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THE RELATIONSHIP BETWEEN FINANCIAL SUSTAINABILITY AND THE BALANCED SCORECARD AND ITS IMPACT ON THE UNIT ECONOMIC

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ABSTRACT

The research aims to provide a theoretical framework for financial sustainability and its importance, as well as to identify the balanced scorecard and its dimensions and to determine the reality of financial sustainability indicators for the research sample through financial and non-financial analysis of those indicators. Develop some indicators for both financial sustainability and balanced scorecard perspectives, and the research reached some conclusions, including financial sustainability represented and that the purpose of financial sustainability is to prepare an integrated work strategy for unit management that contributes to assessing The risks of non-sustainability and the opportunities available to the unit that contribute to making investment decisions, as the economic unit can evaluate the non-financial information and the sustainability information side by side and provide a complete view of the unit's performance.

INTRODUCTION

Financial sustainability has emerged as a pivotal concept within the realm of modern management, underscored by its vital role in enabling organizations to judiciously utilize available resources amidst prevailing resource scarcities and crises. This discourse introduces the Financial Sustainability Index, a strategic tool designed to ascertain an organization's capacity to fulfill its financial commitments and to gauge its overall financial health. The genesis of integrating financial sustainability with strategic management tools can be traced back to the innovative work of Robert S. Kaplan and David P. Norton. In 1992, at Harvard University, they unveiled the balanced scorecard—a revolutionary framework that translates an organization's vision and strategic objectives into a coherent set of performance metrics. This framework not only facilitates a comprehensive evaluation of an entity's financial performance but also aligns it with broader strategic goals. By weaving financial sustainability considerations into the balanced scorecard, organizations can enhance their strategic direction and operational efficiency, thereby securing their long-term viability and prosperity.

LITERATURE REVIEW

A study (Rami and Kouachi, 2020): The study aimed to shed light on how to link sustainability practices and unity strategy Using the sustainable balanced scorecard, in light of the barriers to integrating the dimensions of sustainability into the unit's strategy, to evaluate the overall performance. Zain Telecom - Jordan is one of the companies committed to promoting sustainable development, By coordinating its commercial activities and strategies related to the sustainability of units, according to sustainable development programs, the study reached several conclusions, including that the sustainable balanced scorecard is one of the tools used in addressing sustainability in units, which is specifically designed to reflect the goals and dimensions of sustainability, by clarifying strategies Appropriate sustainability, translated to be actionable, and then evaluated.

A study (ZOMBORI, 2020): The strategic sustainability of companies and performance management, and beyond to include the formulation and practical application of the sustainable balanced scorecard SBSC and the development of measurement procedures. Balanced seeks to integrate unit strategies and decision-making.

A study (Usman, & Nandita, 2023): The research aims to increase sustainable business performance through the scorecard. It was concluded that the scorecard is a strategy for improving the overall performance of companies, as it covers 4 main points of view: financial, customers, development and growth, and internal operations. The internal operations perspective was most influential in developing a strategy to measure company performance, followed by the training and development perspective, then the customer perspective, and the financial perspective.

METHODOLOGY AND PROCEDURES

The first axis: research methodology and previous studies and its contribution to the current research

The research problem: In light of the increasing interest in sustainability in the world, the units seek to achieve sustainability as they are responsible for that before the community. On past performance and neglect of the strategic dimension, the research problem is manifested in the statement of the relationship between financial sustainability and the balanced scorecard with its indicators to disclose financial and non-financial information related to sustainability to help the unit achieve its goals, including the goal of financial sustainability**.**

Research objectives: The research seeks to achieve the following objectives:

A- Providing a theoretical framework for financial sustainability and its importance.

B - Getting to know the balanced scorecard and its dimensions.

C- Determine the reality of the financial sustainability indicators of the research sample through the financial and non-financial analysis of these indicators.

The importance of the research: The main importance of the study is focused on showing the role played by financial sustainability as a source of continuity and permanence of the life of the unit and how to invest the available economic resources, which contributes to raising efficiency, as well as the fact that financial sustainability is a major requirement of the environment requirements modern.

Research hypothesis: The research seeks to prove the following hypotheses:

• **The null hypothesis**: There is no relationship between financial sustainability and the balanced scorecard.

• **The alternative hypothesis**: There is a relationship between financial sustainability and the balanced scorecard.

RESULTS AND DISCUSSION

Third: The contribution provided by the current research: After reviewing some local, Arab, and foreign studies, we find that they focused on the sustainable balanced scorecard and did not seek to link between financial sustainability and the balanced scorecard and the relationship between them, as financial sustainability was measured as one of the research variables by setting a group of Indicators, as well as applying the six Balanced Scorecard perspectives and setting indicators for them, and the current research complements the findings of previous studies and research by combining the concepts of financial sustainability and the balanced scorecard.

The second axis: the theoretical side

First: financial sustainability:

The concept of Financial Sustainability: Sustainability is one of the most commonly used concepts at present, which has developed and been widely discussed since 1978 and then spread in the eighties of the last century. the long. defined financial sustainability as the ability of a unit to maintain its current financial policies in a reliable long-term position (OECD, 2013: 50), and it is defined as the state of distributing financial resources to a unit that ensures sustainable development in the long term. (Zabolotnyy& Wasilewski, 2019: 3**).**

The importance of financial sustainability: Financial sustainability has an important role in the performance of the economic unit (Bly Lam, 2018: 476-481) (Ibrahim, 2020: 20):

Enhancing the ability of the unit to obtain sources of financing: by adopting the aspects of financial sustainability in the periodic reports and the performance of the unit, which results in better strategic performance, and in turn will be reflected in its performance investment returns and the ability to attract capital, especially in long-term financing methods term and provide better financing terms.

Profitability and growth: by creating financial value for the unit by investing in appropriate opportunities to increase which directly affects the direction of financial sustainability, development of competitiveness, and innovation.

Correcting the line of work and reducing obstacles: Knowledge of how to manage sustainability leads to closely, and also helps funders to identify the possibility of the unit achieving its goals towards financial sustainability.

Improving the type of services provided by the non-profit unit: non-profit units, like for-profit units, depend on their efforts in marketing their services to improve them and maintain their continuity. Hence, the importance of leaving a good impression on customers, a way that makes it work clearly and the unit satisfied with its services in a consistent manner by setting a plan Marketing that helps communicate a social message about building trust between the unit and customers.

Second: the balanced scorecard

The concept of the Balanced Scorecard (BSC): The emergence of the Balanced Scorecard due to the shortcomings of financial performance measures and indicators, performance in the short term and are historical and do not reflect the future, especially strategic dimensions such as quality, human resource development, research and development, and customer satisfaction. The Balanced Scorecard has evolved since the 1990s and was described as a tool for managing, measuring, and evaluating performance, after a study of multiple companies conducted by Norton & Kaplan. The overall strategy.

The concept of the balanced scorecard refers to a set of financial and non-financial measures that provide the top management with a clear, comprehensive and rapid view of the performance of the economic unit (Kaplan & Norton, 1992: 71), as it is known as a technique used by units to work to close the gap between strategy and procedures, and it includes a set of financial and non-financial measures in one framework (Asa. et.al, 2013:121), as it was defined by Garrison) as a tool consisting of an integrated set of performance indicators that enables the unit to translate its strategy into four groups of performance measures related to financial matters, customers, internal processes, growth, and development to achieve its strategic objectives (Garrison, 2010:529)).

facilitating the process of achieving its goals.

The importance of the balanced scorecard (allay et al., 2012: 170):

It contributes to achieving the link between strategic measures, as it is a tool for transferring the strategy into implementation through the use of measures closely related to the strategy.

The achievement measures should be quantitative to facilitate the measurement process and be far from the evaluator's diligence and personal judgment, which does not lead to a difference in the measurement result from one person to another.

Ease of understanding the achievement measures, which leads to making the measurement process more accurate.

The necessity of matching the standards with the goals it seeks to achieve.

Balanced Scorecard Perspectives

Financial perspective: The financial measures reflect the outcomes that represent the historical financial performance of the units. This perspective describes the results from the traditional financial point of view, as it is one of the axes of performance evaluation, and its results represent measures directed towards achieving financial goals and standing on the level of profits achieved for the unit's strategy and creating value for shareholders Working on reducing the levels of costs compared to the costs of competing units in a relative manner, as well as focusing on the (Horngren et. al., 2015: 478).

Customer Perspective: The customer perspective aims to assess customer satisfaction in terms of meeting customer needs and usually answers the following question (to achieve our vision, how do we appear to our customers) and the measures of this perspective are necessary to achieve sustainability and financial success by meeting needs and services (Alvarez). Et al, 2015: 168), which requires identifying customers and market sectors in which the units compete, and the customer perspective works to support income and the financial perspective, and then achieve the targeted revenue. There are four goals from the customers' perspective

(Dury, 2012:587):

- Increasing the share of economic units in the market.
- Maintaining existing customers.
- Acquisition of new customers.
- Customer satisfaction and customer profitability.

Internal Process Perspective: This perspective is concerned with the internal processes necessary to achieve the goals of customers and refers to the internal business processes, and the measures of this perspective allow managers to get a good understanding of their businesses that are in operation, and whether their products and services they provide a match to customer requirements, and that these measures are carefully designed by those who know these processes (Khozein, 2012:41), and the perspective focuses on what we must excel in to support customers and these strategies or internal processes have a significant impact on customer satisfaction and there are important factors in this Perspective, including time cycle, quality of products and services, and employee skills (Goethert, 2003: 8).

Learning and Growth Perspective: The three perspectives of the balanced scorecard (financial, customers, and internal operations) indicate that there is a gap between the capabilities of employees and the processes and procedures required to achieve goals, and to overcome this problem, economic units began to focus on A growth and learning perspective by investing in employee training, improving information systems and technology, and coordinating actions with a growth and learning perspective to improve operations and develop employee capabilities (Jelenic, 2011:38).

We conclude from the above that the Balanced Scorecard is a homogeneous cycle, if each of the four perspectives has a significant impact on the other perspectives, and this homogeneity between them helps managers and units to achieve their goals through the implementation of the strategies planned by the units, and there is an impact of the growth perspective And learning in internal operations and the impact of the perspective of internal operations on customers and the impact of the perspective of customers in the financial perspective, which is the strategic goal of economic units, through which revenues can be increased and costs reduced.

Social Environment Management Perspective: only responsible for that, but they must first make Its interest to follow up on its social responsibilities and to ensure that it contributes to its continuity by providing high-quality products and services, as well as protecting the environment and preserving the health of the surrounding citizens and its employees by avoiding pollution risks as well as improving the performance of workers by meeting their needs and thus enhancing the role of units in Fulfilling the requirements of the surrounding community (Al-Ghabban and Hussein, 2009: 1).

Risk management perspective: Such as neglect, mismanagement, misuse, and lost time, which impede the operations of the unit and threaten its continuity. The economic unit seeks to reduce the risks that it may be exposed to, so it should take the necessary measures to obtain information that will avoid them, taking into account that the costs associated with reducing risks should be less than the cost of the risks themselves (Al-Saadoun, 2017: 40).

Third: Financial sustainability and the balanced scorecard and its impact on the unit:

The importance of the balanced scorecard is that it represents the cornerstone of the unit's current and future success, unlike traditional financial measures that focus on what happened in the past without indicating how to use it to improve future performance; It deals with linking the unit's long-term strategy with its close activities. It helps in diagnosing and defining new areas that the unit must characterize to achieve its goals and consumer goals, and it also helps in what needs to be done to improve performance (Mahfoud, 2018, 33). As for financial sustainability, it focuses on financial resources for that. The results obtained from measuring and evaluating sustainability are inputs to the balanced scorecard, especially since the card consists of several perspectives. The financial perspective is the most important because it summarizes the economic results of the process of implementing its strategy, as well as its contribution to focusing on the goals and measures related to the perspectives. Other related to the balanced scorecard and thus lead to improving financial results, and it is worth noting that the units can focus all available energies and capabilities to improve their goals (such as customer satisfaction, quality, and delivery on time), but those goals will be of limited value in the absence of reference to the extent of their contribution to achieving The material returns of the unit and therefore will be deficient in performing its mission, but the extent of its impact on achieving a goal can be shown As returns through the use of this perspective, however, financial measures remain indicators of subsequent performance and are no longer sufficient on their own to guide and evaluate future performance. As for the rest of the perspectives, they refer to the non-financial measures that serve as directives for the future performance of that unit, and the balanced scorecard achieves harmony and harmony between the unit's operational and strategic objectives through what it contains from its five perspectives (financial, customers, internal operations, learning and growth, and the combined environment). From standards and goals, and by adopting them, it is possible to reach the achievement of strategic goals as a result of achieving operational goals, thus showing the possibility of unity in making the strategy that it pursued and improving its competitive position by avoiding the obstacles it may face (Al-Ghabban and Hussein, 2009: 12-14).

The relationship between financial sustainability and the balanced scorecard takes several forms (Rami and Kouachi, 2020: 96):

- **Integrating Environmental and Social Sustainability into the Four Dimensions of the Balanced Scorecard**: Environmental and social aspects can be included within the four dimensions of the Balanced Scorecard, which means that the environmental and social aspects are integrated within the unit strategy after identifying the environmental and social aspects of strategic importance, thus becoming the aspects Environmental and social are an integral part of the traditional balanced scorecard.

- **Adding perspective that takes into account the dimensions of environmental and social sustainability**: Adding a perspective that cares about environmental and social aspects is the most recent model for the sustainable balanced scorecard, and it is the most appropriate type of transition towards adopting a sustainability strategy. They have them as the main value in the unit.

- **Designing a sustainable balanced scorecard independent of the traditional balanced scorecard:** According to this method, a sustainable balanced scorecard is designed and implemented independent of the traditional balanced scorecard, i.e., sustainability indicators are integrated into the performance of the unit, and Butler and others see that the sustainable balanced scorecard is suitable for many units, especially those that do not have an existing Balanced Scorecard, but wish to integrate aspects of sustainability, in addition to it can be used by units that wish to emphasize sustainability, as a strategic objective. From the above, it is clear that the relationship between financial sustainability and the balanced scorecard is integrative, as it is a comprehensive tool for evaluating the strategic performance of the unit to ensure its continuity in the labor market and competition**.**

The third axis: the practical aspect

Brief about Baghdad Soft Drinks Company, joint stock / private: The company was established in 1989 according to Companies Law No. 36 of 1983 and its amendments, with a capital of (70) million dinars to practice its main activity, which is the production of beverages. On 18/7/1987, with a founding capital of (70) million dinars, the company is considered one of the leading companies in the Iraqi industrial sector, and its main activity is the production of soft drinks. In 2004, the company was listed on the Iraqi Stock Exchange with a capital of (10) billion Iraqi dinars. The capital was increased in 2015 to reach (133) billion Iraqi dinars, and on 29/2/2021, Zaki Company for General Trade and Specific Food Industries was joined, and the capital became (204) billion Iraqi dinars, and the company owns several factories for the production of beverages in the first city of Baghdad Al-Zafaraniya factories in Al-Zafaraniya area, the second Baghdad factories in Camp Sara, and the third Zaki factories in Al-Tajiyat.

The company aims to encourage citizens to invest their savings in the activities of the private sector, especially in the industrial sector, to achieve the goals of industrial development by investing in the field of soft and mineral drinks and developing and improving the industry through the use of modern technologies for soft and mineral drinks factories at the level of production and packaging in sound and modern methods. Production of Quavina brand mineral water and juices.

Measurement of financial sustainability: The indicators of financial sustainability in the research sample are represented in net income, liquidity, and financial capacity, as the results of those indicators reflect a realistic picture of the state of the research sample.

Profitability ratios: The ratios show that profits are a measure of the effectiveness of operational, investment, and financing policies, and are measured according to the following equation:

Profitability ratios = gross income / net sales

- **Net Profit Ratio**: The ratio shows the extent of the decrease that can be achieved in the selling price before realizing losses, as the ratio is a general measure of operating efficiency, and it is measured according to the following equation:

Net Profit Ratio = Net Income / Net Sales

- Return on investment: or the return on assets., and it is measured according to the following equation:

Return on Investment = Net Income / Assets

- Return on Ownership: is measured according to the following equation: **Return on Ownership = Net Income / Ownership Equity**

Table (1) shows the measurement of financial sustainability of profitability ratios for the period 2019-2021

Table (1) Measuring the financial sustainability of the profitability ratios for the period 2019-2021 (amounts in thousands of dinars)

	2019	2020	2021
gross profit	58,268	66,529	57,860
Net profit	50,780	61,158	53,351
Net sales	367,746	415,006	531,822
the findings	403,529	479,091	558,774
Copyrights	366,178	427,225	500,089
profitability ratios	%16	%16	%11
net profit ratio	%14	%15	%10
Return on investment	%13	%13	%10
return on equity	%14	%14	%11

From the analysis of the above table, it is clear that the decrease in the profitability ratio for the year 2021, as it reached (11%), is an indication of the ability of the research sample to achieve profits from its main activity after covering production costs. As for the net profit, it decreased for the year 2021 by (7,807) and this is a bad indicator that indicates the fluctuation of net profits, meaning that each dinar of sales for the period 2019-2021 achieves profits ranging between (10%-15%), which is a low percentage, which indicates the high production costs, and the percentage of return on investment was low and a bad indicator of inefficiency Operational management of the research sample in the use of assets to generate profits, while the percentage of return on equity has decreased for the year 2021,.

Liquidity ratio: It shows the ability of the research sample to pay short-term financial obligations on the due date:

• **Current Ratio:** It measures the ability of the research sample. It is measured by the following equation:

Current Ratio = Current Assets / Current Liabilities

• **Quick Liquidity Ratio**: It measures the ability of the research sample, and excludes inventory and prepaid expenses:

Quick Ratio = Current Assets – Inventory / Current Liabilities

• **Net working capital:** represents the surplus of current assets over current liabilities, and indicates the extent of the research sample's ability to pay in the short term**.**

Net working capital = current assets - current liabilities

• **Cash Ratio:** The ratio shows the ability of the research sample to pay its short-term obligations from its cash assets only

Cash Ratio = Current Cash Assets / Current Liabilities

• **Cash coverage ratio for financial needs:** It measures the time capacity that the research sample and it is measured according to the following equation:

Cash coverage ratio for financial needs = current assets - inventory / daily rate of costs

Table (2) shows the measurement of the financial sustainability of the liquidity ratios for the period 2019-2021

Table (2) Measuring the financial sustainability of the liquidity ratios for the period 2019-2021

Rate	2019	2020	2021
Current Ratio	2019	2020	2021
Quick ratio	4.401	4.655	3.924
net working capital	2.957	3.522	2.474
Cash Ratio	127,056	189,583	171,629
Cash coverage ratio for financial needs	2.95	3.52	2.47

From the analysis of Table (2), it is clear that the circulation ratio and the quick liquidity ratio were volatile, as they decreased in 2021, but despite the decrease in the ratio, the research sample can pay its financial obligations as the current assets cover the current liabilities, while the networking sufficient liquidity to cover the obligations.

Indebtedness ratio (financial leverage): These ratios measure the extent to which the research sample depends on debt. Among the ratios that measure financial sustainability:

- ✓ **Total Debt to Assets Ratio**: it is measured according to the following equation:

Total Debt to Assets Ratio = Total Liabilities / Total Assets

- ✓ **The ratio of short-term debts to equity**: is measured according to the following equation:
- ✓ **Ratio of short-term debt to equity = total liabilities / equity**

Capital Structure Ratio: This indicates the importance of long-term debt compared to long-term funding sources obtained from others. The ratio is an indicator for judging the financial risks:

Capital Structure Ratio = Long-Term Liabilities / Long-Term Funding Sources

Table (3) shows the measurement of financial sustainability of the financial leverage ratios for the period 2019-2021:

Table (3) Measuring the financial sustainability of leverage ratios for the period 2019-2021

Rate	2019	2020	2021
The ratio of total debt to assets	%7.7	%9.2	%9.3
The ratio of short-term debt to equity	%21	%29	%28.7
Capital Structure Ratio	%67	%70.7	%71

From the analysis of Table (3), it is clear that the ratios of financial leverage (debt) are high, which indicates that the research sample depends on external sources of financing, which leads to higher debt service in addition to higher financial risks facing the research sample,

Financial sustainability ratio: To indicate whether the research sample we will calculate the financial sustainability ratio according to the following equation:

Financial sustainability ratio = unit's own financial resources / total costs

Table (4) shows the financial sustainability percentage of the research sample for the period

2019-2021

Table (4) The financial sustainability percentage of the research sample for the period 2019-2021 (amounts in thousands of dinars)

	2019	2020	2021
net distributable income	50,780	61,158	53,352
Annihilations	30,392	25,428	26,632
Allotments	6,437	7,752	6,763
Self-financing of the unit	87,609	94,338	86,747
production costs	242,062	265,343	402,589
Marketing costs	17,447	35,023	29,494
Administrative costs	278,330	322,706	448,054
Total costs	537,839	623,072	880,137
Financial Sustainability Ratio	%7	%8	%7

Through Table (4), we find that the percentage of financial sustainability is low and that the self-resources of the research sample are not sufficient to cover its expenses, which increases its financial burden in the future.

Sustainable Balanced Scorecard:

Indicators of the financial perspective: In the previous paragraph, the evaluation of the financial performance of the research sample was addressed through the indicators of financial sustainability, and the sustainable financial position was evaluated, since the indicators that were used are the same that can be used to measure the financial perspective, and accordingly, the indicators of measuring financial sustainability are integrated with The financial perspective of the Balanced Scorecard will make this perspective sustainable.

Customers perspective: The strategic objective of this perspective is to increase customer satisfaction and differentiation in providing products, which can be measured through the following indicators:

- **Market Share Measurement**: The market share measure is used to assess the status of the research sample in the competition market, as well as consider it as an indicator of its success in obtaining a share of the market in which it operates. The market share is calculated through the following equation:

Measurement of market share = total sales / total sales in the industrial sector * 100, and because the researcher could not obtain the total sales in the industrial sector, it was replaced by the sales growth rate that is calculated in the customer retention index.

- **Customer Retention**: Customers are maintained by providing high-quality products that satisfy customers' needs to maintain them, and it is measured according to the following equation:

Growth in sales volume = sales for the current year - sales for the previous year/sales for the previous year, and Table (5) shows the sales volume

Table (5) The sales volume for the years 2019-2021 for the research sample (amounts in thousands of dinars)

	2019	2020	2021
Actual sales	367,746	415,006	530,692
Sales	%11	%13	%29

growth rate			

From the analysis of Table (5), we find that there is a growth in sales, but by a small percentage, which requires the research sample to strive towards increasing sales by providing products that meet the needs of customers.

- **Advertising percentage**: This indicator shows the extent of the research sample's interest in doing advertising and its development from year to year, as the increase in those expenses indicates the extent of the research sample's ability to spread its services to the largest possible category, which leads to an increase in customers and then increased sales of original products and products. This is reflected in the maximization of profits, and it is measured by the following equation:

Advertising percentage = Ex. Advertising for the current year – Ex. Advertising for the previous year / Ex. Advertising for the previous year, and table (6) shows the percentage of advertising for the research sample:

Table (6) the percentage of advertising for the research sample (amounts in thousands of dinars)

	Amount
Ex. Advertising for the current year	3,671
Ex. Advertising for the previous year	11,717
Advertising percentage for the year 2021	-0.687

From the analysis of the above table, we find that the decrease in the amounts spent on advertising, and is an indication of the lack of interest in introducing customers to the products of the research sample.

Internal Operations Indicator: The perspective focuses on the nature of the internal operations carried out by the research sample to provide services to attract customers. It leads to improved productivity, and it is measured through the following indicators:

Increasing the productivity of the individual (the worker): the ratio refers to the worker's productivity and satisfaction with his work, which represents the outcome of his psychological and moral condition, his skills, his ability to innovate, and creativity and its impact on improving internal processes, and it can be measured through:

- **Individual productivity = production quantity/number of employees.**
- **Per capita productivity development ratio = per capita productivity for the current year - per capita productivity for the previous year / per capita productivity for the previous year * 100**, and table (7) shows the per capita productivity for the research sample for the years 2021 and 2020:

Table (7) Individual productivity for the research sample for the years 2021 and 2020 (amounts in thousands of dinars)

	2020	2021
Production quantity/thousands of cartons	109.027	202,023
Number of employees/people	1299	1669
individual productivity	8393.148	12104.434

From the analysis of Table (7), the development of per capita productivity for the year 2021 is clear, and this indicates an increase in the amount of production.

- Research and development expenses: The ratio reflects the interest of the research sample in the activities of the research and development department and the provision of the necessary resources to cover those expenses, and it is measured through the following equation:

Research and development expenses = research and development expenses for the current year - research and development expenses for the previous year/research and development expenses for the previous year, and table (8) shows the research and development expenses for the research sample:

Table (8) Research and development expenses for the research sample for the years 2020 and 2021 (amounts in thousands of dinars)

	Amount	Rate
Research and development expenses for the year 2021	137	-0.165
Research and development expenses for the year 2020	164	

From the analysis of Table (8), it is clear that research expenses decreased for the year 2021, and this indicates the lack of interest in the research sample in developing products

Indicators of the learning and growth perspective: they depend on the efficiency and experience that employees acquire from their work before and after employment, in addition to the training process for employees to raise their ability and skills to keep pace with technical and technological development, which is reflected in the quality of the products provided to customers, and the following indicators include:

Employee Retention: It is necessary to pay attention to human resources and invest in developing their skills so that they can achieve the objectives of the research sample efficiently and effectively.

Employee retention = number of employees outside the labor force / total number of employees * 100, and table (9) shows this:

Table (9): Retaining employees for the research sample for the year 2021 (amounts in thousands of dinars)

		Staff retention rate
The number of employees outside the workforce	125	7.357
The total number of employees	1699	

From the analysis of the above table, it is clear that the employee retention rate is low and reached (7.357), and this is a good indicator of employee satisfaction and loyalty to the research sample.

Reward amounts for employees: For the unit to achieve outstanding performance and improve performance for employees, it must strive to gain their satisfaction through the disbursement of the incentive reward. 1,500,000) dinars as a reward for non-workers for services rendered.

Ratio of training courses: Training and qualifying employees plays a major role in achieving the economic development of society by increasing the efficiency and effectiveness of their performance in a way that serves the strategic directions of the administration, and it is measured through:

Ratio of training courses = number of trainees / total number of employees * 100

Growth in training and rehabilitation expenses: The indicator measures the percentage of growth in expenses spent on qualifying courses, which indicates the research sample's interest in workers and striving to increase their skills at work, and it is measured by the equation:

Growth of training and qualification expenses = (Ex. Training and qualification for the current year - Ex. Training and qualification for the previous year)/Ex. Training and qualification for the previous year *100, and table (10) shows the training courses and the growth rate in training expenses:

Table (10) Training courses and growth rate of training expenses for the research sample for the year 2020 and 2021 (amounts in thousands of dinars)

	Number of Trainees	Total Number of Employees	Percentage of training courses	Training and qualification expenses	Growth in training and qualification expenses
The year 2020	316	1299	24%	96	-1
Year 2021	0	1699	0	0	

From the analysis of the above table, it is clear that the research sample did not spend amounts for training and rehabilitation during the year 2021 and did not train workers, and this is an indication of the lack of interest in developing workers' skills and abilities to keep pace with technological developments in the field of industry.

Indicators of the societal environment perspective: The goal of this perspective is to create new job opportunities for the community and protect the environment from pollution. The following indicators are linked to this goal:

The percentage of appointments: the units seek to meet the needs of the community by providing new job opportunities for workers and eliminating unemployment, as the research sample has appointed (185) employees during the year 2021 and the increase in the number of workers is a result of the merger of Al-Zaki General Trading and Food Industries Company.

Preserving and protecting the environment from pollution: It is necessary to pay attention to and protect the environment because of its importance to society, especially since the research sample owns (3) laboratories in the city of Baghdad, and has not spent any costs in this aspect.

Donations: The research sample did not make donations to others during the year 2021, according to the annual financial reports.

Risk Perspective Indicators: This perspective shows the risks to which the unit is exposed, which requires taking the necessary measures to avoid those risks through the use of a set of measures, including:

- ✓ **Number of lawsuits filed**: This indicator indicates that the proportion of potential risks facing the research sample, and the researcher was unable to identify the number of lawsuits in which the research sample is a party.

- ✓ **Compensation and fines**: the fines are the amounts paid for violations committed by the unit as a result of its daily work. As for the compensations, the amounts paid to workers who are exposed to accidents during work, as the research sample paid an amount of (77) million dinars for compensation and fines for the year 2021.

- ✓ **Competition:** the research sample faces risks due to the presence of competing products as it may lead to a decrease in its market share, which is reflected in sales, profits, and financial position, which requires attention to products and striving to develop them as well as working to raise the skills and capabilities of workers to keep pace with developments in the industry field.

Testing the research hypotheses: Upon thorough analysis of the balanced scorecard's indicators, it becomes evident that its financial perspective encompasses indicators analogous to those of financial sustainability. This incorporation of financial sustainability indicators into the balanced scorecard's framework—encompassing both financial and non-financial measures—underscores a symbiotic relationship between the two concepts. Specifically, financial sustainability indicators enrich the balanced scorecard's financial dimension by providing a nuanced understanding of an organization's financial health and long-term viability. Consequently, this integration facilitates a more holistic approach to strategic management, wherein financial sustainability acts as a critical component of the broader evaluative criteria within the balanced scorecard. Thus, the relationship between financial sustainability and the balanced scorecard is inherently complementary, with each element enhancing the value and applicability of the other in organizational assessment and strategy formulation.

CONCLUSION AND SUGGESTION

Financial sustainability is the ability to achieve and the purpose of financial sustainability is to prepare an integrated work strategy for managing units that contribute to assessing the risks of non-sustainability and the opportunities available to the unit that contribute to making investment decisions, as the economic unit can Evaluate non-financial and sustainability information side by side and provide a complete overview of the unit's performance.

Applying the Balanced Scorecard Model The importance of balance and integration between the six perspectives that compose it, each perspective serves the other, and a decline in any perspective can lead to a decline in the overall performance level. The idea is that each perspective has its weight percentage of the total performance weight. overall in the balanced scorecard.

Lack of understanding of non-financial measures such as social indicators, as it is noted that the research sample did not seek to raise the efficiency and skill of workers and did not work to motivate workers by disbursing an incentive bonus to them during the year 2021. The reason may be because it suffers from financial distress, but it can be placed As a strategic objective, it can increase the efficiency of the worker, even if it is initially a burden or a cost, but in the long run, it will inevitably constitute an additional income as a result of increasing the worker's profitability through raising and improving his performance.

There is an integrative relationship between financial sustainability and the balanced scorecard, as one complements the other.

Recommendations

The necessity of paying attention to financial sustainability is a common language for units through which various risks are disclosed, including economic, social, and environmental risks.

Call for the use of indicators to develop the performance of units through the establishment of training courses and benefit from them to raise the efficiency of performance.

Paying attention to the social aspect, providing material and moral support to workers, increasing community-focused activities and protecting the customer, as well as paying attention to the environmental aspect, applying high-quality modern technologies, manufacturing environmentally friendly products, reducing the use of natural resources, and reducing emissions and waste harmful to the environment.

Urging the regulators of the accounting profession and the stock market to pay attention to reporting on financial sustainability and give it utmost importance because of its impact on the development of the national economy, community development, and preservation of the environment and economic resources.

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