

# THE ROLE OF GOVERNANCE MECHANISMS IN TRUST-BUILDING STRATEGIES: A COMPARATIVE ANALYTICAL STUDY IN PUBLIC AND PRIVATE BANKS

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## Abstract

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The study aims to build a model that enhances trust-building for public and private banks to compare and determine the significant differences between public and private banks, by testing the impact of governance mechanisms (transparency, accountability, justice, independence, and social responsibility) (Agere, 2000) on trust-building strategies (trust and trust building, people management, work relations, training and development, leadership practices, and communications) (Ngalo, 2011; Stone et al., 2005), to indicate the level of employees' awareness of the theoretical contents of the two variables and their importance to banking work, with the aim of improving performance. The main question is the role of governance mechanisms in supporting trust-building strategies. The questionnaire was distributed to two stratified random samples, the first in public banks consisting of 62 individuals and the second in private banks consisting of 61 individuals. It followed the descriptive analytical comparative approach. One of the most important results is that there are significant differences between the two samples, and the weight is weighted in favor of public banks in relation to trust-building strategies with customers. Despite the use of outdated working methods, the conclusions pointed to the tangible role of governance mechanisms in supporting trust-building strategies.

**Keywords:** Governance Mechanisms, Trust-Building Strategies, Transparency, Communication Practices, Public Banks, Private Banks

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## 1. INTRODUCTION

Financial and banking organizations in all countries are considered the vital engine of the economy because they form a dynamic base on which the economic capabilities of societies are based (Al-Taie & Mahibes, 2011; Hasan et al., 2023). Public and private banks, the stronger their effectiveness and role, the more sound the financial system and the advancement of society at various levels, and this is reflected in large, medium, and small projects as well. Banks have not only developed in terms of capital and methods of seizing and operating them but also in methods of providing financial and banking services in quantity and quality (Ali et al., 2023). In a recent American study that counted the banking services provided by some banks there, it was found that their number exceeds 260 services (Neamah & Mhaibes, 2021; Flayyih & Khiari, 2023), which is an indicator that leads to reaping larger market shares for these banks. Banking competition was not confined to the limits of providing credit services or increasing the percentage of profits for depositors and reducing interest rates from borrowers (Khalil & Mahibes, 2022; Hadi, Abdulhameed, et al., 2023). Rather, these services developed, and banks began to search for improving the quality of banking services and strengthening reputation and prestige through interest and focus on establishing trust and building with customers and employees. All relevant stakeholders must feel confident and highly satisfied on solid organizational and administrative foundations, work methods and timings related to all operations carried out by the bank's management within the framework of the organizational trust-building strategy with its dimensions adopted in our study. Stone et al. (2005) represented the dimensions: trust and trust-building, personnel management, work relations, training and development, leadership practices, and communications. Iraq is one of the most important countries in which major changes took place after 2003 in the economic and financial scope and openness to the countries of the world (Tricker & Tricker, 2015; Hasan, Saeed, et al., 2023). As the major budgets and vital financial transactions taking place in banks public and business banks made it the subject of attention and interest of international banks, as many private banks entered the Iraqi banking market, some of which are pioneers in the field of banking services, and that this dynamic openness expanded, including public banks such as Al-Rasheed and Al-Rafidain, to raise the level and style of competition in the Iraqi banking market. Local public banking services are still traditional, slow, and dependent on their historical reputation and the trust of the Iraqi public in them, which comes from their ancient heritage and public guarantees (Renreng et al., 2021). However, the new private banks attacked them sharply in the Iraqi banking financial market and withdrew from them a large area of market shares (Seddek & Fayek, 2018) using a wide range of banking facilities and services in force globally, modern digital and electronic technologies, and a very wide area of freedom of dealing from bureaucratic restrictions. And the routine that public banks adhere to, which are still shackled with heavy routine restrictions, which stipulated that public banks need to change their policy and style of

activities and apply private sector techniques and business policies to maintain their reputation and market position. In order to achieve a highly competitive level in public and private banks, it necessitated the introduction of a variable that has a clear role in achieving the required success, which is the mechanisms of governance or good management represented by its basic dimensions that we adopted in the scale of the scientific study, based on Agere (2000) and Mahmoud and Mahibes (2020), represented in transparency, accountability, equity, independence, and social responsibility. From this standpoint, the importance of the title of the study and the justification for selecting the two variables (the independent — *Governance mechanisms (GM)* and the response variable — *Trust-building strategies (TBS)*), stem from the fact that vital axes and theories in strategic management and its modern entrances represented in governance mechanisms for rationalizing, balancing, and sustaining the relationship on solid foundations between executive departments and stakeholders. And, at the top of the list are customers, in addition to building and strengthening trust on solid foundations based on business principles, modern technologies, and the development of services and facilities provided to the customer, which have a direct impact on improving business and performance, especially in business and banking institutions in the public and private sectors. The study relies on the measurement method of the comparative analytical descriptive approach by means of a stratified random sample in public and private Iraqi banks. Its bonds between stakeholders, especially customers, owners, and employees of all levels in these banks, are based on the mechanisms of good governance and management. The research problem is addressed by the following main research questions:

*RQ1: What is the level of significant differences related to each of the independent variable GM with its dimensions and the responsive variable TBS with its dimensions in public banks on the one hand, and the private banks included in the research, on the other hand?*

*RQ2: What is the extent of realization and actual interest of the managers, assistant managers, and heads of departments in the public and private banks that were included in the research in each of GM in their dimensions and TBS in their dimensions?*

*RQ3: Is there a significant effect of the independent variable GM with its dimensions on the responsive variable TBS with its dimensions in public and private banks?*

*RQ4: What is the summary of ideas, theories, foundations, and theoretical principles related to both variables GM and TBS?*

Based on this, the paper aims to show the level of moral differences for each of the *GM*, on the one hand, and the *TBS*, on the other hand, and the extent of actual interest in both variables, *GM* and *TBS* among bank managers in the public and private banks covered by the research, and revealing the moral impact of *GM* on *TBS* in public and private banks, as well as learning about the summary of theories, principles and foundations related to the variables, *GM* and *TBS*. Accordingly, the paper aims to demonstrate the level of statistical differences between *GM* and *TBS*, and the extent of actual

interest in this among bank managers in the public and private sectors included in the research. In addition to revealing the extent of the statistical impact of *GM* on *TBS* in public and private banks, while identifying a summary of the theories and foundations related to the two main variables. Diagnosing and analyzing the prevailing organizational confidence-building strategies among employees and how to instill them in the hearts of customers, and measuring the level of that, as well as identifying the knowledge gap between the reality of the two variables, governance mechanisms and confidence-building strategies in the research community, public and private banks, and the foundations and principles of modern theories, with the aim of striving to reduce them and bridge the gap between them.

The remaining structure of this paper is as follows. Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used in the research. Section 4 presents the results of the hypothesis testing, descriptive data, and regression analysis. Section 5 is the discussion of the findings. Finally, Section 6 is the conclusion.

## 2. LITERATURE REVIEW

Zhao et al. (2019) confirmed the development of the trust mechanism based on the theory of trust transfer in consumer-to-consumer social commercial marketing contexts based on the data they obtained. Through a questionnaire distributed to 206 sellers and consumers, the study found that customers have a desire and continuous purchase intentions when they trust sellers and brands. Rämngård et al. (2023) showed that citizens of low social and living levels were disproportionately exposed to COVID-19 and are more likely to suffer ill health, and the incidence of the disease was almost three times higher among citizens living in those socially and living-deprived areas. Experiences related to the African Ebola epidemic show that in an environment based on trust, community partners can help improve understanding of disease control and promote safety. This approach is often driven by civil society and lay health promoters. This study stems from the community-based health promotion programme. In a disadvantaged area in southern Sweden, the aim is to explore how citizens and local health promoters respond in neighborhoods at risk of the spread of the COVID-19 epidemic. Almashhadani and Almashhadani (2022) applied in the stock market showed that there is a tangible impact of the corporate governance system on performance, taking into account the company's internal institutional mechanisms. Alkaraan et al. (2023) reveal the impact of governance mechanisms on the relationships between sustainable strategic investment decision-making practices and technological mechanisms, and the vital role that organizational ambidexterity plays in synergizing technological mechanisms in dealing with the changing business environment. The study of Tyagi et al. (2022) aims to develop a comprehensive framework for building trust in distributed agile teams, as strong trust helps in overcoming various challenges. Ngalo (2011) aimed at diagnosing the factors of mistrust between stakeholders and executive management to determine the necessary

strategies to rebuild trust and enhance collective bargaining processes. Blomqvist and Ståhle (2000) sought to clarify the role of trust in promoting unequal partnership by analyzing empirical research related to accumulated experiences to form trust and credibility and identifying its practical and applied contexts by establishing a model for building organizational trust related to the interaction between individuals and organizations and examining the extent of trust. Utami (2015) dealt with the effect of customer trust on building loyalty with the aim of proving loyalty among dealers in literary studies and that there is an important trustworthy customer who is characterized by loyalty through the use of three-dimensional customer trust consisting of repeat purchase, tolerance and communication through word of mouth. Kim et al. (2004) aimed to build trust with customers via the Internet, as lack of trust is one of the biggest obstacles in dealing with people. So, it requires intensifying experiences in the process of communication and understanding the mechanisms of electronic commerce by studying and comparing several steps for a repeat customer from a store and making comparisons of trust-building factors with frequent and potential Internet customers. Singhal (2016) aimed to identify the impact of social media expressions on the participation and trust of customers, as social media gained great value to organizations in the process of marketing and promotion, while companies used traditional media with a single propaganda method in spreading for the purpose of building trust and influencing the direction of the customer has proven to be ineffective. However, companies today are pushing strongly towards integrating the media strategy with social communication to activate the promotion process to reach current and potential customers. Caldwell and Karri (2005) aimed to present the confrontation of executives in American companies with a serious problem, which is the loss of public trust and the increase in intensity of criticism and strict public controls. This decline in trust has been accompanied by an escalation of governance and accountability requirements represented by the stakeholders and agency theory focused on obtaining short-term profits that usually fail to achieve the desired result. Gupta and Chauhan (2023), in their study, dealt with the corporate governance mechanism within the framework of the company's board of directors' relationship with the performance of the family firms, as these boards play a critical oversight role in enhancing the performance of family businesses, and that the literature of family firms and corporate governance show different opinions about the relationships of boards of directors and its effects on the performance of family firms. It generally differs from other companies in private ownership structures. Coles et al. (2001) aimed to examine the relationship of governance mechanisms to performance and take note of the various aspects of the corporate governance system contained in strategic management and financing management, in particular.

In light of the above literature, some of which dealt with informational support and the formation of climates conducive to building trust, some of them showed the role of civil society in that, and some of them went to diagnose the factors of

mistrust between stakeholders and executive management for the purpose of restoring trust — building and strengthening the process of collective negotiation. Some of them indicated the importance of the three dimensions of customer trust in repeat purchase, endurance, and communication, including what aims to build and strengthen trust with customers through the Internet and the need to expand the expertise and tools of electronic commercial communication. For customers with corporate executives, which required the need for an escalation of interest in the requirements of governance and accountability, depending on the theory of agency and stakeholders for the purpose of rebuilding trust and its bonds. Some papers dealt with the relationship and influence of the board of directors of the family firm in developing performance and the specificity of this relationship in this type of company. While our research study focused on conducting a descriptive-analytical comparison between several public and private banks, relying on a carefully studied questionnaire for the purpose of measuring the relationship and influence between the two main independent research variables: *GM* with its dimensions represented in transparency, accountability, equity, independence, and social responsibility (Agere, 2000); and the response variable *TBS* with its dimensions represented in trust and trust-building, people management, work relations, training and development, leadership practices, and communications (Stone et al., 2005; Ngalo, 2011).

Thus, our study has benefited from presenting this literature and identifying its tools, methodology, purposes, and theoretical contexts. It deals with the main variables and dimensions according to a comparative approach and a system perspective to conduct tests by a sample of public and private banks, which are investment financial service institutions characterized by their dynamism and sensitivity in the structure and mechanisms of dealing and establishing relationships and links with customers and other companies in the business market, as well as between multilateral stakeholders, especially owners, executive management, and customers. On this basis, our study proceeds from the following main hypotheses:

*H1: There are significant differences between governance mechanisms and their dimensions, and trust-building strategies in public banks, on the one hand, and private banks, on the other hand.*

*H2: There is a significant effect of governance mechanisms in their dimensions on trust-building strategies in their dimensions in public and private banks.*

*H3: There is a role for governance mechanisms in strengthening and enhancing trust-building strategies in public and private banks.*

Governance is based on responsible controls and principles of transparency, accountability, and flow of information among the main stakeholders (Maseer et al., 2022). This approach includes choosing management figures, monitoring them, and correcting their performance (Ibrahim & Ahmed, 2020). Information systems play an important role in storing, unifying, and organizing information (Al-Janabi & Mhaibes, 2019). Governance and its tools to organize, harmonize, and follow up the relationship between the two main parties

involved in these tasks and with other stakeholders (Al-Tae & Flayyih, 2023). Dao and Nguyen Tra (2020) deal with how corporate governance affects performance by applying meta-analysis to more than 251 studies covering 24,867 companies. It becomes clear that the corporate governance index and the independence of the board of directors enhance performance, and otherwise the financial value of the company is harmed by an increase in the percentage of management shares. Related to the issue of sustainability, there is a crucial role for banks in protecting the environment from the consequences of the significant deterioration occurring in it, especially through the emerging trend to modernize the traditional banking system with green banking strategies and directing bank workers to play a vital behavioral role in this direction and achieve sustainable banking performance (Malsha et al., 2020). Berbou and Sadqi (2020) aimed to test the impact of the governance mechanism on the financial and stock market performance of Moroccan companies. The characteristics of the board of directors were transparency and independence. The data was analyzed based on a sample of 44 companies.

The governance structure is a vital system for ensuring the quality of financial reporting (Al-Haddad & Wittington, 2019). It also counts one of the most prominent principles established by Basel Committee on Oversight. Among the most prominent principles established by the Basel Oversight Committee in 2018 are: responsible and ethical practices of the board of directors and supervision of the board of directors (Viterbo, 2019; Wright & Siegel, 2021). One of the most important goals and objectives of governance is caring for the interests of investors and combating the abuse of powers by executive departments (Jabr & Obeid, 2019). In addition to preparing an integrated control system that governs the determination of responsibilities, powers, and accountability procedures (Abu Shaalaa & Al-Janabi, 2020), there is broad agreement on five dimensions of governance, as follows: social responsibility, independence, equity, accountability, and transparency (Agere, 2000), as well as the belief by a certain party that the counterparty will perform sincere efforts with good intentions consistent with the implicit and explicit obligations, and that it will be honest in any previous negotiations for related obligations with no added advantages (Neveu & Kakavand, 2019).

An important issue in today's organizations and international business is the strategy of building trust (Stone et al., 2005).

### 3. RESEARCH METHODOLOGY

The study followed the comparative descriptive analytical approach in achieving its objectives by preparing a special questionnaire to collect information from the research community consisting of public and private banks in Baghdad. They are Al-Rafidain Bank with its branches in Al-Khulafa Street, the Council of Ministers branch, Al-Rabat Street branch, the Petroleum Products Branch, Al-Rasheed Bank, General Administration, Al-Wathba Branch, Al-Wathba Square Branch. As for the private ones, they are the United Bank for Investment and the Ashur International Bank for Investment. By adopting reference models with

specific dimensions related to the two independent variables: *GM*, according to Agere (2000), and *TBS*, according to Stone et al. (2005) and Ngalo (2011). The questionnaire scale can be represented by its independent variable and its sub-dimensions, its

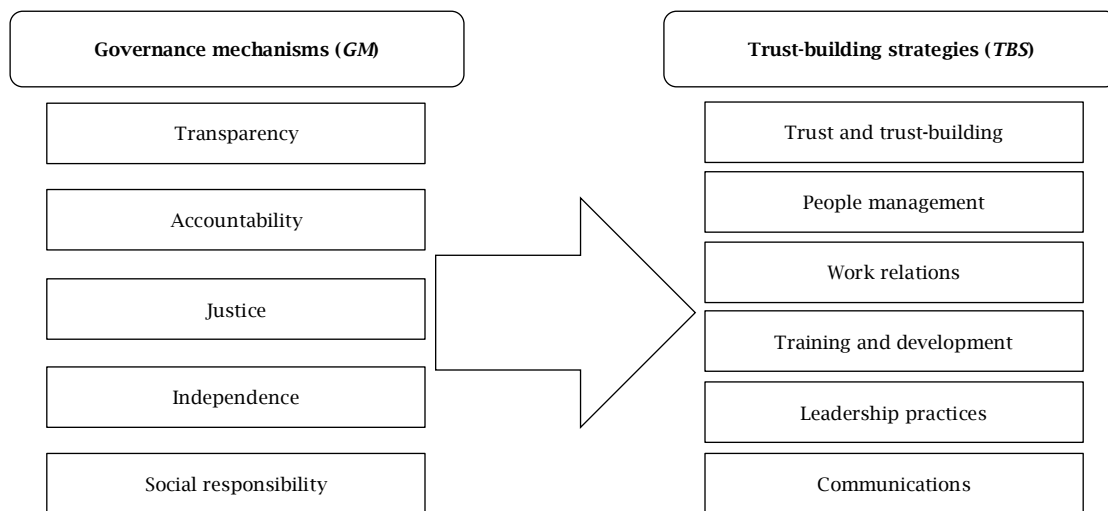
response variable, and its sub-dimensions according to Table 1.

On the basis of the scale and based on the study hypotheses, the current study model is developed as follows in Figure 1.

**Table 1.** Questionnaire scale, variables, and dimensions

No.	<i>X: Governance mechanisms (GM)</i>	Reference
1	X1: Transparency	Agere (2000)
2	X2: Accountability	
3	X3: Justice	
4	X4: Independence	
5	X5: Social responsibility	
No.	<i>Y: Trust-building strategies (TBS)</i>	Reference
1	Y1: Trust and trust-building	Ngalo (2011), Stone et al. (2005)
2	Y2: People management	
3	Y3: Work relations	
4	Y4: Training and development	
5	Y5: Leadership practices	
6	Y6: Communication	

**Figure 1.** The study model



A questionnaire was distributed to a stratified random sample consisting of a managers, an assistant directors, and the heads of the department, consisting of 62 individuals in public banks, and 61 individuals in private banks in Baghdad. One of the most prominent alternative methods for conducting such research is a case study through a checklist related to the independent and respondent variables while conducting interviews for this purpose in each sample of private and public banks, and then conducting a discussion and comparative analysis of the results. The most prominent limitation and obstacle facing the information collection process

was the reluctance of the employees of the two samples in public and private banks to respond to the questionnaire questions for reasons that lie in the routine and informational closure followed.

**4. RESULTS**

**4.1. Descriptive data**

The arithmetic means and standard deviations of the two variables and their dimensions appear in the two research samples, as follows in Table 2.

**Table 2.** Mean and standard deviations (Part 1)

Variable and dimension	Std. deviation	Mean	N	Banks
Trust and trust-building	0.91	3.63	62	Public
	0.83	3.88	61	Private
People management	0.94	3.55	62	Public
	0.91	3.48	61	Private
Work relations	0.90	3.53	62	Public
	0.93	3.50	61	Private
Training and development	0.91	3.56	62	Public
	0.93	3.56	61	Private
Leadership practices	0.91	3.46	62	Public
	0.89	3.67	61	Private

**Table 2.** Mean and standard deviations (Part 2)

<i>Variable and dimension</i>	<i>Std. deviation</i>	<i>Mean</i>	<i>N</i>	<i>Banks</i>
Communications	1.00	3.62	62	Public
	0.83	3.71	61	Private
Transparency	0.83	3.64	62	Public
	0.70	3.61	61	Private
Accountability	0.89	3.73	62	Public
	0.82	3.68	61	Private
Justice	0.91	3.50	62	Public
	0.81	3.58	61	Private
Independence	0.86	3.51	62	Public
	0.85	3.53	61	Private
Social responsibility	0.86	3.49	62	Public
	0.83	3.67	61	Private
Governance mechanism	0.79	3.56	62	Public
	0.74	3.63	61	Private
Trust-building strategies	0.78	3.58	62	Public
	0.64	3.61	61	Private

With regard to the arithmetic means and standard deviations indicated in Table 2 above, it appeared that the arithmetic means and standard deviations of the responses of the two research samples in public and private banks for the independent variable *GM* and its dimensions, and the response variable *TBS* and its dimensions are as follows. The main variable *GM* occurred to be on an arithmetic mean of 3.56 with a standard deviation of 0.79 for the public, and on an arithmetic mean of 3.63 and a standard deviation of 0.74 for the private banks, and it shows the consistency of the answers of the two samples and the level of the responses is higher than the standard average, which is 3 within the Likert scale. Likewise, with regard to the response variable *TBS* and its dimensions, it obtained an arithmetic mean of 3.58 with a standard deviation of 0.78 for the public, and an arithmetic mean of 3.61 with a standard deviation of 0.64 for the private banks, and it shows consistency of the answers for both samples in these banks and with a level of responses higher than the standard arithmetic mean of 3 within a Likert scale quintet. The same applies to the dimensions of the independent variable *GM* represented in transparency, accountability, equity, independence, and social responsibility. The response variable *TBS* represented in trust and trust-building, personnel management practices, work relations, training and development, leadership practices, and communications shows, as indicated in Table 2, that the answers of the two samples in public and private

banks were consistent based on the standard deviations regarding them, and that these answers are at a high level based on the arithmetic averages obtained. This indicates tangible interest in the two variables and their dimensions and implications in both groups, but the levels of responses in the sample of public banks were relatively higher than in the private banks, which is another indication of the relatively high level of trust-building strategies and their dimensions in this sample of banks.

#### 4.2. Hypothesis testing in public banks

The results showed that t-calculated in a sample of public banks of 62 individuals is equal to 12.449 at a significance level of 0.05, which is greater than the tabular t-value of 1.70. Therefore, we accept the alternative hypothesis that confirms the role of governance mechanisms in trust-building strategies in these public banks.

#### 4.3. Hypothesis testing in private banks

The results showed that the t-test in a sample of private banks of 61 individuals is equal to 9.442 at a significance level of 0.05, which is greater than the tabular t-value of 1.70. Therefore, we accept the alternative hypothesis that confirms the role of governance mechanisms in trust-building strategies in these private banks.

**Table 3.** Hypotheses testing results (t-test)

	<i>Variable</i>	<i>Public banks</i>	<i>Private banks</i>
1	Independent variable X: <i>Governance mechanisms (GM)</i>	t = 12.499	t = 9.442
2	Response variable Y: <i>Trust-building strategies (TBS)</i>	Sig. = 0.000	Sig. = 0.000

Note: Sig. = 0.05, t = 1.70.

#### 4.4. Regression analysis

The influence coefficient  $R^2$  of the independent variable *GM* with its dimensions on the response

variable *TBS* with its dimensions. The value of F for each of the public bank sample are 62 individuals, and for the private bank sample are 61 individuals, as in Table 4.

**Table 4.** Coefficient of the influence of variable *GM* with its dimensions on variable *TBS* with its dimensions

	Variable	Public banks	Private banks
	The response variable: <i>Trust-building strategies (TBS)</i>	R <sup>2</sup> = 0.721 β = 0.849 F = 154.979 Sig. = 0.000 t = 12.449	R <sup>2</sup> = 0.602 β = 0.776 F = 89.148 Sig. = 0.000 t = 9.442
1	Trust and trust-building	R <sup>2</sup> = 0.589 F = 16.080 Sig. = 0.000	R <sup>2</sup> = 0.558 F = 13.914 Sig. = 0.000
2	People management	R <sup>2</sup> = 0.659 F = 21.641 Sig. = 0.000	R <sup>2</sup> = 0.473 F = 9.857 Sig. = 0.000
3	Work's relationships	R <sup>2</sup> = 0.573 F = 15.026 Sig. = 0.000	R <sup>2</sup> = 0.459 F = 9.330 Sig. = 0.000
4	Training and development	R <sup>2</sup> = 0.553 F = 13.858 Sig. = 0.000	R <sup>2</sup> = 0.459 F = 9.333 Sig. = 0.000
5	Leadership practices	R <sup>2</sup> = 0.596 F = 16.521 Sig. = 0.000	R <sup>2</sup> = 0.354 F = 6.018 Sig. = 0.000
6	Communications	R <sup>2</sup> = 0.565 F = 14.546 Sig. = 0.000	R <sup>2</sup> = 0.431 F = 8.338 Sig. = 0.000

Table 4 shows that there is a clear effect of the independent variable *GM* with its dimensions: transparency, accountability, equity, independence, and social responsibility on the response variable *TBS* with its dimensions: people management, work relations, training and development, leadership practices, and communication.

**4.5. Beta-indicators**

The β-indicators are shown in Table 5. In the context of a comparative analysis based on β data sorted from linear regression calculations and the influence and explanatory determinants of the independent

variable *GM* and its dimensions on the response variable *TBS* in their dimensions, we see that β = 0.849 for *TBS* in public banks, which is higher than in private banks, where β = 0.776. The same applies to its six dimensions of trust and trust-building, personnel and people management practices, and work relations. Work, training and development, leadership practices, and communications, which are taken, respectively, in public banks, β is higher than the corresponding dimensions and data in private banks. It is another confirmation of the superiority of public banks in terms of gaining trust and trust-building with the customers dealing with those banks.

**Table 5.** Comparative β-indicators

	Variable	Dimensions	Public banks	Private banks
	The response variable: <i>Trust-building strategies (TBS)</i>		R <sup>2</sup> = 0.721 β = 0.849 F = 154.979 Sig. = 0.000 t = 12.449	R <sup>2</sup> = 0.602 β = 0.776 F = 89.148 Sig. = 0.000 t = 9.442
1	Trust and trust-building	Transparency	β = 0.473β	β = 0.207
		Accountability	β = 0.276	β = 0.022
		Equity	β = 0.321	β = 0.110
		Independence	β = 0.035	β = 0.402
		Social responsibility	β = 0.334	β = 0.180
2	People management	Transparency	β = 0.443	β = 0.282
		Accountability	β = 0.139	β = 0.065
		Equity	β = 0.458	β = 0.132
		Independence	β = 0.135	β = 0.017
		Social responsibility	β = 0.234	β = 0.0351
3	Work's relationships	Transparency	β = 0.274	β = 0.228
		Accountability	β = 0.023	β = 0.061
		Equity	β = 0.425	β = 0.097
		Independence	β = 0.146	β = 0.252
		Social responsibility	β = 0.284	β = 0.190
4	Training and development	Transparency	β = 0.721	β = 0.074
		Accountability	β = 0.064	β = 0.303
		Equity	β = 0.062	β = 0.222
		Independence	β = 0.176	β = 0.184
		Social responsibility	β = 0.199	β = 0.042
5	Leadership practices	Transparency	β = 0.469	β = 0.022
		Accountability	β = 0.132	β = 0.241
		Equity	β = 0.163	β = 0.231
		Independence	β = 0.128	β = 0.121
		Social responsibility	β = 0.181	β = 0.118
6	Communications	Transparency	β = 0.706	β = 0.182
		Accountability	β = 0.146	β = 0.437
		Equity	β = 0.179	β = 0.028
		Independence	β = 0.105	β = 0.027
		Social responsibility	β = 0.130	β = 0.095

## 5. DISCUSSION

The t-test confirms the validity of the main hypothesis of the significant differences between the two samples of public banks and private banks related to the role and impact of *GM* in their dimensions in *TBS* in their dimensions. In addition, the high level of the  $\beta$  and  $R^2$  index of the two main variables and their dimensions in the sample of public banks compared to the corresponding indicators in the sample of private banks reinforces and confirms the validity of the research hypothesis that there are significant differences between *GM* and their dimensions and *TBS* in their dimensions. It also confirms the vital role and tangible impact of *GM* and their dimensions of accountability, equity, transparency, independence, and social responsibility in these banks. Accountability, questioning and discussion of managers about their strategic and important decisions in a transparent and frank manner about their organizational and social responsibilities regarding their work and decisions and by independent internal and external committees is a matter. It is important to achieve fairness and integrity in the organization and to strengthen and regulate its relations with society and with competing organizations in the industry environment. And that the outcome of these dimensions and elements and their dynamics are definitely, fruitfully, and effectively reflected in the strategies for building and strengthening trust; raising its levels and the levels of its elements represented in relationships, building trust and the level of sobriety, and expanding its bonds and bridges of trust with customers, and deepening the practices of managing individuals or people management practices and making them more motivated, active, and loyal at work. And banking performance, and consolidated work relations between employees at various levels, as well as confirms the foundations of empowerment and the ability to solve problems and make meaningful decisions. It is represented in the practices of bank leaders and senior management, their work style, and their accurate perspective towards environmental variables, especially in the development of business and banking services related to maintaining trust and strong ties with customers and gaining and expanding the market share of the banking business in the sectors of public and private banks. It comes in conjunction with the training and development processes that are available in these banks and through open and passable network communication channels based on digital communications and advanced computer technologies.

The results show that there is a relative superiority of public banks over private ones in the level of trust among customers, which is a result of the strong historical relations between the two sides. Also, the firm guarantees provided by those public banks to customers over the years. In addition, private banks have a wide area of freedom and enjoy their great abandonment of routine and bureaucratic constraints. They still focus on the purely commercial and profitable aspects of their organizational policies and the lack of adequate care for their employees, which is reflected in the poor level of *GM* and, consequently, the low level of trust-building. The hypotheses testing and the t-test for both samples indicated the realization of the two hypotheses in public and private banks and

an emphasis on the clear role of *GM* in supporting and strengthening *TBS*. With regard to the influence hypothesis, the results confirmed the impact of the independent variable *GM* with its dimensions on the response variable *TBS* with its dimensions. Thus, the findings of the study are consistent with the studies of Blomqvist and Ståhle (2000), Kim et al. (2004), Utami (2015), and Zhao et al. (2019). But the findings differ from the following studies by Kim et al. (2004), Caldwell and Karri (2005), Ngalo (2011), Singhal (2016), and Rämgård et al. (2023). But, in general, the majority of studies have confirmed what the study went to in its main hypothesis related to the vital role of *GM* in supporting and strengthening strategies for building trust in organizations.

## 6. CONCLUSION

The differences that have emerged between public and private banks with regard to building trust and the slight superiority of public banks in this way indicate the broad and well-established trust of customers dealing with public banks. This is due to the accumulated historical legacy that was built over decades by the public banks and their solid financial and monetary base, which ensured depositors' receivables and secured and maintained their accounts while providing good banking and commercial services despite being shackled by heavy bureaucratic and routine restrictions. Despite the obsolescence of the techniques, methods of work, and services of the public banks, they have succeeded in forming a loyal public opinion and a wide range of loyal customers. This was done with unwavering trust, which requires private banks to proceed with more constructive efforts to build trust by adopting *TBS* and strengthening bridges of public, transparent, and frank relations with the customers by investing the space of relatively wide freedom that it enjoys in organizational behavior and in creating new facilities and services for customers. Therefore, private banks must proceed with the development of their commercial and financial dealings, train their cadres, improve their services and facilities, and modernize their technologies, especially information and computer technologies, in keeping with the methods used globally in the field of banking services. The tangible role and clear impact of *GM* on *TBS* requires that it be given more attention in the banking business in the public and private sectors, especially in private banks that still suffer from a performance gap and gain trust in relative comparison with public banks. But they are still in dire need of developing their interest and adopting mechanisms of governance and its foundations on the part of working with greater independence and transparency. In addition, with a focus on developing its performance and the functions of its departments and units in line with developments in the banking business, its tools and technologies globally. In addition to the need to pay attention to social and environmental responsibility, since the bank is, in the end, a basic cell of society, the environment, and the national economy, its success must be a strategic success in providing the best banking, commercial and financial services to the public of customers dealing with support, assistance and effective contribution to the work and completion of strategic development, investment, and commercial projects. It is vital to society and the environment. This is an approach that certainly



leads to the development of performance and the building of solid and broad relationships and bridges of trust with society and the public of customers. Developing the interest and awareness of employees in public and private banks and focusing on training them and developing their knowledge capabilities and experience in banking work in line with global trends in this field, enabling them to solve work problems and involving them in regulatory decision-making is one of the priorities of the work of the leaders of these banking institutions and their senior management to achieve the best results within the framework of building trust strategies with the customers. The banking business and its services provided by both the public and private sectors are still in dire need and lack the development of public relations with workers, customers, and competing organizations in the banking environment. There is a need to develop clear and explicit foundations of transparent work that guarantee the safety of the bank's financial

position and the balances of customers and their movement and guarantee their privacy. The study faced many limitations and difficulties, the most prominent of which was the difficulty of distributing the questionnaire, especially in banking institutions dealing with funds and financial receivables, with the difficulty of responding to stakeholders and bank employees to complete the answers. Some difficulty was faced in exchanging and flowing information due to the routine restrictions that banking institutions suffer from, especially the public ones. In addition, there were difficulties in financing the activities and efforts of the research procedures and its burdensome requirements and costs. In regard to future studies, we consider it appropriate to conduct some relevant studies on 1) employing networked information systems trust-building strategies; 2) consolidation of public relations for banks to enhance trust-building strategies; and 3) GM to support the marketing and development of banking services.

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