



STRATEGIC FLEXIBILITY AND ITS REFLECTION ON BANKING PERFORMANCE : AN ANALYTICAL STUDY IN IRAQ COMMERCIAL BANKS

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Article history:

Received: 11th December 2022
Accepted: 11th January 2023
Published: 20th February 2023

Abstract:

This study aims to determine the impact of strategic flexibility on the dimensions of (production flexibility, competitive flexibility, market flexibility, human capital flexibility) and (financial perspective, customer perspective, operational perspective) that is reflected on the bank's performance in representative dimensions, in addition to the learning perspective and growth). The problem of the study is that the performance of the bank for the study sample has shortcomings, and that strategic flexibility needs clarification to draw the attention of the study sample to the strategic importance of improving banks' resilience by adapting to rapid environmental developments. Where (60) forms were distributed and (55) correct forms were retrieved for analysis, i.e. (92%) for analysis using ready-made statistical programs (V.Spss), as well as data and extraction of arithmetic mean, standard deviation, coefficient of variation and correlation coefficient. The statistical methods of correlation coefficient resulted in A set of results, the most important of which are: the existence of a statistically significant relationship between strategic flexibility and the bank's performance, as well as there is an impact of strategic flexibility in banking performance, and this study came out with a set of conclusions, the most important of which was that strategic flexibility has received great importance and high attention by the Trade Bank of Iraq.

Keywords: strategic flexibility, banking performance, Trade Bank of Iraq.

INTRODUCTION

Strategic management has developed as a field of study and field of management practice for over three decades, and in the evolution of the strategic research process a variety of models and conceptual frameworks have emerged that are both highly competing and highly complementary. These models help organizations succeed in relatively stable environments, but their effectiveness in preparing enterprise organizations for changing environmental demands is becoming increasingly limited. In other

words, it is very dangerous to rely on traditional approaches to strategy when environmental changes are becoming increasingly unknown or not clearly identifiable and are rapidly changing and diversifying, leading to new trends and applications in the strategy domain. Focus on resilience strategies that ensure organizations respond more easily and quickly to unexpected changes in the competitive environment. Standards used by some countries, while simple by today's standards, are very useful for assessing the value of things and achieving your goals. Performance



development and management has undergone successive stages of development in government agencies and the private sector in both developed and developing countries, and this development is reflected in the focus on in-scope financial metrics.

METHODOLOGY

Study problem

Strategic resilience is an essential tool that an organization can use to adapt to changes and fluctuations in its operating environment. The main question of the study is summarized in (Do the dimensions of strategic flexibility contribute to achieving the banking performance of the Trade Bank of Iraq).

the importance of studying

Study Importance

The importance of this study stems from the value of the variables it deals with. The study is also a qualitative extension of various studies aimed at answering questions about the purpose of institutions and the reasons for their disappearance. Why do institutions exist and why do they disappear? In the past, banks were looking for good performance and a sustainable competitive advantage to gain a leadership position in their field and outperform their competitors, but in the age of speed we now live in, banks are finding ways and means to enable them to do so. Performing at the desired speed reacts to the changes taking place around him, because any delay can completely exclude him from playing the match. What increases the importance of this study is the attempt to clarify these concepts by referring to the reality of strategic flexibility and its role in achieving the bank's performance by the Trade Bank of Iraq. The importance of this study can be summarized as follows:

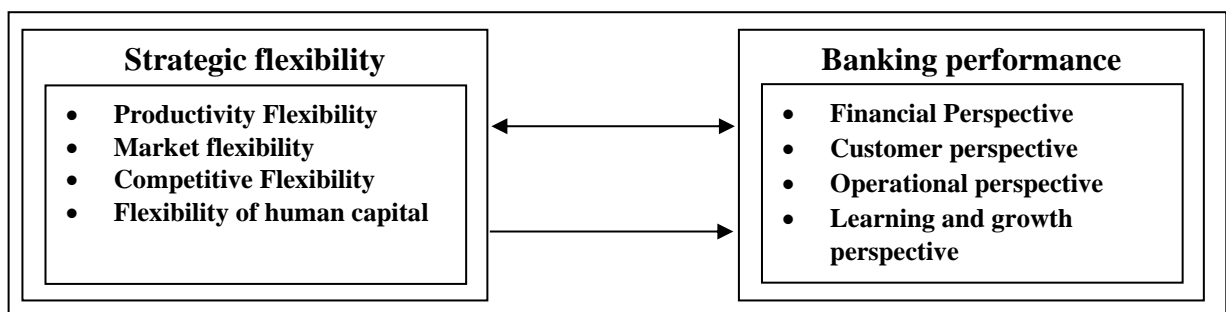
1. Statement of the importance of strategic flexibility and speed of response to the successive changes in the organization's environment in ensuring continuity and survival.
2. Clarify the importance of strategic flexibility in achieving the banking performance of the institution and determining its competitiveness
3. Determining the capabilities and resources that the bank must possess in order to be able to excel and achieve good performance over its competitors.

Study objectives

In general, the objectives of the study can be summarized in the following main points:

1. Clarify the concept of strategic flexibility with its dimensions (productive flexibility, competitive flexibility, market flexibility, and human capital flexibility).
2. Addressing the basic concepts of banking disease.
3. Attempt to benefit from relevant previous studies.
4. Highlighting the different roles to remove strategic flexibility in achieving banking performance.
5. Assessing the extent to which Trade Bank of Iraq tires are aware of the concept of strategic flexibility and their approval of its contribution to achieving performance according to environmental variables.
6. Attempting to reveal the reality of strategic flexibility and its relationship to banking performance in the bank under study.
7. Answer the hypotheses of the study.

Hypothetical scheme for study



Study hypotheses

To address the research problem and answer its questions, hypotheses were formulated as follows:

1. The first main hypothesis: There is a significant correlation between the strategic resilience modifier

and banking performance. From it emerge the following sub-hypotheses:

- I. There is a significant correlation between productivity flexibility and banking performance.



- II. There is a significant correlation between competitive flexibility and banking performance.
- III. There is a significant correlation between market flexibility and banking performance.
- IV. There is a significant correlation between the flexibility of human capital and banking performance.
- 2. The first main hypothesis: There is a significant effect of strategic flexibility in achieving banking performance. From it emerge the following sub-hypotheses:
 - I. There is a significant effect of productivity flexibility in banking performance.
 - II. There is a significant effect of competitive flexibility in banking performance.
 - III. There is a significant effect of market flexibility on banking performance.
 - IV. There is a significant effect of the flexibility of human capital on banking performance.

Community and study sample

Established in 2003, Trade Bank of Iraq is the first bank in the country, accounting for about 80% of the trade finance business in Iraq, and its cost-to-income ratio ranks 332nd among Arab banks. Class capital on a global scale. The bank has established 25 branches in Iraq to provide a wide range of banking services to all customers, including companies, individuals and government agencies, as part of its ongoing efforts to expand its customer base and explore new markets. In light of the foregoing, the study sample was identified through five branches of the Commercial Bank of Iraq, represented in the branches (Nasiriyah, Basra, Najaf, Karbala and Maysan).

Search tool

In obtaining actual data, the study relied on a questionnaire prepared to measure the strategic flexibility and its reflection in the bank's performance of the TBI, which contains five response measures (strongly agree (5) - strongly disagree (1)). The first is to measure strategic flexibility through Dimensions (production flexibility, competitive flexibility, market flexibility, human capital flexibility), which are tested using the measures used in the study (Salwa, 2019: 13-17), which consist of (20) distributed evenly across the four dimensions of strategic resilience. The second variable was specifically used to measure the bank's performance variables using the scale used in the study (Al-Khafaji & Yaghi, 2014: 43), which consists of (20) items equally distributed over the four dimensions

of the bank's performance. To ensure the stability and consistency of the questionnaire, it was subjected to the (Alpha - Cronbach) equation.

LITERATURE REVIEW

First: Strategic Flexibility

In recent years, the business environment has become increasingly complex due to changes in customers, needs and requirements, intense competition, globalization, crises and technological developments. Companies must have different strategies and policies to deal with uncertainties and environmental changes. In this case, the company's strategic flexibility allows it to adapt to the situation. Therefore, the study of strategic resilience has begun as an important research area. Whereas, strategic flexibility refers to an organization's ability to respond and adapt to changes in the environment. To develop a strategically resilient organization, it is necessary to exercise strategic leadership, create dynamic core competencies, focus on and develop human capital, make effective use of new manufacturing and information technologies, and implement new organizational structures (Hitt et al, 2011:13). Strategic flexibility refers to the different opportunity environments that exist in dynamic competition and to deal with the uncertainty and associated risks. (Wheelen et al, 2012: 13). And that strategic flexibility has a creative culture, as organizations must prefer flat and horizontal structures that enhance the speed of innovation and strategic action. In addition, companies choose innovation as a strategic option to become more flexible (Yugiong et al, 2013:27) and it is defined as developing and enhancing strategic resources and dynamic capabilities in an effective way in the present / future to improve efficiency and the ability of organizations to adapt to diversity. Strategic flexibility provides companies with many advantages. Resilient companies move quickly from one strategy to another. Therefore, they can carry out various strategic actions in the competitive arena. Moreover, strategic flexibility enables companies to gain a sustainable competitive advantage by making their business more dynamic. Proactive companies can analyze their environment and identify external opportunities and threats better than others. Therefore, they can take advantage of opportunities while protecting themselves from environmental threats. Furthermore, empirical evidence shows that strategic flexibility positively affects business performance (Cingöz & Akdoğan, 2013:2). While both (Flanders, 2014:4) and (Al-Bayati,



2019: 172) explain that it is the ability to quickly switch from one process to another, or the ability to change views in different directions. Moreover, strategic flexibility can improve the innovation performance of a company in a dynamic environment. Strategic flexibility can affect innovation performance by providing more flexible processes and structures. Innovation is the most important source of competitive advantage, because innovation can lead to new products that better meet customer needs, or can improve the quality of existing products, or can reduce the cost of manufacturing what customers want (Hussein, 2016: 74). Therefore, organizations looking to be more innovative in their processes, products or services should consider strategic flexibility as an alternative. The importance of strategic flexibility is clear because it is one of the important tools in helping organizations gain and maintain competitive advantage and high performance in a dynamic and competitive business environment. In this regard, organizations with great strategic flexibility can effectively manage economic and political crises by adopting a proactive or reactive approach in responding to market threats and opportunities (Ussahawanitchakit & Sriboonlue, 2011: 162). As for the dimensions of strategic flexibility, it was relied on the study (Salwa, 2019: 13-17), which was represented by (productive flexibility, competitive flexibility, market flexibility, and human capital flexibility).

1. Production Flexibility

It is the ability of the institution to produce goods and services at competitive prices or to introduce services and goods to new markets in a short period of time (Wali et al., 2016: 223) and tends to focus on the ability of the institution to adjust production quantities to keep pace with changes in the market. Demand (Al-Maadhidi & Al-Tai, 2011: 122). Or it is the dynamic of operational value creation or manufacturing strategy that includes large-scale alternative solutions, timely market entry, operational excellence, flexible production, and lower warehousing (Aba Bakr et al., 2019:545). Production flexibility is an indicator of the rate of change in the environment, and includes product flexibility, which refers to the speed with which new products are brought to market, the speed with which product characteristics can be modified to suit customer tastes, and operational flexibility, which refers to changing process technologies such as technology The production line and the speed with which capacity levels are adjusted, both ensure rapid

changes in strategic actions (Sultan & Amin, 2021: 574).

2. Competitive flexibility

Competitiveness here refers to the efforts, innovations, procedures, and all administrative, marketing, production, innovation and development activities undertaken by enterprises to obtain a larger segment or a broader scope in the market of their interests (Al-Baghdadi et al., 2015: 26). Competitive flexibility reflects the organization's ability to compete in a competitive market characterized by strong and uncertain requirements and skill levels (AL-Sharif, 2015: 37). Competitive flexibility affects the achievement of competitive advantage at different levels of the company (Zhang, 2006: 81). The company builds its sustainable growth and profitability in a competitive environment through its competitive flexibility (Arafa & Elmaraghy, 2012: 540). Competitive flexibility is reflected in the bank's ability to face the behavior of competitors from existing banks and new banks (Al-Khalidi & Al-Zubaidi, 2018: 107).

3. Market flexibility

It refers to the organization's ability to re-evaluate its marketing efforts in the short term in response to changes in the surrounding environment (Al-Shammari, 2017: 318). Market resilience focuses on increasing market share and entering new markets by responding to workers' needs and depends on the company's resource mix (Al-Awwda, 2007: 34). The company's ability to respond to or influence changes in the market, or the company's ability to re-evaluate and adjust its marketing efforts in a short period of time in response to changing operational environmental conditions and market flexibility, i.e. market share, respond to customer needs and enter new markets (Hawass & Werdi, 2021: 404).

4. Flexibility of human capital

It is the ability of the human resource system to improve the organization's ability to adapt effectively and in a timely manner to changes or diverse requirements of its internal or external environment in the process of trying to adapt to human characteristics such as knowledge and skills. and behavior (Abu-Nahel et al., 2020: 20). A successful organization is one that understands the relationship between business output and its employees, as they are the most important assets and source of competitive advantage, while human capital represents the sum of knowledge, rare and valuable skills and individuals working in the organization, the ability of the organization to increase its material and economic wealth (Al-Obaidi 2009:



164). From a strategic point of view, HR systems and processes help organizations adapt to complex and dynamic environments, where the resilience of HR is seen as the ability of an organization to adapt more easily to urgent environmental changes, such as assets such as intangible knowledge and tangible assets in another role being played In determining the competitive advantage (Assi & Al-Lami, 2022:7).

Second: Banking Performance

The performance of commercial banks was and still is the focus of attention of experts and stakeholders due to the importance of the role played by these financial institutions in accelerating the process of economic development, due to their ability to attract financial resources and provide various services to the public. Such banking services help stimulate cash flow which is the backbone of social and economic development (Stankeviciene & Mancaite ,2012 : 189-196). The performance of the bank is one of the basic concepts of the business organization regardless of the nature of the tasks it performs, because the resulting results are important for the continuity and sustainability of the organization and can negatively affect it, which makes it an important measure by which the success of the organization can be measured in the use of available resources to ensure the achievement of its goals (Hase , 2007:19-23). Bank performance is defined as reflecting the results achieved by the operations and activities of individual banks and is considered comprehensive to diagnose the ability of the institution to adapt to environmental conditions and seize opportunities by taking advantage of available resources and capabilities, which leads to an understanding of the organization's achievement of what it seeks to be able to target (Al-Humairi, 2014: 98). while explained (Ngoc, 2015: 39) Bank performance refers to the suitability of the banking institution and the provision of information to beneficiaries, shareholders, owners, employees and other parties. As for (Maktouf & Hazem, 2020: 181) He explained that it is a process of identifying, monitoring, measuring, documenting and developing strengths and weaknesses. As for (Al-Zubaidi & Jassim, 2020: 389) It appears that the bank's performance is the level that must be achieved and through which the actual results can be measured. Bank performance is defined as achieving the goals set by the Bank at the lowest possible cost with available resources within the agreed time frame (Al-Hussaini & Hashem, 2019: 299). while he knew him (Gelderman, 2016: 2) It is the pursuit of going beyond operational benefits as it

relates to long-term issues such as competitiveness, product development and entry into new markets. While (Al-Abidi & Al-Ardawi, 2022: 36) It is a demonstration of the bank's performance and the institution's ability to achieve its goals and objectives. The importance of the bank's performance lies in the fact that it helps determine the extent to which the bank can invest in potentials and hire employees with ambition and skills for promotions, rewards, wages and incentives at levels commensurate with the different levels of performance in the bank and work on reforming those systems in the event that the impact of these systems on the level of employee performance is discovered. in the bank (Tayeb, 2016: 48). One of the modern methods used to evaluate and measure banking performance is the Balanced Scorecard (BSC), which is defined as an administrative system that aims to help the institution translate its vision and programs into a set of measurements and objectives. (Al-Khafaji & Yaghi, 2014: 43) The perspectives of this card are (financial perspective, customer perspective, operational perspective, and learning and growth perspective), which will be adopted as dimensions of banking performance.

1. Financial Perspective

The availability of the necessary financial data helps organizations navigate in the right direction by making the right decisions at the right time (Fino, 2015:67). Given this perspective, organizations need to select and use financial metrics that provide a clear understanding of the nature of financial performance. In this regard, (Kaplan & Norton) explained that due to the different financial objectives, financial indicators differ according to the different stages of the organization's life cycle, which are growth, survival, and harvest (Davis, 2000: 16-17).

2. Customers Perspective

The second perspective of the balanced scorecard, in which you can see that the organization is the customer. Therefore, adopting this view requires identifying the customers and market segments in which the organization can compete, followed by the means used to deliver value to customers and markets, and then the means used to deliver value to customers and markets. Accordingly, some criteria must be found to help answer the following question: In order to achieve our vision, how should we present it to customers? Therefore, the choice of these metrics depends mainly on the type of customer and the target value that the organization seeks to provide for that customer (Jahantigh., etal, 2018: 227).



3. Operations Perspective

This perspective focuses on the bank's operational processes and how to implement these processes and achieve institutional progress. (Ahmad & Omar, 2016: 74). The goal from an internal operations perspective is to identify the basic and necessary processes to provide customers with the product or service they want, and then to develop measures that will help ensure that these processes are performing well, because they help managers focus on the internal processes that are ultimately important. Enabling them to meet customer expectations (Ali, 2021: 192).

4. Learning and growth perspective

Within the framework of this perspective, managers must define procedures that achieve the vision that how will we maintain our ability to change and continuous improvement. The most difficult to choose, so the capabilities that the organization needs for its employees should be encouraged to create, grow, and improve in the long term (Paturusi & Sumarwan, 2018:52). The importance of the learning and growth perspective is embodied in its focus on developing the skills and knowledge of workers in order to sustain the creativity process. As the aforementioned skills are necessary if the organization is to continue to create the core capabilities that achieve value for the customer (Tucker, 2006: 11).

PRACTICAL

First: the descriptive analysis and the normal distribution of the paragraphs and dimensions of the research variables: The research aims to identify the level of the paragraphs and the dimensions of the variables studied in the organization in question, as the level of application of the paragraphs will be measured through the arithmetic mean, standard deviation, and percentage, and the standard ratio of paragraphs is (0.60) for acceptance, either Are the data distributed a normal distribution will be tested through the method of deviation and obtuse and if the obtrusiveness values were greater than one integer

and the deviation values less than one integer indicates that the data are distributed a normal distribution. It is as follows:

1. Descriptive analysis and the normal distribution of strategic flexibility:

Strategic flexibility is an independent variable consisting of three dimensions (productive flexibility, market flexibility, competitive flexibility and human capital flexibility) as it was measured from five paragraphs. According to the results of Table (1), it was found that the strategic flexibility has obtained an arithmetic mean (3.63) and a level of importance (0.73) and this indicates the presence of strategic flexibility in the organization under study, and the dimension of competitive flexibility has obtained a level of importance (74%) and the standard deviation It has less than one integer and is in the first order, and that all paragraphs recorded a level of importance greater than (60%), and that the highest paragraph was recorded (i13), which stipulated that competitive flexibility is given attention and methods to confront competitors, while the dimension of market flexibility has It obtained a level of importance (73%), which is in the second place, and the highest paragraph was paragraph (i7), which states that the bank offers new services from time to time. The dimension of human capital flexibility recorded an importance level (73%), which is in the third position, and the highest paragraph was (i18), which stipulated that the bank's management adjusts the organizational structure whenever necessary. As for the dimension of product flexibility, it recorded a level of importance (71%), which is in the fourth position, and the highest paragraph was (i3), which stipulated that the bank management adjusts the characteristics of the product to suit the requirements of customers.

The flatness values were all values greater than one integer, and the skewness values were recorded proportions less than one integer, and this indicates that the dimensional data are normally distributed.

Table (1) Descriptive analysis and normal distribution of strategic flexibility
Descriptive Statistics

| | Mean | Minimum | Maximum | Mean | Std. | Skewness | | Kurtosis | |
|---------------------------------|-----------|-----------|-----------|------|-----------|-----------|------------|-----------|------------|
| | Statistic | Statistic | Statistic | Rate | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Productivity Flexibility | | | | | | | | | |
| i1 | 3.52 | 1 | 5 | 0.70 | 0.99 | 0.64 | 0.15 | -0.85 | 0.21 |
| i2 | 3.38 | 1 | 5 | 0.68 | 0.41 | -0.30 | 0.15 | -0.37 | 0.21 |
| i3 | 3.80 | 1 | 5 | 0.76 | 0.99 | 0.59 | 0.15 | -0.99 | 0.21 |
| i4 | 3.46 | 1 | 5 | 0.69 | 0.62 | -0.21 | 0.15 | -0.56 | 0.21 |



| | | | | | | | | | |
|-----|----------------------------------|---|---|------|------|-------|------|-------|------|
| i5 | 3.52 | 1 | 5 | 0.70 | 0.96 | 0.03 | 0.15 | -0.62 | 0.21 |
| | 3.54 | | | 0.71 | | | | | |
| | Market flexibility | | | | | | | | |
| i6 | 3.25 | 1 | 5 | 0.65 | 0.68 | -0.38 | 0.15 | -0.44 | 0.21 |
| i7 | 4.03 | 2 | 5 | 0.81 | 0.87 | 0.39 | 0.15 | -0.87 | 0.21 |
| i8 | 3.65 | 2 | 5 | 0.73 | 0.95 | -0.85 | 0.15 | -0.19 | 0.21 |
| i9 | 3.54 | 1 | 5 | 0.71 | 0.92 | 0.16 | 0.15 | -0.72 | 0.21 |
| i10 | 3.70 | 1 | 5 | 0.74 | 0.92 | 0.92 | 0.15 | -0.94 | 0.21 |
| | 3.64 | | | 0.73 | | | | | |
| | Competitive Flexibility | | | | | | | | |
| i11 | 3.38 | 1 | 5 | 0.68 | 0.92 | -0.56 | 0.15 | -0.55 | 0.21 |
| i12 | 3.33 | 1 | 5 | 0.67 | 0.94 | -0.67 | 0.15 | -0.43 | 0.21 |
| i13 | 4.15 | 2 | 5 | 0.83 | 0.79 | 0.62 | 0.15 | -0.99 | 0.21 |
| i14 | 4.06 | 1 | 5 | 0.81 | 0.90 | 0.66 | 0.15 | -0.56 | 0.21 |
| i15 | 3.70 | 1 | 5 | 0.74 | 0.93 | -0.34 | 0.15 | -0.71 | 0.21 |
| | 3.72 | | | 0.74 | | | | | |
| | Human capital Flexibility | | | | | | | | |
| i16 | 3.90 | 1 | 5 | 0.78 | 0.95 | 0.39 | 0.15 | -0.52 | 0.21 |
| i17 | 3.35 | 1 | 5 | 0.67 | 0.93 | -0.08 | 0.15 | -0.59 | 0.21 |
| i18 | 4.01 | 1 | 5 | 0.80 | 0.83 | 0.80 | 0.15 | -0.45 | 0.21 |
| i19 | 3.58 | 1 | 5 | 0.72 | 0.98 | -0.01 | 0.15 | -0.65 | 0.21 |
| I20 | 3.29 | 1 | 5 | 0.66 | 0.97 | -0.68 | 0.15 | -0.57 | 0.21 |
| | 3.63 | | | 0.73 | | | | | |
| | Strategic flexibility | | | | | | | | |
| | 3.63 | | | 0.73 | | | | | |

Source: The researcher's dependence on the outputs of the program (Smart pls)

2. Descriptive analysis and normal distribution of banking performance:

Banking performance is a dependent variable that consists of five dimensions (financial perspective, customers perspective, operational perspective, learning and growth perspective) as it was measured from three and four paragraphs for each dimension. According to the results of Table (2), it was found that the banking performance obtained an arithmetic mean (3.67) and a level of importance (0.73), and this indicates the presence of banking performance in the organization under study, and that the customers' perspective has obtained a level of importance (76%), which is in the first order And that all paragraphs recorded a level of importance greater than (60%), and that the highest paragraph was recorded (i29), which states that the bank is interested in attracting new and profitable customers, while the financial perspective dimension has obtained a level of

importance (73%), which is in the second place, And the highest paragraph was paragraph (i25), which recorded the level of importance (0.75) and stipulated that the bank has the necessary liquidity to meet the obligations. The operational dimension recorded a level of importance (73%), which is in the third position, and the highest paragraph was (i35), which stipulated that the bank is concerned with efficiency in providing resources at an appropriate cost. As for the perspective of learning and growth, it recorded a level of importance (73%), which is in the fourth position, and the highest paragraph was (i40), which stated that the bank improves the experiences and skills of workers in information systems.

The flatness values were all values greater than one integer, and the skewness values were recorded proportions less than one integer, and this indicates that the dimensional data are distributed with a normal distribution.

Table (2) Descriptive analysis and normal distribution of banking performance



| Descriptive Statistics | | | | | | | | | |
|---------------------------------|-----------|-----------|-----------|------|-----------|-----------|------------|-----------|------------|
| | Mean | Minimum | Maximum | Mean | Std. | Skewness | | Kurtosis | |
| | Statistic | Statistic | Statistic | Rate | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Financial Perspective | | | | | | | | | |
| I21 | 3.61 | 1 | 5 | 0.72 | 0.96 | -0.97 | 0.18 | -0.43 | 0.24 |
| I22 | 3.54 | 1 | 5 | 0.71 | 0.89 | -0.38 | 0.18 | -0.56 | 0.24 |
| I23 | 3.68 | 1 | 5 | 0.74 | 0.91 | 0.14 | 0.18 | -0.74 | 0.24 |
| I24 | 3.68 | 1 | 5 | 0.74 | 0.96 | 0.61 | 0.18 | -0.94 | 0.24 |
| I25 | 3.77 | 1 | 5 | 0.75 | 0.94 | 0.97 | 0.18 | -0.93 | 0.24 |
| | 3.66 | | | 0.73 | | | | | |
| Customer perspective | | | | | | | | | |
| I26 | 3.77 | 2 | 5 | 0.75 | 0.87 | -0.32 | 0.18 | -0.47 | 0.24 |
| I27 | 3.74 | 2 | 5 | 0.75 | 0.88 | -0.32 | 0.18 | -0.50 | 0.24 |
| I28 | 3.75 | 2 | 5 | 0.75 | 0.84 | -0.10 | 0.18 | -0.55 | 0.24 |
| I29 | 3.88 | 1 | 5 | 0.78 | 0.86 | 0.67 | 0.18 | -0.92 | 0.24 |
| I30 | 3.77 | 1 | 5 | 0.75 | 0.95 | -0.09 | 0.18 | -0.81 | 0.24 |
| | 3.78 | | | 0.76 | | | | | |
| Operational perspective | | | | | | | | | |
| I31 | 3.62 | 1 | 5 | 0.72 | 0.96 | -0.94 | 0.18 | -0.36 | 0.24 |
| I32 | 3.58 | 1 | 5 | 0.72 | 0.95 | -0.55 | 0.18 | -0.47 | 0.24 |
| I33 | 3.68 | 1 | 5 | 0.74 | 0.94 | -0.40 | 0.18 | -0.66 | 0.24 |
| I34 | 3.59 | 1 | 5 | 0.72 | 0.98 | 0.01 | 0.18 | -0.60 | 0.24 |
| I35 | 3.70 | 1 | 5 | 0.74 | 0.87 | 0.25 | 0.18 | -0.42 | 0.24 |
| | 3.63 | | | 0.73 | | | | | |
| Learning and growth perspective | | | | | | | | | |
| I36 | 3.73 | 1 | 5 | 0.75 | 0.91 | -0.66 | 0.18 | -0.60 | 0.24 |
| I37 | 3.68 | 1 | 5 | 0.74 | 0.93 | -0.58 | 0.18 | -0.57 | 0.24 |
| I38 | 3.30 | 1 | 5 | 0.66 | 0.88 | -0.92 | 0.18 | -0.12 | 0.24 |
| I39 | 3.46 | 1 | 5 | 0.69 | 0.85 | -0.71 | 0.18 | -0.36 | 0.24 |
| I40 | 3.83 | 1 | 5 | 0.77 | 0.99 | 0.99 | 0.18 | -0.91 | 0.24 |
| | 3.60 | | | 0.72 | | | | | |
| Banking performance | | | | | | | | | |
| | 3.67 | | | 0.73 | | | | | |

Source: The researcher's dependence on the outputs of the program (Smart pls)

Second: the internal consistency of the paragraphs of the research variables: for the purpose of testing the effect between dimensions and variables, it must be ensured that there is consistency in the sample answers. The internal consistency will be tested through confirmatory factor analysis, using the statistical program (SmartPls) and that the paragraph that obtains a saturation Its morale level is less than (0.05) is considered acceptable, and indicates that there is consistency in the answers of the sample,

which is reflected by clarity and belonging to the goal to be measured, as well as the appropriate selection of the sample and the adequacy of its size, which are as follows:

1. confirmatory factor analysis and the stability of the paragraphs of the paragraphs of strategic flexibility:

The strategic flexibility is an independent variable that consisted of four dimensions which are (productive flexibility, market flexibility, competitive flexibility and human capital flexibility) as it was measured from five paragraphs, and the saturation percentage appears in Figure (2) on the shares The connection between the

paragraph and its after it is on the left side of the above figure, and according to the results, all the paragraphs of the variable of the three dimensions achieved significant levels that were less than (0.05), and according to these results, it indicates that there is consistency in the answers of the sample. As for the stability of the scale, it was measured by Cronbach's alpha and it appears on the right side of the above figure.

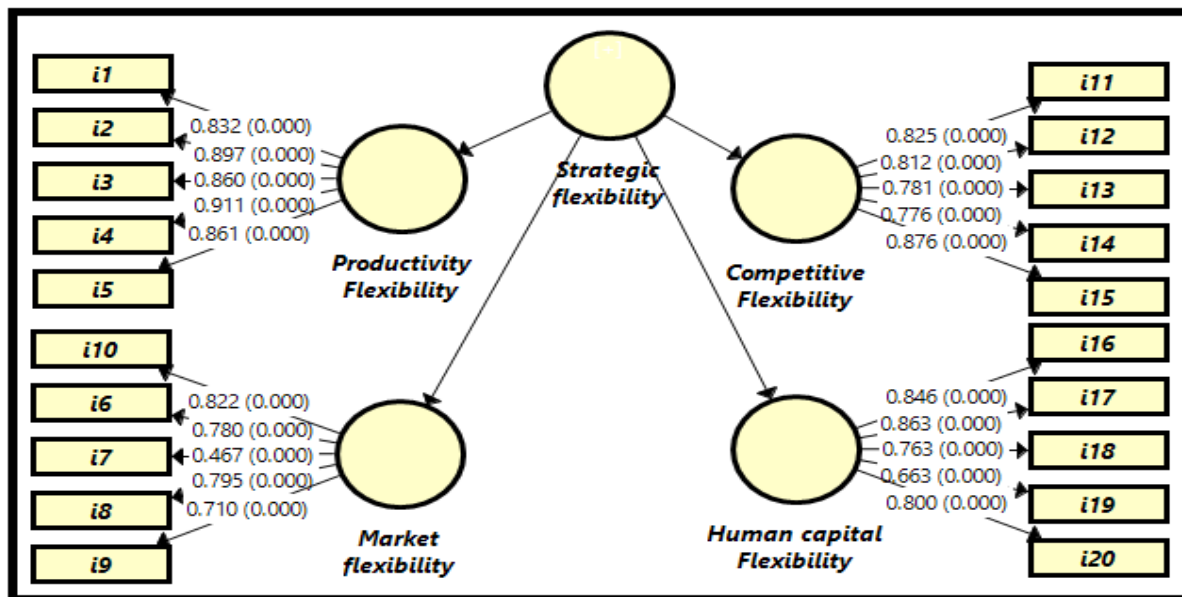


Figure (2) confirmatory factor analysis of strategic resilience items

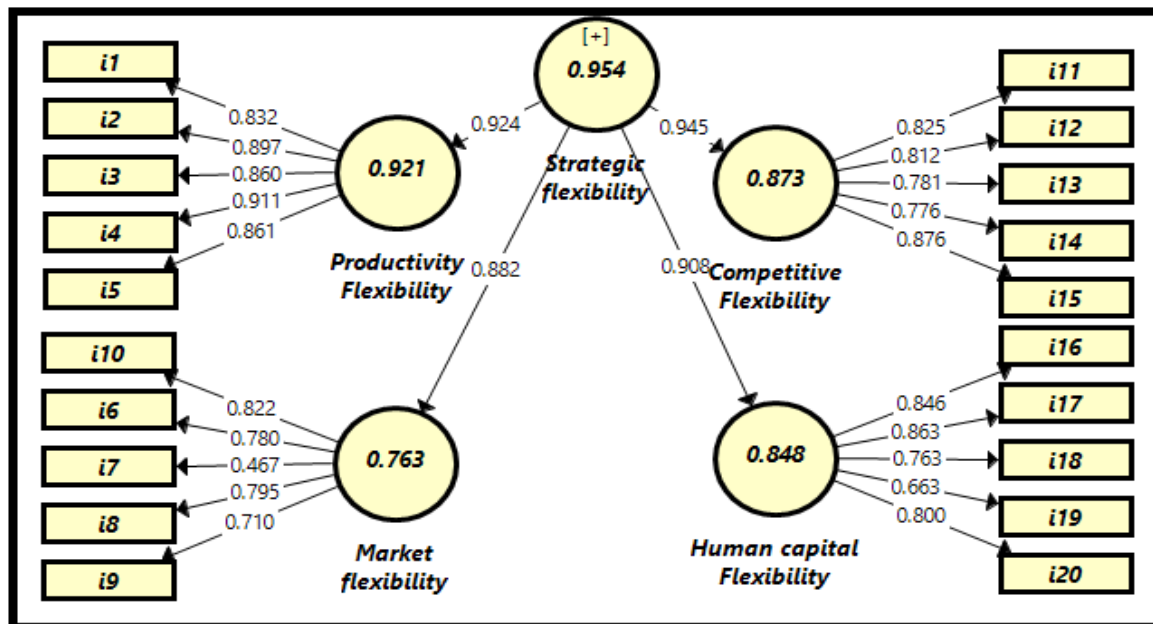


Figure (3) Cronbach's Alpha Dimensions of Strategic Flexibility

2. Confirmatory factor analysis of the paragraphs of banking performance:

The banking performance is a dependent variable that consists of four dimensions, namely (financial perspective, customers perspective, operational perspective, learning and growth perspective) as it was measured from five paragraphs for each dimension, and the saturation percentage appears in Figure 3.) on the shares connected between

the paragraph and its aftermath, and according to the results, all the paragraphs of the variable of the four dimensions achieved significant levels that were less than (0.05), and according to these results, it indicates that there is consistency in the answers of the sample. As for the stability of the scale, it was measured by Cronbach's alpha and it appears on the right side of the above figure.

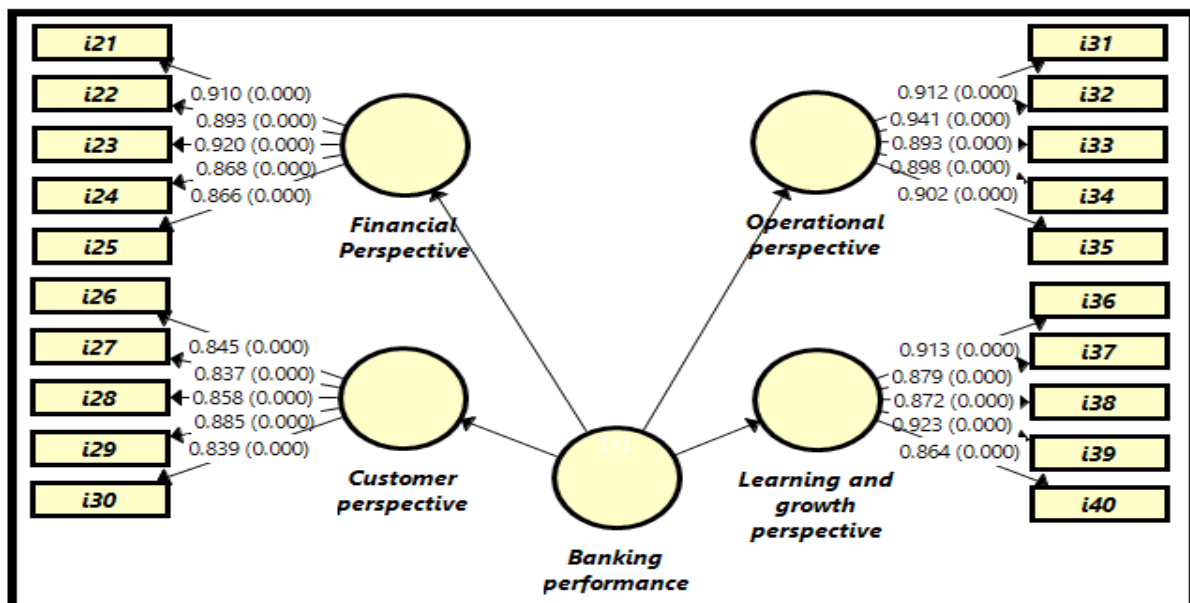


Figure (4) confirmatory factor analysis of banking performance items

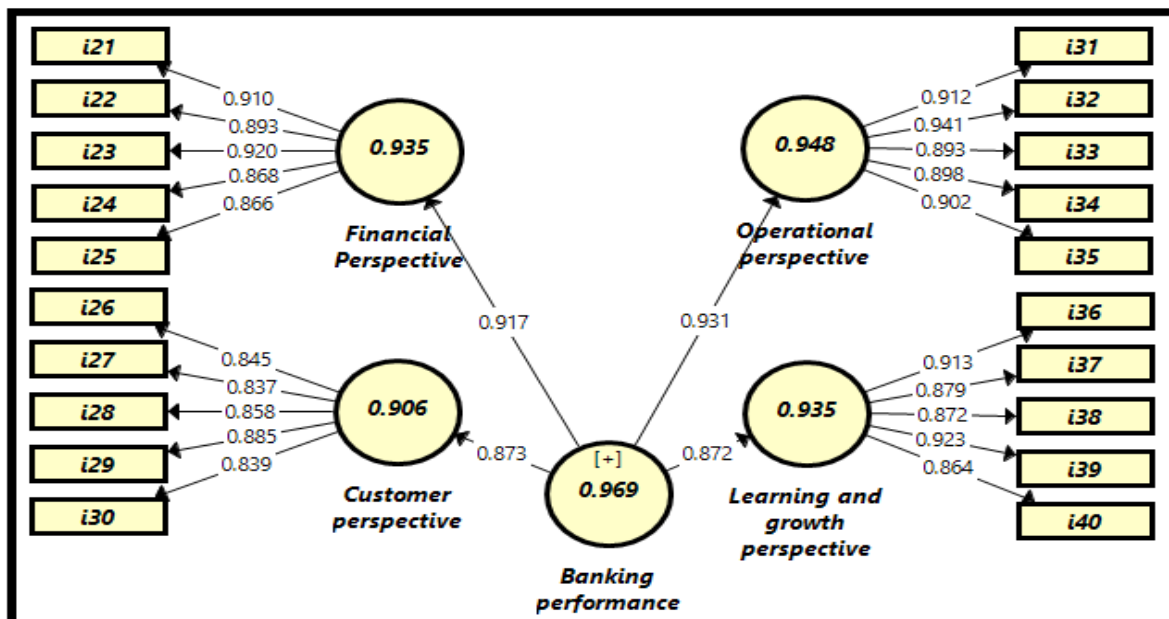


Figure (5) Cronbach's alpha coefficient for the dimensions of banking performance

Third: Testing the impact hypotheses:

After it has been ascertained that there is internal consistency between the answers of the sample and the scale has been proven and its validity, the main objective of the research must be identified, which is to test the impact hypotheses that the researcher assumed in the research methodology. The effect of strategic flexibility on banking performance, and secondly it states that there is an effect of the dimensions of strategic flexibility in banking performance, and the (Smartpls) program will be used to test hypotheses in a least squares method, and the hypothesis is accepted depending on the level of significance (0.05), and hypotheses are tested as follows:

The first hypothesis: The researcher assumed that there is a significant impact relationship of strategic flexibility in banking performance, and that this assumes that whenever strategic flexibility changes at its level, it will lead to a positive or negative change on banking performance, according to the results of Table (3) and Figure (6). The results of the simple regression test between strategic flexibility and banking performance and that the effect amounted to (0.832), which means that the independent variable affects the dependent variable at a significant level because the level of morale achieved is less than (0.05), and these results accept this hypothesis. Also, the coefficient of determination (R²) showed that the strategic flexibility is explained by the variation in banking performance by (0.69), and this indicates the quality of the data.

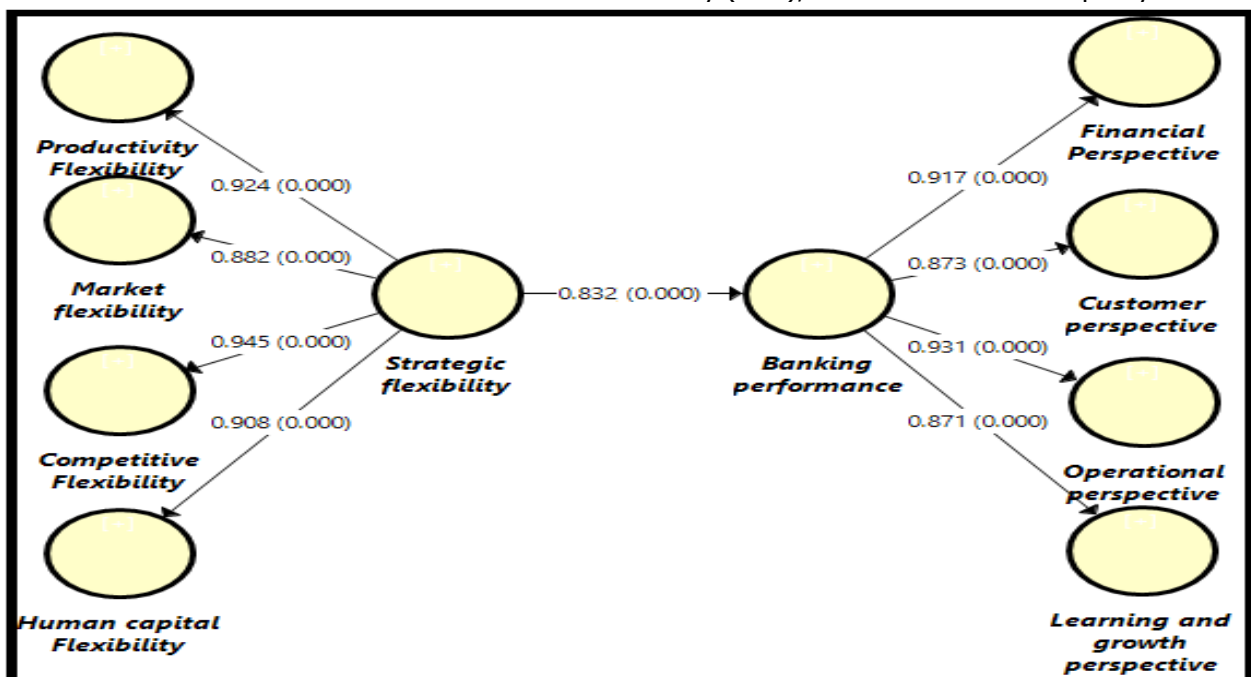


Figure (6) Impact factor of strategic flexibility in banking performance
Table (3) The results of the impact of strategic flexibility on banking performance

| | Original Sample (O) | R | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values |
|--|---------------------|-------|----------------------------|--------------------------|----------|
| Strategic flexibility -> Banking performance | 0.832 | 0.851 | 0.129 | 6.449612 | 0.000 |

The second hypothesis: The researcher assumed that there is a significant effect relationship to the dimensions of strategic flexibility in banking performance, and this assumes that whenever the dimensions of strategic flexibility change at their level, it will lead to a positive or negative change on banking

performance, according to the results of Table (3) and Figure (7) and that the results of the test Multiple regression between the dimensions of strategic resilience and banking performance, as for the effect of the dimensions of strategic resilience, according to Table (3), and they were tested in a multiple

regression method. It showed that productivity flexibility has an effect on banking performance by (0.348), which is a positive effect and has an acceptable level of morale based on the achieved morale level that is less than (0.05). Also, market flexibility has an effect on banking performance by (0.323), which is a positive effect with an acceptable level of morale based on the achieved morale level that is less than (0.05). Competitive flexibility has an impact on banking performance by (0.25), which is a positive effect and has an acceptable level of morale

based on the achieved morale level that is less than (0.05). The flexibility of human capital has an impact on banking performance by (0.641), which is a positive effect and has an acceptable level of morale based on the level of the achieved morale that is less than (0.05).

The coefficient of determination (R^2) showed that the strategic flexibility and its dimensions are explained by the variance in banking performance by (0.71) and this indicates the quality of the data.

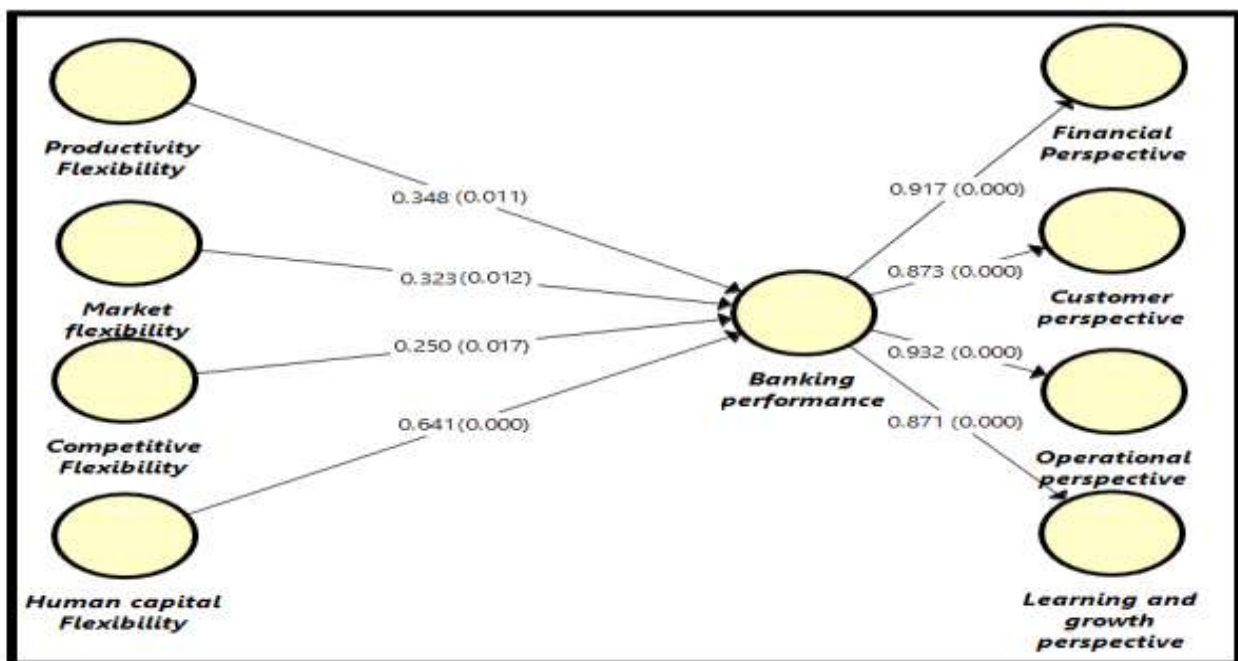


Figure (7) Impact factor for the dimensions of strategic flexibility in banking performance

Table (4) Impact factor for the dimensions of strategic flexibility in banking performance

| | Original Sample (O) | R | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values |
|--|---------------------|-------|----------------------------|--------------------------|----------|
| Productivity Flexibility→ Banking performance | 0.348 | 0.362 | 0.128 | 2.71875 | 0.011 |
| Market flexibility→Banking performance | 0.323 | 0.357 | 0.135 | 2.392593 | 0.012 |
| Competitive Flexibility→ Banking performance | 0.25 | 0.265 | 0.109 | 2.293578 | 0.017 |
| Human capital Flexibility→Banking performance | 0.641 | 0.648 | 0.0689 | 9.303338 | 0.000 |

CONCLUSIONS

1. Strategic flexibility in general contributes to the banking performance of Iraqi commercial banks and according to the findings, it contributes to all aspects of strategic flexibility.
2. Through the analysis of the results, it is determined that strategic flexibility has an impact and significance on the realization of bank performance in the analyzed organizations.



3. Iraqi commercial banks are aware of the rapid development and changes in the environment in which they operate, which makes them interested in monitoring it and exercising strategic flexibility, even if there are some contradictions in this approach, especially in the competition, aspect and monitoring of competitors With complex methods and mechanisms, institutions ignore this aspect and still use traditional methods to deal with it.
4. Respondents' perceptions of Iraqi commercial banks' strategic flexibility and banking performance are high, as evidenced by the high arithmetic mean of the responses to the independent variable strategic flexibility and the dependent variable banking performance.
5. The results of the analysis show that the management of the analyzed organization has a high ability to identify possible problems in the work.

RECOMMENDATIONS

1. The organizations studied need to identify key areas where strategic flexibility can be invested in in a way that affects the performance of the bank, given its operating environment.
2. Organizations should dedicate some of their resources to sending informative messages to their staff about the key benefits offered by strategic flexibility, especially as they relate to improved bank performance.
3. Stresses the need to reapply this study to other sectors to explore the possibility of generalizing its results to the Iraqi setting.
4. The analyzed organization needs to develop a database to reflect the main areas of strategic flexibility related to the activities and resources it owns, especially human resources, because these resources have rare characteristics compared to other resources owned by the organization.
5. Seek to establish and activate links with other academic institutions, domestically and internationally, to understand what is new in the field of strategic flexibility and how it can be leveraged for the benefit of the banking industry.

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