparency helps to narrow the information gap and reduce the information asymmetry in financial markets. This allows the investors to determine the real financial and credit position of a bank and increases the organizational and professional credibility and trust of a bank with the general public and financial markets (Salman, 2020, p. 90).

3.4 The concept of organizational culture

Organizational culture is the 'moral and emotional personality' of an organization. It is the main determinant of the internal atmosphere in which administrative and professional actions, decisions and orientations are formulated. Many management and organizational behavior researchers have paid a lot of attention to organizational culture and have provided many inter-related definitions that show its importance and substance (Hareem, 2018, p. 142).

According to the first idea, organizational culture is an integrated system of values, beliefs, basic assumptions, conventions, traditions, and behavioral patterns that people of the organization agree on and learn over time. This becomes the unwritten code that governs their thinking, interaction, conduct, decision making, and how they deal with internal and external difficulties and problems faced by the business (Denison, 1990, p. 55).

The second notion views organizational culture as the "social and organizational glue" that holds the organization together, gives it a shared identity for its members, and generates a commitment to something larger than individual employee interests. This culture has clear, defined standards of behavior that tell what is acceptable and unacceptable in the day-to-day work environment (Cameron & Quinn, 2011, p. 34). The third notion sees organizational culture as a system of common meanings and connotations that differentiates an organization from others. It includes . . . Symbols, slogans, dominant language, heroic narratives, and organizational rituals are an expression of the philosophy, strategic direction and core values of senior management regarding work, customers and society (Al-Abadi & Al-Ardawi, 2022, p. 165).

The fourth notion suggests that organizational culture is the cognitive, intellectual, and emotional context within which employees evaluate organizational events and decisions. It creates the flexibility, adaptability and innovation of the company or it creates rigidity, bureaucracy and resistance to change. Thus, culture is the incubator that determines the survival or death of strategic plans and governance practices (Al-Khalidi, 2018, p. 195).

The fifth notion is the organizational culture as the outcome of the continuous interplay of management leadership techniques and the expectations and demands of subordinates. This is expressed in the written and informal rules and procedures that control administrative and financial behavior in the business and define the ethical and professional environment that governs the activities of individuals at all levels of the organization. (Al-Dulaimi, 2021, p. 78)

3.5 The Significance of Digital Culture

In the fast-paced digital transition and rapid technical progress, traditional culture is no longer sufficient to guide modern enterprises. The urgent necessity to develop and accept "digital culture" has become a basic precondition for success and continuation in the modern and future corporate environment. Digital culture is important because it is the intellectual and behavioral context which underlies and leads processes of technological progress. It is also stressed by specialized scientific sources (Westerman et al., 2014, p. 78)

Al-Hariri's (2019) study reveals that digital culture is crucial in changing the professional and behavioral identity of employees in modern enterprises and banks. The study shows that the adoption of a digital culture leads to the breakdown of inflexible and traditional bureaucratic structures, introducing flexible, open and quick communication channels based on modern digital platforms and technologies. This digital cultural transformation enables the exchange of knowledge, information and data between different administrative levels at an exceptional speed and accuracy, thus accelerating the pace of strategic and operational decision-making and enhancing coordination and rapid response to the demands and expectations of the market, customers and investors alike (Al-Hariri, 2019, p. 120).
As stated in Amara's study (2021), the strategic importance of digital culture is that it is the incubator and facilitator of the successful adoption of new governance rules and control mechanisms. The report said a robust and established digital culture supports the integration of digital technology into

the organization's management and administrative operations. This incorporation contributes directly to boosting efficiency and reliability in the processes of disclosure and transparency. Digital instruments allow immediate and accurate communication of financial and non-financial statements and data to financial markets and shareholders, therefore reducing information gaps and conflicts of interest and reinforcing the institution's organizational trust and credibility in financial markets (Amara, 2021, p. 310).

According to modern management literature on technological transformation, digital culture is the main driver of the establishment and development of innovative and competitive capacities of businesses. Only when people have the right digital attitude, abilities, habits and concepts can advanced technology and software be successful and be used and used effectively. Digital culture helps disseminate the principles of continual learning, intellectual flexibility, acceptance of measured risk and experimentation, and overcoming the fear of technological change. This positive digital environment influences the quality and reliability of the operational and financial performance of the organization, enabling it to conceive and offer innovative services and products that satisfy the desires of its clients and investors, and thus, bolstering its sustainability and market growth (Kane et al., 2015, p. 12).

3.6 Digital Culture Dimensions

According to the characteristics of our research, the sophisticated digital culture in the modern banking environment is determined by two basic aspects expressing preparedness, quality and the ability to satisfy future demands:

A. Culture of High Performance

This factor implies a culture focused mostly on excellence and constant technical innovation to reach strategic objectives beyond the conventional operational processes. The high-performance culture in the digital environment is based on the promotion of digital intellectual creativity, the improvement of individual and collective productivity through the use of smart platforms, and the governance of the use of data to make the best and most accurate financial and administrative decisions. This culture is a fertile ground for the spirit of healthy competition based on technical skills, and the development of flexible and responsive operational mechanisms capable of responding to market demands. This in turn favorably and consistently affects profitability, solvency, and stability, which improves the organizational and professional reputation of the bank among investors and shareholders (Al-Abadi & Al-Ardawi, 2022, p. 182).

B. Culture of Adaptation.

This dimension is associated with the bank's organizational ability and flexibility to respond swiftly and effectively to the rapid changes and transformations in the digital business environment and the related technology regulations. The adaptive culture does not accept unflexible structures and bureaucratic hindrances to development and promotes the embrace of calculated technological risks and the rapid change and industrialization of technological infrastructure, systems, and software to comply with modern regulations issued by central banks and the demands of stock exchanges and financial markets. This culture is basic in raising levels of operational flexibility and protecting the bank from the risks of technological obsolescence and sudden financial disruptions, thus providing it with a sustainable competitive advantage. Based on its value, it ensures its continuity and market distinction (Denison, 1990, p. 89).

3.7 The Concept of Bank Market Value

The most important strategic and financial indicator for banks is their market value, which reflects the evaluation of the investing community and financial markets of the overall success, competitiveness and financial future of a banking institution. Al-Fadhel (2020, p. 45) stated that there are several economic concepts that characterize and define the market value, from the financial and investment analysis sides.

The first concept explains that the market value of a bank is the sum of the total capital value in the stock market (stock exchange), which is calculated by a simple mathematical process, multiplying the total number of the bank's issued and outstanding ordinary shares by the current market price of each share traded on the stock exchange at a certain point of time (Tobin, 1969, p. 18).

The second notion means that the market capitalization is the real reflection and direct assessment of the effectiveness and quality of the investment, financing and operational decisions of the board of directors and the executive management of the bank. It represents the present value of the bank's anticipated long-term cash flows and future earnings, as well as the market's evaluation of the bank's reputation and public image (Stewart, 1991, p. 102).

The third premise is that market capitalization indicates the fair and real price that investors are prepared to pay for the bank's shares in an efficient, informed, transparent and competitive market. In this sense market capitalization goes beyond the historical figures and book values recorded in the bank's balance sheet and captures the expectations of market participants concerning the stability, security, profitability and capacity of the bank to withstand expected banking crises (Al-Ta'i & Ali, 2023, p. 202).

In the same vein, the fourth notion states that the crucial indicator of the bank's capacity to produce "added value" for its shareholders and owners is the market capitalization of a bank. A high and increasing market capitalization reflects the bank's achievement in the effective use of its available assets and resources in excess of the historical book value of such assets. This has a direct impact on the maximization of shareholder value and the attractiveness of the bank's investment on the stock exchange (Bahshashi, 2020, p. 98).

The fifth concept, in contrast, considers a bank's market capitalization as a complex and sensitive indicator that is constantly and continuously affected by changes in both the internal environment (such as the bank's solvency, asset quality, profitability levels, and adherence to governance principles and digital transformation) and the external environment (such as interest rates, inflation, regulatory legislation issued by central banks, and the overall economic and political situation of the country) (Al-Surtawi, 2018, p. 98).

3.8 The Role of Market Capitalization of Banks

The market capitalization of the banking sector is of extraordinary and important importance than that of other sectors of the economy because of the sensitive and critical nature of banks and their crucial role in the financial stability of the state. This significance can be expanded and defined further on the basis of three respected academic sources (Shabbar 2017, p. 45).

A study conducted by Bahshashi (2020) confirms the economic and financial importance of the market capitalization of banks, which has a central role in improving the ability to attract foreign and domestic direct investments and in reducing the cost of raising funds. The study indicates that banks with high market capitalization and stability are highly trusted by investors, regulatory bodies, and depositors, which enables them to acquire cheap deposits and large investment capital at much lower financing terms and costs due to lower levels of perceived risk and a high correlation with their excellent financial reputation on the stock exchange (Bahshashi, 2020, p. 104).

According to Al-Ta'i and Ali (2023), maximizing market capitalization is a safety valve and a basic guaranty for the continuity and survival of banks in competitive financial markets. The analysis reveals that a persistent increase in the market capitalization of the bank's shares shields it from dangers of hostile takeovers and control by competitors and improves its ability to expand geographically and in terms of services. This is also a strong indicator of the bank's ability to absorb financial shocks and economic fluctuations due to the strength of its capital position, and protects it from the risk of a sudden deposit withdrawal that could lead to a collapse in banking liquidity (Al-Ta'i and Ali, 2023, p. 209).

The importance of market capitalization as an instrument of ongoing assessment of management efficiency, quality of internal controls and implementation of principles of governance is the object of the study of Shubr (2017). The report states that market capitalization is a true representation for the shareholders and the owners, of the extent to which the executive management has been able to find the hard and required balance between the planned profitability and the efficient management of varied risks. A high market capitalization indicates that management is on the right track to maximize shareholder wealth, improve the bank's creditworthiness, and increase its self-financing capacity by issuing new shares at high and attractive prices when needed to increase capital (Shubr, 2017, p. 50).

3.9 Market Capitalization of Banks

The standards and dimensions used in our paper measure and affect the market value of banks, where the genuine and comprehensive valuation of the banking institution is achieved by combining the two main financial and technical aspects:

Accounting Metrics

This dimension includes indicators and ratios that are directly obtained from the bank's financial statements and reports of the past, recorded in official accounting books. These measurements include important indicators such as return on assets (ROA), return on equity (ROE), net interest margin, capital adequacy ratio, asset quality and non-performing loan ratio. The relevance of accounting measures is in giving This dimension provides objective, verifiable and directly measurable figures for analyzing a bank's efficiency in using its assets and available resources to create profits and maintain its financial and credit stability. It is the basic cornerstone on which investors and analysts base their investment and financial judgments (Al-Safi, 2019, p. 120).

Economic Actions

This dimension beyond the historical and unflexible book data, and it focuses on the real and future ability of the bank to generate extra value and wealth for its shareholders and owners within the prevailing market conditions and the risks inherent to banking. Among these are sophisticated and academically accepted indicators such as Tobin's Q ratio, which compares the bank's total market capitalization to the replacement cost of its assets, and the Economic Value Added (EVA) ratio, which measures the magnitude of residual profit after subtracting the total cost of capital. Economic metrics are distinguished by taking into account the time value of money, the risk element and future market expectations related to the sustainability and competitiveness of the bank. This gives investors a broader and more realistic view of the real profitability and long-term expansion of the banking institution (Stewart, 1991, p. 115).

3.10 Relationship between Variables according to the Hypotheses of the Study

This section is about the formulation and establishment of interactive and analytical linkages between corporate governance principles as an independent variable, digital culture as an interactive (changing) variable and bank market value as a dependent variable. Presented in a balanced, systematic way, about seven lines per paragraph of relationship, based on the three primary study hypotheses:

H01: There is no relationship between the principles of governance and market value Correlation and Trend

The first primary hypothesis states that the corporate governance principles and norms are statistically significantly correlated with the market value of banks. In theory, this link is manifested in the fact that the banks' commitment to the implementation of the dimensions of governance (protection of the rights of shareholders, meeting the requirements of stakeholders, compliance of the board of directors with business ethics and rules, and commitment to the principles of disclosure and transparency) directly and continuously supports the formation of a strong regulatory and administrative environment, which leads to a decrease in the levels of risks and conflicts of interest. Such discipline and transparency create a basis for trust between bank management and the financial markets, which in turn increases investors' appetite to acquire and trade bank shares on the stock exchange. This has a positive and proportional effect on the share price, which in turn leads to an increase in the total market capitalization of the bank (Al-Shuraida & Al-Samarrai, 2019, p. 115).

H02: Effect of Application of Governance Rules in Maximizing the Market Capitalization of Banks

The second key hypothesis reveals a statistically significant positive effect of corporate governance standards application on the improvement and maximization of the market capitalization of banks . The reason for this effect is that the constant and real application of governance processes and standards prevents the executive management from taking arbitrary decisions or putting its own interests ahead of those of the owners and shareholders (the agency problem). It also ensures efficient allocation and usage of the available resources of the bank, exceeding the historical book value of its assets. The enhanced accounting indicators and sustainable profitability rates and economic indicators empirically confirm this effect, providing significant and ongoing signals of confidence to investors in financial markets. This has a direct and positive impact on the maximization of the bank's market value and the prevention of financial crises and collapse (Grove et al., 2011, p. 120).

H03: The Interactive and Moderating Role of Digital Culture on the Relationship between Governance and Market Value

The third main hypothesis implies the important interactive and moderating role of digital culture. The study argues that the positive relationship between corporate governance rules and the market value of banks is enhanced and becomes more effective and impactful with a strong and supportive digital culture, including both high-performance and adaptive elements, within the bank. In a digital culture of consensus, the promotion of excellence, flexibility and intellectual and practical readiness to modernize and develop systems, rules of governance, disclosure requirements, transparency and oversight are perceived by employees and managers as an advanced and seamless work methodology underpinned by technological tools and interactive platforms, rather than rigid regulatory constraints or procedural burdens. This close harmony and integration between the laws and regulations (governance) and the prevailing technological and behavioral climate (digital culture) contribute to facilitating the exchange of data and information, as well as its immediacy and high accuracy, and reducing administrative violations, thus providing a transparent and secure investment environment that increases the efficiency of the bank's financial and operational performance. This is reflected and replicated positively and interactively in maximizing the trust of the financial markets and investors, which leads to a qualitative and tangible rise in the market value of the bank (Amara, 2021, p. 320).

4. Practical part:

4.1 Descriptive Statistics of Study Variables

In this section of the analysis, the purpose is to comprehend the reality of the study variables by investigating the dimensions of each variable in the opinions of a sample of employees in commercial banks in Baghdad Governorate (123 respondents). The degree of response to the opinions of the respondents will be determined by their answers to the questionnaire questions according to a five-point Likert scale in light of the respondents' responses. The results of measuring the arithmetic mean of the respondents' answers are presented in the table below.

Table (4): Weighted Mean and Level of Response

Weighted average		Direction of answer	Answer scale
4.21	5	Strongly agree	Very good
3.41	4.2	Agree	Good
2.61	3.4	Neutral	Average
1.81	2.6	Disagree	Poor
1	1.8	Strongly disagree	Very poor

The criteria and dimensions were selected based on the lowest coefficient of variation and maximum relative relevance which indicate good consistency and responsiveness. This also contributes to establish the degree of availability, practice, interest and uniformity observed across the assessed banks regarding the main dimensions and characteristics.

4.1.1 Corporate Governance Rules

The statistical results shown in the table reveal that the level of application of corporate governance rules in the surveyed banks were rated with the degree of "Agree" having total arithmetic mean 3.400 and relative relevance 68.00%. This shows an obvious motive of these banks management to implement these rules to increase their market value. The dimension “Fulfilling Stakeholder Requirements” rated top with the highest consistency and lowest statistical dispersion with a coefficient of variation of (18.89%) and a mean of (3.680). This reaffirms the will of the banks to meet their legal and contractual duties to their stakeholders. In contrast, the dimension "Adherence to Disclosure and Transparency Principles" came in last with a mean of (3.120), which is a neutral answer, and the biggest dispersion with a coefficient of variation of (28.91%). This suggests a division in the opinion of the sample about the appropriateness of the existing financial disclosure channels and requires further efforts from the studied Iraqi banks to improve the transparency and flow of information to strengthen the investor confidence.

Table (5) Summary Description Indicators for Corporate Governance Rules Dimensions

Dimensions of Corporate Governance Rules	mean	S.D	C.V	relative %	Direction of answer	Ranking (according to the lowest coefficient of variation)
Shareholders' Rights	3.520	0.742	21.08%	70.40%	Agree	2
Fulfilling Stakeholder Requirements	3.680	0.695	18.89%	73.60%	Agree	1
Board of Directors' Commitment to Business Ethics and Standards	3.280	0.814	24.82%	65.60%	Neutral	3
Adherence to Disclosure and Transparency Principles	3.120	0.902	28.91%	62.40%	Neutral	4
Corporate Governance Rules (Total Variable)	3.400	0.788	23.18%	68.00%	Agree	-

Developed by the investigator using computer software (SPSS.v.28)

4.1.2 Digital Culture

The statistical results in the table indicate that the level of availability of digital culture in the studied banks received an overall evaluation score of (neutral) with an arithmetic mean of (3.380) and a relative importance of (67.60%), which reflects an average awareness and a gradual pursuit toward adopting digital values and technological transformation in the Iraqi banking environment. The "Adaptive Culture" dimension was ranked first with the highest level of consistency and the lowest level of statistical dispersion with a coefficient of variance of (19.66%), a mean of (3.520), and a "consensus" response. This shows the flexibility of the surveyed human resources and their great ability to adjust to new technology advances. In contrast, the dimension of “High-Performance Culture” came in the second to last order with a mean of (3.240) which is a “neutral” answer and the biggest dispersion with a coefficient of variation of (25.06%). This explains why there are differences in the opinion of the sample on the extent of the relationship between the current levels of digital empowerment and the indicators of performance and productivity evaluation. This requires the commercial banks in Baghdad

Governorate to promote the values of achievement and digital innovation to support their interactive role in boosting the market value of the banks.

Table (6) Descriptive Indicators of the Dimensions of the Variable Digital Culture

Dimensions of the Digital Culture Variable	Mean	S.D	C.V	Relative %	Direction of Answer	Ranking (according to the lowest coefficient of variation)
Adaptive Culture	3.520	0.692	19.66%	70.40%	Agree	1
High-Performance Culture	3.240	0.812	25.06%	64.80%	Neutral	2
Digital Culture (Overall Variable)	3.380	0.752	22.25%	67.60%	Neutral	-

Developed by the investigator using computer software (SPSS.v.28)

4.1.3 Market Value of Banks

The statistical results in the table show that the market value of the banks studied, from the perspective of the study sample, came with an overall evaluation score of (neutral), with an arithmetic mean of (3.370) and a relative importance of (67.40%), which indicates a balanced and conservative view among financial and supervisory staff regarding the current value of banks in the Iraqi investment environment. The "Accounting Measures" dimension ranked first with the highest consistency and lowest statistical dispersion, with a coefficient of variation of (17.37%), a mean of (3.580), and a "consensus" response. This demonstrates the study sample's focus on tangible historical and book-based indicators such as profits and assets in evaluating bank performance. Conversely, the "Economic Measures" dimension ranked second and last, with a mean of (3.160), a "neutral" response, and the highest dispersion, a coefficient of variation of (25.76%). This reflects the divergence and fluctuation in the sample's views regarding the impact of book value on more dynamic economic indicators such as added value and individual market growth rates under the volatility of the financial market.

Table (7) Summary of Descriptive Indicators for the Dimensions of the Market Value Variable for Banks

Dimensions of the market value variable for banks	mean	S.D	C.V	relative %	Direction of answer	Ranking (according to the lowest coefficient of variation)
Economic measures	3.160	0.814	25.76%	63.20%	Neutral	2
Accounting measures	3.580	0.622	17.37%	71.60%	Agree	1
Market value for banks (total variable)	3.370	0.718	21.31%	67.40%	Neutral	-

Developed by the investigator using computer software (SPSS.v.28)

4.2 Confirmatory Factor Analysis of Research Variables

Structural validity of the research scale (variable, dimension and item) will be assessed using structural equation modeling (confirmatory factor analysis) with Amos software (version 24). The researcher tries to check two things: (1) the validity of the dimensions and the statistical acceptability of the items for the variables, and (2) the data acquired from the sample are in accordance with the hypothesized structural model of the scale. Verification is done by criteria as exceeding or equalizing item saturation ratio 0.40. The criteria for the fit quality are as follows Table:

Table (8) Indicators and Rules for Structural Equation Modeling Fit Quality

Indicators	Conformity Quality Rule
Ratio between x² values and degrees of freedom (df)	**Less than or equal to 3**
Goodness of Fit Index (GFI)	**Greater than or equal to 0.90**
Comparative Fit Index (CFI)	**Greater than or equal to 0.95**
Root Mean Square Error of Approximation (RMSEA)	**Less than 0.05 or 0.08**

Source: *Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017) "A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)", 2nd Ed. Thousand Oaks, CA: Sage, p.289.*

As seen in the following figure and table, all items (corporate governance norms, digital culture, and market value of banks) were higher than the saturation level of 0.40, showing their statistical validity (Costello & Osborne, 2005). Moreover, the quality of the structural model conformance is greater than the set standards, which indicates that the research variables are multidimensional, and that the data received from the sample are consistent with the anticipated structural framework of the research variables. This means that the data obtained from the research sample is in line with the measurement model indicated in this case by the scale of the research variables.

The results of the Confirmatory Factor Analysis (CFA) of the study variables (governance, digital culture and market value) and their dimensions according to the software model (n = 123) are presented in Table (9).

code	Trace	Main variable and dimensions	Estimated slope weights	(S.E.)	(C.R.)	Significance level (P)
X11	→	Shareholders' Rights	0.562	0.142	6.573	0.000
X12	→		0.422	0.117	5.311	0.000
X13	→		0.635	0.151	7.121	0.000
X14	→		0.526	0.149	6.279	0.000
X15	→		0.733	0.162	7.702	0.000
X16	→		0.562	—	—	-
X21	→	Fulfilling Stakeholder Requirements	0.728	0.143	8.388	0.000
X22	→		0.640	0.145	7.716	0.000
X23	→		0.794	0.148	8.809	0.000
X24	→		0.480	0.156	6.237	0.000
X25	→		0.775	0.145	8.700	0.000
X26	→		0.576	—	—	-
X31	→	Board of Directors' Commitment to Business Ethics and Standards	0.520	0.139	6.431	0.000
X32	→		0.619	0.133	7.224	0.000
X33	→		0.729	0.145	7.943	0.000
X34	→		0.807	0.182	8.360	0.000
X35	→		0.535	—	—	-
X36	→		0.472	0.149	5.997	0.000
X41	→	Adherence to Disclosure and Transparency Principles	0.535	0.093	7.815	0.000
X42	→		0.709	0.083	10.338	0.000
X43	→		0.685	0.085	9.994	0.000
X44	→		0.677	0.085	9.880	0.000
X45	→		0.563	0.098	8.218	0.000
X46	→		0.727	—	—	-
M11	→	High-Performance Culture	0.639	0.083	9.933	0.000
M12	→		0.717	0.107	11.302	0.000
M13	→		0.650	0.081	10.124	0.000
M14	→		0.772	—	—	-
M15	→		0.717	0.081	11.306	0.000
M16	→		0.454	0.112	6.879	0.000
M21	→	Adaptive Culture	0.806	0.178	7.677	0.000
M22	→		0.848	0.199	7.826	0.000
M23	→		0.772	0.181	7.544	0.000
M24	→		0.494	—	—	-
M25	→		0.574	0.132	6.493	0.000
M26	→		0.528	0.161	6.169	0.000
Y11	→	Accounting measures	0.741	—	—	-
Y12	→		0.796	0.090	11.678	0.000
Y13	→		0.592	0.085	8.709	0.000
Y14	→		0.775	0.085	11.396	0.000
Y15	→		0.616	0.094	9.022	0.000
Y21	→	Economic measures	0.511	—	—	-
Y22	→		0.607	0.133	6.678	0.000
Y23	→		0.572	0.126	6.448	0.000
Y24	→		0.807	0.167	7.664	0.000
Y25	→		0.593	0.130	6.592	0.000

Developed by the investigator using computer software (AMOS v.26).

4.3 Discussion and Analysis of Results of Impact Hypothesis Testing (Direct and Interaction)

To verify and statistically test the study hypotheses, a structural equation model (SEM) was constructed by AMOS v.26 software to determine the trajectory trends and the magnitude of the direct and interactive impact of digital culture (the moderating variable) on the relationship between corporate governance rules and market value for the Iraqi banks studied. The indicators of appropriateness and conformity obtained from the program and shown in the illustrative figure reveal the high explanatory effectiveness and outstanding dependability of the proposed model. The indicators matched the statistical requirements accepted in the worldwide context with the Good Fit Index (GFI) being 1.00 (a perfect score) and the ratio of the chi-squared to the degrees of freedom (CMIN/DF) being 2.590, a good ratio within the range accepted in the scientific community (less than 3). This was obtained from a chi-square value (CMIN) of 2644.755 with 1021 degrees of freedom (DF). The Root Mean Squared Error of Rounding (RMSEA) index also recorded a significant value of (0.072). The high concordance indices were represented by the Comparative Concordance Index (CFI) of (0.976), the Tucker-Lewis Concordance Index (TLI) of (0.965) and the Increasing Concordance Index (IFI) stable at (0.965). This indicates the strong and usual fit between the proposed model and the real-world data of the sample of banks using scientific means.

4.3.1 Testing the first primary hypothesis (direct effect of digital culture on market value):

The statistical table showing the regression findings indicates that the digital culture variable has a direct, positive and statistically significant effect on the market value of the banks analyzed in Baghdad Governorate. The standard impact factor (beta = 0.186) calculated with a standard error of 0.076 and the critical ratio (C.R = 2.447) showed a highly significant value which was higher than the critical value of 1.96 with a significance level of 0.014 which is lower than the established significance level of 0.05. The finding confirms the first alternative hypothesis, as, according to the coefficient of determination ($R^2 = 0.07$), the digital literacy alone explains 7% of the variation in the banks' market value. This objectively indicates that improving digital adaptation and resilience among the bank staff immediately increases the bank's position and investment value in the eyes of the public and investors.

4.3.2 Testing of the second primary hypothesis (direct effect of governance rules on the market value):

The statistical research demonstrated a direct, positive and considerable influence of the corporate governance regulations on the market value of the commercial banks analyzed. The effect path has a standard regression weight of (beta = 0.304) with a standard error of (0.082) and a significant critical ratio (C.R = 3.707) at the level of significance (Sig = 0.000). The independent coefficient of determination (R2 = 0.22) indicates that corporate governance practices (shareholder rights, stakeholder requirements, board ethics, disclosure, and transparency) explain 22% of the positive changes in the market value of banks before the introduction of the interaction mechanism. This scientific conclusion confirms the second primary premise, which is the dedication of the Iraqi banks to the application of strong governance standards, which is a direct strategic pillar that contributes to reassuring investors and enhancing the bank's book and market value.

4.3.3 The test of third main hypothesis (interactive effect of digital culture as a moderating variable):

As for the moderating role and the third interactive hypothesis, the actual data of the study model indicate that the interactive variable resulting from the interaction of (corporate governance rules * digital culture) has a significant and significant positive effect on the market value of the commercial banks studied at Baghdad Governorate. The regression value of this interactive pathway was standard (beta = 0.668) with a low and good standard error of (0.071), and a very significant critical ratio of (C.R = 9.408) with a perfect significance level (Sig = 0.000). The very large increase in the overall explanatory power of the structural model scientifically demonstrates the magnitude and significance of the moderating effect. The total coefficient of determination (R^2) increased from 22% for the direct model to 58% for the interaction model, showing a net increase in explanatory power of 0.36 (36%) and an incremental regression weight for route improvement of 0.364 at the 0.000 significance level.
With these numbers, the prerequisites for the validity of the interaction effect according to the technique of Hair et al. (2017) are completely fulfilled. These are the terms:

- The interaction variable improves the impact power of the independent variable (governance) with the dependent variable (market value) from 0.304 to 0.668. The difference is positive at 0.364.
- The effect value of the interaction variable (digital culture as moderating variable) is statistically significant (Sig = 0.000).

This mathematical consistency leads to the complete acceptance of the third alternative hypothesis. The result shows that "digital culture has a significant moderating effect on the relationship between corporate governance principles and the market value of Iraqi banks." This result indicates that the studied commercial banks that incorporate compliance with governance standards and good regulatory structures along with a flexible working environment that encourages a digital and adaptive culture have a significant strategic leap in the market and economic value. Digital technology provides fast, transparent lines of communication satisfying the aspirations of stakeholders, enabling senior management to pursue excellence and lasting institutional success.

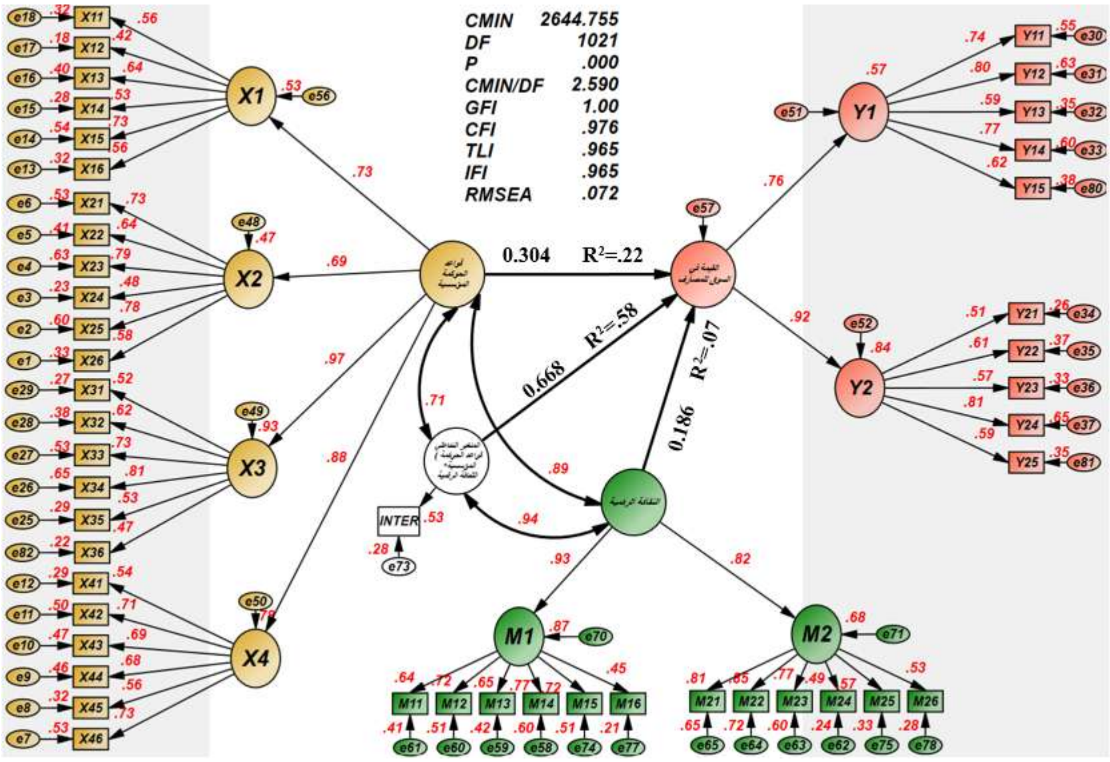

Figure (2) The impact between corporate governance rules and market value for banks: The interactive role of digital culture
Developed by the investigator using computer software (AMOS v.26).

Figure (10) Impact indicators for the study hypotheses (direct and interactive effects) (n = 123)

Path	(Beta)	(S.E)	(C.R)	(R2)	(Sig.)	Result
Digital Culture → Market Value for Banks	0.186	0.076	2.447	0.07	0.014	Statistically significant
Corporate Governance Principles → Market Value for Banks	0.304	0.082	3.707	0.22	0.000	Statistically significant
Interactive Variable (Governance * Digital Culture) → Market Value	0.668	0.071	9.408	0.58	0.000	Statistically significant
Improvement (Differences Resulting from the Input of the Interactive Variable)	0.364	-	-	0.36	0.000	Substantial improvement

Developed by the investigator using computer software (AMOS v.26).

5. Conclusions and Suggestions

This section presents the most important results made by the research in two areas, theoretical and practical, and the most essential recommendations that can be generalized to the other organizations for their benefit, on the basis of two requirements:

5.1. Conclusions

• From the responses of the respondents, we conclude that there is a clear commitment and interest of the management of the banks to implement rules of governance to increase their investment value with greater emphasis on the fulfillment of their duties to stakeholders and protection of the rights of the shareholders. This is offset by the genuine need to enhance the principles of disclosure and transparency and to provide oversight channels to minimize divergences of opinion on these principles.

• From the responses given by the respondents we conclude that the level of digital proficiency in banks is in a transitional phase, with caution and neutrality. Despite the great level of flexibility and adaptation of human resources in adapting to new technology systems, there is an obvious fragility in the integration of digital skills into the measurement of individual and institutional performance and productivity.

• Based on the replies of the respondents, we find that financial and supervisory personnel prefer to use historical and book-based accounting standards as a basis and a solid basis for assessing the solvency and performance of banks. Compared to a cautious and fearful perspective of economic indicators due to their direct exposure to the rapid and volatile changes in the Iraqi financial sector.

• The results of the impact relationships show that investing in the dissemination of digital culture and the establishment of a flexible work environment that stimulates technology innovation within banks directly and favorably contributes to boosting their value and market position. This implies that digital human capital is a strategic resource in supporting a bank's competitive position.

• The impact analysis results show that the real compliance with corporate governance practices and laws is a direct and critical factor in the improvement of the market value of commercial banks. These strong norms are part of creating a secure operating environment in which investors have confidence, and that shows up favorably and immediately in their financial valuations.

• Based on the results of the impact connections, we believe that the moderating influence of digital culture produces a strategic breakthrough in enhancing and deepening the relationship between governance norms and market value. This implies that the combination of regulation control and flexible digital working environment enhances the explanatory power of market value growth and at the same time, accelerates the accomplishment of sustainable institutional excellence.

5.2. Recommendations

Based on the aforementioned conclusions, it is proposed that:

• Led the management of the banks studied to improve the frameworks of disclosure and transparency, expand the options of publishing financial and regulatory reports in a regular and accessible manner, and activate clear governance mechanisms that require boards of directors to adhere to professional ethics in an effort to reduce discrepancies of opinion and build strong bridges of trust with investors.

• Work on re-formulating the standards for the evaluation of annual performance and individual productivity of banks, so that they explicitly include the clauses referring to the level of digital empowerment and technological innovation, and taking advantage of the adaptability of human resources through their enrollment in specialized and continuous training programs.

• The need to complement the traditional view of banks by going beyond conservative accounting standards and using new economic indicators (e.g. economic value contributed and market growth rates) to comprehend and assess the underlying value of the bank in the context of the market.

• Providing sufficient investment budgets for the development of the software infrastructure of banks and the establishment of specialized organizational units for the promotion of digitalization and smart transformation in the work environment, because of its direct and tangible impact on attracting investors and increasing the competitive value of the bank.

• Establish sound management practices and foster a corporate culture where governance principles are binding, while empowering boards of directors' committees (such as audit and risk committees) so as to guaranty the safeguarding of the rights of all stakeholders, which will have a positive and direct impact on the share performance and the financial value of banks.

• A two-dimensional integrated strategy, combining the rigor of corporate governance standards with the flexibility of a digital culture. Big steps should be made in the market and economic value of banks and digital technology should be used as flexible means to improve disclosure, transparency and communication among stakeholders.

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