

Chapter One: Introduction

1.1. Preface

In today's global business environment, with volatile worldwide capital markets and eroded investor confidence in corporate accountability, the demand for effective corporate governance 'CG' and ethical conduct in ensuring reliable financial information is higher than ever before.

CG is a system by which institutions are directed and controlled, thus effective CG assists management in better running its organization; promotes a vigilant oversight function by the board of directors; encourages shareholders to take an active role in monitoring their organizations through faire treatment to all stakeholders.

CG is a specialized mechanism for regulating risk in corporate activities, thereby averting corporate disasters, scandals and consequential damage or losses to investors, staff, society and the wider world.

From the mentioned; the importance of CG arises as an increasingly significant aspect of business, organizational and commercial banks management, extending to international politics and trade laws in addition to globalized economics, corporations, organizations, commercial banks and markets.

1.2. The Importance of The Research: Could be summarized as the following: -

- Advanced CG allows commercial banks to be safe and practice proper management activities.
- The research reveals how important CGA is in commercial banks and how they cannot possibly be stable, achieve their future objectives and survive without CGA.
- CGA improves the performance of commercial banks and secures a competitive advantage.
- Advanced CGAs prevent such banks from losses and the possibility of bankruptcy.

1.3. Objectives of The Research: They are explained as follows: -

- To clarify CGA in selected banks.
- The research aims to demonstrate the impacts of CGA by such banks in Erbil city.
- To determine whether the Corporate Governance application contributed to enhancing selected commercial banks.
- To evaluate the role of the selected banks' management in CGA.
- To clarify the implemented CG models by selected banks.

- To help researchers and bank decision-makers understand and develop a proper, robust, and advanced CG policy.
- To add additional research in this field for interested people and to know more about CRM.

1.4. Problem of The Research: -

In light of a cutting-edge world where numerous corporations have collapsed due to mismanagement and chiefs acting in their possess self-interest, occasions of mishandled corporate control, extortion, criminal activities with other bad ruling behaviors have contrarily affected organizations' frameworks, undermined investors, and the public's certainty in trade administration.

Corporations' disappointment which has been brought about by powerless corporate frameworks has highlighted the require to investigate contributing to the change and change of corporations at trade, national, and universal levels.

The problem of the research arises from the fact that not many organizations' investigations are being embraced to set up the degree to which corporate governance reforms have been actualized within corporations.

1.5. Hypothesis of the Research

- The commercial banks under study are applying CG Standards through strong and developed management strategies.
- The commercial banks under study, struggling in applying CG standards, due to facing weakness in adopting proper management policies and strategies.

1.6. Questions of the Research

- What is the meaning of CG concept and a management system?
- What is the importance of CG?
- Why there is a need for CG?
- What are CG standards?
- How commercial banks could apply CG standards?
- What are CGA requirements?
- What are CG theories?
- What are CG models?

1.7. The Sample of the Research

Time frame: 2023

Location: Erbil

The sample: Cihan Bank for Islamic Investment and Finance P.S.D, Region Trade Bank, Byblos Bank, First Iraqi Bank, Kurdistan International Islamic Bank for Investment and Development, Alarabiya Islamic Bank.

1.8. Methodology of the Research

The research shows the performance of the selected commercial banks in terms of CG application. The theoretical framework of the research utilizes both deductive and qualitative methods. Qualitative and quantitative methods were utilized for the collected data. The data was obtained from filling out () questionnaires by managers heads of departments, and employees in selected banks. In addition, the SPSS software was utilized for data analysis.

1.9. Obstacle of the Research

CG meant to ensure transparency, accountability and fairness within a corporation. Several obstacles can impact its effectiveness such as lack of independent directors, agency problems, shareholders activism, lack of transparency, regulatory environment, complex ownership structure.

1.10. Structure of the Research

The research begins with chapter One, titled Introduction, providing a general overview of the research.

Section Two, with the title Theoretical Outline of CG, is the theoretical part of the research, containing a literature review with all other related concepts to CG.

Section three, titled "Practical Outline of CGA in Selected Commercial Banks," is the practical part of the research representing the actual data of selected banks related to their CGA.

Finally, section four contains conclusions and suggestions.