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The Key Constituents of the Planned Change—Corporate Diversity Strategy and its Influence on Financial Performance of the Egyptian Banks Listed in EGX 2023:

The Mediation Effect of Customer-Based Reputation[1]

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ABSTRACT

Purpose: *The purpose of this paper is to identify the key constituents of a planned change -corporate diversity strategy and track their impact on financial performance by mediating customer-based reputation in the Egyptian banks listed in EGX (2023).*

Design/methodology/approach: *Two questionnaires were developed and administered to collect the required data; the first was directed to all senior managers in the Egyptian banks listed in EGX (2023) by adopting the census method. The second targeted a convenience sample of customers from all the sampled banks. About 166 questionnaires were collected from sampled banks and about 385 were collected from customers, and both were valid for statistical analysis using SPSS 25 and structural equation modeling techniques (Smart PLS 4).*

Finding: *The results of the study indicate that strategic alignment of diversity and institutionalization of diversity management-related changes have a direct positive effect on on financial performance of the Egyptian banks listed in EGX (2023), while the direct effect of implementing the process of managing diversity has been rejected. Also, the results confirm the mediation effect of customer-based reputation in strengthening the relationships between the three main constituents of the planned change—corporate diversity strategy, which is: strategic alignment of diversity, implementing the process of managing diversity, institutionalization of diversity management-related changes, and financial performance in the sampled banks.*

Originality/Value: *This paper contributes to the body of knowledge in both strategic management and human resource areas as it is the first to investigate the relationships between the key constituents of the planned change-corporate diversity strategy and an organization's financial performance, considering the mediation effect of customer-based reputation. Diversity strategists in different business organizations could leverage the potential benefits of their diversity initiatives if they successfully apply the proposed model of the study.*

Keywords: *A planned change corporate diversity strategy, strategic alignment of diversity, implementing the process of managing diversity, institutionalization of diversity management-related changes, customer-based reputation, financial performance.*

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1. INTRODUCTION

Over the last two decades, both researchers and practitioners have recognized that diversity and inclusion are critical to a resilient industry that should reflect those it serves, as in the case of banks. Having banks that represent the society they serve would support the quality of financial services and products that improve customer outcomes (Omotayo, Anthonia, Hezekiah, Odunayo, Opeyemi, and Odion, 2020). Egyptian banks are one of the most important sectors, characterized by a highly diverse work force. Although most Egyptian banks have made significant progress in acknowledging and valuing diversity, they still lack a strategic perspective for managing diversity (Dagani, 2020; Alshaabani and Rudnák, 2020; Abdelhay, Korany, and Elsawy, 2022). According to Friday and Friday (2003), many organizations have implemented various diversity initiatives, but most have not aligned with long-term objectives and strategies, which leads to the ineffectiveness of many of these initiatives. Additionally, most of these initiatives are not addressing the cultural differences among employees (Delery and Doty, 1996; Brewster, 1999). A myriad of articles have been written on the subject of diversity and the potential benefits organizations could capture if they successfully manage their diverse workforce, such as boosting employee engagement, enhancing creativity, enhancing corporate reputation, and generating higher profits (e.g., Friday and Friday, 2003; Nyakoi, 2020; Ndunge and Deya, 2022).

In this context, many models have emerged aimed at helping the organization to strategically progress within the diversity continuum (Jonsen and Jehn, 2009; Özbilgin, Jonsen, Tatli, Vassilopoulou, and Surgevil, 2013), but the model of Friday and Friday (2003) was the only one that addressed how an organization can link diversity initiatives to the bottom line by using a planned change-corporate diversity strategy. This model capitalizes on the planned change approach, which helps to effectively manage the cultural changes associated with diversity management (Lewin, 1951; Schein, 1992). Also, it builds on the strategic management philosophy by emphasizing the importance of integrating a highly differentiated, diverse workforce with properly identified strategies so that an organization becomes more able to strategically position itself within the marketplace (Porter, 1985; Ansoff, 1986; David, 2001; Wheelen and Hunger, 2012). According to the Friday and Friday model, the strategic perspective of managing diversity will be driven by three main sequential constituents: the first is unfreezing, which tackles strategic alignment of diversity; the second is implementing the process of managing diversity, which revolves around fostering cultural changes in both the organization and its members; and the third is refreezing, which addresses the institutionalization of diversity management-related changes (Friday and Friday, 2003). Through the effective implementation of these three main constituents, the organization becomes more able to align its diversity initiatives with its strategic position, culturally re-engineer its members to the true state of managing diversity, and cement the new desired state in its individuals' cultures; hence, the potential benefits of diversity initiatives could be maximized (Friday and Friday, 2003).

Despite that, enormous studies have examined the relationships between the diversity management and multiple dimensions of organizational performance such as competitive advantage (e.g. Gwele, 2009; Ryan and Wessel, 2015) corporate reputation (e.g.Ross and Thomsen, 2004), employees performance (Elwira, 2018; Nnadi and Chinedu, 2019) and financial performance (e.g.Nyakoi, 2020; Ndunge and Deya, 2022; Beraki, Tessema, Dhumal, Ready, and Kelati,2022), little is known about how the three sequential constituents underlying the proposed model of the study namely, strategic alignment of diversity , implementing the process of managing diversity, institutionalization of diversity management -related changes could help business organizations to strategically manage their diverse workforce ,consequently, enhance their financial performance directly or indirectly by mediating customer based-reputation . Therefore, this study is trying to find the answers to the main two questions. The first is: how could the three main constituents of a planned change—corporate diversity strategy—affect an organization's financial performance? And the second is: does customer-based reputation mediate the relationships between the three main constituents of the planned change—corporate diversity strategy and an organization's financial performance? Getting answers to these two main questions is important for diversity strategists in the Egyptian banking sector.

This paper is organized as follows: The next section describes the hypotheses on the relationships among Strategic alignment of diversity, implementing the process of managing diversity, institutionalizing diversity management-related changes, an organization‘s financial performance, and customer-based reputation. Then, methodology and empirical results will be presented, and finally, the conclusion and limitations of the study will be presented.

2. STATEMENT OF PROBLEM

In the Egyptian setting and drawing on the relevant reports and research, both national and international banks are still stuck in the first phases of acknowledging and valuing diversity and lack a strategic perspective on managing a diverse workforce (Dagani, 2020; Alshaabani and Rudnák, 2020; Abdelhay et al., 2022). To dig deeper into the research problem, a group of semi-structured interviews were held with 10 leaders of the Egyptian banks, which aimed to recognize the level of leadership‘s awareness of the importance of diversity management and also to identify to what extent the diversity initiatives applied in these banks are linked to their strategies and objectives. Additionally, these interviews extended to discussing the mechanisms that these banks have adopted to encourage changes in employee attitudes and behaviors in a way that fosters coexistence and inclusion. By the end of these interviews, it was concluded that most of the sampled banks needed to exert more efforts in order to pave their cultural environment to become more open and accepting of the concept of diversity management. Also, diversity strategists have to clearly identify the linkages between diversity initiatives and the bank's corporate strategies to ensure the highest engagement from employees. Consequentially, they will be more able to better satisfy their customers and improve their financial performance (Friday and Friday, 2003; Nyakoi, 2020; Ndunge and Deya, 2022; Beraki et al., 2022).

3. OBJECTIVES OF THE STUDY

The general objective of the study is to establish the influence of the key constituents of a planned change-corporate diversity strategy on financial performance, considering the mediation effect of customer-based reputation in the Egyptian banks listed in EGX (2023). The specific objectives of the study are:

- To examine the influence of strategic alignment of diversity on the financial performance of the Egyptian banks listed in EGX 2023.
- To assess the influence of implementing the process of managing diversity on the financial performance of the Egyptian banks listed in EGX 2023.
- To determine the influence of institutionalization of diversity management-related changes on the financial performance of the Egyptian banks listed in EGX 2023.
- To assess the mediation role of customer-based reputation in the relationships between the key constituents of a planned change—corporate diversity strategy and the financial performance of the Egyptian banks listed in EGX 2023.

4. LITERATURE REVIEW

4.1 Diversity concept and Diversity continuum

Diversity refers to any prominent attribute of an individual that makes him or her perceive that he or she is different from another individual, such as race, ethnicity, gender, nationality, religion, functional expertise, and age (e.g., Friedman and Ditomaso, 1996; Williams and O'Reilly, 1998; Herring and Henderson, 2012; Lussier and Hendon, 2021). Mondy and Martocchio (2016) expand diversity dimensions to include sexual orientation, geographic origin, lifestyle, tenure with the company or position, and other perceived differences. According to Griffin and Moorhead (2013), diversity is a complex and multidimensional concept, especially with the widening differences that can exist among employees resulting from a broad set of demographic attributes, so the concept of diversity has broadened to include personality type, thinking style, and other factors that influence how people perceive the world. The broad spectrum of diversity definitions suggests many types of diversity classifications that are based on perception and are dichotomous in nature; for example, they may be readily detectable/less observable, highly job-related/less job-related, surface-level/deep level, task-related/relations-oriented, and role-related/inherent dimensions (Harrison and Klein, 2007; Shore, Randel, Chung, Dean, and Ehrhart, 2011).

In this context, valuing diversity and managing diversity have been used interchangeably in some diversity literature, but, in fact, they are distinct phenomena. Valuing refers to the relative worth, importance, or significance of something, whereas managing refers to taking charge or coordinating and supervising situations. Thus, valuing diversity should be considered a more passive phenomenon, while managing diversity is a more practical and active phenomenon that involves organizing a diverse workforce to ensure the organization's strategic goals are fully addressed (Wanguri, 1996; Friday and Friday, 2003; Balola and Marques, 2013). This perspective is congruent with the managing diversity concept introduced by Thomas in 1991 as a way of thinking toward the objective of creating an environment that will enable all employees to reach their potentials in pursuit of organizational objectives (Thomas, 1991). Managing diversity means maximizing diversity's potential benefits and minimizing the potential barriers that can undermine the company's performance (Dessler, 2020). Diversity management, according to Mondy and Martocchio (2016), is ensuring that factors are in place to encourage the continued development of a diverse workforce by melding these actual and perceived differences among workers to achieve maximum productivity. It is much broader than simply not discriminating; it is about the ability of a company to effectively manage its diverse workforce.

Companies differ in how they approach the challenges related to workforce diversity. Some companies define workforce diversity as a competitive advantage that generates a wider pool of talent and a greater vision of the needs and behaviors of their diverse customers. This implies that such companies have a policy of valuing and managing diversity (Noe, Hollenbeck, Gerhart, and Wright, 2021). Williams and O'Reilly (1998) state that managing workforce diversity is a very crucial challenge for organizations. Diversity is considered a "hot button" in the corporate world, and management always tries to capitalize on workforce diversity. When managers are not very aware of the skills of dealing with a diverse workforce and the factors that contribute to effective diversity management, workforce diversity will definitely create hindrances to employee performance (Alghazo and Al Shaiban, 2016).

In response to such confusion in the literature between the two phenomena, valuing diversity and managing diversity, and besides the lack of consensus on the benefits that organizations could capture from valuing or managing diversity, a diversity continuum is offered as a guide for both researchers and practitioners in dealing with diversity. It is possible that perceiving diversity in terms of a set of three sequential elements that delineate how to effectively manage diversity may help to simplify the confusion in the diversity literature (Friday and Friday, 2003). The three sequential states of the diversity continuum are acknowledging diversity, valuing diversity, and managing diversity. Acknowledging diversity, the first component, refers to realizing the existence of diversity, experiencing it, obtaining relevant knowledge about it, and developing a deep understanding of it. Valuing diversity as the second component of the diversity continuum could be captured by having an appreciation for the diversity or differences that diverse individuals bring with them to a particular setting. The last component of the diversity continuum is managing diversity, which emphasizes the processes of planning, organizing, and leading individuals with differences. Depending on the diversity continuum, organizations become more able to proceed from the more passive position of acknowledging and valuing diversity toward the more active state of managing diversity (Mondy and Martocchio, 2016).

4.2 A planned change -corporate diversity strategy

A planned change-corporate diversity strategy represents one of the most valuable contributions in the diversity management area. It was offered as a theoretical framework to proactively facilitate the management of diversity in business organizations as it seems to address the shortcomings found in prior strategic human resource models, which assumed workforces were generic and homogeneous categories without considering the cultural differences among employees (Brewster, 1999; Delery and Doty, 1996). Therefore, a multilevel framework for managing diversity remained required in order to promote the cultural changes related to diversity management. However, it is believed that the Friday and Friday model (2003) of managing diversity has not been adequately appreciated, as it details a set of integrated mechanisms that address how organizations can re-engineer their cultural climate in a way that supports diversity management.

Theoretically, the Friday and Friday model (2003) was built on suburb cohesion between the planned change approach, which addresses the process of preparing an entire organization, or a significant part of it, to achieve new goals or move in a new direction, and the strategic management model, which is employed by many organizations in order to distinguish themselves from competitors. According to the planned change approach, the organization's forces driving change must suppress the forces resisting change for highly effective change to occur (Lewin, 1951; Schein, 1992). In addition, based on a strategic management perspective, integrating a highly differentiated, diverse workforce with properly identified corporate, business, and functional-level strategies assists an organization to achieve its goals, thereby strategically positioning itself within the marketplace (Ansoff, 1968; Porter, 1985; David, 2001; Wheelen and Hunger, 2012). Thus, an organization must see strategies for managing its diverse employees as part of its corporate-level strategies if it wishes to have highly differentiated human capital (Friday and Friday, 2003).

Regardless of whether an organization has a corporate diversity strategy or not, it is necessary to superimpose the planned change-corporate diversity strategy over existing disjointed diversity strategies or initiatives (Friday and Friday, 2003). The purpose of these initiatives must be formulated, as must the desired outcomes to be achieved from them. To enhance the potential benefits of diversity initiatives, a planned change- corporate diversity strategy should be developed and aligned with the organization's corporate strategy (Cox, 1991; Friday and Friday, 2003; Herring and Henderson, 2012). There are three main constituents underlying the planned change-corporate diversity strategy, which are: unfreezing, which tackles strategic alignment of diversity; implementing the process of managing diversity, which Addresses cultural reengineering; and refreezing, which Pursues institutionalization of diversity management-related changes. They will be discussed in depth in the following section.

4.2.1 Strategic Alignment of diversity (unfreezing)

In this stage, the organization's present culture, which includes perceptions, attitudes, and behaviors toward diversity, has to be unfrozen, so it is necessary to offer enough motivation within the organization or individuals to want to change from the present state of acknowledging and valuing diversity to the new desired state of managing diversity (Friday and Friday, 2003). A corporate diversity mission, vision, and objectives must be formulated in order to articulate the purpose of diversity initiatives that will serve within the organization and the desired outcomes to be achieved from such initiatives(Besler and Sezerelb, 2012). The value statements seem to be influential elements in this phase, as they promote the desired behaviors that positively impact the achievement of the company's mission and goals (Hunt, Layton, and Prince, 2022). Additionally, to enhance the strategic alignment and fit between the diversity initiatives and the organization's corporate strategies, diversity strategists must conduct both internal and external assessments (Friday and Friday, 2003). The internal assessment allows them to be intimately familiar with the organization's values, vision, mission, strategies, objectives, and the most appropriate linkages between the organization's overall strategic positioning and its diversity initiatives, while the external assessment allows them to extract the best beneficial practices based on benchmarked diversity strategies and initiatives at other leading organizations (Thomas, 1991; Friday and Friday, 2003; Kirton and Greene, 2015).

4. 2. 2 IMPLEMENTING THE PROCESS OF MANAGING DIVERSITY (REENGINEERING)

Once the present state is unfrozen, the second move that will allow an organization's culture and members to advance to the desired state must be put in place (Friday and Friday, 2003). This move is to culturally re-engineer the organization and its members to the true state of managing diversity by implementing the process of managing diversity. Theoretically, managing diversity was driven by social learning theory (Bandura, 1977), which suggests four major tenets, respectively: motivation, attention, retention, and reproduction, that an organization can approach to acquire the necessary learning for maximizing the inputs of its diverse members (Friday and Friday, 2003; Herring and Henderson, 2012; Kirton and Greene, 2015). Reflecting on this perspective, an organization could effectively implement the process of managing diversity according to four sequential steps: acknowledging, tolerating, valuing, and managing (Friday and Friday, 2003; Kirton and Greene, 2015). Acknowledging, as the first tenet reflects the "attention tenet" of social learning theory. It is built on exposure, by which individuals divulge where they are at that point of receiving others' culture and experience, by which individuals step forward to collect information about diverse employees based on their personal involvement (Fitzpatrick, 1997; Avery, Mckay, and Volpone, 2013). Tolerance, as the second tenet, is concerned with gaining knowledge and getting an in-depth understanding of the culture of others; thus, individuals become more able to comprehend relevant cultural dynamics and share unique insights and perceptions (Avery et al., 2013). The third tenet is valuing, which seems to be a reflection of the "retention tenet" of social learning theory, which tackles the extent to which individuals appreciate and respect other cultures (Verhulst and DeCenzo, 2019). The last is managing diversity, which highlights the "reproduction tenet" of social learning theory. It aims to cement the newly adopted attitudes, skills, and behaviors required for healthy interaction among diverse employees. However, it is an extensive and dynamic process because it requires individuals to modify their attitudes and behaviors and then the way they interact with others they consider different from themselves (Fitzpatrick, 1997; Avery et al., 2013; Verhulst and DeCenzo, 2019). Employee attitude surveys, management and employee evaluations, and focus groups appear as vital tools in stimulating the change process (Parsi, 2017; Meinert, 2018; Dessler, 2020).

4.2.3 The institutionalization of diversity management-related changes (refreezing)

In this phase, the diversity strategist seems to be concerned with how to reinforce the newly modified perceptions, attitudes, and behaviors in the organization's systems(Friday and Friday, 2003). In a nutshell, the new desired state must be embedded in the organization and its individuals' cultures. At the individual level, systemic and ongoing inclusion training programs should be viewed as necessary tools to enhance individuals' ability to actually manage their interactions with those who are different from themselves and also to raise individuals' awareness of the potential benefits they could gain from successfully managing diversity (Grubb, 1995; Friday and Friday, 2003; Kearney, Gebert, and Voelpel, 2009).

The directive training programs have to be skill-based and time-intensive enough to create a paradigm shift in individuals' perceptions of diversity and to build skills required in different related areas such as communication skills, conflict management skills, listening skills, and group decision-making skills (Alhejji, Garavan, Carbery, O'Brien, and McGuire, 2015). At the organizational level, revised recruiting, appraisal, development, and reward systems need to be executed and supported by an enforceable diversity policy seeking to cement the relevant behaviors expected from all employees. It is clear that these modified policies, procedures, and systems must be aligned with the planned change—the corporate diversity strategy (Sahamkhadam, 2020).

The institutionalization process is a must as it relates to effectively managing the organizational inputs of all individuals who are likely to resist diversity management-related changes initially; therefore, it is likely to be a difficult and time-consuming process to make the required revisions and to ensure that the organization and its members do not revert back to their previous states (Allen and Montgomery, 2001; Friday and Friday, 2003; Senem and Hakan, 2012). It is paramount that revised policies, procedures, systems, and a planned changecorporate diversity strategy are clearly communicated to all members of the organization to ensure that they can be appropriately recognized, executed, evaluated, and reinforced. (Kirton and Greene, 2015; Beraki et al., 2022).

4.3 Customer -Based Reputation

Corporate reputation has attracted significant attention from a wide range of academic researchers over the last 30 years (Rose, 2005; Verčič, Verčič, and Žnidar, 2016). However, corporate reputation is a multidisciplinary concept and is hence referred to by using alternative terms such as image (Rose and Thomsen, 2004) and corporate social reputation (Dowling, 2016), etc. Although the lack of a unique definition for corporate reputation is evident, different definitions have been offered for corporate reputation, addressing multiple dimensions of it, but the most common of them is defining it as an intangible asset that reflects cumulative judgment by stakeholders (Rose, 2005; Walker, 2010).

Based on stakeholder theory, the success or failure of a firm is an equation for the quality of the relationships that it develops with its stakeholders (Freeman, 1984).

So, some scholars argue that corporate reputation should be viewed as a stakeholder's overall evaluation of a company over time. According to this perspective, corporate reputation is based on a set of collectively held beliefs about a company's ability and willingness to satisfy the interests of various stakeholders (Barnett, Jermier, and Lafferty, 2006; Walker, 2010; Verčič et al., 2016; Gunawardena, Senathiraja, and Buvanendra, 2019). Therefore, it could be conceptualized as an optimal synthesis of various stakeholders' perceptions of the organization (Neville, Bell, and Mengüç, 2005; Brammer, Jackson, and Matten, 2012; Marietjie and Christo, 2015). In this line, Wartick (2002) argued that each different stakeholder group might have different assessments toward the corporate reputation of the firm with a different set of attributes, so various views seem to be valid in determining which stakeholder groups should be considered when corporate reputation is being examined. Employee-based reputation, public-based reputation, investor-based reputation, and customer-based reputation are considered in these different views (Shamma, 2012).

According to Walsh, Beatty, and Shiu (2009), customers are the most important stakeholder group in a firm, so they must be highly considered in defining and measuring corporate reputation (Fassin, 2009).

Customer-based reputation is defined as "the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers), and/or known corporate activities" (Walsh and Beatty, 2007). Yuksel and Cintamür (2018) suggest that customer-based reputation is a "customer's stable, positive or negative overall evaluation of a firm, which is held by comparing a firm to another" (Cintamür and Yüksel, 2018). Different perspectives and approaches have been concerned with measuring corporate reputation from the perspective of the customer (e.g., Walsh and Beatty, 2007; Boshoff, 2009; Shamma and Hassan, 2009; Walker, 2010). Walsh and Beatty's (2007) multidimensional scale, which was developed and validated on banking services, retailing, and fast-food restaurants, is still the most common one, but it has been criticized by several authors in terms of content and construct validity (e.g., Boshoff, 2009; Sarstedt, Ringle, Smith, Reams, and Hair, 2014). Multiple attempts have tested Walsh and

Beatty's (2007) customer-based reputation scale on only the banking sector (Boshoff, 2009) or on only the retailing industry (Terblanche, 2014) and obtained different versions of the original scale.

In filling this gap, Cintamür and Yüksel (2018) offered a primary contribution to the theory by developing and validating a scale that can measure corporate reputation from the view of customers, which is the most important stakeholder group of a firm, specifically in the banking industry, which contains high risks and uncertainties. That is congruent with various views that argue that corporate reputation should be measured in terms of a single interested stakeholder group and specific to one industry (Mahon, 2002; Wartick, 2002; Walker, 2010). This scale suggests four main dimensions to measure CBCR in the banking industry: financial performance and a financially strong company; customer orientation; social and environmental responsibility; and trust. It incorporates 20 items, which were developed and validated by utilizing the literature of Walsh and Beatty (2007), Boshoff (2009), and Walker (2010), along with the ideas of Fombrun, Gardberg, and Sever (2000) and Erdem and Swait (2004). This scale emphasizes the trust dimension differently from Walsh and Beatty's (2007) customer-based reputation scale, indicating that reputation dimensions and attributions vary depending on the industry where the firms operate. Also, it supported the view that different stakeholder groups may have different reputation evaluations or that underlying reputation dimensions may have different importance for each stakeholder group (e.g., Helm, 2007; Puncheva and Michelotti, 2010; Bălan, 2015).

4.4 Financial performance

Firms' financial performance points to how beneficially firms utilize their assets and manage their resources to produce incomes (Ross, Westerfield, Jordan, Mazin, and Abidin, 2007; Fatihudin and Mochklas, 2018). Brigham and Ehrhardt (2010) believe that financial performance is one of the important contents of business performance and a premise to attract capital and minimize the cost of this capital. A firm with high financial performance will create credibility with investors.

Drawing on the stakeholder theory suggested by Freeman (1984), stakeholders' satisfaction could be used as a firm performance indicator, so performance measures should assess the satisfaction of at least one group of stakeholders, such as investors, customers, employees, and the community. A remarkable number of studies have adopted this approach in the strategic management area, such as Venkatraman and Ramanujam (1986), Kaplan and Norton (1996), Waddock and Graves (1997a), and Combs, Crook, and Shook (2005). Thus, superior financial performance is a way of satisfying investors and other relevant stakeholders (Chakravarthy, 1986). In this line, the balanced scorecard introduced by Kaplan and Norton (1992) was the first to provide a holistic view of the organization's performance by addressing the limitations of single-dimensional PM. It was claimed to be a comprehensive strategic management mechanism that generates a relationship between objectives and measures in light of the organizational overview (Kaplan and Norton, 1992; Chriyha, Beidouri, and Bouksour, 2012). The basic idea of BSC is to shed light on the concept of balance as central to the system by building a holistic paradigm that links individual efforts and accomplishments to business-unit objectives and can also be used as a basis for measuring, rewarding, and improving their performance (Kopia, Kompalla, Buchmüller, and Heinemann, 2017).

The original version of BSC consists of four main perspectives: financial perspective, customer perspective, internal business perspective, and learning and growth perspective, which collectively represent the key dimensions of the organization's performance. By identifying cause-and-effect relationships between these four dimensions, organizations could easily track the level of progress toward achieving their strategic and financial objectives (Kaplan and Norton, 1992, 2007; Chriyha et al., 2012; Costa, 2014; Lueg and Vu, 2015; Kopia et al., 2017). The financial perspective represents the ultimate goal of BSC, so it is positioned at the top of the model. Its purpose revolves around how to increase shareholder value (Miloloza, 2018). Conventional financial measures supported by three different dimensions: customers, internal operation processes, and employees, are used to evaluate an organization's financial performance. These financial metrics focus on evaluating business growth, value creation, and profitability. Business growth is measured by the revenue-to-assets ratio, an increase in revenue and assets, and revenue from new products and services. Value creation is measured by economic value added (EVA), market value added (MVA), stock price, and dividends. Profitability is measured by profit margin, ROE, ROA, ROI, and ROCE (Kaplan and Norton, 2007; Miloloza, 2018).

Furthermore, the customer perspective of BSC translates the mission of an organization into certain measures such as lead time, quality, performance, cost, and service, while the internal process perspective is concerned with running the operational processes in a way that ensures efficiency, quality, and innovation; therefore, it is in a positive relationship with the customer perspective (Kaplan and Norton, 1992). The learning and growth perspective that forms the basis of the BSC focuses on improving the knowledge of the organization. It involves the development and reshaping of the skills of the workforce required to achieve the objectives of the organization. To enhance the value of intellectual human capital, organizations should invest heavily in the training of personnel and also enhance employees' motivation through well-developed reward systems. Therefore, the learning and growth perspective emphasizes not only educated and more skilled employees but also considers the expectations and thoughts of the employees about the organization to ensure employee engagement (Narayanamma and Lalitha, 2016). It is clear that the measures and initiatives included in BSC aid organizations in ensuring an objective assessment, comparability, and interconnectedness among the main four perspectives. For example, improving the satisfaction of employees leads to an increase in customer service quality, responsiveness, productivity, and efficiency, which reflects positively on financial indicators (Narayanamma and Lalitha, 2016).

5. HYPOTHESES DEVELOPMENT

5.1 Strategic alignment of diversity and financial performance

Strategic alignment of diversity provides clarity on the purpose of diversity initiatives and sheds light on the linkages between these initiatives and an organization's strategic position, which allows employees to align their efforts to the organization's objectives as they become more conscious of the potential benefits they could capture if these objectives are successfully implemented (Barney, 2002; Friday and Friday, 2003). Also, diversity' mission, vision, and values help to promote the desired behaviors and practices of the employees and increase their loyalty and engagement, which enhances the learning and growth perspective of the balanced scorecard (Avery et al., 2013; Nnadi and Chinedu, 2019). At the operational level, such a healthy and productive interaction between a diverse workforce enables organizations to streamline operations, eliminate bottlenecks, improve efficiency, and then maximize the financial indicators of the balanced score card (Nyakoi, 2020; Beraki et al., 2022). So we can formulate the following hypothesis:

H1: *Strategic alignment of diversity will have a positive impact on financial performance.*

5.2 Implementing the process of managing diversity and financial performance

Implementing the process of managing diversity based on the main sequential phases of acknowledging, tolerating, valuing, and managing enhances the company's ability to understand and manage its cultural dynamics, so it is more likely to succeed in its war for talent by attracting talented employees who are willing to join, stay longer, and exert more efforts toward company goals(Cox, 1991; Ryan and Wessel, 2015). However, highly skilled human capital stimulates the learning perspective of the balanced score card. Operationally, the talented workforce could significantly benefit the company by fostering more innovations and reducing operational costs (Parsi, 2017; Noe et al., 2021). According to Nnadi and Chinedu (2019) and Chaudhry (2023), organizations with well managed diversity had better operating results, higher customer satisfaction, and larger profits. So the following hypothesis will be developed:

H2: *Implementing the process of managing diversity will have a positive impact on financial performance.*

5.3 The institutionalization of diversity management-related changes and financial performance

According to Bezrukova, Spell, Perry, and Jehn (2014) and Kuknor and Kumar (2023), diversity-related training programs are crucial to enhancing employees' competency, skills, and behaviors that contribute significantly to achieving organizational goals. Effective training programs are critical drivers of learning axes, as they help to raise employees' awareness of diversity initiatives and rationalize the transformation process toward diversity management (Kaplan and Norton's 1992). Badgett, Durso, Mallory, and Kastanis (2013) shed light on the effect of diversity workplace policies on organizational performance in terms of improved workplace relationships and increased productivity, while Parsi (2017) found that firms implementing diversity-supportive policies experience increases in their efficiency, productivity, and innovation, which in turn affects firm financial performance positively. Thus, it is assumed that the institutionalization of diversity management-related changes will positively influence financial performance.

H3: *Institutionalization of diversity management-related changes will have a positive impact on financial performance.*

5.4 Strategic alignment of diversity and customer-based reputation

The rapid growth in the phenomenon of diversity globally has prompted researchers in multiple fields, such as strategic management and marketing, to dig deeper into the impact of the effective management of diversity on an organization's reputation (Aydın and Özeren, 2018). Most of these studies emphasized that managing diversity strategically improves an organization's reputation among customers, partners, and the public (e.g., Ross and Thomsen,2004; Herring, 2009). Organizations that succeed in aligning their diversity initiatives with their corporate strategy and prioritizing the values of coexistence and inclusion in their mission are often perceived as more socially responsible(Yasin and Bozbay, 2011). Social responsibility is one of the key dimensions of the operation perspective, according to the original version of the balanced scorecard. There is no doubt that showing a high level of concern for social responsibility compared to competitors enhances the organization's reputation in the eyes of customers (Ross and Thomsen,2004). Thus, it is assumed that strategic alignment of diversity will have a positive impact on customer-based reputation.

H4: *Strategic alignment of diversity will have a positive impact on customer-based reputation.*

5.5 Implementing the process of managing diversity and customer- based reputation

Organizations that can strategically manage their diverse workforce by encouraging healthy interaction among them and stimulating the required changes in their attitudes and behaviors send a strong signal to their customers (organization (Cox, 1991; Griffin and Moorhead, 2013). This signal reflects the organization's commitment to employee satisfaction and engagement. Engaged employees are the backbone of providing excellent customer service, which is one of the most critical elements that affect customer evaluation of the organization (Ryan and Wessel, 2015; Albercht, Bakker, Gruman, Macey and Saks, 2015). Thus:

H5: *Implementing the process of managing diversity will have a positive impact on customer-based reputation*

5.6 The institutionalization of diversity management - related changes and customer-based reputation

The ultimate purpose of the institutionalization phase is to provide employees with the relevant skills required to effectively respond to those from whom they differ, such as communication skills, listening skills, and decision-making skills (Alhaji et al., 2015; Sahamkhadam, 2020). According to Rahman (2014), communication and listening are critical elements in building and maintaining strong relationships with a diverse market of customers, and that is through providing quick resolutions, empathy, and preventing recurrence. Additionally, Ali, Iraqi, Rawat, and Mohammad (2018) confirm that employees who enjoy problem-solving skills are more able to adapt to a wide range of individual differences, create a feedback loop, and build trust. However, employee soft skills are one of the highly weighted dimensions in evaluating the organization's performance from the customer perspective. Therefore:

H6: *The institutionalization of diversity management-related changes will have a positive impact on customer-based reputation.*

5.7 Customer -based reputation and financial performance

Drawing on stakeholder theory, the organization's financial performance is an equation for its stakeholders' provision of resources in response to its actions. Customers are very important stakeholders, so managing their expectations and perceptions is an important predictor of financial performance (Vig, Dumičić, and Klopotan, 2017; Gunawardena et al., 2019).

Recent studies in management and marketing literature argue that customer-based reputation as an intangible asset has a powerful impact on an organization's competitiveness over the long term, which in turn helps in strengthening its long-term "value drivers, satisfying its customers, keeping its market value up, and increasing its profits (e.g., Rose and Thomsen, 2004; Yasin and Bozbay, 2011; Vig et al., 2017). So;

H7: *Customer– based reputation will have a positive impact on financial performance*

5.8 The mediation effects of customer-based reputation in the relationships between the key constituents of the planned change—corporate diversity strategy and financial performance

As stated earlier, a strategic commitment to diversity enhances an employer's branding and increases his or her opportunities to acquire top talent that could understand the customer's needs and serve them better, which in turn positively affects its sales revenues and profitability ratios (Cho and Pucik, 2005; Chohan, 2017). So:

H8: *Customer-based reputation mediates the relationship between, strategic alignment of diversity and financial performance.*

In the same vein, the high engagement of employees as the central target of implementing the process of managing diversity contributes to customer-based reputation, customer loyalty, and, in turn, firm profitability (Smith and Wright, 2004; Vig et al., 2017; Gunawardena et al., 2019). Therefore:

H9: *Customer-based reputation mediates the relationship between implementing the process of managing diversity and financial performance.*

According to Friday and Friday (2003), the ultimate purpose of institutionalizing diversity management-related changes is to provide employees with a portfolio of communication, listening, and problem-solving skills that enable them to build high-quality relationships with a diverse base of customers, improve their customers's perceived value, and then improve their customer-based reputation. Customer-based reputation is highly interconnected with organizational financial indicators (Galbreath and Shum, 2012; Cintamür and Yüksel, 2018). Therefore, the following hypothesis is put forward:

H10: *Customer-based reputation mediates the relationship between the institutionalization of diversity management-related changes and financial performance.*

The following figure shows the key variables of the research and the proposed relationships among them.

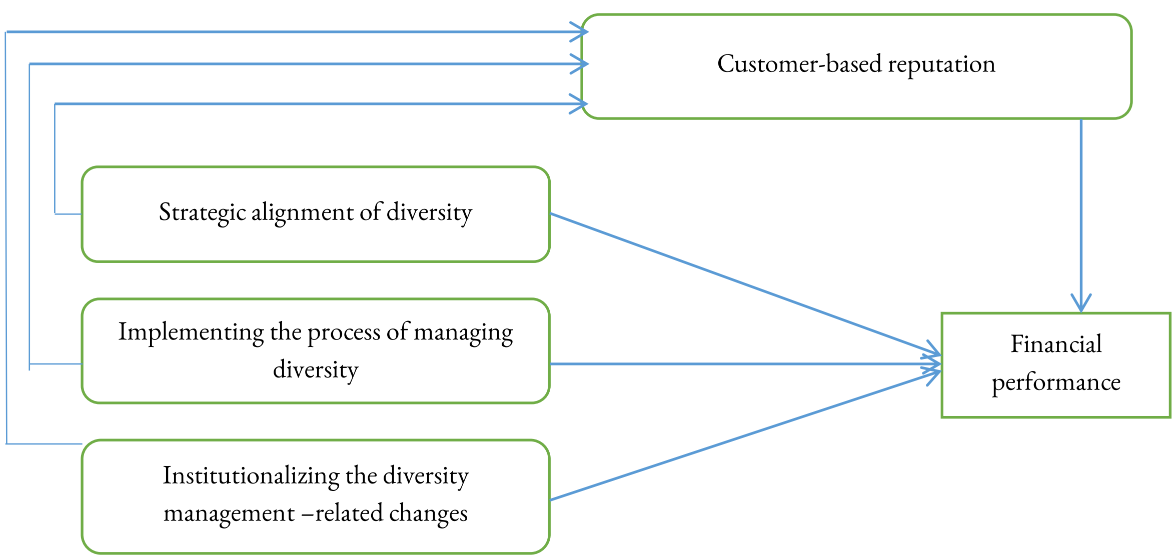

Figure 1: the research model

6. RESEARCH METHODOLOGY

6.1 Research population

This research was conducted in the setting of the Egyptian banks, which are listed in EGX-2023. The motivation behind this choice is its vital role in supporting the national economy, as it represents about 90% of the total assets of the financial system. Undoubtedly, Egyptian banks have faced multiple challenges over the last three years, starting with the COVID-19 pandemic, the floating of Egyptian currency, and intense competition (Dagani, 2020; Central Bank of Egypt 2023). Egyptian banks urgently need to capitalize on their diverse workforce talents; thus, they become more able to enhance their customer-based reputation and financial performance (eg.Ross and Thomsen, 2004; Nyakoi, 2020; Ndunge and Deya, 2022).Table 1 shows the 12 Egyptian banks listed in EGX 2023 that participated in our research. The study targeted two main populations: the first is the senior managers of the sampled banks, as they were the most knowledgeable of the research concern and its related variables. The second is the customers of the sampled banks who have been considered in measuring the mediating variable of the study: customer-based reputation, guided by multiple research studies (e.g., Walsh and Beatty, 2007, 2009; Yasin and Bozbay, 2011; Cintamür and Yüksel, 2018).

Table 1: Egyptian banks listed in EGX 2023

Banks listed in EGX	
Abu Dhabi Islamic Bank- Egypt	Qatar National Bank Alahly
Al Baraka Bank Egypt	Societe Arabe Internationale De Banque S.A.E.
Banque Du Caire	Suez Canal Bank S.A.E
Commercial International Bank (Egypt)	Faisal Islamic Bank of Egypt - In EGP
Credit Agricole Egypt	Export Development Bank of Egypt (EDBE
Egyptian Gulf Bank	Housing & Development Bank

Source: https://www.egx.com.eg/

6.2 Data collection

This study is considered descriptive and quantitative in nature; two administered questionnaires were adopted for data collection. The first questionnaire was directed at collecting data from the senior managers of the sampled banks. The census method was adopted. About 200 questionnaire forms were sent electronically to the senior managers in the headquarters, including the CEO, marketing managers, credit managers, public relations managers, human resource managers, credit managers, customer service managers, IT managers, risk managers, control managers, information security managers, and treasury managers, by email. The valid responses retrieved were 166, achieving a response rate of 83%. The second survey was conducted on a convenience sample of customers of the sampled banks due to the difficulty of having full coverage for the total population. To calculate the sample size for the infinite population, we used the formula S = Z2p(1 − p)/m2 where S = sample size for the infinite population, Z = Z score, P = population proportion (assumed to be 50% or 0.5), and M = margin of error. About 385 questionnaires were collected and were valid to be analyzed (Hair et al., 2006).

6.3 Measures

To measure the independent constructs of the first questionnaire: strategic alignment of diversity, implementing the process of managing diversity, and institutionalizing the diversity management-related changes, scales were built on the proposed model of planned change—corporate diversity strategy presented by Friday and Friday (2003), supported by other relevant literature reviews (e.g. Kirton and Greene (2016), Parsi (2017), Verhulst and DeCenzo (2019), Dessler (2020), Noe et al., (2021) Have been utilized. The scales of the dependent variable, financial performance, were drawn from the balanced scorecard model suggested by Kaplan and Norton along with other relevant literature reviews (Kaplan and Norton, 1992; Chriyha et al., 2012; Lueg and Vu, 2015; Kopia et al., 2017), while the scale of the mediating variable, customer-based reputation, was adapted from the scale suggested by Cintamür and Yüksel (2018). A seven-point scale ranging from 1 “strongly disagree” to 7 “strongly agree.” was used to measure all the scales of both questionnaires.

6 .4 Methods of Data Analysis

Cronbach’s α was used to evaluate the reliability of the study scales. Confirmatory factor analysis (CFA) is conducted to assess the construct and the convergent validity of the measures. The variance inflation factor (VIF) was adopted to test collinearity between the independent variables. SMART, pls 4, was used to estimate the relationships in the model of the study. It is noted that to solve the problem of the incompatibility between the two sizes of the samples considered in the study—166 for senior managers of the sample banks and 385 for customers of the sample banks—we utilized the property of estimate means and intercepts in SMART pls4 (Brown, 1994)

7. RESULTS

7.1 Reliability and validity test

The study approached internal consistency reliability by using the most widely used measure, Cronbach's α. The reliability of all scales in the sampled banks has been approved following the widely recognized rule of thumb of using a reliability level of 0.5 (Hair, Tatham, Anderson, and Black, 2006), so the analysis indicated that the measurement scales are highly reliable (see Table 2). Then construct validity and convergent validity were investigated. This paper uses factor loading with a cut-off threshold of 0.7 as significant (Hair et al., 2006). The statistical results illustrated that all the items loaded were greater on their hypothesized construct than on other constructs. Therefore, this finding confirms the content validity of the measurement model. In terms of the AVE, the latent variable was higher than the cut-off value of 0.5 (Bagozzi and Yi, 1988), which is higher than the suggested values, thereby confirming the convergent validity (see table 3 and Appendix C).

Table 2: reliability and normality test

Variable	Cronbach's alpha	Shapiro-Wilk W test	
		z	Prob>z
Strategic alignment of diversity	0.928	2.520	0.50394
Implementing the process of managing diversity	0.977	2.102	0.42042
institutionalization of diversity management – related changes	0.876	1.962	0.39234
Customer -based reputation	0.977	2.212	0.44232
Financial Performance	0.797	3.529	0.0962

Source: Spss V25 output.

Table 3: Validity test

Variables	KMO	Test significant	AVE
Strategic alignment of diversity	0.796	0.00	0.823
Implementing the process of managing diversity	0.816	0.00	0.936
Institutionalization of diversity management –related changes	0.772	0.00	0.711
Customer –based reputation	0.913	0.00	0.826
Financial Performance	0.738	0.00	0.623

Source: Spss V25 output.

7.2 Descriptive statistics

The following table 4 shows the average of all the independent variables: Strategic alignment of diversity, implementing the process of managing diversity, and institutionalization of diversity management-related changes, 3.86, 3.84, and 3.85, respectively, which correspond to either agree or disagree according to the seven-point Likert scale, indicating that there is a high level of agreement among the respondents on the study variables. Also, the mean value of financial performance was above average, with a value of 3.90. With regard to the mediating variable, customer-based reputation, the statistical results demonstrate a reasonable level of agreement from surveyed customers on the dimensions of the sampled banks' reputation, with a value of 3.66.

Table 4: Descriptive statistics

Variables	Mean	Std. Deviation
Strategic alignment of diversity	3.86	1.571
Implementing the process of managing diversity	3.84	1.634
Institutionalization of diversity management –related changes	3.85	1.634
Customer- based reputation	3.66	1.729
financial performance	3.90	1.215

Source: Spss V25 output

7.3 Model fit indices

The measurement model represents a good fit to the data, as seen in Table 5, where the value of SRMR is less than 0.08 (Hu and Bentler, 1999). Also, the bootstrap-based test for the exact overall model fit (d_ULS and d_G), which tests the discrepancy between the correlation matrix implied by the model and the empirical correlation matrix; found it non-significant ($p > 0.05$). In addition, the values of NFI above 0.9 (closer to 1) and Chi-square/DF between 2 and 3 represent acceptable fits (Bentler and Bonett, 1980). The statistics of the variance inflation factor (VIF) reveal no collinearity between independent variables as all the values are less than 5, where it is 1.04, 1.56, and 2.33 for the diversity alignment, implementing the process of managing diversity, and institutionalizing diversity management-related changes, respectively (Hair et al., 2006).

Table 5: model fit indices

Model fit indices	
SRMR	0.032
Exact fit criteria d_ULS and d_G	$p > 0.05$)
Chi-square/df	2.56
NFI	0.914

Source: Smart Pls 4

7.4 Hypotheses tests

7.4.1 Direct effects

To estimate the relationships in the model, structural equation modeling with Smart-PLS 4 was used. As shown in Figures 2 and Table 6, the relationship between Strategic alignment of diversity and financial performance has been proven at a P-value < 0.05. In addition, institutionalizing diversity management-related changes seems to be valid to affect financial performance at a P-value < 0.05, while the direct impact of implementing the process of managing diversity on financial performance has been rejected. Moreover, it is believed that customer-based reputation has a significant impact on financial performance. Additionally, the independent variables, which are strategic alignment of diversity, implementing the process of managing diversity, and institutionalizing diversity management-related changes, have been proven to be influential factors in improving customer-based reputation with a p-value < 0.05.

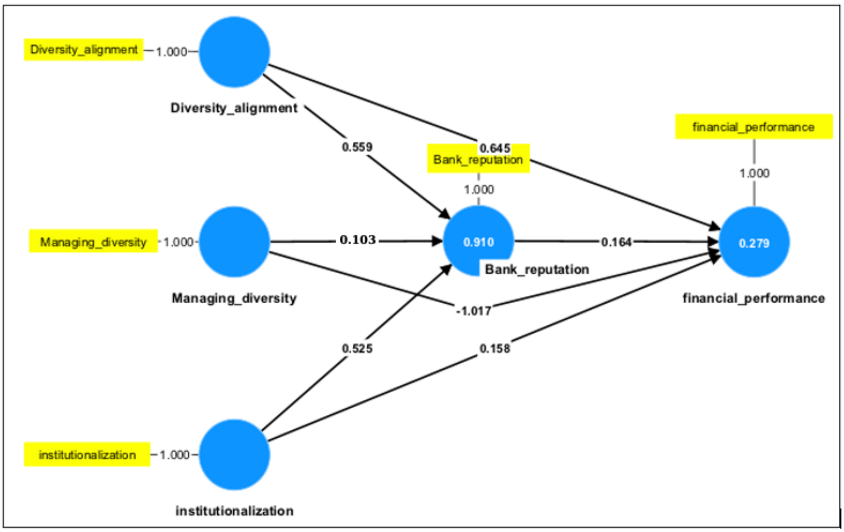

Figure 2: The Tested Model - Smart Pls 4

Table 6: Regression Weights/ The direct effects

Model Relations	Path coefficients	T-statistics	P-values	Results
H.1.Diversity _alignment -> financial performance	0.645	2.216	0.000	accepted
H.2.Implementing -> financial performance	-1.017	0.167	0.104	rejected
H.3institutionalization -> financial performance	0.158	2.731	0.002	accepted
H.4.Diversity_alignment -> customer based _reputation	0.559	7.044	0.000	accepted
H.5.Managing_diversity -> customer based _reputation	0.103	2.163	0.005	accepted
H.6.institutionalization -> customer based _reputation	0.525	8.564	0.000	accepted
H.7.customer based _reputation -> financial performance	0.164	4.499	0.008	accepted

Output: Smart Pls 4

7.4.2 The mediation effects

The analysis also shows that customer-based reputation had a mediating effect on the relationships between the three main constituents of the planned change-corporate diversity strategy, diversity strategic alignment, implementing the process of managing diversity, and the institutionalization of the diversity management-related changes. Table 7 shows both the total and direct effects and their significance values.

Table 7: mediating effects

Independent variables	effect	Significance	Results
Customer - based reputation	0.114	**	H8. Accepted
	0.098	**	H9. Accepted
	0.143	**	H.10 Accepted

**p < 0.05/ mediator, customer based reputation, dependent variables, financial performance

8. Discussion and conclusions

Drawing on the findings of the study, it is confirmed that Strategic alignment of diversity seems to be influential in enhancing an organization's financial performance as it helps to raise the employees' awareness of the potential benefits that they could capture if the corporate diversity strategy is successfully implemented. Also, the employees 'attitudes and behaviors become closely linked to the organization's operational objectives, which contribute to increasing efficiency and productivity and then improving the organization' financial performance. This finding is supported by previous studies that have found that strategic alignment of diversity can enhance an organization's financial performance (Friday and Friday, 2003; Avery et al., 2013; Nnadi and Chinedu, 2019; Nyakoi, 2020; Beraki et al., 2022). In addition, the direct effect of the institutionalization of diversity management-related changes on financial performance has been proven, which is congruent with previous studies that argued that firms investing heavily in diversity management-related training programs and implementing diversity-supportive policies experience increases in their value, productivity, and profitability. (e.g. Nyakoi, 2020; Kuknor and Kumar, 2023). Furthermore, the results show that implementing the process of strategically managing diversity is not influential enough to directly affect an organization's 'financial performance. Therefore, customer-based reputation seems to be essential to strengthening this relationship.

Also, this study has set out to examine the impact of the three main constituents of the planned change—corporate diversity strategy: Strategic alignment of diversity, implementing the process of managing diversity, and the institutionalization of diversity management-related changes—on customer-based reputation. The assumption that the strategic alignment of diversity exerts an important impact on a customer-based reputation is believed to be valid. However, previous research concluded that acting socially by demonstrating high commitment to the values of coexistence and inclusion is highly perceived by customers and affects their corporate evaluation (Herring, 2009; Walsh and Beatty, 2007; Yasin and Bozbay, 2011). The results also evidenced that implementing the process of managing diversity is effective in enhancing the customer-based reputation, and that will be driven by boosting employee engagement and stimulating a healthy and productive interaction among them, so they become more willing to serve the customer in an excellent manner. Organizations with strategically managed diversity could effectively capitalize on their employees' talents, thereby maximizing the potential of diversity initiatives in terms of enhancing products 'quality, encouraging innovation, and improving the decision-making process, which contributes significantly to improving their reputation as perceived by the customer. This conclusion is compatible with the results of different studies, such as Ryan and Wessel (2015), Noe et al., (2021), and Lussier and Hendon (2021). According to the results, the institutionalization of diversity management-related changes is a more important driver of maximizing customer-based reputation. Certainly, highly skilled employees who demonstrate the relevant attitudes and behaviors required to deal with a diverse customer base, and can adapt to the wide range of individual differences will be evaluated favorably from a customer perspective. This conclusion is highly compatible with Alhaji et al., (2015) and Sahamkhadam (2020).

Furthermore, the findings of the current study show that customer-based reputation is found to be positively correlated with the financial performance of the sampled banks, which is congruent with previous results (Rose and Thomsen, 2004; Yasin and Bozbay, 2011; Vig et al., 2017). Organizations that are perceived well by their customers are more likely to gain a myriad of benefits, such as enhancing their employee satisfaction, boosting their customer satisfaction, sustaining their competitive advantage, keeping their market value up, and increasing their profits.

Regarding the mediation effect of customer-based reputation and drawing on the findings of the study, it is confirmed that the strategic perspective of managing diversity based on the three sequential constituents of the planned change—corporate diversity strategy: strategic alignment of diversity alignment, implementation of the process of managing diversity, and institutionalization of diversity management-related change—will assist organizations in enhancing their customer-based reputation by capitalizing on a higher employer's branding, a higher employee engagement, and a higher quality relationship with customers, which are key predictors of the organization's financial performance. This finding is supported by previous studies (e.g., Nnadi and Chinedu, 2019; Nyakoi, 2020; Ryan and Wessel, 2015; Noe et al., 2021; Beraki et al., 2022).

9. LIMITATIONS AND FUTURE IMPLICATIONS

This research has certain limitations that will be discussed in detail as follows:

First, the study has targeted only the Egyptian banks listed in EGX 2023 in order to investigate the relationships between the key constituents of the planned change-corporate diversity strategy and the organization's ‘financial performance regarding the mediation effect of customer-based reputation, Future research should extend to other sectors, as the nature and characteristics of the industry could affect the results of the study. Therefore, the model proposed in the current study requires more in-depth investigation in different industries to gain more validity. Also, it is recommended to conduct a comparison between developed countries and less developed countries in this regard, as the cultural force is one of the factors influencing the effectiveness of applying the strategic perspective of managing diversity by using the proposed model of the study.

Second, the effect of customer-based reputation on financial performance may vary according to the measures used by firms to evaluate their customers' perceptions. Therefore, there is a need for a deep investigation of the different approaches that can be used in evaluating customer-based reputations in different contexts.

Third, there may exist other mediators that regulate the effect of the planned change—corporate diversity strategy—on financial performance beyond customer-based reputation, such as leadership style, employees' demographic characteristics, organization design, and industry nature. These mediators are not discussed in this research. Future research should examine a greater variety of mediators and track their effect on the relationships between the study variables.

Finally, future research should further investigate different perspectives on strategic management of diversity by utilizing different approaches and models, as the scope of the current study was limited to the planned change-corporate diversity strategy model proposed by Friday and Friday (2003), which mainly addresses how organizations could effectively manage diversity - culturally related changes.

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APPENDIX (A)

An instrument for evaluating the influence of the key constituents of the planned change -corporate diversity strategy on the financial performance by mediating the customer based reputation in the Egyptian banks listed in EGX 2023.

Section 1: title

- Finance manager
- Clerical manager
- Human resource manager
- Credit manager
- Customer service manager
- IT manager
- risk manager
- Control manager
- Information security manager
- investment manager

Section 2: questionnaire

This questionnaire aims to evaluate the extent to which your bank applies the key constituents of the planned change-corporate diversity strategy and to track their impact on the bank's financial performance. Kindly, indicate how much you agree or disagree with each of the statements below by selecting the appropriate response. The item scales are seven-point Likert type scales with 1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4, either agree or disagree =, 5 somewhat agree, 6 somewhat agree, 7, strongly agree= strongly agree

independent variables	strongly disagree	disagree	somewhat disagree	either agree or disagree	somewhat agree	agree	Strongly agree
Diversity strategic alignment							
1. Our bank is highly committed to its diversity mission, vision, and objectives.							
2. All employees of the bank are aware of the bank's diversity strategy and its potential benefits.							
3. Our diversity initiatives are built on a deep analysis of our internal dynamics, such as structure, culture, and policies.							
4. External assessment is consistently conducted by using different environmental scanning tools to extract the best diversity initiatives that we could apply compared to our key competitors.							
Implementing the process of managing diversity							
5. We encourage all employees to openly express their ideas, opinions, and beliefs.							
6. We are concerned with providing employees with the knowledge required to effectively deal with diverse colleagues.							
7. We are extremely interested in fostering a healthy environment where employees demonstrate considerable respect for those who are different from them.							
8. We take all the required actions to cement the newly modified behaviors required for the effective management of diversity.							
The institutionalization of diversity management -related changes							
9. Directive training programs are systematically developed and delivered to employees, aiming to raise their awareness of the diversity concept and its potential benefits.							
10. Our diversity management -related training programs provide employees with all the required skills and behaviors that foster a coexistence and inclusion culture.							
11. We utilize different enforceable mechanisms to ensure that diversity management -related changes are embedded in the bank's culture and systems.							
12. Revised recruiting, appraisal, development and reward systems are systematically adopted and communicated to diverse employees to							

independent variables	strongly disagree	disagree	somewhat disagree	either agree or disagree	somewhat agree	agree	Strongly agree
ensure their commitment to diversity-related changes.							
Financial performance							
13. Our bank is highly concerned with boosting employees' satisfaction and retention.							
14. Our bank constantly encourages employees to learn and share new knowledge and experience.							
15. The internal processes of our bank are focused on maintaining the balance between efficiency and innovation.							
16. I believe that our bank is socially responsible and seeks to maintain environmental standards.							
17. Our bank's priority is to enhance total customer satisfaction and customer retention.							
18. The bank's return on assets ratio is higher than that of its competitors.							
19. The bank's return on equity ratio is higher than that of its competitors.							
20. The bank's market share growth is higher than that of its competitors.							
21. The bank's share price is higher than that of its competitors.							
22. The bank's market value added is higher than that of its competitors.							

APPENDIX (B)

An instrument for evaluating customer-based reputation components in the Egyptian banks listed in EXG 2023.

With regard to your perception of your bank's reputation please indicate how much you agree or disagree with each of the statements below by selecting the appropriate responses. The item scales are seven-point Likert type scales with 1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4, either agree or disagree =, 5 somewhat agree, 6 somewhat agree, 7, strongly agree= strongly agree.

Customer -based reputation	strongly disagree 1	Disagree 2	somewhat disagree 3	either agree or disagree 4	somewhat agree 5	Agree 6	Strongly agree. 7
Factor 1: Financial Performance and a financially strong company - It seems to me that my bank is a long-established corporation. - It seems to me that my bank is a corporation that will continue its existence in the future.							
Factor 2: Customer Orientation - My bank makes an effort to produce solutions for customers' problems. - My bank informs me relating to what's been done about my complaints.							
Factor3: Social and environmental responsibility - It seems to me that my bank makes an effort to contribute to the progress of society. - It seems to me that my bank contributes to the development of society's standards by participating in various social responsibility activities.							
Factor 4: Trust - It seems to me that my bank always behaves in a consistent manner. - It seems to me that my bank never lies to me. - I believe that my bank will solve the problem without making me suffer when I encounter a problem. - Employees of my bank always answer the questions of customers in a							

Adapted from (İsmail and Yüksel, 2018)

APPENDIX (C)

multicollinearity test vif

VIF	
Bank—based reputation	1.9060
Diversity—alignment	1.0430
Managing—diversity	1.5630
financial Performance	1.7506
Institutionalization	2.3330

	CronbachS alpha	Composite reliability (rho—a)	Composite reliability (rho—c)	Average variance extracted (AVE)
Customer based reputation	0.977	0.979	0.979	0.826
Diversity—alignment	0.928	0.939	0.949	0.823
Managing—diversity	0.977	0.978	0.983	0.936
financiaLperformance	0.797	0.823	0.849	0.623
institutionalization	0.863	0.876	0.907	0.711

Outer loadings	
BCRl <- Bank—reputation	0.881
BCR2 <- Bank—reputation	0.910
BCR3 <- Bank—reputation	0.879
BCR4 <- Bank—reputation	0.922
BCR5 <- Bank—reputation	0.891
BCR6 <- Bank—reputation	0.982
BCR7 <- Bank—reputation	0.889
BCR8 <- Bank—reputation	0.897
BCR9 <- Bank—reputation	0.888
BCR10 <- Bank—reputation	0.853
DS1 <- Diversity—alignment	0.897
DS2 <- Diversity—alignment	0.857
DS3 <- Diversity—alignment	0.869

Outer loadings	
DS4 <- Diversity—alignment	0.910
ID1 <- institutionalization	0.847
ID2 <- institutionalization	0.827
ID3 <- institutionalization	0.828
ID4 <- institutionalization	0.873
MS1 <- Managing—diversity	0.812
MS2 <- Managing—diversity	0.873
MS3 <- Managing—diversity	0.807
MS4 <- Managing—diversity	0.892
FP1 <- Financial Performance	0.807
FP2 <- Financial Performance	0.834
FP3 <- Financial Performance	0.897
FP4 <- Financial Performance	0.903
FP5 <- Financial Performance	0.809
FP6 <- Financial Performance	0.837
FP7 <- Financial Performance	0.891
FP8 <- Financial Performance	0.847
FP8 <- Financial Performance	0.827
FP10 <- Financial Performance	0.857

المكونات الرئيسة لإستراتيجية التنوع الشاملة وفقا للتغيير المخطط وتأثيرها على الأداء المالي في البنوك المصرية المسجلة بالبورصة 2023: التأثير الوسيط للسمعة الموجهة بالعميل

د. جيهان أحمد عمر

ملخص البحث باللغة العربية

هدف الدراسة – تهدف الدراسة إلي تحديد المكونات الرئيسة لإستراتيجية التنوع الشاملة وفقا للتغيير المخطط وتتبع تأثيرها علي الأداء المالي للبنوك المصرية المسجلة بالبورصة 2023 بصورة مباشرة او بتوسيط السمعة الموجهة بالعميل

منهجية البحث – تم استخدام قائمتين استقصاء لجمع البيانات، الأولي تم توجيهها لكل المديرين في البنوك المصرية المسجلة بالبورصة المصرية 2023 وذلك بإستخدام اسلوب الحصر الشامل، بينما تم توجيه القائمة الثانية إلي عينة ميسرة من عملاء البنوك محل الدراسة. بلغ عدد القوائم التي تم تجميعها من البنوك محل الدراسة وكانت صالحة للتحليل الإحصائي 166 قائمة، بينما بلغ عدد القوائم المجمعة من عملاء البنوك وكانت صالحة للتحليل الإحصائي 385 قائمة . تم التحليل الإحصائي للقائمتين بإستخدام برنامجي SPSS 25 and Smart PLS 4

النتائج : اوضحت نتائج الدراسة ان التوافق الاستراتيجي للتنوع و مأسسة التغيرات الثقافية المرتبطة بإدارة التنوع لهما تأثير معنوي مباشر علي الأداء المالي في البنوك محل الدراسة، بينما لم يوجد تأثير مباشر لتطبيق عملية ادارة التنوع علي الأداء المالي في البنوك محل الدراسة. كما اكدت نتائج الدراسة ان السمعة الموجهة بالعميل تتوسط العلاقة بين المكونات الرئيسة الثلاثة لإستراتيجية التنوع الشاملة وفقا للتغيير المخطط وهي: التوافق الاستراتيجي للتنوع- تطبيق عملية ادارة التنوع – مأسسة التغيرات الثقافية المرتبطة بإدارة التنوع و الأداء المالي للبنوك محل الدراسة.

قيمة البحث: يضيف البحث الي ادبيات الإدارة الاستراتيجية وادبيات الموارد البشرية بإعتباره الأول الذي يفحص العلاقة بين المكونات الثلاثة الرئيسة لاستراتيجية التنوع الشاملة وفقا للتغيير المخطط و الأداء المالي للبنوك المصرية بصورة مباشرة وبصورة غير مباشرة من خلال توسيط السمعة الموجهة بالعميل.

الكلمــات الدالــة: استراتيجية التنوع الشاملة وفقا للتغيير المخطط، التوافق الاستراتيجي للتنوع، تطبيق عملية إدارة التنوع، مأسسة التغيرات الثقافية المرتبطة بإدارة التنوع، السمعة الموجهة بالعميل، الأداء المالي.

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