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The Impact of Strategic Management Practices on Organization Ambidexterity in The Palestinian Public Sector Organizations: The Moderator Role of Intellectual Capital

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Declaration

I declare that, except where explicit reference is made to the contribution of others, this dissertation is substantially my own work and has nt been submitted for any other degree at the Arab American University or any other institution.

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Dedication

This dissertation is dedicated to the memory of my beloved father, Riyad, the first to believe in this journey and the one who encouraged me to pursue my PhD when it was still just an idea. Your unwavering support lit the path before I even knew how to walk it. Losing you in the midst of writing this dissertation was the deepest sorrow I've known, but your presence never left me. I carried your voice, your dreams, and your love in every chapter. This work is a promise fulfilled and a prayer for your soul. May Allah grant you eternal peace and the highest place in Jannah.

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Isra Akel

The Impact of Strategic Management Practices on Organization Ambidexterity in The Palestinian Public Sector Organizations: The Moderator Role of Intellectual Capital

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Abstract

The present research examines how strategic management approaches influence organisational ambidexterity in the Palestinian public sector. It is concerned with the role of the visioning, focusing and implementation dimensions in determining the capacity of an organisation to undertake both exploration and exploitation activities, which in turn can promote adaptability and overall performance. The paper also discusses the moderating effect of intellectual capital- that is, human capital, structural capital, and relational capital in enhancing this relationship. A questionnaire was administered to the employees of different governmental institutions with the number of valid responses being 420. The proposed relationships were tested by analysing the data with descriptive and inferential statistical methods.

The findings suggest that strategic management practices significantly enhance organisational ambidexterity. Furthermore, intellectual capital was shown to strengthen this relationship, underscoring its pivotal role in allowing public sector organisations to respond effectively to dynamic and complex environments. The results highlight the need of the public institutions to implement effective strategic planning cycles, invest in human and structural capital development and cultivate organisational cultures that encourage ambidextrous capabilities. These are necessary to enhance innovation, operational effectiveness, and the quality of public service delivery, ultimately to increase the resilience and adaptability of organisations to fast-changing socio-political environments.

Keywords: strategic management practices, organizational ambidexterity, public sector, intellectual capital, Palestine.

Table of Contents

List of Tables

List of Figures

List of Appendices

List of Definitions of Abbreviations

Abbreviations	Title
SMP	Strategic Management Practices
OA	Organizational Ambidexterity
IC	Intellectual Capital
PLC	Palestinian Legislative Council
PMA	Palestinian Monetary Authority
PCBS	Palestinian Central Bureau of Statistics
PWA	Palestinian Water Authority
PALTEL	Palestine Telecommunications Company
PIF	Palestinian Investment Fund
PEC	Palestine Electric Company
NSF	National Security Forces
PA	Palestinian Authority
RBV	Resource-Based View
DCT	Dynamic Capabilities Theory
VRIN	Valuable, Rare, Inimitable, Non-substitutable

Chapter One: Introduction

1.1 Introduction

This chapter gives a theoretical and contextual background of the study. It begins with the significance of strategic management practices (SMPs) and how it relates to organisational ambidexterity (OA), then the role of intellectual capital (IC) as a moderating variable. The chapter then presents the peculiarities of the Palestinian public sector, in which these concepts are implemented. It ends with the research problem, objectives, questions, significance, scope and operational definitions, and the study structure.

1.2 Research Background

Strategic management emerged in the 1960s and became a diverse field of commercial, non-profit, and public sector strategy (Johnsen, 2015, p.2). According to Mintzberg et al. (2009), strategic management is defined as the alignment of external demands with internal capabilities in the form of positions, plots, perspectives, patterns, and plans. Covin, Rigtering, Hughes, and Kraus (2020) define strategic management as the alignment of internal capabilities with external demands, encompassing plans, patterns, positions, perspectives, and plots. Strategic management requires composure and judgment. It involves anticipating a complicated, changing environment to determine what is useful and achievable for a company. Positioning the company in the environment enables persistent pursuit of opportunities and swift adaptation to unanticipated changes (Moore, 1995, p.3). Most recent empirical results indicate that strategic change within the context of the public organization is a complex process that is highly affected by the issue of legitimization across various stakeholder groups (Kiwi, Khanagha, & Alexiou, 2025).

Strategic management is crucial for organizational success. Hoglund et al. (2019) explored the realistic utility of strategic management gear among individuals. Strategic management plays an integral role in determining the success or failure of firms on a global scale (Kretschmer, Leiponen, Schilling & Vasudeva, 2022). In the relentless competition for customers, factor inputs, and profits, firms must excel in strategic planning and management practices to thrive in the contemporary industrial landscape.

In public organizations, strategic management is regarded as an essential instrument for public managers to shape the organization and to create value (McBain and Smith, 2010, p.1). Strategic management is considered an essential tool in various

public organizations (Höglund et al., 2018: 822). Tamimi (2018) indicates that strategic management in public sector is anchored on the suitable pre-conditions reforms of organizations. Strategic management consolidates the organizational goals and develop their plans of action to withstand changing circumstances (Durh and Judh, 2012).

Strategic management practices encompass the formulation and the implementation of major initiatives and goals by the top management of an organization (White, 2017). Strategic management practices (SMP) take into account resources and internal and external environments' assessments (Abedian and Hejazi, 2023). SMG contain activities like performance monitoring, resource allocation, and strategic planning (Fuertes et al., 2020). In fact, strategic management are effective in terms of enabling organizations to balance existing competencies' exploitation with new opportunities' exploration; this dual capability is so-called organizational ambidexterity (Asif, 2020). Such balance enables firms to effectively manage the demands of current business while adjusting to changes in the environment (Jia et al., 2022). Moreover, this balance leads to long-term performance and creativity (Ambilichu et al., 2023). This relationship is essential since successful SMPs establish the structural, cultural, and resource environment in which ambidexterity can be achieved, and AMB is the logical next area of discussion.

The main concept of contemporary era is strategy. The word "strategy" stems from the Greek word "strategos", which is originated in the military field (Fuertes et al., 2020, p.1). By time, the meaning of the word "strategy" has evolved and applied to various human activities in general and to business strategies in particular (ibid). Strategy is defined as the long-term objectives and goals of the organizations, the allocation of essential resources for the achievement of the goals, and the adoption of actions (Chandler, 1969).

Strategic planning is defined as a disciplined and a deliberative effort to generate fundamental actions and decisions that articulate and guide what an organization or entity does and why (Bryson, 2015). Strategic planning is considered as a part of the strategic management which connects planning with execution on a constant basis (Bryson et al., 2018). Ferlie and Ongaro (2022) indicate that strategic planning is considered as a common practice among the governments worldwide.

Strategic planning is important for public sector organizations has additionally been a key consciousness (Bryson, 2017). Furthermore, Smith (2020) indicates that strategic planning is effective in evaluating and identifying an organization's reputation and visibility.

So far, the concepts of strategy, strategic planning, and strategic management have been identified, the study will delve now into articulating the differences between strategic planning and strategic management. Strategic planning is characterized as the rationale guiding an organization's direction, offering specifications for optimal decision-making on what, how, and when to do things. Its primary objective is to shape a better future for the organization through measurable terms, selecting the most effective means to attain desired outcomes. On the contrary, strategic management involves the development and analysis of cross-functional decisions aimed at realizing an organization's long-term goals. This process encompasses defining the organization's purpose, vision, and objectives and efficiently allocating resources to achieve them (Fuertes, Alfaro, Vargas, 2020).

Prior to further discussing this concept, it is necessary to mention that strategic management practices tend to pursue a balance between preserving the existing capabilities and seeking new opportunities. This balance is critical to long-term adaptability and competitiveness and consequently, the concept of organisational ambidexterity. This study is concerned with organizational ambidexterity, which traces back to the works of Duncan (1976) who was the pioneer in introducing the concept of organizational ambidexterity (Gianzina-Kassotaki, 2017). Nowadays, ambidexterity is a concept that has garnered scholars' interest, particularly in the last few years (Wilden et al., 2018; Amjad and Md Nor, 2020). Organizational ambidexterity is defined as the ability of an organization to be efficient and aligned in managing the demands of business and in adapting to the environmental changes to achieve two different objectives, namely, exploration and exploitation (Kafetzopoulos, 2021).

It can be inferred from the above definition that organizational ambidexterity encompasses both exploration and exploitation (Brix, 2019). Both of these concepts were inserted by March (1991), who characterized them as separate actions that involve inherent compromises between the two. Exploration entails searching, risk taking, innovation, experimentation, while 'exploitation' means implementation, refinement, efficiency, and execution (Levinthal & March, 1993; Gianzina-Kassotaki, 2017).

Altogether, exploration and exploitation are considered incompatible processes that occur in an organization (Brix, 2019).

Several studies (Zhang et al., 2016; Fu et al., 2016) indicate that ambidexterity has a positive and significant impact on firm performance. To clarify, the effective management of exploitative and explorative activities lead to highest firm performance outcomes (Hirst et al.,2018).

1.3 Research Context

In Palestinian public sector organization, there is a significant impact of strategic management practices on organizational ambidexterity (Awwada et al., 2020). To elaborate, organizational ambidexterity entails balancing exploration and exploitation activities (Luger et al., 2018). This balancing enables organizations to adapt to altering environments, while preserving operational efficiency (Patel, 2023). Strategic management practices; including performance monitoring, resource allocation, and goal-setting encourage public sector organizations to cultivate this balance (Höglund et al., 2021).

This study is further concerned with the role of intellectual capital in moderating the relationship between strategic management practices and organizational ambidexterity. In this regard, Matos and Vairinhos (2017) define intellectual capital as a system of relationship among employees within the enterprise, which includes the interaction between the employer and his/her employees regarding their knowledge and skills' capitalization that aimed facilitating effective activity and business growth and creating the competitive product in accordance with the available knowledge. Moreover, Guo and Chen (2022) define intellectual capital as the value of a company's employee skills, knowledge, business training, or any proprietary data that might achieve the competitive advantage of the company.

There are four interrelated aspects that govern intellectual capital. These include value, system, process, and result. The first aspect is 'value', several studies (Drobyazko et al., 2019a & b; Durmanov et al., 2019) define value as an asset that can bring income. The second aspect is 'system', Secundo et al. (2018) define system as a collection of interconnected aspects. The third aspect is 'process', Kianto et al. (2017) indicate that aspect reflect the reproductive characteristics' availability that is connected with circular movement. The fourth aspect is 'result', several studies (Hilorme et al.,

2019; Sokolova et al., 2019) argue that the result indicates a priority throughout the consuming process. Organizations can use their intellectual capital to produce additional goods and benefits that might be easily identified by their employees, such as assets and value-based services (Abdallah et al., 2025).

Intellectual capital encompasses relational, structural, and human capital that promotes collaborative problem-solving, knowledge sharing, and innovation (Al-Htaybat et al., 2019). Human capital refers to employees' knowledge and skills; structural capital includes organizational processes and databases; and relational capital encompasses relationships with external stakeholders (Abualoush et al., 2018). The integration of these intellectual capital components facilitates the simultaneous pursuit of exploratory and exploitative activities, thereby enhancing ambidextrous capabilities. To support this claim, Hayaeian and Hesarzadeh (2023) found that knowledge management strategies and intellectual capital significantly contribute to the development of ambidextrous innovation capabilities in SMEs.

Within Palestinian context, leveraging intellectual capital in an organization might bridge gaps in capabilities and resources, improve service delivery and enable sustainable growth regardless external challenges (Abdelhadi, 2017).

Moreover, this study is concerned with public sector organizations, which are considered of a paramount importance in social and economic development of nations (Dandalt, 2021). Such organizations are mainly government-owned entities that provide significant services; including, healthcare, infrastructure, public safety, and education (Baa et al., 2022). This sector differs from private sector organizations that concentrate on profit generation (Andrews et al., 2022). However, public sector organizations underscore accountability, equity and public welfare (Ahmed, 2024). The objectives of public sector organizations are generally associated with national development plans (Chimhowu et al., 2019). Public sector organizations' objectives guarantee that resources are used effectively to address social needs (Bryson, 2018). Nevertheless, public sector organizations commonly encounter challenges; including limited resources, political influences, and bureaucratic inefficiencies (Peters, 2018), which might impact their service delivery and performance (Wambugu et al., 2016).

Having defined what is meant by organizational ambidexterity, intellectual capital, and strategic management practices, it is necessary now to provide

background information about the Palestinian public sector organizations. According to Almudallal et al. (2016), Palestinian public sector organizations are engaged with operating services and implementing policies through all parts of the administration. They are defined as governmental agencies and institutions, which operate under the Palestinian Authority (PA), to provide adequate public services, manage state resources, and implement policies for the welfare of citizens (Ghaboun, 2021). Such organizations are in charge of social welfare, public administration, economic development, security, infrastructure, and governance within West Bank and Gaza Strip territories (World Bank, 2017). Public sector organizations function according to Palestinian regulations and laws to improve service delivery, ensure effective governance, and enhance national development (Nour and Al-Saidi, 2018).

The Palestinian public sector has six distinct organizational categories. First, national governance and policymaking and coordination functions are led by Central Government Institutions which comprise the Presidency and Prime Minister's Office and Palestinian Legislative Council (PLC) (Alayasa and Musa, 2021). Second, ministries handle public service delivery operations throughout different sectors like finance, health, education, interior affairs and infrastructure (Jabril and Elayah, 2024). Third, municipalities together with Local Governments and village councils make up the regional governance structure of the Palestinian system (Dalloul et al., 2023). Fourth, the Palestinian Monetary Authority (PMA) together with the Central Bureau of Statistics (PCBS) and the Water Authority (PWA) serve as specialized service providers among the Public Authorities and Agencies (Muratoglu and Wassar, 2024). Fifth, the Palestinian authorities run State-Owned Enterprises which provide commercial services through PALTEL and maintain the Palestinian Investment Fund (PIF) together with the Palestine Electric Company (PEC) (Johannes and PS, 2024). Sixth, the Security and Law Enforcement Institutions which fulfill both internal security and public safety responsibilities through their three divisions of Palestinian Civil Police and Preventive Security Forces together with National Security Forces (NSF) (Lohse, 2022). The organizations as a group function to uphold governance structures along with maintaining financial stability and serving the needs of the public.

Public sector organizations within Palestinian context play a critical role in service delivery, nation-building, governance, especially in the context of constant economic and political challenges (Jabril and Elayah, 2024). Owing to its complicated

geopolitical context, Palestinian public sector organizations work under special constraints, such as restricted mobility, donor dependency, and limited sovereignty (Springer, 2015). Regardless of such challenges, they are considered critical in fostering economic growth, implementing policies, and providing stability (Drummond et al., 2015). The attempts to modernize and reform such organizations have underscored the adoption of strategic management practices to enhance responsiveness, accountability, and efficiency to people's needs (Amin et al., 2024). These reforms play a critical role in addressing the pressing issues of poverty, infrastructure development, and unemployment issues in Palestine (Abu-Rmeileh and Iriqat, 2024).

However, public sector organizations in Palestine encounter considerable challenges resulted from corruption that has been deeply inherited in institutional frameworks since the Palestinian Authority establishment (Ghaboun, 2021). To elaborate, both corruption and financial mismanagement have resulted in significant losses in international aid with estimates indicating that the corruption and ineffective oversight in Palestine have led to the loss of 2 billion Euros between 2008 and 2012 (Ramahi, 2013). Besides, the internal corruption mirrors a complicated interplay of factors, such as economic dependencies, the ongoing Israeli occupation, the transition of power from revolutionary governance to state institutions (AlAhmad, 2024). Collectively, these factors intensify the accountability crisis (Hanini, 2021).

The study investigates the influence of strategic management practices on organization ambidexterity and the moderating role of intellectual capital in the Palestinian public sector organizations. The public sector holds paramount significance in Palestine's economic development and diversification objectives. However, it faces numerous challenges, prompting the need for a strategic shift in addressing these issues. The study focuses on the impact of strategic management on organization ambidexterity in the Palestinian public sector organizations methodologies using intellectual capital as a moderator (KPMG, 2016). This is driven by the fact that the moderator role of intellectual capital variable improves the effectiveness of strategic management practices on organizational ambidexterity (Ahamad et al., 2023).

1.4 Problem Statement

The Palestinian public sector operates in a challenging environment marked by ongoing geopolitical tensions, resource shortages, and limited institutional capacity. Such real-life circumstances have a negative impact on its efficiency and capacity to respond to the changing needs, forming a practical issue that is resolved by this research. Thus, it becomes necessary to examine how strategic management practices influence organizational ambidexterity in the Palestinian public sector. Internally, intellectual capital value encompasses the employee value and knowledge within an organization. Nevertheless, in practice, these resources are not always used to their full potential by the public sector institutions in Palestine in order to enhance adaptability and service delivery. This underutilisation constrains their ability to balance exploration and exploitation activities. The aim of this study is thus motivated by the necessity to enhance strategic management practices and to realise intellectual capital to enhance organisational flexibility, adaptability and responsiveness to environmental complexity.

Moreover, empirical studies support the idea that systemic limitations are impeding the performance of Palestinian public administration. Shikaki (2023) demonstrates how the structural economic pressure of the occupation undermines institutional resilience, and Saleh (2008) highlights the weakness of the Palestinian Authority, which is a state of constant economic dependencies and failures in governance. To complement these structural constraints, organizational culture also contributes to results. According to Bernal-Torres et al. (2024), the inefficiency of knowledge-management systems reduces efficiency in emerging sectors within the public sector, and Aboramadan et al. (2020) report that culturally rigid patterns hinder innovation in non-Western institutions. Collectively, these results indicate that until greater and more rigorous strategic-management initiatives are implemented to mobilize intellectual capital, the Palestinian public sector will remain inadequately flexible, innovative, and able to respond to environmental complexity.

1.5 Aim and Objectives

This study aims to investigate the effect of strategic management practices on organizational ambidexterity in Palestinian public sector organizations. Moreover, this study assesses on the moderating role of intellectual capital. This study seeks to achieve the following objectives:

- To analyze the relationship between the key elements of strategic management practices and organizational ambidexterity in Palestinian public sector organizations.
- To assess the link between intellectual capital and organizational ambidexterity in Palestinian public sector organizations.
- To evaluate the moderating role of intellectual capital in enhancing the impact of strategic management practices on organizational ambidexterity in Palestinian public sector organizations.

1.6 Research Gaps and Contributions

Recent literature on public management confirms that organisational ambidexterity is usually discussed in relation to its impacts on service quality or innovation, and there is little empirical testing of the moderating influence of intellectual capital on the correlation between strategic management practices and ambidexterity in the public sector, especially in Middle Eastern and Palestinian contexts. In this respect, Mamsheesh (2018) posits that while the literature and specifically the literature within the Palestinian public sector has given little attention to the moderating of the relationship between organizational ambidexterity and strategic management practices, little attention has been paid to the effect of intellectual capital. Thus, this study will fill this gap by evaluating the effects of intellectual capital on enhancing the efficiency of the public sector in enhancing explorative and exploitative strategies. In this way, this study will reveal the potential of intellectual capital in enhancing the level of flexibility and adaptability with reference to the increasing complexity of the environment.

Intellectual capital is represented by workforce skills, including (1) human capital, (2) structural capital, i.e. internal knowledge exchange mechanism, (3) relational capital, i.e., external relationships are critical drivers of organizational ambidexterity. The knowledge of the interaction of these elements with strategic management practices might provide valuable insights regarding the mechanisms employed by the Palestinian public sector in responding to challenges and in attaining innovation while preserving operational efficiency.

It is crucial to recognize the moderating effect of intellectual capital because it might guide policymakers to formulate strategies that exploit the intellectual capacity of the workforce to attain an ideal balance between adaptability and stability.

Accordingly, organizations can better harness strategic initiatives that effectiveness and resilience.

While strategic management is recognized as crucial for effective governance and development in the Palestinian public sector (Analoi & Smore, 2019), the interplay between strategic initiatives and organizational ambidexterity remains unclear (Awwada et al., 2020). This research delves into this complex relationship, examining how strategic practices and intellectual capital interact to influence the sector's ability to innovate and adapt to changing circumstances.

1.7 Research Structure

This study is divided into five chapters:

Chapter One: this chapter presents the introduction, background of the study, problem statement, research questions, research objectives, significance of the study, scope of the study, operational definitions of variables, study structure, and chapter summary.

Chapter Two: this chapter presents the theoretical framework, hypotheses development, previous studies related to the topic under investigation, gap of the study, and chapter summary.

Chapter Three: this chapter presents the methodology in terms of research design, research site, research philosophy, population of the study, sample of the study, type of sampling, instruments of the study, validity and reliability of the instruments, pilot test, data collection, and data analysis.

Chapter Four: This chapter presents data collection and data analysis.

Chapter Five: The chapter presents the findings of the study in accordance with the research questions. In this chapter, the findings for each research question are elaborated using the appropriate measurement instrument. Also, the hypotheses that support or reject the study findings will be provided in this chapter.

1.8 Research Questions

Building on the background of the study and the identified problem statement, the research endeavors to address the following questions:

1. *RQ1 :* What is the relationship between strategic management practices' elements and organizational ambidexterity in Palestinian public sector organizations?
2. *RQ2 :* What is the correlation between intellectual capital and organizational ambidexterity in Palestinian public sector organizations?
3. *RQ3 :* What is the role of intellectual capital in moderating the relationship between strategic management practices and organizational ambidexterity in Palestinian public sector organizations?

1.9 Significance of the Study

This study enriches the public sector management theories by elaborating on the impact of intellectual capital on moderating the relationship between strategic management practices and organization ambidexterity. Accordingly, the intellectual capital as a moderator variable in this study underscores the role of relational, structural, and human capital in articulating organizational adaptability and strategic decision-making.

The study adds value to the literature by highlighting the moderating role of intellectual capital in the relationship between strategic management practices and organization ambidexterity, a topic that has not been addressed in the previous studies. To clarify, the strategic management practices and organizational ambidexterity variables were explored separately in the previous studies (Taródy, 2016; Du and Chen, 2018; Ahammad et al., 2019). However, little is known about the moderating impact of intellectual capital within Palestinian public sector organizations. As a result, this study aims to bridge this gap by providing data that reflects the realities of public sector operations in Palestine, where administrative difficulties, external influences, and financial limitations frequently affect the strategic decision-making process.

From practical standpoint, the findings of this research can be useful to policymakers, leaders and public administration practitioners working in the Palestinian public sector. It provides methodologies that help public organizations to improve the organizational conditions for improving the balance of exploration and exploitation

initiatives hence increasing adaptability and innovation. This study further highlights the role of intellectual capital in the development of human resource, organizational learning, and external relationships in sustaining organizational ambidexterity.

In addition, the results of the current study are beneficial for public sector managers in Palestine to effectively exploit their intellectual capital to optimize their strategic initiatives' outcomes and to guarantee that their efforts improve the resilience and adaptability in an ever-changing environment. Besides, the results provide practical implications for capacity-building programs, which focuses on cultivating intellectual capital within public sector organizations to enhance innovation, sustainable development, and efficiency. All of which enables Palestinian society to improve the accessibility and quality of public services and to achieve greater societal progress and well-being.

Besides, this study provides practical insights regarding the strategies that can be used by Palestinian public sector institutions in leveraging intellectual capital to promote the effectiveness of strategic management practices. Further, this study seeks to provide context-specific recommendations that are compatible with the operational realities of Palestinian public sector organizations. The recommendations account for Palestinian public sector intricacies that include adapting governance structures within economic limitations and political instability. The findings from this research will contribute additional knowledge about how intellectual capital optimization supports sustainability and policy execution along with institutional flexibility in Palestinian public institutions.

1.10 Summary

This chapter is divided provides an introduction and background information related to the impact of strategies management practices on organizational ambidexterity in the Palestinian public sector organizations using intellectual capital as a moderator. The study begins with defining strategy, strategic planning, and strategic management. Then the study articulates the differences between strategic planning and strategic management. After that, the researcher moves into organization ambidexterity by defining it and articulating its association with strategies management practices. After that, the researcher addresses the moderator role of intellectual capital, followed by public

sector organizations. Other sub-sections include problem statement, motivation of the study, research objectives, research questions, significance of the study, scope of the study, operational definitions of variables, study structure, and summary.

Chapter Two: Literature Review

2.1 Introduction

This chapter reviews the main studies related to the research, focusing on three important aspects: strategic management practices, organizational ambidexterity and intellectual capital. The main objective is to develop a clear conceptual and theoretical basis that guides the research in local Palestinian public sector organizations.

As a result, the chapter relies on three leading theories: the Dynamic Capabilities Theory (Teece, Pisano, & Shuen, 1997) to discuss adaptation to environmental changes, the Intellectual and Social Capital Theory (Nahapiet & Ghoshal, 1998) to point out the influence of knowledge and connections on organizations and the Resource-Based View (Barney, 1991) to show how special internal assets can maintain a firm's advantage.

Section 2.1 deals with strategic management and strategic planning, and Section 2.1.3 explores how strategic management involves visioning, focusing and implementation. Organizational ambidexterity is looked at in Section 2.1.4, making clear the dual roles of exploration and exploitation. In section 2.1.5, intellectual capital and its components human, structural and relational capital, are described as an essential intangible asset. This section discusses these ideas in terms of the Palestinian public sector's unique institutions. The chapter ends by introducing the theoretical framework and shaping the hypotheses, identifying areas where further research is needed and planning the research model for the study.

2.2 Strategic Management

In general, strategy means a systematic process of analyzing internal and external environments, formulating strategies, and setting objectives to guide resource allocation and decision-making for attaining organizational objectives (Sinnaiah et al., 2023). AlQershi (2024) has unique abilities and skills to link the past with the present to forecast the events that might occur in the future.

Strategic management is defined as constant process of formulating, executing, and assessing strategies to attain organizational objectives, gain competitiveness, and respond effectively to external and internal changes (Avanesova et

al., 2021). Strategic management is defined as a set of managerial actions or decisions that identify the long-term performance of a company (Fuertes et al., 2020). As Alharbi (2024) put it forward, strategic management means the science and art of formulating, executing, and assessing cross-functional decisions, which enable the firm to attain its objectives. According to David et al. (2020), strategic management means in which the organizations or company's top management implements and formulates its major initiatives and goals on account of its owners while taking into consideration resources and evaluating the internal and external environments where the organization competes.

The overarching objective of strategic management lies in managing the organization in a systematic and continuous manner (Sinnaiah et al., 2023). Moreover, strategic management is designed to align the organization efficiently with its surrounding environment (Steiss, 2019). Allam et al. (2022) indicates that the environment could be social, technological, economic, political, or social. To achieve these objectives, a firm should suggest changes to strategies, scan the environment for critical information, suggest programs to leverage the environment shifts, and working with others to ongoingly ameliorate work procedures, methods, and evaluation techniques (Sinnaiah et al., 2023).

Strategic management has two segments, which include the first being the development and implementation of broad organizational goals that give overall direction and long-term intent. Measurable goals are then created for these goals, and they are then translated into specific, measurable objectives to guide operational activities. The second segment addresses how to manage these strategic goals to support the growth and organizational development for competitive and sustained organizational development (Berrone et al., 2023). When it comes to the strategic management process, it demands collaborative efforts to guarantee its success i.e., the top management of an institution is responsible to overcome any competition that occurs and to guarantee firm success (Hanson et al., 2016).

Strategic management (SM) is deemed essential to organizations as it helps in the efficient allocation of resources, management of managerial activities, improving performance and decision making, and assisting in achieving objectives (Aboramadan & Borgonovi, 2016). SM is useful for for profit, government, private, and even non-government organizations alike (Odhiambo & Njuguna, 2021). Additionally, it

serves an important role in contributing to the formulation and execution of strategies that achieve organizational goals (Alharbi, 2024).

According to Dlamini et al. (2020), effective strategic management frameworks encourage managers to concentrate on complicated issues that should be given utmost importance to encourage decision-making processes. It further enables managers to make the required decisions to guide the organizational efforts towards addressing particular challenges (Bertassini et al., 2021). Therefore, this study applies the definition of strategic management provided by Alharbi (2024), which sees the discipline as integrating science and art to develop and carry out decisions that address various operations and aim to accomplish the main objectives of the organization.

2.2.1 Strategic Planning

In the contemporary organizational environment, strategy has become a main paradigm replacing many routine planning and administration activities of the modern day management. As a response to dynamic and complex environments, this shift reflects a growing emphasis on agility, innovation, and long-term value creation (Noor et al. 2025; Battisti et al. 2022). To maintain competitiveness, modern organizations must think strategically. And besides, they need to be able to effectively navigate through change and uncertainty.

Strategy does not follow a specific definition as its concept varies among scholars (Mintzberg et al., 1998). Historically, Chandler (1962) defines strategy as the identification of main long-term objectives and goals of a firm, the allocation of essential resources, and the adoption of courses of actions to carry out such objectives. For Channon (1978), strategy means the extent of acquisition policy, international activity, and diversification. Mintzberg (1994) depicts strategy as a direction, a guide, plan, or course of action into future.

Strategic planning, on the other hand, means a systematic process of setting goals, formulating strategies, analyzing internal and external environments to guide resource allocation as well as decision-making for attaining organizational objectives (Tarifi, 2021). According to Henderson and Hines (2019), strategic planning means the procedure of establishing and authenticating a direction for business activities by assessing both the present and future goals. Allison and Kaye (2011) further define

strategic planning as the mechanism which enables the organizations to pinpoint its strategies, visions, and to make-decisions related to providing its human the resources and wealth to support its strategies.

Strategic planning has a positive and strong advantages on strategic performance (AlQershi, 2021). These advantages are manifested in leading a new unique position, business processes, business models, positioning in regard to competitors in light of improved performance by investing in human capitals (McCarthy et al., 2015). Strategic planning enhances the companies' performance due to the investment of human capitals (AlQershi, 2024). Moreover, strategic planning leads to new business models, business processes, and unique positions (Mahdi and Nassar, 2021). Besides, Battisti et al. (2022) point out that when a company adopts new strategy, it allows it to enhance or regress its performance. To remain competitive amid global changes, a company should apply effective strategies to succeed and adapt in an evolving environment (Yadav et al., 2020).

However, not all leaders have the adequate skills to plan strategically (Thomas and Thomas, 2021). To effectively implement strategic planning, leaders are required to set clear objectives by defining achievable and measurable goals compatible with the vision of the organization (Aljuwaiber, 2024). They are also encouraged to engage stakeholders by involving them in decision-making process, and allocate resources effectively (Alamanos et al., 2021).

Even though these definitions are helpful, it is important to evaluate what each emphasizes. Chandler (1962) and Mintzberg (1994) were early theorists who related strategy to long-term aims, choices of direction and resource allocation. Recent views by Henderson and Hines (2019) and Allison and Kaye (2011), among others, view strategic planning as a way to link an organization's vision to its actions and system of resource management.

While these perspectives have different names, they all agree that strategic planning should be forward-thinking, organized and based on studying the environment. The point of strategic planning is not only to deal with change, but also to foresee and direct it by creating wise goals and systems to achieve them. The study uses Tarifi's (2021) definition, stating that strategic planning is about setting aims, developing strategies and understanding the organization's face and outside environment to guide

action and choices necessary for organizational objectives. Because public sector organizations depend heavily on structure to manage their work and share resources, this is a very suitable definition for them.

2.2.2 Strategic Management Practices

Though strategic planning and strategic management are commonly mentioned as one unit, they still represent different yet related things. The process of strategic planning covers organizing, setting goals and making strategies by measuring the external environment. Strategic management, on the other hand, covers more than just planning because it also involves putting those strategies into practice, assessing them and always adjusting them. Thus, strategic planning is an essential phase in the overall process of strategic management (Tarifi, 2021; Agustian et al., 2023). A recent study demonstrates that strategic planning tools and management control systems co-evolve in cycles of strategic renewal in a large organization in the public sector (Sundström, 2025). Strategic management practice refers to the systematic actions and processes through which organizations formulate, implement, and evaluate strategies in order to realize long-term objectives, enhance performance, and ensure competitive advantage (Agustian et al., 2023; Shujahat et al., 2017). They include making informed decisions, allocating resources, managing risk, and adapting organization to a dynamic environment in order to sustain growth and organizational stability (Zhang et al., 2022).

Typically, the strategic management process involves three key stages: (1) strategy formulation, (2) strategy implementation, and (3) strategy evaluation and control. In strategy formulation, mission statements are defined, internal and external environment is analyzed, long-term objectives are set, alternatives are generated and optimal strategies are selected (Puranam & Vanneste, 2016; Kabeyi, 2019). Together, these stages help strategic decisions fit organizational goals and respond to market changes. First, strategic formulation which seeks to guarantee that organizations attain their goals (Kabeyi, 2019). Strategic formulation entails deciding which business to follow, how to distribute resources without aggressive acquisitions, and whether to expand into global market (Puranam and Vanneste, 2016). This step consists of several actions; including, mission statement development, external opportunities and threats identification, internal strengths and weaknesses determination, long-term objectives establishments, alternative strategies generations, and selecting the most optimal strategy to be executed.

Second, strategic implementation, which entails initiating activities in light of strategic plans by requiring firms to determine goals, develop plans, encourage employees, and allocate resources to implement formulated strategy (Ali, 2023). Strategic implementation is a crucial step that enables the organizations to leverage the outcomes of an organizational review, formulate organizational strategy, and establish organizational direction (Kabeyi, 2019). Third, strategic evaluation and control, which demands information to be yielded on strategic performance and contrasting it with current standards (Punt et al., 2016). Evaluation is performed by taking corrective actions and measuring performance and reviewing current strategies (Murphy, 2020). Strategic evaluation is required because it leads to success (Kalepu and Nekkanti, 2015).

Previous studies by Neumann and Neumann (1999) have introduced the dimensions of visioning, focusing and implementation as a critical part of strategic management practices, which is further elaborated upon by Zhang et al. (2022) and Alharbi (2024) aligning to the concept of complex organizational environments. This study draws from these three dimensions (visioning, focusing, and implementing) of strategic management practice given their continued applicability in order to assess strategic management practices by providing a holistic framework for understanding how public sector organizations define direction, resource allocation and turn strategy into reality. Visioning means the firms' abilities to develop an anticipated change, a long-term strategic outlook, and prepare for future market shifts (Du and Chen, 2018). Visioning helps firms in balancing exploration (innovation and new market development) with exploitation (existing capabilities optimization) (Hadid and Al-Sayed, 2021). A strong vision enables companies to adapt while maintain strategic direction (Nik Abdullah et al., 2022). Elmassarey (2023) defines visioning as the leaders' abilities to anticipate future challenges, set a clear strategic direction, align organizational objectives with long-term aspirations.

Focusing in strategic management involves turning a company's vision into important and actionable work. This approach means aligning company goals with what it is best at doing by designating resources (Du & Chen, 2018). It is crucial for achieving ambidexterity as it helps organizations avoid the problem of either depending too much on current strengths or putting excessive money into new, unproven ideas (Hadid & Al-Sayed, 2021). Effective focusing, as stated by Elmassarey (2023), helps

ensure that key strategic goals are clear and are consistent with the organization's long-term plans.

In implementation, the team carries out the strategies and sets the top priorities into action. Implementation includes not just plans, but also managing changes, checking progress and working with existing resources to create real results (Du & Chen, 2018). Through implementation, organizations can acquire ambidexterity by combining agility (fitting to the context) and structure (alignment), letting them create new solutions and maintain control over operations (Hadid & Al-Sayed, 2021). Elmassarey (2023) highlights that carrying out a strategy requires making and following decisions several times, since that's how targets are met and progress achieved.

2.2.3 Organization Ambidexterity

Robert Duncan, in 1976, was the pioneer in establishing the concept of ambidexterity, who defined it as a human characteristic (Sağlam and İyigün, 2021). The 21st century has seen swift transformations, leading to significant advancements in the business environment. This issue constituted considerable challenges for business organizations, prompting them to search for innovative management methods to enable them to provide added value to stakeholders and to survive in business markets (Kassotaki, 2022). Among these methods is organizational ambidexterity. According to Alzawahrah and Alkhaffaf (2021), ambidexterity means the ability to write with both hands, which is a metaphor that resembles the meaning of the ability to do two different contradictory tasks, which require opposing skills simultaneously.

Organizational ambidexterity is an organisation's ability to do both explorative activities, such as experimenting, innovating, flexibility, and knowledge discovering, as well as exploitative activities, refinements, efficiency, incremental innovating, and using existing capabilities (Fu et al., 2016; Baškarada et al., 2016; Kostopoulos et al., 2015; Zhang et al., 2022; Sibghatullah & Raza, 2020). One of the dual capabilities namely, organizations' ability to obtain short-term stability and long-term adaptability in dynamic environments (Peng et al., 2019; Kumkale, 2022; Enang, 2023), provides organizations with the option of both. Ambidextrous organizations are those organizations that can effectively coordinate and mobilize resources across conflicting

demands, integrating new knowledge without compromising operational performance, thereby improving their competitive advantage and strategic resilience.

Ambidexterity relies on the management quality since top managers are considered the only decision-makers who can align exploration and exploitation and decrease the inclinations of organizations towards following the easiest path (Taródy, 2016). A similar assertion was made by Zhang et al. (2022), who indicate that organizational ambidexterity involves (1) exploration (adaptation to new opportunities, experimentation, and innovation) and (2) exploitation (optimization of existing resources and processes, refinement, and efficiency). They further claim that attaining ambidexterity entails structural mechanisms by integrating or separating units for both activities, leadership support (flexibility and strategic vision), and a culture that promotes both operational excellence and adaptability.

Organizational ambidexterity is considered one of the effective strategies that enable organizations to restructure their resources by exploring the business market opportunities and exploiting them to promote their managerial skills that enhance organizational performance (Abazeed and Ahmad, 2020). Organizational ambidexterity is considered one of the most critical aspects that lead to organizational success as it enhances the performance of organizations in the short and long term (Chakma et al., 2021). Long-term success is anchored on the ability of the organization to harness its existing abilities and to explore new markets, technologies, products, and competencies (Mathew et al., 2021).

Moreover, Alzawahrah and Alkhaffaf (2021), business organizations have enhanced their interest in promoting their performance in the short- and long-term, which in turn, enhances the abilities of the organizations to explore and exploit opportunities. Furthermore, organizational ambidexterity enables organizations to achieve precedence and competitive advantage (Elfindah, 2020).

Owing to the importance of ambidexterity, Abuzaid (2016) indicates that organizations need to be ambidextrous by acquiring new capabilities to adapt with a changing business environment and to employ its existing abilities to attain this efficiency. For organizations to be ambidextrous, they need to balance their explorative activities and their exploitative activities (Luger et al., 2018). By doing so, the organizations become able to acquire new abilities and to meet the changing business

demands (Teece, 2016). It is challenging to achieve ambidexterity as it requires managers to carefully balance exploration and exploitation, influenced by hidden variables, immediate interests, and ingrained routines, to identify if short-term gains should be compromised for long-term success (Day, 2024). This challenge is exacerbated when several barriers exist such as managers' self-reinforcing routines, limited resources, and temporal contradictions (Bertassini et al., 2021).

There are two dimensions for measuring organizational ambidexterity, namely, exploration and exploitation. These dimensions were used in various studies, including but not limited to (Sulphey, 2019; Peng et al., 2019; Lee et al., 2017). Similarly, Jia et al. (2022) indicate that there are two main dimensions for measuring organizational ambidexterity, namely, exploration and exploitation. The former concentrates on acquiring new knowledge, risk-taking, innovation, and enabling organizations to adapt to dynamic environments. On the other hand, exploitation fosters efficiency, leveraging current resources and refining current processes to magnify performance.

Exploration is defined as the endeavor of organization towards exploring novel opportunities and ideas to promote its ability to innovate (Sulphey, 2019). According to Hughes (2018), exploration emphasize providing groundbreaking advancements that lead to long-term progress, as opposed to relying on existing products and activities that hinder such progress. Exploration entails searching, experimenting, innovating, and risk-taking (Hwang et al., 2023).

Baškarada et al. (2016) define exploration as discontinuous innovation, which emphasizes experimentation, discovery, autonomy, and flexibility, involving increasing variation that challenges institutionalized learning, taking risks, and encouraging an environment that is conducive to new ways of thinking and innovation. Zhang et al. (2022) indicate that exploration means risk-taking, innovation, and the pursuit of new opportunities; including experimenting with novel technologies, entering new markets, or developing new products. It entails investing in development, learning, research, and problem-solving to drive future competitive advantage.

Meanwhile, exploitation entails restructuring the organization's knowledge and resources to promote operational efficiency (Sulphey, 2019). It serves as a dynamic capability rooted in knowledge accumulation and path-based learning that

enables the organizations to expand their reach into new markets and to refine their current resources (Peng et al.,2019).

Exploitation suggests implementation, production, refinement, selection and efficiency (Su et al., 2021). Baškarada et al. (2016) define exploitation as incremental innovation, which focuses on refinement, reinforcement of institutionalized learning, control, and efficiency, which involves increasing reliability, reducing variability, and optimizing current processes. Zhang et al. (2022) maintain that exploitation concentrates on optimizing and refining current processes, competencies, and resources to enhance productivity, short-term performance, and efficiency. They further add that exploitation encompasses leveraging established knowledge, process improvements, and cost-cutting to magnify profitability and organizational stability.

Both exploration and exploitation are effective for firms to be innovative in emerging markets and competitive in mature markets (He et al., 2021). Despite its importance, each dimension has its distinct logic, which competes for the limited share of resources (Chakma et al., 2021). Such restricted access to resources drives the firms to advocate for one type over the other, leading the firm to be stuck in a restrictive position (Chan, 2018). Sun et al. (2018) argue that organizational ambidextrous activities, considering the pace of rivalry in the corporate environment are considered a pressing need for organizations. They add that organizational ambidextrous activities improve the organization's performance, increase the efficiency and resilience of organizations and preserve their sustainability. This aligns with Fu et al. (2016) findings regarding the positive impact of organizational ambidexterity in improving organizational performance.

Organizational ambidexterity can be achieved by having a strategic management, which contributes to ambidexterity by creating a common value and vision and providing obligatory strategic intent for exploitation and exploration activities, along with placing ambitious objectives for core business growth and innovation (Kumkale, 2022). Therefore, a strategic manager builds ambidextrous organizations by adopting behaviors that address both internal and external organization dynamics (Stokes et al., 2015). In a nutshell, organizational leaders combine both external knowledge with internal knowledge to avoid organizational deadlock (Choi and Chandler, 2020). Strategic managers have a critical role in making decisions and recognizing opportunities that affect innovation processes and ambidexterity (Kortmann, 2015).

Yet, these definitions tend to highlight either the systems in place or the leadership style, without considering how ambidexterity is a dynamic function of the whole organization. Most analyses ignore the external factors that affect the relationship between walking and cycling and the challenges this causes. It is important to understand how both the behavior and structure of ambidexterity connect with the organization's learning and its adaptation in strategy. Therefore, this study describes organizational ambidexterity as the organization's skill in performing existing functions and exploring future possibilities by using coordinated leadership, strategies and adaptive approaches. This definition is best used for public organizations dealing with restricted resources and being asked to perform efficiently and innovatively.

2.2.4 Intellectual Capital

Owing to the change in society and information technology, intellectual capital has gained importance (Sağlam and İyigün, 2022). It has further gained importance due to the increasing importance of the knowledge-based economy and knowledge (Bellucci et al., 2021). Intellectual capital is defined as the sum of intellectual materials that constitute all resources, including experience, knowledge, information, and intellectual property to generate wealth in a business (Sağlam and İyigün, 2022).

Intellectual capital means organizational, social, and human capital that are labelled together as intellectual capital (Bellucci et al., 2021). Human capital implies the knowledge inherited in individuals, whereas social capital stands for relationships, while organizational capital encompasses organizational databases, systems, and processes (Fu et al., 2016). According to Raut et al. (2024), organizational capital means the organizational process, systems, and databases, including non-hierarchical structures that facilitate the transfer of knowledge among individuals and organizations and *vice versa*.

This definition is close to that of Mubarik et al. (2019), who define intellectual capital as knowledge-based resources and intangible assets that lead to innovation capacity and competitive advantage. They add that intellectual capital contains (i) human development capital, (ii) structural capital, and (iii) relational capital, which collectively promote an innovation capacity and organization's competitive advantage. They further indicate that human capital includes employees' skills, problem-solving

abilities, and knowledge, while social capital encompasses processes that support knowledge management and organizational structures, and relational capital includes external relationships with stakeholders, which promote market positioning.

Intellectual capital consists of ideas and knowledge which support an organization in building its value and competitiveness. Typically, intellectual capital is viewed as having three aspects: the knowledge and skills of people (human capital), the internal structures, routines and databases (structural capital) and the relationships with outside groups and stakeholders (relational capital) (Mubarik et al., 2019; Kianto et al., 2017; Bontis, 1998). All of these contribute as the knowledge capital of the organization, helping with continuous learning, generating new ideas and quick responses to changes. In settings where resources are limited and expertise counts, IC helps ensure the organization endures and can respond to changes.

Similarly, Kraus et al. (2022) indicate that the influence of intellectual capital on organizational ambidexterity aligns with contextual factors, including discipline, trust, support, and stretch. To elaborate, high human capital resulted from stretch and discipline (Ray et al., 2023). Discipline entails highly obvious expectations (Ali et al., 2022). Mubarik et al. (2019) further found that organizational ambidexterity is strongly associated with intellectual capital, which means that firms that have high intellectual capital contribute to developing ambidextrous capabilities.

On the other hand, stretch requires employees to actively and voluntarily have more ambitious objectives through collective perception and shared ambition (Mohammad et al., 2021). Each of discipline and stretch enhance employees' skills and abilities to execute their tasks, such as building human capital (Ray et al., 2023). As for the other two drivers of organizational ambidexterity, namely, trust and support, they enhance the development of social capital among employees (Mohammad et al., 2021).

It is worth mentioning that social capital and organizational capital lead to organizational ambidexterity. To clarify, organizational ambidexterity relies on skills, knowledge, motivation, and willingness of individuals to achieve organizational goals (Kumkale, 2022). Organizational capital, which relies on knowledge flow among various organizational levels, leads to organizational ambidexterity (Ali et al., 2022).

Three key dimensions of intellectual capital are usually measured: human capital (skills, knowledge, and expertise of employees), structural capital (organizational

processes, routines, databases), and relational or customer capital (employee relationships with external stakeholders and clients). In the literature, this tripartite framework is widely supported (Kostopoulos et al., 2015; Mubarik et al., 2019; Sağlam & İyigün, 2022) since it relates to knowledge asset assessment and innovation potential in both the private and the public domains. To elaborate, Kostopoulos et al. (2015) define intellectual capital as the sum of information, intellectual property, experience, and information that is used to create wealth. Human capital means the skills, abilities, knowledge, and experiences possessed by employees in an organization (Kostopoulos et al. 2015). Social capital means the networks, interactions, and relationships, which facilitate collaboration and knowledge sharing within the organization (Kostopoulos et al. 2015). Organizational capital means the codified knowledge that is stored in routines, processes, databases, and systems, which support application and knowledge transfer (Kostopoulos et al. 2015).

Even though the tripartite model is generally endorsed, previous attempts at defining intellectual capital still have problems. For instance, the definition used by Kostopoulos et al. (2015) groups intellectual property, experience and information together and does not set intellectual capital apart from organizational culture or reputation. It's also common for the literature to use social capital and relational capital together, treating them as the same, while some experts differentiate them: some concentrate on networks and trust within the organization, whereas others point out the importance of relationships with outside parties. Furthermore, the main ideas about intellectual capital usually come from private businesses, ignoring the goals and different circumstances in government organizations, especially in developing or politically volatile environments.

For these reasons, this study uses the following working definition:

Particularly in resource-limited or institutionally complex public sector environments, intellectual capital is defined as the combined and dynamic configuration of human, structural, and relational knowledge resources that collectively support learning, innovation, and strategic adaptability.

2.2.5 Palestinian Public Sector Organizations

Palestinian public sector organizations are responsible for managing state affairs, implementing policies, and delivering public services within Palestinian territories, such as the West Bank and Gaza Strip (Alayasa and Musa, 2021). Such organizations operate under the Palestinian Authority (PA) jurisdiction and in the Hamas-led government in Gaza (Sultana, 2023). Their roles are reflected in governance, education, public finance management, economic regulation, healthcare, security, and infrastructure development (Al-Ramlawi, 2024). They play a critical role in economic stability, public welfare, and governance (Alsayed, 2024).

However, they encounter challenges at financial, political, and structural levels that obstruct their sustainability and efficiency (Abu-Rmeileh and Iriqat, 2024). To address these challenges, collaborative efforts should be implemented, such as anti-corruption measures, economic diversification, enhanced fiscal management, and institutional reforms (Haifa et al., 2023). To achieve effective and unified public sector administration, it is critical to resolve the divide between the West Bank and Gaza (Jabril and Elayah, 2024). To enhance public sector long-term sustainability and resilience, it is critical to reduce external dependencies and to strengthen Palestinian sovereignty (Badarin, 2021). The growing volatility of the policy environment has increased the complexity and multiplicity of stakeholders in the field of public policy and management, and the tools of strategic thinking have become more subtle than those of the bureaucratic tradition (Common, 2025).

2.2.6 Operational Definitions of Variables

- **Strategic Management:** it is defined as a concept that is concerned with making decisions and taking corrective actions to attain long-term goals and targets of an organization (Steiss, 2019, p.iii). The researcher defines it as the process of implementing, evaluating, and formulating decisions, which enable Palestinian public sector organizations to respond to external challenges and to attain their long-term objectives. Such process guarantee that the organizational resources are aligned with national goals and sustainable development via this method.
- **Strategic Management Practices (independent variable):** it consists of three main aspects; including, strategy formulation, implementation, evaluation and control. These aspects describe the strategic management process (Gure and

Karugu, 2018, p.3). The researcher defines it as particular techniques and actions employed by Palestinian public sector organizations to implement their strategic plans in terms of allocating resources, setting goals, and monitoring outcomes. Such practices are critical for guaranteeing adaptability, transparency, and efficiency in facing internal and external constraints.

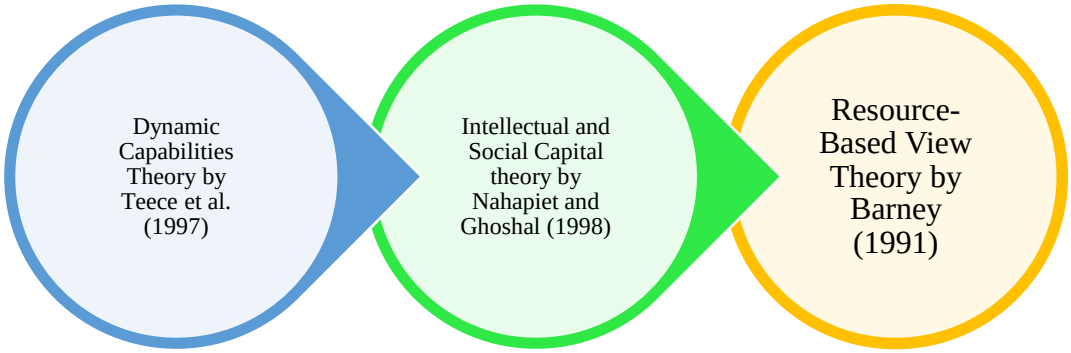
- **Organization Ambidexterity: (dependent variable):** it describes two contradictory processes that occur in organizations, namely, exploration, such as (search, experimentation, risk taking, and innovation) and exploitation (refinement, efficiency, execution, and implementation). It means the organization's ability to achieve both explorative and exploitative activities (Kassotaki , 2022, p.2). The researcher defines it as the ability of Palestinian public sector organizations to integrate and balance explorative activities; including (innovation, risk-taking, and experimentation) with exploitative activities; including (refinement, implementation, and efficiency) using effective strategic management practices. Such dual ability enables institutions to adapt to optimize resources, changing environments, and enhance performance where intellectual capital plays a moderating role in attaining this balance.
- **Intellectual Capital (moderator variable):** it is defined as the differences between the market value of a firm and the cost of replacing firms' assets. They are the issues that one "normally cannot put a price tag on, such as expertise" (Akpinar and Akdemir, 1999, p. 333). The researcher defines it as the intangible assets of Palestinian public sector organizations. They include skills, innovation, knowledge, and expertise inherited within the workforce. Intellectual capital improves the ability of Palestinian public sector organizations to attain organizational ambidexterity by taking advantages of relational, structural, relational, and human capital to improve service delivery and management outcomes and to enhance strategic management practices.

2.3 Theoretical Framework

This study is grounded on three theories, namely, dynamic capabilities theory by Teece et al. (1997), intellectual and social capital theory by Nahapiet and Ghoshal (1998), and resource-based view theory by Barney (1991). To be specific, it is important to keep in mind that these approaches together explain the process of building,

making use of and maintaining strategic advantage in organizations. The main idea of the Resource-Based View (RBV) (Barney, 1991) is that valuable, rare, inimitable and non-substitutable (VRIN) resources are key to maintaining a competitive advantage. Furthermore, the Dynamic Capabilities Theory (Teece et al., 1997) adds to RBV by highlighting an organization's skills in combining and adapting both internal and external competencies to new situations. Furthermore, the Intellectual and Social Capital Theory (Nahapiet & Ghoshal, 1998) brings value to these approaches by exposing the connections between organizational assets, including knowledge, social networks and customs and the development and use of strategic resources. Collectively, they provide insight into how public organizations can evolve, generate new solutions and handle their intangible assets to address hard challenges efficiently.

Each theory will be used to answer each research question as shown in Figure (2.1) below:



(Source: Researcher's Construction, 2025).

Figure (2.1) Theoretical Framework

The following sub-section provides an in-depth investigation of each theory:

2.3.1 Dynamic Capabilities Theory by Teece et al. (1997)

Teece, Pisano and Shuen (1997) established the Dynamic Capabilities Theory (DCT), which now stands as one of the main strategic management frameworks

for helping organizations maintain their competitive advantage through fast-changing environments. The theory develops the resource-based view (RBV) by incorporating firm capabilities to restructure and reposition their resources toward environmental turbulence (Eisenhardt & Martin, 2000; Helfat et al., 2009). Dynamism in business presents challenges, which Teece et al. (1997) describe through their definition of dynamic capabilities that describe how businesses leverage their existing and external competencies to form flexible operations which help address evolving market conditions.

The essential features of dynamic capabilities involve sensing and seizing and transforming according to Teece (2007). Organizations need sensing capabilities that enable scanning and interpretation together with learning processes to discover and evaluate environmental opportunities and threats in the environment (Zahra & George, 2002). Companies need to invest in new technologies business models and organizational structures when they mobilize their resources to extract value from detected opportunities (Augier & Teece, 2009). Organizations keep their assets and operational routines adaptable to changing market conditions through the process of transforming (Winter, 2003; Schilke, 2014). Firms with effective dynamic capabilities demonstrate superior performance compared to static resource-dependent companies because they can adapt regularly to new technological and competitive conditions (Helfat & Peteraf, 2003).

Organizations obtain significant competitive benefits through their dynamic capabilities while increasing innovation capabilities and improvement of organizational flexibility (Teece, 2018). Firms which develop robust dynamic capabilities gain excellent capabilities to change their assets and competencies which lets them preserve their competitive position throughout uncertain market conditions (Eisenhardt & Martin, 2000). Strategic business areas the technology and pharmaceutical sectors specifically require constant innovation according to Danneels (2011) and Peteraf et al (2013) because firms need to stay pertinent. Firms that implement dynamic capabilities can effectively absorb external knowledge through absorptive capacity because these capabilities enhance their ability to assimilate and exploit external knowledge (Cohen & Levinthal, 1990; Zahra & George, 2002). Firms powered by dynamic capabilities manage to become more flexible strategically through their ability to change direction quickly during crises like financial downturns or technological revolution (Wilden et al., 2016).

Scholars have pointed out two main weaknesses of DCT in its theoretical definitions alongside its measuring complexity (Arend & Bromiley, 2009). Senior

scholars challenge the theory because they problematize the unclear operational framework for dynamic capabilities (Schilke, Hu, & Helfat, 2018). A group of scholars maintains dynamic capabilities represent existing firm routines rather than an independent entity (Winter, 2003; Barreto, 2010). The effectiveness of dynamic capabilities depends on market conditions and firm assets since they do not guarantee top performance (Tallon, Queiroz, Coltman, & Sharma, 2019). Firms that allocate excessive resources to dynamic capability development may waste their assets by placing adaptation needs above operational effectiveness (Laaksonen & Peltoniemi, 2018).

The application of dynamic capabilities spreads widely across multiple industries such as technology, healthcare and manufacturing (Helfat & Winter, 2011). Through dedicated innovation Apple and Google maintained a strong lead regarding sensing and seizing capabilities within the technology sector according to Teece (2018). Pharmaceutical companies use dynamic capabilities to combine new research results with regulatory adaptation for continuous drug development innovation (Danneels, 2011). Modern manufacturers use dynamic capabilities to execute lean manufacturing systems and adjust their global supply chain operations (Wilden & Gudergan, 2015). The theory serves as a cornerstone in research regarding digital transformation because companies use it to redesign their business frameworks by implementing modern technological tools such as artificial intelligence and blockchain (Vial, 2021; Warner & Wäger, 2019).

This theory will be used to answer first research question:

RQ1: *What is the relationship between strategic management practices' elements and organizational ambidexterity in Palestinian public sector organizations?*

The adoption of this theory stems from its ability to explain how organizations create and transform internal and external abilities to adjust to fast-changing environments. The strategic management procedures with their planning evaluation stages enable organizations to handle internal and external challenges, thus rendering Dynamic Capabilities Theory as a fundamental approach that explains ambidexterity practices.

2.3.2 Intellectual and Social Capital Theory by Nahapiet and Ghoshal (1998)

According to Nahapiet and Ghoshal (1998) the Intellectual and Social Capital Theory serves as a base model for analyzing knowledge transfer and creation via organizational social bonds. Social capital from sociology (Coleman, 1988; Putnam,

2015) finds its organizational application through linking intellectual capital to competitive advantage definitions (Edvinsson & Malone, 1997; Stewart, 1997). Nahapiet and Ghoshal (1998) establish that social capital generates fresh intellectual capital through better knowledge access as well as enhanced trust and collaborative behavior among firms. The perspective shaped research on knowledge management along with innovation and organizational learning (Inkpen & Tsang, 2005; Subramaniam & Youndt, 2005).

According to Nahapiet and Ghoshal (1998), intellectual capital represents the total knowledge resources in organizations, which include human, relational, and structural capital (Youndt et al., 2004). Social capital represents the networks, along with relationships and norms, which enable knowledge exchange and collective action according to Adler & Kwon (2002). Social capital has three fundamental facets according to its description.

1. The fundamental network connections between organizational members that form their relational structures fall under the category of structural dimension (Burt, 2005). Knowledge accessibility together with information diffusion speed depend on this particular dimension according to Tsai & Ghoshal (1998).
2. Relational dimension consists of trust along with norms and obligations that guide individual interactions according to Uzzi (1997). Trust relationships between professionals help knowledge circulation while simultaneously decreasing the dangers from opportunistic conduct (Leana & Van Buren, 1999).
3. Mutual understanding and collective sense-making develop through cognitive dimension since it involves shared language and codes and narratives (Bolino et al., 2002). An intellectual resource network that shares common knowledge allows employees to recognize useful intellectual materials (Nahapiet & Ghoshal, 1998).

The dimensions provide a mechanism for turning tacit knowledge into explicit knowledge which is essential for both organizational learning and innovation (Nonaka and Takeuchi 1995).

Organizations that unite their social and intellectual resources gain multiple strategic advantages. Strong social capital establishment in firms leads to better

knowledge sharing and innovation through improved employee trust and improved collaboration (Subramaniam & Youndt, 2005; Moran, 2005). The reduction of transaction costs occurs through social capital because it makes formal contracts and monitoring systems unnecessary (Nahapiet & Ghoshal, 1998; Adler & Kwon, 2002). Organizations benefit from enhanced performance through their intellectual capital primarily because of better decision-making abilities and problem-solving capacity (Youndt et al., 2004; Kianto, Andreeva, & Pavlov, 2013) specifically when they focus on human and structural capital. Companies that combine intellectual capital with social capital achieve stronger absorptive capacity allowing them to effectively convert and implement external knowledge (Cohen & Levinthal, 1990; Van Wijk, Jansen, & Lyles, 2008). Social capital creates engaged employees through fostering learning cultures and collective collaboration between staff members (Leana & Van Buren, 1999; Nahapiet & Ghoshal, 1998).

The Intellectual and Social Capital Theory faces criticism because of its measurement issues as well as its conceptual impreciseness according to Koka & Prescott (2002) and Inkpen & Tsang (2005). Measuring social capital poses significant challenges because it exists in abstract form therefore empirical research becomes complex according to Tsai and Ghoshal (1998) and Phelps, Heidl, and Wadhwa (2012). When organizations heavily depend on social capital their group members develop groupthink that reduces their exposure to alternative perspectives while inhibiting innovation according to Janis (1982) and Gargiulo and Benassi (2000). The unequal distribution of social capital throughout organizations produces knowledge silos together with maintenance of power disparities according to Burt (2003), and Nahapiet and Ghoshal (1998). Intellectual capital can fail to generate competitive advantage according to certain scholars because firms face difficulties controlling and selling their intellectual properties (Edvinsson & Malone, 1997; Andreeva & Kianto, 2011)

Research studies have commonly utilized the Intellectual and Social Capital Theory for analysis of knowledge management as well as innovation and organizational learning (Hitt, Bierman, Shimizu, & Kochhar, 2001; Yli-Renko, Autio, & Sapienza, 2001). The high-tech firms Google and IBM collaborate through social capital investment to create innovative knowledge-sharing networks which Subramaniam and Youndt (2005) report drive innovation. Healthcare facilities along with medical research organizations deploy social capital to streamline patient coordination systems and help

achieve medical discoveries (Chow & Chan, 2008). Startups use social networks as a strategic tool for receiving funding while gaining mentorship guidance in addition to receiving market insights which demonstrates relational capital's role in new venture development (Liao & Welsch, 2005; Stam, Arzlanian and Elfring, 2014). To demonstrate strategic influence and knowledge acquisition by board members Westphal & Milton (2000) used the theory in corporate governance research. The public policy sector along with economic development strongly relies on intellectual and social capital which supports knowledge-based economies and innovation ecosystems (Cooke, Clifton, & Oleaga, 2005).

This theory will be used to answer the second research question as follows:

RQ2: *What is the correlation between intellectual capital and organizational ambidexterity in Palestinian public sector organizations?*

The selection of this theory stems from Nahapiet and Ghoshal's intellectual capital research demonstrating how intellectual capital generates competitive advantages by promoting both knowledge sharing and innovation. Twitter enables public sector organizations to manage exploitation and exploration through its alignment with intellectual capital, which consists of human, structural and relational elements that support adaptive and innovative environments.

2.3.3 Resource-Based View Theory by Barney (1991)

The Resource-Based View (RBV) Theory, founded by Barney (1991) has revolutionized strategic management theory by establishing unique company resources as fundamental elements for competitive edge retention. The theory stands on the work of Penrose (1959) who demonstrated that firms represent resource collections with abilities that affect their potential growth. Wernerfelt (1984) took the preceding work of Penrose (1959) and Wernerfelt (1984) combined their insights to develop the “resource-based view” which focused on strategic resources impacting organizational results. Barney (1991) established the RBV framework as a whole through his assertion that firms reach competitive advantage through owning valuable, rare, inimitable along with non-substitutable (VRIN) resources. RBV established its foundation through scholarly studies which started in 1993 and progressed with research on competitive strategy and

knowledge management and innovation until 1997 (Peteraf, 1993; Teece, Pisano, & Shuen, 1997).

The principal components of firm competitiveness according to Resource-Based View consist of heterogeneous resources and immobile elements (Barney, 1991; Grant, 1996). Barney (1991) explains resources contain two categories: physical assets such as financial capital, property and technology as well as non-tangible assets including brand reputation, intellectual property and organizational culture. Strategic resources possess their defining attributes according to the analysis outlined by the VRIN framework. A strategic resource must possess value because it needs to help organizations exploit upcoming opportunities or counter threats facing their business (Amit & Schoemaker, 1993). Resource rarity defines the second essential requirement for differentiation between competitors (Barney, 1991). The third requirement for strategic resource success involves their ability to remain out of reach because of historical circumstances and the presence of unclear causes and social complexities (Dierickx & Cool, 1989). It is essential for strategic resources to possess the fourth characteristic which means no other resource should substitute them when performing this strategic duty (Peteraf, 1993). VRIN resources provide competitive advantage when firms use these dimensions to ensure peer companies face hurdles in duplicating these resources (Newbert, 2007; Lockett, Thompson, & Morgenstern, 2009).

The major advantage of RBV appears in its ability to demonstrate why different organizations achieve different levels of performance. The approach emphasizes companies to develop their internal resources rather than focusing on external market competition (Fahy 2000). RBV establishes that organizations need intangible assets including knowledge and innovation to create competitive advantages according to Teece et al. (1997) and Grant (1996). Different research indicates that companies which allocate funds to knowledge assets surpass their competitors who continue using physical resources only (Hitt, Bierman, Shimizu, & Kochhar, 2001). RBV offers firms an extended strategic view by encouraging them to build specific capabilities which transcends replicating sector trends (Priem & Butler, 2001; Makadok, 2001).

RBV has established extensive applications in different industries including technology alongside healthcare and strategic management areas according to Wernerfelt (1984) and Newbert (2007). Strategic resources used by technology firms

Apple and Microsoft and Microsoft consist of proprietary technologies and brand loyalty and innovation capabilities (Grant, 1996; Teece, 2018). Hospitals together with pharmaceutical companies implement intellectual property and patents and specialized expertise to safeguard their competitive advantage (Barney et al., 2001; Rothaermel & Deeds, 2006). Begin-ups with distinct business structures coupled with exemplary leadership but difficult to duplicate resources demonstrate better Commercial success than rival companies (Alvarez & Busenitz, 2001). Relevant research has established RBV as a crucial approach for corporate strategy because it enhances organizational capabilities and extended resource collecting efforts (Hitt et al., 2001). The resource-based view serves as an assessment tool in the merger and acquisitions process because companies analyze target firms exclusively through their resource collections (Capron & Mitchell, 1998). It is crucial to keep in mind that the Resource-Based View is useful in many areas; even so, it has been criticized for not reflecting changes in the market and assuming circumstances are unchanging (Eisenhardt & Martin, 2000). These approaches have also been criticized because they tend to concentrate only on their inner resources and simply forget the strategic importance of relationships with other entities (Priem & Butler, 2001). As a result, Dynamic Capabilities Theory was created, which highlights how organizations adapt and reuse their resources to cope with changes (Teece et al., 1997). For this reason, RBV gives a clear understanding of a firm's unique strengths, but it works best when joined with other, more dynamic and externally-focused models.

This theory will be used to answer third research question as follows:

RQ3: *What is the role of intellectual capital in moderating the relationship between strategic management practices and organizational ambidexterity in Palestinian public sector organizations?*

The adoption of Resource-Based View (RBV) theory is justified because it suggests organizations achieve lasting competitive advantages when they leverage valuable rare inimitable non-substitutable resources (VRIN). The essential organizational resource which is intellectual capital functions as a modifying factor that enhances strategic management practices through knowledge sharing and expertise development as well as innovative capabilities for ambidexterity. The core value of Resource-Based View (RBV) stems from its ability to analyze how intellectual capital enhances the connection between strategic management and organizational ambidexterity practices. From a

moderation perspective, the Resource-Based View argues that the success of strategic management practices is linked to their design and to the use and availability of important resources, mainly intangible resources. According to RBV, when organizations make use of resources that are valuable, rare, inimitable and non-substitutable, they gain a competitive advantage (Barney, 1991). Using the theory, intellectual capital (made up of human, structural and relational knowledge) matches the required criteria and can also boost or limit the results of an organization's strategy.

In this study, intellectual capital is considered a type of resource that connects the effects of strategic management practices on an organization's ability to be ambidextrous. According to RBV, greater intellectual capital in an organization supports it in turning strategy into both innovation and stability. As a result, RBV provides a solid framework for explaining the impact of intellectual capital on strategic management effectiveness in achieving ambidexterity, mainly in situations where resources are constrained by the public sector.

2.4 Hypotheses Development

This section develops the hypotheses of the study by critically integrating previous empirical and theoretical research on strategic management practices, organizational ambidexterity and intellectual capital. Substantial scholarship has been conducted in the fields of private sector and high tech, but there is little empirical evidence regarding the interaction of these variables within the public sector and even less for the Palestinian context. Thus, this study seeks to fill this gap by proposing a model through which intellectual capital moderates the relationship between strategic management practices and organizational ambidexterity in public sector organizations.

2.4.1 Strategic Management Practices and Organizational Ambidexterity

Empirical evidence shows that strategic management practices, especially visioning, focusing, and implementing, are important in driving organizational ambidexterity. As confirmed by Abuzaid (2016), strategic leadership skills were positively related to ambidextrous capabilities in Jordanian manufacturing firms. Moreover, like Baškarada et al. (2016), who observed that transactional leadership reinforces exploitation and transformational leadership facilitates exploration. Du and Chen (2018) highlighted the interest of balancing directives provided at the top and the

bottom levels of organization to accommodate the ambidexterity of organizations within volatile environments. These findings, although intuitive, are based on a private sector or high-tech context and may not generalize to the structural realities of the public sector.

They provide evidence that certain strategic approaches can help organizations manage innovation as well as efficiency by guiding their balancing of exploration versus exploitation. Most of the studies draw from private or technical sectors, but what is being researched—vision alignment, initiative focus, and plan implementation work the same way in the public sector, just with its own requirements and purposes.This study therefore supposes that using successful strategic management practices is positive for organizational ambidexterity in the Palestinian public sector. The hypothesis shows that when public institutions use a coordinated approach to planning and running, these efforts should help them achieve adaptive innovation as well as operational consistency, which are both essential for ambidexterity.

Similarly, Kraus et al. (2022) indicate that the influence of intellectual capital on organizational ambidexterity aligns with contextual factors, including discipline, trust, support, and stretch. To elaborate, high human capital resulted from stretch and discipline (Ray et al., 2023). Discipline entails highly obvious expectations (Ali et al., 2022). Mubarik et al. (2019) further found that organizational ambidexterity is strongly associated with intellectual capital, which means that firms that have high intellectual capital contribute to developing ambidextrous capabilities.

Research studies involving companies have revealed that a strong leadership strategy contributes greatly to ambidextrous skills. Both Elmassarey (2023) and El-Massry (2020) present outcomes from Palestinian schools demonstrating that inspirational and transactional leadership practices influence both exploration and exploitation. These results show that particular strategies such as creating a vision, concentrating on goals and carrying them out, could improve ambidexterity in many public institutions, not just in education. Generally, studies in this field have missed exploring the strategic management context within the public sector and often not looked in-depth at administrative decision-making processes. Moreover, strategic management processes may directly lead to the creation of intellectual capital, that is, human, structural, and relational assets, by explaining the vision of an organization, concentrating resources, and securing effective execution (Kong, 2007; Inkinen, 2015; Mention ,2012). This interdependency is essential in the Palestinian public sector because the utilization

of existing knowledge and relationships facilitates flexibility and enables the building of ambidextrous capabilities. Besides the direct role it plays on organizational ambidexterity, strategic management practices (visioning, focusing, and implementation) can enhance intellectual capital of an organization. By effective visioning, the public sector institutions are able to unite the employees in common goals, which helps to develop human capital. Strategic focusing would also make resources allocation efficient hence improvement of structural capital, and effective implementation would foster collaborative relations and trust which leads to improvement of relational capital. According to the Resource-Based View (Barney, 1991), and Dynamic Capabilities Theory (Teece et al., 1997), these managerial actions are necessary to create and maintain valuable, rare and inimitable resources. This relationship is empirically substantiated, and it has been demonstrated that organizations that combine strategic planning and capability development record higher knowledge resources, internal systems, and networks (Bontis et al., 2018; Kianto et al., 2017). Strategic management practices can be an initial method of intellectual capital improvement in the Palestinian public sector, where it is difficult to obtain new resources. Therefore, this study hypothesizes:

H1: *Strategic management practices (visioning, focusing, and implementing) are positively related to organizational ambidexterity in Palestinian public sector organizations.*

- **H1a***: Visioning (VI) is positively related to organizational ambidexterity in Palestinian public sector organizations.*
- **H1b***: Focusing (FO) is positively related to organizational ambidexterity in Palestinian public sector organizations.*
- **H1c***: Implementing (IM) is positively related to organizational ambidexterity in Palestinian public sector organizations.*

2.4.2 Intellectual Capital and Organizational Ambidexterity

It is increasingly understood that organizations need IC, which includes human, structural and relational capital, to become ambidextrous. According to the Resource-Based View (RBV), it is knowledge, expertise and organizational routines that help a company achieve sustained competitive advantages (Barney, 1991). Nonetheless, since adopting ambidexterity involves dividing exploration (e.g., through innovation and

learning) and exploitation (e.g., to achieve efficiency and refine work), organizations need to be flexible with their resources to respond to changes in their environment (Teece et al., 1997). Because of this, intellectual capital supports organizations by providing them with the necessary strategies, connections and frameworks to balance adapting with staying aligned.

A number of research studies have confirmed this relationship. Fu et al. (2016) and Mubarik et al. (2019) report that investing in human and relational capital helps a business become more ambidextrous by supporting integration of knowledge, team cooperation and innovation. According to Sağlam and İyigün (2022), strong intellectual capital helps a business achieve operational goals and remain adaptable to changes. At the same time, Kostopoulos et al. (2015) argue that while the involvement of people and relationships often helps, strict management systems may limit exploration. The research results indicate that the impact of IC on ambidexterity changes with different business environments and conditions.

Since Palestine lacks resources and has strict administrative rules, intellectual capital becomes very important within the public sector. Because financial challenges and bureaucratic delays affect decisions, using existing knowledge, expertise, and internal relationships becomes especially valuable in pushing innovations and adjustments to policies. Despite this, research into IC and ambidexterity in the public sector is not yet widely available. As such, this study proposes:

H2: *Intellectual capital is positively related to organizational ambidexterity in Palestinian public sector organizations.*

2.4.3 The Moderating Role of Intellectual Capital

Effective strategic management can help achieve organizational ambidexterity, but how much it actually influences this depends on local factors. Intellectual capital prepares for change by equipping organizations with the ideas, organization and culture to act on their strategies. Organizations with high intellectual capital are in a better position to translate, share and apply their strategies in ways that help with both exploration and exploitation. Theoretically, intellectual capital helps an organization with its resource base and ability to use and process new information,

making it better at managing complex strategies. In situations where strict procedures and limited resources are normal, for example, within public bodies, moderation becomes very important. Using intellectual capital allows organizations to be more flexible, encourages learning and promotes cooperation among members to balance innovation and efficiency.

Furthermore, studies show that this position has some evidence behind it. It was discovered by Turner et al. (2015) that the presence of intellectual capital assists in carrying out strategic goals by increasing the coordination and flow of information. Sağlam and İyigün (2022) suggested that having strong human and relational resources allows organizations to respond to strategic pressures more effectively. As a result, these findings imply that intellectual capital can help improve the effectiveness of strategies in leading to ambidextrous outcomes.

This study addresses this gap by conceiving intellectual capital as a moderating variable that amplifies the impact of strategic management strategies on ambidexterity. The conclusive hypothesis is as follows:

H3: *Intellectual capital positively moderates the relationship between strategic management practices and organizational ambidexterity within Palestinian public sector organizations*.

- ***H3a****: Human Capital has a positive and significant effect on Organizational Ambidexterity*.
- ***H3b****: Structural Capital has a positive and significant effect on Organizational Ambidexterity*.
- ***H3c****: Relational Capital has a positive and significant effect on Organizational Ambidexterity*.

This proposed moderating mechanism has been given support by contemporary empirical analyses. According to Effendi et al. (2024), the human as well as structural aspect of intellectual capital in terms of intellect-based resources significantly enhanced the beneficial effects of ambidextrous leadership on institutional performance based on the example of a sample of Indonesian microfinance institutions. Similarly, Firmansyah et al. (2025) show that the intellectual capital enhanced strategic adaptability and ambidexterity features of the Directorate General of Taxes in Indonesia.

Taken together, these findings further the case that the knowledge-based reservoirs enable the transfer of organisational practices into two-fold innovation logics.

In the existing body of literature, researchers have been able to use Resource-Based View (RBV) (Barney, 1991) to argue that intellectual capital, which is regarded as the most unique asset of a firm, is rare and inimitable. At the same time, Dynamic Capabilities Theory (DCT) (Teece et al., 1997) highlights that the knowledge assets support the discovery and realization of emergent opportunities that transform the environmental conditions. The combination of these insights with recent empirical findings substantiates together the inclusion of H3 in the current conceptual model.

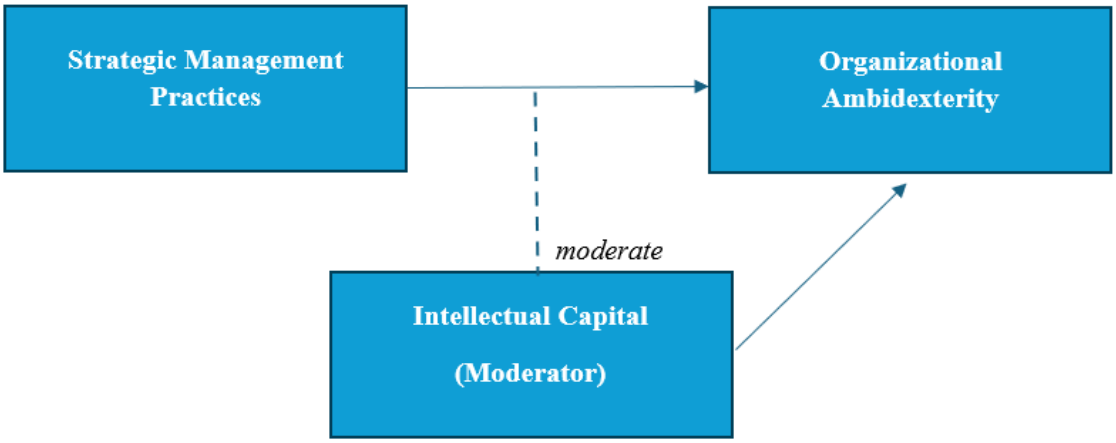


Figure (2. 2): Conceptual Model of the Study

The model shows the proposed relationships between strategic management practices and organizational ambidexterity in the Palestinian public sector and the moderating effect of intellectual capital. It is assumed that strategic management practices impact directly on organizational ambidexterity, whereas intellectual capital, which is a combination of human, structural, and relational components, mediates this connection. The study is placed in the Palestinian public sector context, which gives the socio-political and institutional background within which such interactions take place. Developing these hypotheses mitigates this gap and presents an integrated framework suitable for the public sector environment in Palestine. This theory elucidates the relationship between strategy and knowledge resources within a complex governance environment by integrating theoretical constructs from the Resource-Based View (Barney

1991), Intellectual and Social Capital Theory (Nahapiet and Ghoshal 1998), and Dynamic Capabilities Theory (Teece et al. 1997).

Based on the above theoretical and empirical findings, this paper formulates four hypotheses to reflect the connections between the strategic management practices (SMP), intellectual capital (IC), and organizational ambidexterity (OA) in the Palestinian public sector. Specifically, the first hypothesis is that SMP, directly, improves OA via its primary dimensions of visioning, focusing and implementing (H1). Second, SMP are also likely to have a positive impact on IC, as effective strategic planning and implementation reinforce human, structural, and relational knowledge resources (H2). Third, IC is proposed to play a direct role in OA, as it plays a fundamental role in facilitating exploration and exploitation capacities (H3). Lastly, IC is suggested to mediate the connection between SMP and OA, so that organizations with more developed intellectual resources have more opportunities to translate strategic practices into ambidextrous results (H4). Collectively, these hypotheses combine the body of literature on strategic management, knowledge resources, and ambidexterity into a conceptual framework that is applied to the Palestinian context of the public sector.

2.5 Summary

This chapter reviews the literature on strategic planning, strategic management, strategic management practices, intellectual capital, and Palestinian public sector organization. It further addresses the theories adopted in the study, namely, dynamic capabilities theory by Teece et al. (1997), intellectual and social capital theory by Nahapiet and Ghoshal (1998), and resource-based view theory by Barney (1991). Then it reviews the empirical studies on the impact of strategic management on organizational ambidexterity worldwide and in Palestine. Following that, the studies conducted on the impact of intellectual capital on organizational ambidexterity were reviewed, subsequent by a commentary on the previous studies.

Chapter Three: Methodology

3.1 Introduction

This chapter elaborates upon the employed research methodology whose purpose was to study the relationship between strategic management practices and organizational ambidexterity within Palestinian public sector bodies under the moderating effects of intellectual capital. It clarifies the research design, canvasses the research philosophies, and further explains the population, sampling strategy, instrumentation for data collection and data treatment, along with the procedure for assuring validity and reliability, ethical considerations, and methods of analysis. By explaining these steps undertaken in conducting the study, it locates the methodological basis of the research outcomes.

To enhance clarity and maintain methodological focus, theoretical explanations in this chapter were deliberately summarized. Foundational theories set the scene for research design, so the detailed theoretical discussion took place back in the early chapters. Chapter three takes a further step away theoretically to concentrate on methodological rigor research design, sampling methods, validity of the instrument used, and mode of analysis so that this chapter remains pragmatic and implementation-oriented. Embracing this stance, it has been suggested to keep the theoretical discussion to a minimum in the methodology chapter to avoid any unnecessary overlap and thus make the text more readable (Creswell & Creswell, 2017).

3.2 Research Philosophy

In order to determine the methodological conception of the present study, it is necessary to express the philosophical assumptions underlying it, specifically its ontological and epistemological position, and the research approach that it endorses.

3.2.1 Ontology and Epistemology

This study is based on the ontological position of realism that the reality exists regardless of human thoughts and can be objectively investigated (Saunders et al., 2019; Crotty, 1998). Within the scope of this research, strategic management practices, organizational ambidexterity, and intellectual capital represent the constructs that are

regarded as objective phenomena that exist within the public institutions independently of the beliefs of the researcher.

In line with this ontology, is a positivist epistemological position, which holds that sound knowledge is a result of observable and measurable phenomena. Positivism is distinguished by the focus on quantification, the testing of hypotheses, and empirical verification with the help of statistical means (Bryman, 2016). This research study produces knowledge of relationships between strategic management practices and organizational ambidexterity in the Palestinian public sector in measurable terms through statistical analysis of survey data.

This position is specifically suitable in the case of the research in the public sector that must have empirical evidence to backup the managerial decision-making and interventions in policies (Guba & Lincoln, 1994).

3.2.2 Research Method: Deductive

Based on the tradition of positivism, this research follows the deductive approach of research that is based on the formulation of theoretical propositions and testing them against data (Ketokivi & Mantere, 2010). Following the frameworks that are established in strategic management (Neumann & Neumann, 1999) and organizational ambidexterity (Jansen et al., 2006) and intellectual capital (Youndt et al., 2004), the following hypotheses were developed to be tested through Partial Least Squares Structural Equation Modeling (PLS-SEM).

The logical integrity between theory and data is guaranteed by the deductive nature of the study, and it will make it easier to generalize the findings to the wider population of public sector employees in Palestine. This study will also help to enhance the theory and practical application in the area of public management and organizational strategy due to the empirical testing of theoretically supported hypotheses.

3.3 Research Design

A quantitative, cross-sectional design was employed to investigate the relationship between strategic management practices and organizational ambidexterity within Palestinian public sector organizations, with intellectual capital serving as a moderating variable. Cross-sectional design methods collect data for interrelationships at

a single point in time and are apt to discover variable patterns and correlations without intervention in the study environment (Capili, 2021).

Quantitative method was used to maintain the investigation's objectivity and replicability. It exists in collecting numerical data and using statistical methods to create and test hypotheses on relations between variables (Fischer et al., 2023). One of the advantages of this approach is that it allows one to generalize from the sample to a larger population, thus increasing the external validity of the results.

Partial Least Squares Structural Equation Modeling (PLS-SEM) was used for analysis. This method is employed when more complex models involving latent constructs and moderating effects are to be processed (Assaker & O'Connor, 2023). The use of PLS-SEM is more preferable when exploring phenomena, allowing the use of smaller sample sizes, and also data are not assumed to be normally distributed (Hair Jr et al., 2017). It is suitable when prediction or theory development is in view. It perfectly suits this study because of those parameters.

Basically, the research design is geared toward generating empirical evidence grounded in theory and addressing practical problems faced by public sector institutions in Palestine. It integrates time-tested constructs with an investigative procedure that can support hypothesis formulation and structural validation.

3.4 Study Population and Settings

The study was held in the West Bank, Palestine, and its target population was workers from the civilian and military sectors. Public sector institutions constitute four primary sectors: governance, social, infrastructure, and economic. These sectors are regarded as the four bones of national development and public service delivery from the Palestinian perspective (Alayasa & Musa, 2021).

The Governance sector comprises central institutions such as the Presidency, the Prime Minister's Office, and the Palestinian Legislative Council (PLC), which deal with the issues of national policy-making and political administration. Ministries and agencies of the Social sector cover areas like health, education, social protection, and civil services that have direct bearing on the welfare of the citizens. Infrastructure-type services are related to public works, energy, water, and transport with the top placement of the Palestinian Water Authority and the Ministry of Public Works

and Housing. Economic ministries and agencies undertake issues related to finance, commerce, labor, and planning and are vital to economic stability and development.

In addition to these sectors, the military and security sector represents a major component of the Palestinian public workforce. Multiple forces under the Palestine Authority's security apparatuses; for example, one can list the Palestinian national security forces, civil police, civil defense, and the presidential guard. Within the limits of the Oslo Accords and following cooperation with international and regional stakeholders, these forces are responsible for maintaining internal security, law enforcement, and public order on border protection (Dana, 2024; Lia, 2007; Sayigh, 2011). Politically and economically, this sector operates in building the Palestinian state.

According to recent data from the Ministry of Finance (MNE, 2022), the total number of active public employees in Palestine is approximately 140,000, comprising around 43% military personnel and 57% civilian staff. The study population includes an estimated 60,000 individuals employed within the military sector, and approximately 80,000 civilian employees distributed across various ministries and affiliated public institutions (GPC, 2023).

To ensure geographic and organizational diversity, the research setting included multiple governorates, such as Ramallah, Nablus, Hebron, Bethlehem, and Jenin. These areas were purposefully selected due to their varied institutional density, functional specialization, and strategic importance in Palestinian public administration. This multi-site design follows an organic variation-order approach, capturing differences in organizational structure, size, and location, which enhances the representativeness and generalizability of the findings (Bryson, 2018; Egami & Lee, 2024).

3.5 Study Sample

The sample study was drawn from the West Bank's public sector, where, according to the MNE (2022), approximately 80,000 individuals, encompass civilians across different ministries and affiliated institutions and 60,000 military individuals. These include twenty-four Ministries and several numbers of governorates' authorities. The Ministry of Higher Education and Scientific Research formed 57% of the civilian workers, as illustrated in Figure (3.2). The male accounts for 51%, the female 49%, the West Bank 51.1%, and the Gaza Strip 48.9%. The target sample of public sector employees in the West Bank equals 71,540 (MNE, 2022).

To ensure representativeness from the varied public sector subgroups, this study resorted to probability stratified sampling-a method acknowledged generally for increasing the relevance and accuracy of research findings, especially in heterogeneous populations. Stratification was implemented along the lines of some key variables such as type of public activity (education, finance, and healthcare) and age groups of employees, thereby responding to the structural diversity of the Palestinian public sector. Recent methodological literature holds that stratified sampling reduces sampling error through minimizing the variance within groups and allowing more focused subgroup analysis (Ahmed, 2024; Kumar & Praveenakumar, 2025). Within each stratum, simple random sampling was applied to give less biased selections of participants. This dual-stage procedure thus improved statistical power while making sure that the sample resembled the population traits as closely as possible, which, in effect, strengthened the validity of study inferences.

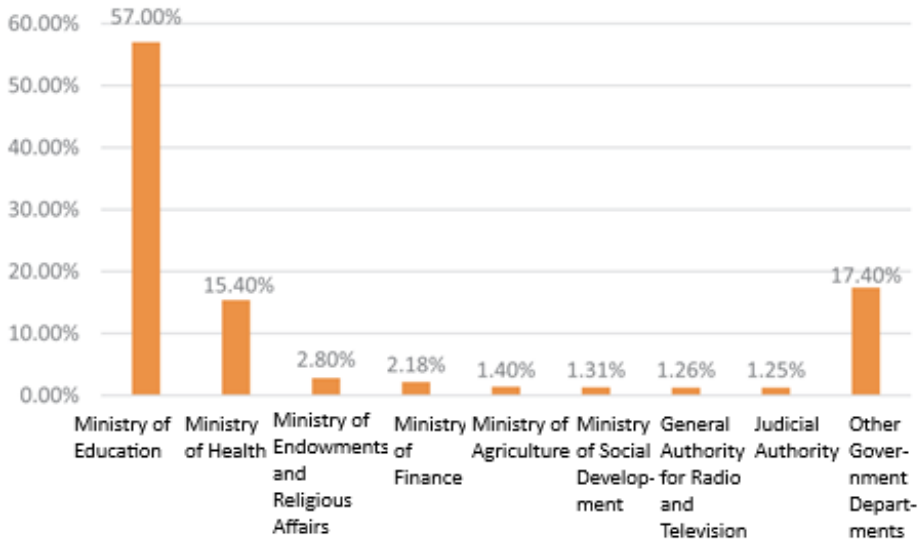


Figure (3.1) Number of Civil Service Employees in Palestine, 2013-2023

3.5.1 Sample Size Calculation

The sample for this study was strictly determined to maintain statistical quality and ensure the generalization to the entire Palestinian public sector. The minimum recommended number for the sample was 383 employees, assuming a population size of around 71,540 public sector employees in the West Bank, Palestine. These include civilian and military personnel in several sectors.

For this method of measurement, the researcher employed the sample size formula of Raosoft®, which considers some key statistical parameters that include confidence level, margin of error, and population proportion. The calculation was based on the following formula:

- Confidence level = 95% (Z = 1.96)
- Margin of error (E) = 5% (0.05)
- Estimated proportion (r) = 50% (0.5)
- Population size (N) = 71,540

$$x = \left(Z \cdot \frac{c}{100}\right)^2 \cdot r(100 - r)$$

$$n = \frac{N \cdot x}{(N-1)E^2 + x}$$

$$E = \sqrt{\frac{(N-n) \cdot x}{n(N-1)}}$$

Where:

- n is the sample size.
- N is the population size.
- Z is the Z-value (1.96 for 95% confidence level).
- r is the estimated proportion of the population (0.5 if unknown).
- E is the margin of error (alpha, 0.05).

Using these parameters, the calculation yields a recommended sample size of 383 respondents. This ensures an accurate representation of the broader public sector workforce, within an acceptable error range and confidence level. To ensure fairness and broad representation, the simple random sampling technique was employed. This method ensures that everyone in the population has an equal probability of being selected, thereby reducing selection bias and improving the external validity of the results (Rahman et al., 2022).

A sample was drawn from the Palestinian civilian and military sectors and government sub-sectors, encompassing strategic units in ministries and institutions located in the main sectors, representing a large percentage of employees in the Palestinian public sector, including Palestinian national security forces, civil police, civil defense, ministry of higher education and scientific research, ministry of health, ministry

of religious affairs, ministry of finance, ministry of agriculture, and ministry of social development affairs. Participants included senior managers, middle supervisors, and operational staff to reflect the different levels and functions in Palestinian public administration.

3.5.2 Sampling Strategy and Sample Size Determination

This study applied stratified random sampling techniques to ensure a full representation of the diverse public sector in the West Bank (Munyeka, 2014). Given the heterogeneity of the public sector size, gender, and age characteristics, stratification was instrumental in representing the specificities, particularities, and operating environments of the selected public sector.

For sampling and analysis, employees in the public sector were categorized based on their number of employees, following the standard classification used in MNE (2022). This classification allows for a nuanced understanding of public sector activity. Table (3.1) presents the number of employees from the Palestinian public sector categorized by their area of activity. The table is calculated by applying the percentage distribution of each activity to the total sample size of 383 firms.

Table (3.1) Number of Palestinian Employees from the Selected Government Ministry

Public Sector	**Employee Percentage**	**Employee Number**	**No. out of 383**
Civilian Sector	57%	40778	218
Military Sector	43%	30762	165
Total	100%	71540	383

The stratified sample contains a distribution based on age. Figure (3.2) illustrates the civil service employees based on their age group, based in MNE (2022). As presented in the figure, the age group (from 40 to less than 50 years old) is equal to 38% of the total civil service employees, followed by the age group (from 30 to less than 40 years old).

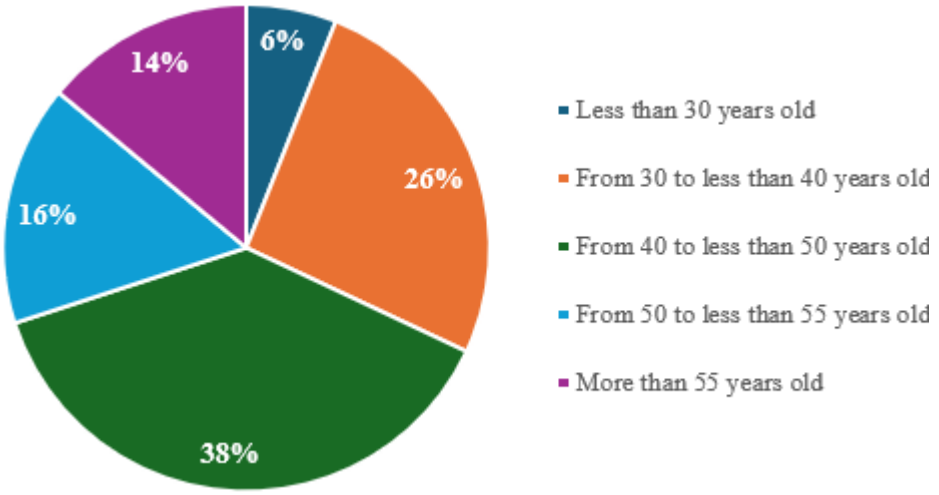


Figure (3.2) Percentage Distribution of Employees in the Civil Service by Age

The sample distribution of the total sample of 383 public service employees in Palestine based on age is presented in Table (3.2).

Table (3.2) Number of Samples Based on the Civil Service Employees by Age

Age Group	Age %	Employee Number	No. out of 383	Civilian Sector	Military Sector
Less than 30 years old	6%	4292	23	13	10
From 30 to less than 40 years old	26%	18600	100	57	43
From 40 to less than 50 years old	38%	27185	145	82	62
From 50 to less than 55 years old	16%	11446	61	35	26
More than 55 years old	14%	10016	54	31	23
Total	100%	71540	383	219	164

3.6 Study Tool

To achieve the research objectives, the study employed a structured questionnaire as a data collection tool. The questionnaire was designed to measure the key variables of the study: strategic management practices (independent variable), organizational ambidexterity (dependent variable), and intellectual capital (moderating variable). The tool was constructed based on well-established and validated instruments from previous researchers to maintain content relevance, reliability, and construct validity.

Each section of the tool was designed to systematically address a specific component of the study Table (3.3) and Appendix (A). The instrument was designed using validated measures in existing literature to achieve content validity and reliability:

3.5.1 Section One: The first section provided participants with clear and concise instructions about the purpose of the study, the identity and credentials of the researcher, and how the data would be used. It included an informed consent statement assuring participants of confidentiality, voluntary participation, and ethical compliance. This section guided participants through how to complete the questionnaire, ensuring consistent and accurate responses.

3.5.2 Section Two: The second section collected socio-demographic data of the respondents, which enabled subgroup analysis and improved the interpretation of results. This section was essential for understanding contextual factors that may influence perceptions of strategic management and innovation. The demographic variables included:

- Age of respondents,
- Gender: Male or Female,
- Work Experience,
- Educational level,
- Job Role Level,
- Public sector activity.

3.5.3 Section Three: eight dimensions will be examined via forty indicators to assess the research variables, as depicted in Table (3.3). The researcher constructed three components on a more general questionnaire, each grounded on previous studies to ensure content validity and reliability. Taking this process allows us to provide a complete examination of the interrelations between Strategic Management Practices, Organizational Ambidexterity, and Intellectual Capital in the Palestinian public sectors.

- **Strategic Management (Independent Variable)**: This concept is measured using three main dimensions that were validated by Neumann and Neumann (1999) through 15 indicators across three subdimensions:
  - Visioning: 5 Indicators.

- Focusing: 5 Indicators.
- Implementing: 5 Indicators.

- **Intellectual Capital (Moderator Variable)**: The questionnaire measures Intellectual Capital that was utilized by Youndt et al. (2004) through 14 indicators across three subdimensions:
  - Human: 5 Indicators.
  - Social: 5 Indicators.
  - Organizational: 4 Indicators.
- **Organizational Ambidexterity (Dependent Variable)**: Adapted from Jansen et al. (2006), this section contains 11 items measuring under two main dimensions:
  - Exploration: 5 Indicators.
  - Exploitation: 6 Indicators.

Table (3.3) Items for Measuring Constructs

Construct	Type of Construct	Dimensions	Reference	Indicators
Strategic Management	Independent Variable	Visioning	Neumann and Neumann (1999)	5
		Focusing		5
		Implementing		5
Intellectual Capital	Moderator Variable	Human	Youndt et al. (2004)	5
		Social		5
		Organizational		4
Organization Ambidexterity	Dependent Variable	Exploration	Jansen et al. (2006)	5
		Exploitation		6

These were assessed on a Likert scale, with 1 corresponding to 'Strongly Disagree' and 5 corresponding to 'Strongly Agree'. Thus, this method allows for perception measurement and intensive statistical analysis to study correlations, moderating effects, and structural relationships between constructs.

This combination of theoretical grounding, expert validation, and practical relevance ensured that the questionnaire was reliable, clear, and aligned with constructs, making it a useful instrument for application in the Palestinian public sector context.

3.7 Data Collection Methods

Given the nature of this research and the complex sociopolitical context of the Palestinian public sector, a flexible and accessible data collection approach was essential. Therefore, the researcher adopted an online questionnaire method as the primary data collection strategy.

The questionnaire was developed using Google Forms and distributed electronically via email and WhatsApp, two widely used communication tools in the region. This approach was selected for several practical reasons:

1. Wider Reach: Online distribution enabled access to a geographically dispersed population across various West Bank governorates (e.g., Ramallah, Nablus, Hebron, Bethlehem, and Jenin), which would have been logistically and financially challenging using in-person or paper-based methods.
2. Convenience and Anonymity: Respondents could complete the questionnaire at their convenience, enhancing participation rates and the authenticity of responses, especially in a politically sensitive and bureaucratic environment (Leiner, 2014).
3. Speed and Efficiency: Online surveys facilitate the rapid collection of a large volume of data within a relatively short timeframe, which is particularly beneficial for a cross-sectional study design.

3.8 Research Ethics

Prior to the onset, a consent form will be presented to participants elucidating the purpose of the study, its voluntary nature, the confidentiality of the responses, and that data will be used for academic purposes only. Therefore, no personal identifiers were requested from participants, thus ensuring respondent anonymity and ethical standards compliance concerning research.

In view of this, the online setup remains a trustworthy and context-relevant avenue to randomize data collection from a wide, diverse sample of public sector employees while holding methodological rigor and institutional sensitivity in Palestinian consideration.

3.9 Pilot Study

To ensure the clarity, reliability, and validity of the research instrument, a pilot study was conducted prior to full-scale data collection (Doody & Doody, 2015). The primary objective of the pilot study was to identify any potential issues in the wording, structure, and comprehensibility of questionnaire items and to confirm the instrument's internal consistency.

A total of 30 employees from various Palestinian public sector institutions participated in the pilot study. These individuals represented diverse roles, departments, and sectors. According to Connelly (2008), the pilot study sample should comprise approximately 10% of the total sample size intended for the main study.

Importantly, these participants were excluded from the main survey to prevent response contamination or bias in the final data set.

Participants were asked to complete the online questionnaire and provide feedback on:

- The clarity of the instructions and items,
- The relevance of each item to their public sector context,
- The overall ease of completion and understanding.

Following the pilot responses, a statistical analysis of the questionnaire's internal reliability was conducted using Cronbach's Alpha. The reliability coefficients for each construct exceeded the minimum threshold of 0.70, indicating a high level of internal consistency (Hair Jr et al., 2010). For the questionnaire validity, the results of the Pearson Correlation Test were conducted to offer a glimpse into the extent to which the questionnaire is valid in measuring the desired variables (Sarmah & Hazarika, 2012).

3.10 Instrument Validity

Validity, as defined by Gillespie and Chaboyer (2013), relates to the extent to which an instrument truly measures the concept it claims to measure. It includes the precision and appropriateness of the instrument to measure the underlying constructs that are of interest to the research. To ensure such validity in this study, a structured process was followed to ensure the credibility and relevance of the questionnaire items measuring strategic management practices, organizational ambidexterity, and intellectual capital in the Palestinian public sector.

To establish content validity, the questionnaire was reviewed and evaluated by a number of academic experts having specialization in strategic management, research methodology, and statistics were invited to review and evaluate the questionnaire for content validity. The researcher interviewed four experts: two in strategic management and two in research methodology, one being a statistician. Their comments and feedback were concerned with the format, structure, clarity, and relevance of the questionnaire items to the research context.

The experts assessed whether each item adequately represented the theoretical domains of interest and whether the language used was suitable for the Palestinian public sector environment. Based on their recommendations, adjustments were made to improve item wording, sequence, and clarity, ensuring an accurate representation of key variables such as strategic visioning, resource allocation, implementation effectiveness, and the dual dimensions of exploration and exploitation under organizational ambidexterity.

To further strengthen the questionnaire's validity, an additional review was conducted by six academic professionals from universities in Palestine. Their role was to examine the tool's alignment with the research objectives and confirm its linguistic, cultural, and conceptual appropriateness. Their comments led to several key improvements:

- Adding brief definitions of major constructs (strategic management, ambidexterity, and intellectual capital) at the start of each relevant section.
- Clarifying response options and simplifying demographic items.
- Adapting language to be more aligned with public sector terminology.
- Removing or merging redundant items and enhancing overall coherence.

This rigorous review process ensured that the instrument possessed strong content and face validity, allowing it to measure the intended variables with high precision and relevance to the Palestinian public administration setting.

To assess construct validity, the Pearson correlation analysis was implemented in this particular research. The method was preferred because it analyzes the extent to which the values of each item vary in a linear fashion with the construct it is meant to measure. It is, therefore, an excellent and straightforward way to interpret the measure of item–construct association when convergent validity, that is, the degree to which items that theoretically should be related to each other are indeed (measured in terms of correlations), is investigated (Hair Jr et al., 2010; Hair Jr et al., 2025). Another

useful method could be factor loading analysis, which assesses validity particularly well when employed during exploratory or confirmatory factor analysis, usually at the early phases of scale development, or when validating a newly developed construct. Since the constructs here were adapted from established instruments, Pearson correlation was a viable and statistically sufficient method to test item validity within the framework of the study.

Based on the data in Table (3.4), to assess the construct validity of the questionnaire, Pearson correlation analysis was conducted among the eight measured dimensions: visioning, focusing, implementing, exploration, exploitation, human capital, social capital, and organizational capital.

The results demonstrated strong, statistically significant correlations between theoretically related constructs, indicating good convergent validity as shown in Table (3.4). For example, focusing showed a very high correlation with implementing ($r = .904$, $p < .01$), while exploration correlated strongly with exploitation ($r = .784$, $p < .01$). Additionally, human capital was significantly correlated with both social capital ($r = .694$, $p < .01$) and organizational capital ($r = .538$, $p < .01$), further supporting the internal consistency of related constructs. Conversely, weak and non-significant correlations were observed between conceptually distinct constructs, such as visioning and human capital ($r = -0.205$, $p > .05$), and exploration and human capital ($r = -0.030$, $p > .05$), which supports discriminant validity. These findings collectively confirm the construct validity of the questionnaire and indicate that it effectively captures distinct yet interrelated dimensions of the theoretical model.

Table (3.4) Person Correlation Result (Validity of the study)

Constructs	Test	Visioning	Focusing	Implementing	Exploration	Exploitation	Human	Social	Organizational
Visioning	Pearson Correlation	1.000	.670**	.622**	0.315	0.339	-0.205	-0.286	-0.269
	Sig. (2-tailed)		0	0	0	0	0	0	0
Focusing	Pearson Correlation	.670**	1	.904**	.470**	.477**	0	0	-.475**
	Sig. (2-tailed)	0.000		0.000	0.009	0.008	0.109	0.248	0.008
Implementing	Pearson Correlation	.622**	.904**	1.000	.589**	.565**	-0.207	-0.100	-.366*
	Sig. (2-tailed)	0	0		0	0	0	1	0

Exploration	Pearson Correlation	0.315	.470**	.589**	1.000	.784**	-0.030	0.242	-0.142
	Sig. (2-tailed)	0	0	0		0	1	0	0
Exploitation	Pearson Correlation	0.339	.477**	.565**	.784**	1.000	0	0.140	0
	Sig. (2-tailed)	0.067	0	0.001	0		1	0.462	0
Human	Pearson Correlation	-0.205	0	-0.207	0	0.052	1	.694**	.538**
	Sig. (2-tailed)	0.277	0	0.272	1	0.784		0.000	0
Social	Pearson Correlation	-0.286	0	-0.100	0	0.140	.694**	1.000	.654**
	Sig. (2-tailed)	0.125	0	0.598	0	0.462	0		0
Organizational	Pearson Correlation	-0.269	-.475**	-.366*	0	-0.140	.538**	.654**	1
	Sig. (2-tailed)	0.150	0	0.046	0	0.460	0	0.000	
	N	30.000	30	30.000	30	30.000	30	30.000	30

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

3.11 Instrument Reliability

While validity concerns the accuracy of an instrument in measuring what it is intended to measure, reliability refers to the consistency of the measurement across time and different conditions (Golafshani, 2003). Any instrument must be valid and reliable to be used in empirical work. In this research, the questionnaire went through a pilot test and was reviewed by experts to ensure that it met the criteria for validity and reliability. It was because of these considerations that the instrument was seen as acceptable for use in large-scale research within the Palestinian public sector.

Cronbach's alpha was used to test if the questionnaire was measuring the intended variables. Cronbach's alpha values greater than or equal to 0.70 are acceptable in research, while values greater than or equal to 0.90 are said to be excellent (Hair Jr et al., 2010).

To measure internal consistency and reliability of the constructs of the questionnaire, Cronbach's alpha coefficients were analyzed for each dimension. The analysis shows that most of the constructs have a high level of reliability, with most of the coefficients having values higher than the usually accepted limit of 0.70. Specifically, the constructs of focusing ($\alpha = 0.919$), implementing ($\alpha = 0.908$), exploitation ($\alpha = 0.932$), exploration ($\alpha = 0.895$), human capital ($\alpha = 0.846$), organizational capital ($\alpha = 0.894$), and social capital ($\alpha = 0.789$) all exhibit strong internal consistency. Although the visioning

construct recorded a lower alpha value (α = 0.644), it remains within an acceptable range for exploratory research. These findings confirm the reliability of the measurement instrument and support its use for further statistical analysis. Table (3.5) shows Cronbach's Alpha results for the study constructs.

Table (3.5) Cronbach's Alpha Results (Reliability of the Study)

Constructs	Cronbach's Alpha	N of Items
Strategic Management		
Visioning	0.644	5
Focusing	0.919	5
Implementing	0.908	5
Organization Ambidexterity		
Exploration	0.895	5
Exploitation	0.932	6
Intellectual Capital		
Human	0.846	5
Social	0.789	5
Organizational	0.894	4

3.12 Data Analysis

The study utilized two quantitative analytic methods to examine the interplay between Strategic Management Practices, Organizational Ambidexterity, and Intellectual Capital in the Palestinian public sectors, as per its conceptual design and hypotheses. The Statistical Package for the Social Sciences (SPSS) and SmartPLS for Structural Equation Modeling (SEM) will be used in the analysis.

In this study, reliability analysis will be applied through Cronbach's alpha, the statistical coefficient that is most frequently employed to measure the internal consistency of questions or scales of a questionnaire. Cronbach's alpha gives a measure of the extent to which items within a construct are positively correlated. Cronbach's Alpha Coefficient: The reliability measurement scale usually goes from 0 to 1. Values from 0.7 and above are promoted to determine a scale as being sufficiently internally consistent (Nunnally & Bernstein, 1994).

3.12.1 Descriptive Statistics

Descriptive statistics, such as means, standard deviations, frequencies, and percentages, are calculated for all demographic information and the main study variables in the first stage of the analysis. It displays the sample's demographics, such as the participant's age, gender, years of experience, level of education, job title, and public sector activity. It also provides a useful overview of the full response distribution by defining trends or patterns in Strategic Management Practices, Organizational Ambidexterity, and Intellectual Capital in the Palestinian public sectors (Altukhi & Aljohani, 2024).

3.12.2 Measurement Model Evaluation

The validity of the measurement model's use of observed variables to represent the underlying constructs was assessed. There were three basic steps in this activity:

- **Internal Consistency Reliability:** Composite Reliability (Creswell & Creswell) and Cronbach's alpha was considered for measuring internal consistency. A composite reliability (Creswell & Creswell) of 0.70 or larger presented robust dependability, while a Cronbach's alpha of 0.70 or higher suggested sufficiency. This stage ensured that the different parts within one construct, such as strategic management practices, organizational ambidexterity, and intellectual capital, were fairly equally measured by the same core idea (Hair Jr et al., 2010).
    - **Convergent Validity:** An average variance extracted was then applied to determine convergent validity. If averages of variance extracted were 0.50 or more, the measures for constructs shared a considerable amount of variance in common and therefore were sufficient to converge. According to Hair Jr et al. (2014), therefore, this could guarantee that the measures correctly measured reasonable latent variables.
- **Discriminant Validity:** The HTMT ratio and the Fornell-Larcker criterion attempted to measure discriminant validity. The square root of the AVE of each construct was greater than its correlations with other constructs, as the Fornell-Larcker criterion attested to (Fornell & Larcker, 1981). Also, a value of HTMT under 0.85 confirmed the discriminant validity between constructs. Cross-loading

inspection, or the extent to which every single item loads on multiple dimensions, is the final step in the discriminant validity measurement (Chin, 1998)

3.12.3 Structural Model Evaluation

To examine the proposed relationships and ascertain the overall prediction accuracy of the model, the structural model was assessed. This comprised four crucial phases:

- **Indicator Collinearity:** The Variance Inflation Factor (VIF) was used to measure the collinearity between indicators. The stability and dependability of structural route estimations are ensured by a VIF of less than 5, which denotes the lack of multicollinearity (Fornell & Bookstein, 1982).
- **Coefficient of Determination (R^2):** To ascertain the model's explanatory power, the R-squared (R^2) value was computed. To show how much the independent variables explained the dependent variables, like strategic management practices, organizational ambidexterity, and intellectual capital, Cohen (2013), reported R2 values of 0.25, 0.50, and 0.75 for weak, moderate, and significant correlations, respectively.
- **Predictive Relevance (Q^2)**: The model's ability to predict endogenous variables was evaluated using the Stone-Geisser Q^2 test. The model's ability to predict long-term organizational ambidexterity in the Palestinian public sectors. Is confirmed if Q2 is greater than zero, indicating predictive relevance (Hair Jr et al., 2017).
- **Effect Size (f^2):** To measure the impact of each independent variable on the dependent variables, the f-squared (f^2) analysis was conducted. The relative importance of each predictor was clarified by classifying effect sizes of 0.02, 0.15, and 0.35 as small, medium, and large, respectively (Cohen, 1992).

3.12.4 Hypothesis Testing

Standardized regression weights, which include both beta coefficients and p-values, will be used to evaluate the importance of direct, indirect, and overall effects in the structural model. There are statistically significant correlations between the variables when the p-value is less than 0.05. Through the bootstrapping process, the moderating effects of intellectual capital will be examined to ascertain their relationship to strategic

management practices based on questionnaires and organizational ambidexterity (Hair Jr et al., 2017).

3.13 Ethical Consideration

Preserving the ethical integrity of our research was paramount. The research adhered to the ethical principles established by the Arab American University to ensure compliance with recognized research standards. Approval from the university ethics committee will be obtained before data collection to verify compliance with ethical norms.

The survey commenced with a comprehensive information outlining the aim, objectives, and significance of the research. This will be sent to all participants to facilitate an educated decision regarding their involvement. The information leaflet clarified that participation was voluntary and that participants might withdraw from the study at any time without facing any negative consequences.

To safeguard the privacy and confidentiality of participants, no personally identifying information, including names or specific personal data, was collected. Participants will be assured that their responses will remain confidential and that no unauthorized individuals will access the data. All obtained data will be securely saved on a password-protected computer, accessible solely to the researcher and their supervisor.

The study adhered to the principle of non-maleficence to guarantee that respondents experienced no bodily, emotional, or professional harm. The questionnaire was meticulously designed to avoid any sensitive or intrusive inquiries that could cause humiliation.

Chapter Four: Results

4.1 Introduction

This chapter presents the results derived from the data analysis conducted to examine the impact of Strategic Management Practices (SMP) on Organization Ambidexterity (OA) within the Palestinian public sector organizations, and to explore the moderating role of Intellectual Capital (IC). The analysis was conducted using statistical tools appropriate for hypothesis testing, with a focus on the relationships among the study constructs and their respective dimensions. The chapter begins by outlining the demographic profile of the respondents to ensure a contextual understanding of the sample. This is followed by a detailed presentation of the measurement model results, including reliability, validity, and model fit indicators. Subsequently, the structural model results are presented to test the proposed hypotheses regarding the direct relationships between SMP and OA, as well as the moderating effect of IC on these relationships.

4.2 Characteristics of Respondents

The total number of respondents who participated in this study was 420, representing a diverse range of demographic and professional backgrounds from various Palestinian public sector organizations. In terms of gender distribution, the majority of respondents were male, accounting for 63.6% (267 participants), while females comprised 36.4% (153 participants).

The largest proportion of participants was aged 40 years and above, accounting for 51.2% (215 participants). This was followed by those aged 35 to less than 40 years (18.6%, 78 participants), 30 to less than 35 years (18.1%, 76 participants), and less than 30 years (12.1%, 51 participants).

In terms of educational qualifications, most respondents held a bachelor's degree (60.2%, 253 respondents), followed by those with a master's degree (24.5%, 103 respondents), below bachelor's degree (8.8%, 37 respondents), and doctoral degrees (6.4%, 27 respondents).

Participants with 20 years or more of experience represented the largest group (42.9%, 180 participants). This was followed by those with 15 to less than 20 years

(17.9%, 75 participants), 5 to less than 10 years (17.1%, 72 participants), 10 to less than 15 years (12.4%, 52 participants), and less than 5 years (9.8%, 41 participants).

Regarding the job level, a significant proportion of the respondents were at the head of department level (53.8%, 226 participants), followed by administrative staff (29.0%, 122 participants), other roles (11.4%, 48 participants), ministerial or executive positions (3.6%, 15 participants), and policy advisors or specialists (2.1%, 9 participants).

As for the institution activity type, the majority of respondents worked in defense and public order institutions (42.4%, 178 participants), followed by public services (26.2%, 110 participants), environmental protection (13.1%, 55 participants), and social protection (6.0%, 25 participants). Other sectors included economic affairs (3.1%, 13 participants), education (3.6%, 15 participants), health (2.1%, 9 participants), culture and religion (1.9%, 8 participants), and housing and infrastructure (1.7%, 7 participants).

Table (4.1) Demographic Characteristics Analysis

Variables	**Options**	**Frequency**	**Valid Percentage**
Gender	Male	267	63.6%
	Female	153	36.4%
Age	Less than 30 years old	51	12.1%
	From 30 to less than 35 years old	76	18.1%
	From 35 to less than 40 years old	78	18.6%
	40 years and more	215	51.2%
Education Degree	Below bachelor's degree	37	8.8%
	Bachelor's Degree	253	60.2%
	Master's Degree	103	24.5%
	Doctoral Degree	27	6.4%
Years of Experience	Less than 5 years	41	9.8%
	From 5 to less than10 years	72	17.1%
	From 10 to less than15 years	52	12.4%
	From 15 to less than 20 years	75	17.9%
	20 years and more	180	42.9%
Job Level	Ministerial or Executive Position	15	3.6%

	Policy Advisor or Specialist	9	2.1%
	Head of Department	226	53.8%
	Administrative Staff	122	29.0%
	Other	48	11.4%
Institution Activity Type	Housing and Infrastructure	7	1.7%
	Environmental Protection	55	13.1%
	Defense and Public Order	178	42.4%
	General Public Services	110	26.2%
	Culture and Religion	8	1.9%
	Economic Affairs	13	3.1%
	Social Protection	25	6.0%
	Education	15	3.6%
	Health	9	2.1%
Total		420	100.0%

4.3 Descriptive Statistics

This section presents the descriptive statistics for the main study constructs based on participants' responses. All variables were measured using a five-point Likert scale, where scores from 1.00 to 2.99 indicate low agreement, scores from 3.00 to 3.99 represent moderate agreement, and scores from 4.00 to 5.00 reflect high agreement. This subsection focuses on the construct of Strategic Management Practices (SMP), which is composed of three dimensions: Visioning (VI), Focusing (FO), and Implementing (IM).

4.3.1 Strategic Management Practices (SMP)

The overall mean for Strategic Management Practices (SMP) was 4.266 with a standard deviation of 0.645, indicating a high level of agreement among respondents. The descriptive analysis reveals that respondents perceive SMP across all three dimensions as highly implemented and positively influencing organizational processes. These results serve as a basis for testing the hypotheses regarding the impact of SMP on organizational ambidexterity in subsequent sections.

- **Visioning (VI)**

The Visioning (VI) dimension recorded an overall mean of 4.236 and a standard deviation of 0.643, reflecting a strong consensus on the importance of clear vision. The percentage of positive responses for VI averaged 94.1%, while neutral and negative responses were 3.6% and 2.3%, respectively. Among the VI items, VI2 had the highest mean (4.288), while VI4 had the lowest (4.181), though all items remained within the "high agreement" range.

- **Focusing (FO)**

The Focusing (FO) dimension had a slightly higher overall mean of 4.274 and a standard deviation of 0.643, indicating consistently high agreement across items. Positive response rates averaged 94.9%, with neutral and negative responses at 3.0% and 2.1%, respectively. FO3 registered the highest individual item mean (4.333), suggesting strong consensus regarding prioritization and clarity of organizational focus.

- **Implementing (IM)**

Similarly, the Implementing (IM) dimension showed a strong agreement with an overall mean of 4.287 and a standard deviation of 0.648. The highest-scoring item was IM4 (mean = 4.326), while the lowest was IM2 (mean = 4.260). The overall percentage of positive responses was 94.8%, with only 1.8% negative and 3.5% neutral responses, indicating that respondents broadly acknowledged the presence of effective implementation mechanisms in their organizations.

Table (4.2): Strategic Management Practices Dimensions and Indicators: Mean, Standard Deviation, and Percentage

Construct	Q.#	Mean	Std.	% of Negative response	% of Neutral	% of Positive response	Level of Agreement
	VI1	4.264	0.629	2.1%	2.9%	95.0%	High
	VI2	4.288	0.677	2.6%	3.3%	94.0%	High
VI	VI3	4.245	0.680	2.6%	4.5%	92.9%	High
	VI4	4.181	0.591	2.1%	2.9%	95.0%	High
	VI5	4.202	0.640	1.9%	4.5%	93.6%	High

	Overall	4.236	0.643	2.3%	3.6%	94.1%	High
FO	FO1	4.295	0.662	2.4%	2.9%	94.8%	High
	FO2	4.283	0.643	2.1%	2.6%	95.2%	High
	FO3	4.333	0.658	1.7%	3.3%	95.0%	High
	FO4	4.226	0.629	2.1%	3.1%	94.8%	High
	FO5	4.233	0.624	2.1%	3.3%	94.5%	High
	Overall	4.274	0.643	2.1%	3.0%	94.9%	High
IM	IM1	4.300	0.652	1.9%	2.9%	95.2%	High
	IM2	4.260	0.649	1.7%	4.3%	94.0%	High
	IM3	4.274	0.644	1.4%	5.0%	93.6%	High
	IM4	4.326	0.656	1.9%	2.6%	95.5%	High
	IM5	4.274	0.640	1.9%	2.6%	95.5%	High
	Overall	4.287	0.648	1.8%	3.5%	94.8%	High
SMP		4.266	0.645	2.0%	3.4%	94.6%	High

4.3.2 Organization Ambidexterity (OA)

This section presents the descriptive statistics for the Organization Ambidexterity (OA) construct, which comprises two dimensions: Exploration (EXR) and Exploitation (EXT). The overall mean score for OA was 4.205, with a standard deviation of 0.651, indicating a high level of agreement among respondents and a strong perception of ambidextrous practices within their institutions. The results reveal that public sector employees perceive their organizations as engaging in both exploration and exploitation activities at high levels.

- **Exploration (EXR)**

The Exploration (EXR) dimension yielded an overall mean of 4.222 and a standard deviation of 0.654, signifying high levels of agreement regarding the organization's ability to explore new opportunities, experiment, and innovate. The percentage of positive responses across EXR items averaged 92.6%, with only 1.9% negative and 5.5% neutral. The highest mean was observed for EXR1 (4.245), although it also had the highest neutral response rate (7.9%) and the lowest percentage of positive

responses (89.8%) among the EXR items. On the other hand, EXR4 had the highest positive response rate at 94.0%, confirming that most respondents perceived strong exploration capacities in their organizations.

- **Exploitation (EXT)**

The Exploitation (EXT) dimension reflected similar high agreement, with an overall mean of 4.189 and a standard deviation of 0.647. The positive response rate for EXT averaged 93.4%, with 2.0% negative and 4.6% neutral responses. Among the items, EXT5 had the highest positive response rate (94.3%) and a relatively low neutral rate (3.8%), indicating strong acknowledgment of the organization's effectiveness in refining existing processes, leveraging past experiences, and optimizing resources. Other EXT items also maintained consistently high means and positive response rates, ranging between 93.1% and 93.8%.

Table (4.3): Organization Ambidexterity Dimensions and Indicators: Mean, Standard Deviation, and Percentage

Construct	Q.#	Mean	Std.	% of Negative response	% of Neutral	% of Positive response	Level of Agreement
EXR	EXR1	4.245	0.718	2.4%	7.9%	89.8%	High
	EXR2	4.205	0.623	1.7%	5.5%	92.9%	High
	EXR3	4.210	0.640	1.9%	5.0%	93.1%	High
	EXR4	4.238	0.630	1.7%	4.3%	94.0%	High
	EXR5	4.212	0.659	1.9%	4.8%	93.3%	High
	Overall	4.222	0.654	1.9%	5.5%	92.6%	High
EXT	EXT1	4.193	0.643	1.9%	4.3%	93.8%	High
	EXT2	4.200	0.647	1.9%	5.0%	93.1%	High
	EXT3	4.198	0.627	1.7%	5.2%	93.1%	High
	EXT4	4.186	0.665	2.4%	4.5%	93.1%	High
	EXT5	4.179	0.629	1.9%	3.8%	94.3%	High
	EXT6	4.179	0.673	2.4%	4.5%	93.1%	High
	Overall	4.189	0.647	2.0%	4.6%	93.4%	High
OA		4.205	0.651	2.0%	5.0%	93.0%	High

4.3.3 Intellectual Capital (IC)

The descriptive statistics for the Intellectual Capital (IC) construct, which comprises three dimensions: Human Capital (HU), Social Capital (SO), and Organizational Capital (OR). The overall mean for the IC construct was 4.235, with a standard deviation of 0.673, reflecting a high level of agreement among participants. The percentage of positive responses was 92.5%, with only 2.3% negative and 5.3% neutral responses. Overall, the findings demonstrate that all three components of intellectual capital are highly perceived among respondents, with slightly higher emphasis on human capital.

- **Human Capital (HU)**

The Human Capital (HU) dimension recorded the highest overall mean among the three IC dimensions at 4.246, with a standard deviation of 0.675. Positive responses averaged 92.8%, while neutral and negative responses were 4.9% and 2.3%, respectively. Item HU1 scored the highest mean (4.267), and HU3 the lowest (4.243), though all items remained within the "high agreement" range. Respondents clearly acknowledged the role of individual knowledge, experience, and skills in organizational performance.

- **Social Capital (SO)**

The Social Capital (SO) dimension followed closely, with an overall mean of 4.230 and standard deviation of 0.675. Positive responses averaged 92.4%, with neutral responses at 5.2% and negative at 2.3%. Items SO2 and SO4 reflected the highest levels of agreement (means of 4.257 and 4.226, respectively), suggesting that interpersonal relationships, trust, and shared values among organizational members are strongly perceived and valued.

- **Organizational Capital (OR)**

The Organizational Capital (OR) dimension recorded a slightly lower mean of 4.229 and a standard deviation of 0.668, yet still within the high agreement category. The positive response rate was 92.3%, with 5.7% neutral and 2.1% negative. Item OR1 scored the highest (4.262), indicating strong recognition of institutional systems, procedures, and databases that support knowledge retention and sharing.

Table (4.4): Intellectual Capital Dimensions and Indicators: Mean, Standard Deviation, and Percentage

Construct	Q.#	Mean	Std.	% of Negative response	% of Neutral	% of Positive response	Level of Agreement
	HU1	4.267	0.659	2.1%	4.8%	93.1%	High
	HU2	4.245	0.680	2.4%	4.5%	93.1%	High
HU	HU3	4.243	0.672	1.9%	6.2%	91.9%	High
	HU4	4.245	0.673	2.6%	4.0%	93.3%	High
	HU5	4.231	0.688	2.6%	4.8%	92.6%	High
	Overall	4.246	0.675	2.3%	4.9%	92.8%	High
	SO1	4.233	0.710	2.6%	6.2%	91.2%	High
	SO2	4.257	0.698	2.6%	4.8%	92.6%	High
SO	SO3	4.245	0.662	1.9%	5.5%	92.6%	High
	SO4	4.226	0.655	2.1%	4.8%	93.1%	High
	SO5	4.186	0.651	2.4%	5.0%	92.6%	High
	Overall	4.230	0.675	2.3%	5.2%	92.4%	High
OR	OR1	4.262	0.683	2.1%	5.7%	92.1%	High
	OR2	4.198	0.638	1.9%	5.2%	92.9%	High
	OR3	4.238	0.688	2.1%	6.7%	91.2%	High
	OR4	4.217	0.665	2.1%	5.0%	92.9%	High
	Overall	4.229	0.668	2.1%	5.7%	92.3%	High
IC		4.235	0.673	2.3%	5.3%	92.5%	High

4.4 Evaluation of the Study Model

The study used a Partial Least Squares Structural Equation Modeling (PLS-SEM) approach for testing the good fit of the conceptual framework, with the procedures carried out in SPSS and SmartPLS. PLS-SEM is often used when dealing with models with many constructs and indicators. Hence, the technique is useful in research situations where theory has yet to be developed or refined. This technique is also considered suitable for data that may not necessarily meet the assumption of normality

and, hence, would be an appropriate analytical method in this research based on Hair Jr et al. (2017) and Chin (1998).

Validation of the model was done using standard two-step PLS-SEM approaches wherein the measurement model was assessed first, followed by the structural model. Before proceeding with the analysis, the dataset was rigorously examined for its normality to determine suitability for subsequent analytical uses. The normality inspection involved checking the skewness and kurtosis values, besides running Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests. Although significance values from the K-S and S-W tests suggested deviations from perfect normality, the skewness and kurtosis statistics remained within acceptable ranges, justifying the use of PLS-SEM for this study.

The purpose of the measurement model assessment was to check for reliability and validity of the constructs. First, internal consistency reliability was examined by checking Cronbach's Alpha and Composite Reliability to ensure that the indicators always measured their intended latent constructs. Second, convergent validity was checked by analyzing outer loadings and AVE to ascertain there was sufficient correlation among the indicators concerning their respective constructs. Third, discriminant validity was apprehended by looking at Fornell-Larcker criterion, HTMT ratios, and cross-loadings: these methods demonstrated that each construct was different from others in the model.

After establishing the goodness of the measurement model, the structural model was analyzed to test the hypothesized relationships among latent constructs conducting four critical analyses. First, multicollinearity was checked using VIF to ensure that the predictive constructs did not reach problematic levels of collinearity. Second, the coefficient of determination (R^2) was computed to gauge the extent to which internal causes could rationalize changes in dependent constructs. Third, an examination was performed on predictive relevance (Q^2) based upon blindfolding procedures to appraise the ability of the model in predicting correlative observations. Finally, effect sizes (f^2) were worked out to examine the degrees of influence exerted by each exogenous construct upon endogenous variables.

This two-stage PLS-SEM approach allowed for comprehensive evaluation of the measurement properties and structural relationships within the model itself. The combined application of SPSS and SmartPLS ensured the robustness of the initial

diagnostics and final model testing, so that the results would be both methodologically viable and substantively meaningful.

4.4.1 Assessment of Data Normality

Normality was reassessed with skewness and kurtosis values, along with the Kolmogorov-Smirnov (K-S) and the Shapiro-Wilk (S-W) tests. Skewness deals with the asymmetry distribution of data, while kurtosis examines the tails of a given distribution when compared with that of normal distribution. Kim (2013), suggests skewness values within ±2.0 and kurtosis values below 7.0 to be considered as having an acceptable level of normality.

The results in Appendix (B), indicated that all items had skewness values ranging between -0.769 and -1.410, and kurtosis values between 2.061 and 5.969, all well within the acceptable thresholds. This suggests that the data did not exhibit problematic levels of asymmetry or extreme tail behavior. For example, within the Strategic Management Practices (SMP) construct, items such as FO3 (skewness = -1.288, kurtosis = 4.344) and IM5 (skewness = -1.250, kurtosis = 4.911) were among the more peaked distributions, yet still comfortably within the acceptable normality range.

Despite acceptable skewness and kurtosis, the Kolmogorov-Smirnov and Shapiro-Wilk tests yielded statistically significant results ($p < 0.05$) across all items, indicating deviations from a perfectly normal distribution. For instance, Shapiro-Wilk significance values were 0.000 for every item, suggesting rejection of the null hypothesis of normality. However, given the large sample size ($n = 420$), the normality tests tend to be overly sensitive and may signal minor, practically insignificant deviations. In large samples, skewness and kurtosis provide more meaningful insight into the distribution shape than significance values from K-S or S-W tests.

Therefore, although the data technically deviate from perfect normality based on formal tests, the skewness and kurtosis statistics confirm that the data distributions are sufficiently close to normal. This supports the validity of applying parametric tests such as regression analysis and structural equation modeling (SEM) in the subsequent analytical procedures.

4.4.2 Internal Consistency Reliability

From this stage, this analysis focuses on one of the crucial issues: internal consistency within each construct between items. The constructs were tested for reliability by calculating Cronbach's Alpha and Composite Reliability values in Table (4.5). Cronbach's α coefficients of 0.70 and above are considered acceptable, and higher than 0.90 represent excellent reliability (Hair Jr et al., 2010). Similarly, Composite reliability values higher than 0.70 are acceptable for most studies; however, considering the exploratory nature of this study, values higher than 0.60 are also considered appropriate. These boundary values ensure that the strength of the measurement model adequately reflects the study dimensions.

All latent variables, both first-order and second-order constructs, are modeled as reflective constructs. This modeling choice is founded upon the assumption that the indicators are manifestations of their underlying latent variables rather than forming them causally. That is, an alteration at the latent construct level (e.g., Strategic Management Practices) ought to be mirrored evenly across its observed indicators (e.g., Visioning, Focusing, and Implementing), which are assumed to be interchangeable and correlated. This way of modeling follows Hair Jr et al. (2017), recommendations for constructs exhibiting high internal consistency and conceptual unidimensionality.

The second-order constructs of Strategic Management Practices (SMP), Organizational Ambidexterity (OA), and Intellectual Capital (IC) have been modeled as reflective-reflective hierarchical component models (HCMs). Such a modeling structure assumes the higher-order constructs to be reflective of the commonality across their respective first-order dimensions, which itself is reflective. Since all first-order dimensions bear a common theme and are highly correlated as evidenced by their strong outer loadings and high reliability scores, this approach seems correct.

- **First-Order Constructs**

As shown in Table (4.5), the first-order constructs demonstrate strong internal consistency. For the Strategic Management Practices (SMP) construct, the subdimensions recorded the following alpha and CR values: Visioning (VI) with $\alpha = 0.889$, CR = 0.918; Focusing (FO) with $\alpha = 0.911$, CR = 0.934; and Implementing (IM) with $\alpha = 0.921$, CR = 0.940. These values confirm that all SMP dimensions reliably measure their respective constructs.

The Organization Ambidexterity (OA) construct also demonstrated excellent reliability, with the Exploration (EXR) dimension showing α = 0.926, CR = 0.944, and the Exploitation (EXT) dimension showing α = 0.943, CR = 0.955.

Likewise, the Intellectual Capital (IC) construct exhibited high internal consistency across its three dimensions: Human Capital (HU) with α = 0.943, CR = 0.956; Social Capital (SO) with α = 0.934, CR = 0.950; and Organizational Capital (OR) with α = 0.915, CR = 0.940.

- **Second-Order Constructs**

The second-order constructs, which represent the aggregated dimensions of SMP, OA, and IC, also confirmed excellent reliability. The composite scores were as follows: SMP with α = 0.921, CR = 0.950; OA with α = 0.896, CR = 0.951; and IC with α = 0.942, CR = 0.963.

Overall, these results confirm that all constructs in both first-order and second-order forms exhibit strong internal consistency and reliability, ensuring the robustness of the measurement model in capturing the intended theoretical dimensions of the study.

Table (4.5) Construct Reliability Analysis

Construct	**α**	**CR**
→ First Order		
SMP		
VI	0.889	0.918
FO	0.911	0.934
IM	0.921	0.940
OA		
EXR	0.926	0.944
EXT	0.943	0.955
IC		
HU	0.943	0.956
SO	0.934	0.950
OR	0.915	0.940
→ Second Order		
SMP	0.921	0.950
OA	0.896	0.951
IC	0.942	0.963

4.5 Convergent Validity

Being deemed one critical aspect of construct validity, ensuring strong correlations between measures of independent or similar constructs is key. Hair Jr et al. (2014), defined the term as "the extent to which a measure correlates positively with other measures of the same construct." In brief, this study used two major tests in confirming convergent validity: outer loading and average variance extracted (AVE). These methods made sure that observed variables could represent well their respective constructs.

4.5.1 Outer Loading

Outer loading evaluates the strength of the relationship between constructs and their indicators appearing in Table (4.6). According to Hair Jr et al. (2017), loading values that exceed 0.60 are generally accepted to establish convergent validity as the indicator meaningfully contributes to the respective construct. The analysis in fact shows that mostly the indicators surpass this value, proving that they are strongly aligned with their constructs. Table (4.6) presents the outer loadings for all first-order and second-order constructs in this study.

- **First-Order Constructs**

All indicators across the first-order constructs reported strong outer loading values, well above the 0.60 threshold. For Strategic Management Practices (SMP), the dimensions of Visioning (VI) ranged from 0.820 to 0.844, Focusing (FO) from 0.843 to 0.882, and Implementing (IM) from 0.841 to 0.890, demonstrating solid indicator reliability across all measurement items.

Within Organization Ambidexterity (OA), the Exploration (EXR) items showed outer loadings between 0.854 and 0.900, while Exploitation (EXT) items ranged from 0.855 to 0.911, further reinforcing convergent validity across the ambidexterity construct.

For the Intellectual Capital (IC) construct, high outer loading values were also observed. The Human Capital (HU) indicators ranged from 0.874 to 0.918, the Social Capital (SO) indicators ranged from 0.875 to 0.902, and the Organizational Capital (OR) indicators ranged from 0.886 to 0.901, all supporting excellent indicator reliability.

- **Second-Order Constructs**

The results from the second-order constructs likewise confirmed strong outer loadings. The dimensions of SMP—VI (0.936), FO (0.956), and IM (0.948)—loaded strongly on the second-order SMP construct. Similarly, EXR (0.951) and EXT (0.953) had strong associations with OA, while HU (0.920), SO (0.943), and OR (0.924) strongly loaded onto the higher-order IC construct.

Overall, these results confirm that all items significantly contribute to their respective constructs, providing strong evidence of convergent validity within the measurement model.

Table (4.6) Outer Loading of Indicators

Construct	Questions	Outer Loading
→ First Order		
SMP		
VI	VI1	0.827
	VI2	0.820
	VI3	0.830
	VI4	0.840
	VI5	0.844
FO	FO1	0.843
	FO2	0.851
	FO3	0.867
	FO4	0.882
	FO5	0.852
IM	IM1	0.862
	IM2	0.881
	IM3	0.841
	IM4	0.883
	IM5	0.890
OA		
EXR	EXR1	0.855
	EXR2	0.893
	EXR3	0.900
	EXR4	0.887
	EXR5	0.854
EXT	EXT1	0.855
	EXT2	0.877
	EXT3	0.869
	EXT4	0.875
	EXT5	0.911
	EXT6	0.907

IC		
HU	HU1	0.890
	HU2	0.914
	HU3	0.914
	HU4	0.918
	HU5	0.874
SO	SO1	0.902
	SO2	0.891
	SO3	0.893
	SO4	0.875
	SO5	0.884
OR	OR1	0.892
	OR2	0.886
	OR3	0.901
	OR4	0.892
→ Second Order		
SMP	VI	0.936
	FO	0.956
	IM	0.948
OA	EXR	0.951
	EXT	0.953
IC	HU	0.920
	SO	0.943
	OR	0.924

4.5.2 Average Variance Extracted (AVE)

This method is used to analyze and measure the convergent validity of the constructs, i.e., how well a construct explains the variance in its indicators. According to Fornell and Larcker (1981), an AVE of 0.50 or above is generally accepted, as it stipulates that the construct explains at least 50% of the variance in its indicators. Constructs with AVEs of lower values might have weaker convergent validity and, thus, could require further refinement.

- **First-Order Constructs**

As presented in Table (4.7), all constructs in this study achieved AVE values well above the 0.50 threshold. For the first-order constructs, the dimensions of Strategic Management Practices (SMP) demonstrated solid convergent validity, with AVE values of 0.692 for Visioning (VI), 0.738 for Focusing (FO), and 0.759 for

Implementing (IM). Similarly, the Organization Ambidexterity (OA) construct showed strong AVEs for both Exploration (EXR) (0.771) and Exploitation (EXT) (0.779), indicating a high degree of shared variance among the related items.

The Intellectual Capital (IC) construct also reflected strong convergent validity. The AVE for Human Capital (HU) was 0.814, for Social Capital (SO) was 0.790, and for Organizational Capital (OR) was 0.798, confirming that each subdimension adequately explains the variance of its observed indicators.

- **Second-Order Constructs**

Moreover, second-order constructs exhibited excellent convergent validity. The AVE for SMP was 0.863, for OA was 0.906, and for IC was 0.896. These high AVE values affirm that the second-order latent variables are reliably explained by their underlying dimensions.

In conclusion, the AVE values across all constructs, both first-order and second-order, exceeded the recommended threshold, thus confirming the adequacy of convergent validity in the measurement model.

Table (4.7) Average Variance Extracted (AVE) Analysis

Construct	**AVE**
→ First Order	
SMP	
VI	0.692
FO	0.738
IM	0.759
OA	
EXR	0.771
EXT	0.779
IC	
HU	0.814
SO	0.790
OR	0.798
→ Second Order	
SMP	0.863
OA	0.906
IC	0.896

4.5.3 Discriminant Validity

Discriminant validity measures the extent to which a given construct is different from the other constructs in the model. In testing for discriminant validity, three different techniques were utilized: the Fornell-Larcker criterion, the HTMT, and cross-loading analysis. For the Fornell-Larcker criterion, the aim is to compare the square root of the AVE for each construct against the correlations that these constructs maintain with other constructs. A certain construct is said to possess discriminant validity if the square root of its AVE happens to be larger than its correlation with any other construct (Fornell & Larcker, 1981).

- **Fornell-Larcker criterion**

According to Fornell and Larcker (1981), discriminant validity is established when the square root of the Average Variance Extracted (AVE) for a construct is greater than its correlations with any other construct in the model. In the provided first-order construct matrix in Table (4.8), all diagonal values (square roots of AVEs) exceeded the off-diagonal inter-construct correlations. For example, the square root of AVE for Exploration (EXR) was 0.878, higher than its correlation with Exploitation (EXT) (0.812), Focusing (FO) (0.684), and other constructs. Similarly, Human Capital (HU) had a square root of AVE of 0.902, surpassing its correlations with all other constructs.

The second-order construct matrix showed the same pattern of results as shown in Table (4.10). The square root of AVE for Strategic Management Practices (SMP) was 0.892, greater than its correlations with Organization Ambidexterity (OA) (0.477) and Intellectual Capital (IC) (0.304). This pattern confirms discriminant validity among second-order latent variables as well. Similarly, OA demonstrated a square root of AVE of 0.928, which is greater than its correlation with IC (0.495). These results confirm that each construct shares more variance with its own indicators than with other constructs, thus supporting discriminant validity as per the Fornell-Larcker criterion.

- **Heterotrait-Monotrait (HTMT) Ratio**

To further confirm discriminant validity, the HTMT ratio was used. According to Henseler et al. (2015), HTMT values should be below 0.90 for conceptually distinct constructs. Table (4.9) is the result of the first-order HTMT matrix; most values remain below the 0.90 threshold, supporting discriminant validity. Notably, some higher

values approaching 1.00 were observed, such as HTMT = 1.008 between SMP and VI, and 1.011 between OA and EXT, suggesting strong correlations. However, these pairs still reflect distinct conceptual boundaries when evaluated alongside AVE and outer loadings.

The second-order HTMT values shown in Table (4.11) provide additional confirmation of such inferences. All second-order HTMT ratios were below the recommended threshold of 0.90 (HTMT: SMP–OA = 0.555, SMP–IC = 0.375, OA–IC = 0.609), indicating the constructs to be empirically distinct. Such a finding is considered ideal for reflective-reflective higher-order models as correlation is expected to a certain extent because of theoretical relatedness (Hair et al., 2017).

Both the Fornell-Larcker and HTMT analyses indicate adequate discriminant validity among constructs in the measurement model, justifying their treatment as distinct constructs in the structural model.

Table (4.8) Fornell-Larcker Criterion (1st Order)

Fornell	EXR	EXT	FO	HU	IC	IM	OA	OR	SMP	SO	VI
EXR	0.878										
EXT	0.812	0.883									
FO	0.684	0.747	0.859								
HU	0.692	0.730	0.705	0.902							
IC	0.798	0.812	0.748	0.928	0.832						
IM	0.684	0.764	0.879	0.708	0.740	0.871					
OA	0.941	0.962	0.754	0.749	0.846	0.764	0.838				
OR	0.773	0.767	0.668	0.760	0.912	0.651	0.808	0.893			
SMP	0.750	0.810	0.957	0.752	0.804	0.950	0.822	0.729	0.809		
SO	0.768	0.771	0.707	0.808	0.946	0.699	0.808	0.816	0.758	0.889	
VI	0.765	0.789	0.838	0.724	0.796	0.815	0.817	0.753	0.932	0.747	0.832

Table (4.9) Heterotrait-Monotrait Ratio (1st Order)

HTMT	EXR	EXT	FO	HU	IC	IM	OA	OR	SMP	SO	VI
EXR											
EXT	0.867										
FO	0.743	0.805									
HU	0.741	0.774	0.761								
IC	0.844	0.851	0.797	0.973							
IM	0.740	0.819	0.958	0.759	0.785						
OA	1.000	1.011	0.807	0.788	0.880	0.813					
OR	0.839	0.826	0.731	0.818	0.970	0.709	0.863				
SMP	0.794	0.850	1.022	0.790	0.834	1.009	0.856	0.777			

SO	0.826	0.821	0.767	0.861	0.995	0.754	0.855	0.883	0.800		
VI	0.842	0.860	0.929	0.790	0.859	0.899	0.885	0.834	1.008	0.820	

Table (4.10) Fornell-Larcker Criterion (2nd Order)

Fornell	**IC**	**OA**	**SMP**
IC	0.877		
OA	0.495	0.928	
SMP	0.304	0.477	0.892

Table (4.11) Heterotrait-Monotrait Ratio (2nd Order)

HTMT	**IC**	**OA**	**SMP**
IC			
OA	0.609		
SMP	0.375	0.555	

- **Cross-Loading Analysis**

Cross-loading analysis evaluates the extent to which indicators are more strongly associated with their intended constructs than with other constructs, as recommended by Chin (1998). Ideally, an indicator should load higher on its respective construct than on any other construct, demonstrating strong alignment and supporting discriminant validity.

As shown in the results (Appendix C), all items loaded highest on their corresponding constructs compared to other constructs. For example, VI1 loaded 0.827 on Visioning (VI), which is substantially higher than its loadings on Focusing (FO) (0.695), Implementing (IM) (0.653), and all other constructs (all below 0.62). Similarly, FO3 loaded 0.867 on FO, significantly above its correlations with VI (0.707) and IM (0.772). Likewise, IM5 had its highest loading on Implementing (0.890), confirming item alignment.

For the Organization Ambidexterity (OA) construct, items under Exploration (EXR) and Exploitation (EXT) also loaded highest on their respective factors. For instance, EXR2 loaded 0.893 on EXR and below 0.70 on all other constructs. EXT5 showed a very strong loading of 0.911 on EXT, and only moderate loading across the remaining constructs.

Under Intellectual Capital (IC), indicators showed a similar pattern. For example, HU3 had a high loading of 0.914 on Human Capital (HU), and lower correlations with other constructs such as EXR (0.612) or FO (0.646). The same

consistency was observed for Social Capital (SO) and Organizational Capital (OR). SO3 loaded 0.893 on SO, while OR3 loaded 0.901 on OR—both clearly exceeding their loadings on any other construct.

This consistent pattern confirms that each item correlates more strongly with its intended latent variable than with other constructs, thus supporting discriminant validity in alignment with reflective measurement model standards.

4.6 Structural Model Assessment

Once the measurement model was validated, the structural model was evaluated to test the hypothesized relationships between constructs. The researcher performed four key tests for this assessment: multicollinearity testing, coefficient of determination (R^2), predictive relevance (Q^2), and effect size (f^2). These tests provided a comprehensive understanding of the structural model's reliability and predictive power.

4.6.1 Indicator Multicollinearity

If there is multicollinearity between the variables, a path coefficient in a structural model would be wrongly estimated. Therefore, collinearity between indicators is assessed through the Variance Inflation Factor (VIF), accepted to be below 5 for fair collinearity conditions (Fornell & Bookstein, 1982). For a more strict analysis, VIF values below 3 are deemed more reliable. A summary of the VIF statistics of each indicator for all the constructs is given in Table (4.12).

As summarized in Table (4.12), all indicators exhibited VIF values within the acceptable range. Within the Strategic Management Practices (SMP) construct, the VIF values ranged from 2.047 (VI2) to 3.618 (IM1), suggesting moderate collinearity but still within the recommended bounds. The highest VIF within SMP was observed for IM5 (3.539), which remains below the upper limit of 5.

For the Organization Ambidexterity (OA) construct, VIF values ranged from 2.450 (EXR5) to 4.915 (EXT5). Although EXT5 and EXT6 (VIF = 4.434) approached the higher boundary, they still do not exceed the critical threshold of 5, thereby not posing a significant multicollinearity threat.

The Intellectual Capital (IC) indicators showed somewhat higher VIFs but remained within acceptable limits. For Human Capital (HU), VIF values ranged from

2.908 (HU5) to 4.250 (HU3). Social Capital (SO) had a few indicators exceeding 4, such as SO1 (4.284) and SO3 (3.602), suggesting potential but not severe multicollinearity concerns. Organizational Capital (OR) items presented the lowest collinearity among IC dimensions, with values between 2.830 and 3.320.

In summary, although several items demonstrated moderate multicollinearity, none of the VIF values exceeded the conservative upper limit of 5, confirming that collinearity among indicators is not problematic and supports the validity of the measurement model for subsequent structural model analysis.

Table (4.12) Result of Collinearity Statistics (VIF) for Indicators

Construct	Questions	VIF
SMP		
VI	VI1	2.360
	VI2	2.047
	VI3	2.195
	VI4	2.236
	VI5	2.636
FO	FO1	2.361
	FO2	2.421
	FO3	2.663
	FO4	3.293
	FO5	2.951
IM	IM1	3.618
	IM2	2.998
	IM3	2.457
	IM4	3.226
	IM5	3.539
OA		
EXR	EXR1	2.684
	EXR2	3.210
	EXR3	3.692
	EXR4	3.368
	EXR5	2.450
EXT	EXT1	2.878
	EXT2	3.174
	EXT3	3.034
	EXT4	3.258
	EXT5	4.915
	EXT6	4.434
IC		
HU	HU1	3.378
	HU2	4.133

	HU3	4.250
	HU4	4.131
	HU5	2.908
SO	SO1	4.284
	SO2	3.419
	SO3	3.602
	SO4	2.965
	SO5	3.103
OR	OR1	2.877
	OR2	2.897
	OR3	3.320
	OR4	2.830

4.6.2 Coefficient of Determination (R^2)

The coefficient of determination (R^2) measures the proportion of variance of the endogenous construct explained by the exogenous constructs; hence it may be interpreted as the model's predictive accuracy. R^2 values lie between zero and one, with values closer to one indicating greater explanatory power. Cohen (2013), suggested that R^2 values of 0.02, 0.15, and 0.35 be understood as weak, moderate, and strong, respectively.

The results in Table (4.13) demonstrate that the structural model has strong predictive power. Exploration (EXR) had an R^2 of 0.886, while Exploitation (EXT) had the highest explanatory power with an R^2 of 0.925. Similarly, Human Capital (HU) was well explained by its predictors, with an R^2 of 0.862.

For the higher-order constructs, Intellectual Capital (IC) achieved an R^2 of 0.647, and Organizational Ambidexterity (OA) reached 0.776, both indicating a high level of variance explained by the underlying factors. In addition, Organizational Capital (OR) and Social Capital (SO) recorded R^2 values of 0.832 and 0.894, respectively, further affirming that the model captures the key drivers of these outcomes effectively.

Notably, the adjusted R^2 values closely matched the unadjusted R^2 scores, reinforcing the stability of the estimates even after accounting for model complexity. In summary, the R^2 results provide strong evidence that the structural model possesses robust explanatory power for all endogenous constructs, supporting the validity of the theoretical relationships proposed in the study.

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Table (4.13) Results of R^2

Construct	R^2	R^2 adjusted	Degree
EXR	0.886	0.886	High
EXT	0.925	0.924	High
HU	0.862	0.862	High
IC	0.647	0.646	High
OA	0.776	0.775	High
OR	0.832	0.832	High
SO	0.894	0.894	High

4.6.3 Predictive Relevance (Q^2)

Predictive relevance (Q^2) can be evaluated concerning the predictive accuracy of endogenous constructs by performing operations such as blindfolding. A Q^2 larger than zero would guarantee that the model has predictive relevance for a specific endogenous construct (Stone, 1974). As the Q^2 value rises, stronger is the capability of prediction.

Table (4.14) exhibits the results for Q^2, which stand well above zero, strongly indicating a predictive relevance for the exogenous constructs. Among the constructs, Organization Ambidexterity (OA) recorded the highest Q^2 value of 0.687, followed by Exploitation (EXT) with 0.665, and Intellectual Capital (IC) with 0.648. These values reflect the model's strong ability to predict outcomes in these areas.

Similarly, Exploration (EXR) and Social Capital (SO) had Q^2 values of 0.575 and 0.576, respectively, both indicating solid predictive strength. Human Capital (HU) and Organizational Capital (OR) reported Q^2 values of 0.568 and 0.533, respectively, also surpassing the threshold for predictive relevance.

In terms of error metrics, RMSE ranged from 0.567 (OA) to 0.691 (OR), and MAE values ranged from 0.404 (OA) to 0.500 (OR). These values are consistent with strong predictive performance, particularly for OA and EXT, which showed the lowest error rates.

In conclusion, the positive Q^2 values, combined with acceptable levels of RMSE and MAE, indicate that the structural model exhibits robust predictive capability across all examined constructs.

Table (4.14) Results of Q2

Construct	Q^2predict	RMSE	MAE
EXR	0.575	0.659	0.48
EXT	0.665	0.587	0.421
HU	0.568	0.664	0.481
IC	0.648	0.601	0.421
OA	0.687	0.567	0.404
OR	0.533	0.691	0.500
SO	0.576	0.658	0.454

4.6.4 Effect Size (f^2) tests

Effect size (f^2) is determined in examining the influence of an exogenous construct on an endogenous construct by measuring the change in variance explained by its removal from the structural model (Chin, 1998). (Cohen, 1992), proposed classifications for effect size: small (0.02), medium (0.15), and large (0.35). An increase in f^2 value corresponds to more power given by an exogenous construct in explaining the variation of an endogenous construct

The results of the f^2 tests, shown in Table (4.15), reveal varying degrees of effect size across different constructs. The strongest effect was recorded from Organization Ambidexterity (OA) to Exploitation (EXT) with an f^2 of 12.259, followed by OA to Exploration (EXR) with 7.767, demonstrating the dominant role of ambidexterity in shaping exploratory and exploitative capacities.

Similarly, Intellectual Capital (IC) exerted a strong influence on multiple constructs: it had a large effect on Social Capital (SO) (f^2 = 8.437), Human Capital (HU) (6.239), and Organizational Capital (OR) (4.967), indicating the substantial role of IC in shaping its subdimensions. Additionally, the effect of IC on Organization Ambidexterity (OA) was also high (f^2 = 0.401), underscoring its moderating potential in the model.

The impact of Strategic Management Practices (SMP) was also notable. Its influence on OA as moderate (f^2 = 0.177), yet still meaningful within the structural framework.

In conclusion, the effect size analysis reinforces the robustness of the model, highlighting that all included relationships are not only statistically significant but also substantively powerful, particularly those involving OA and IC.

Table (4.15) Results of f^2

Construct	F^2	Degree
OA -> EXR	7.767	High
OA -> EXT	12.259	High
IC -> HU	6.239	High
IC -> OA	0.401	High
IC -> OR	4.967	High
IC -> SO	8.437	High
SMP -> OA	0.177	Moderate

4.7 Research Hypothess Testing

The final phase of structural model evaluation entails analyzing the hypothesized relationships through the path coefficient test. By the recommendations of Hair Jr et al. (2017), bootstrapping techniques utilizing 5,000 subsamples were applied to assess the proposed hypotheses.

The results of the study hypotheses are illustrated in Figure (4.1). In the path analysis, the values displayed within the inner model represent the outcomes of the hypothesized relationships.

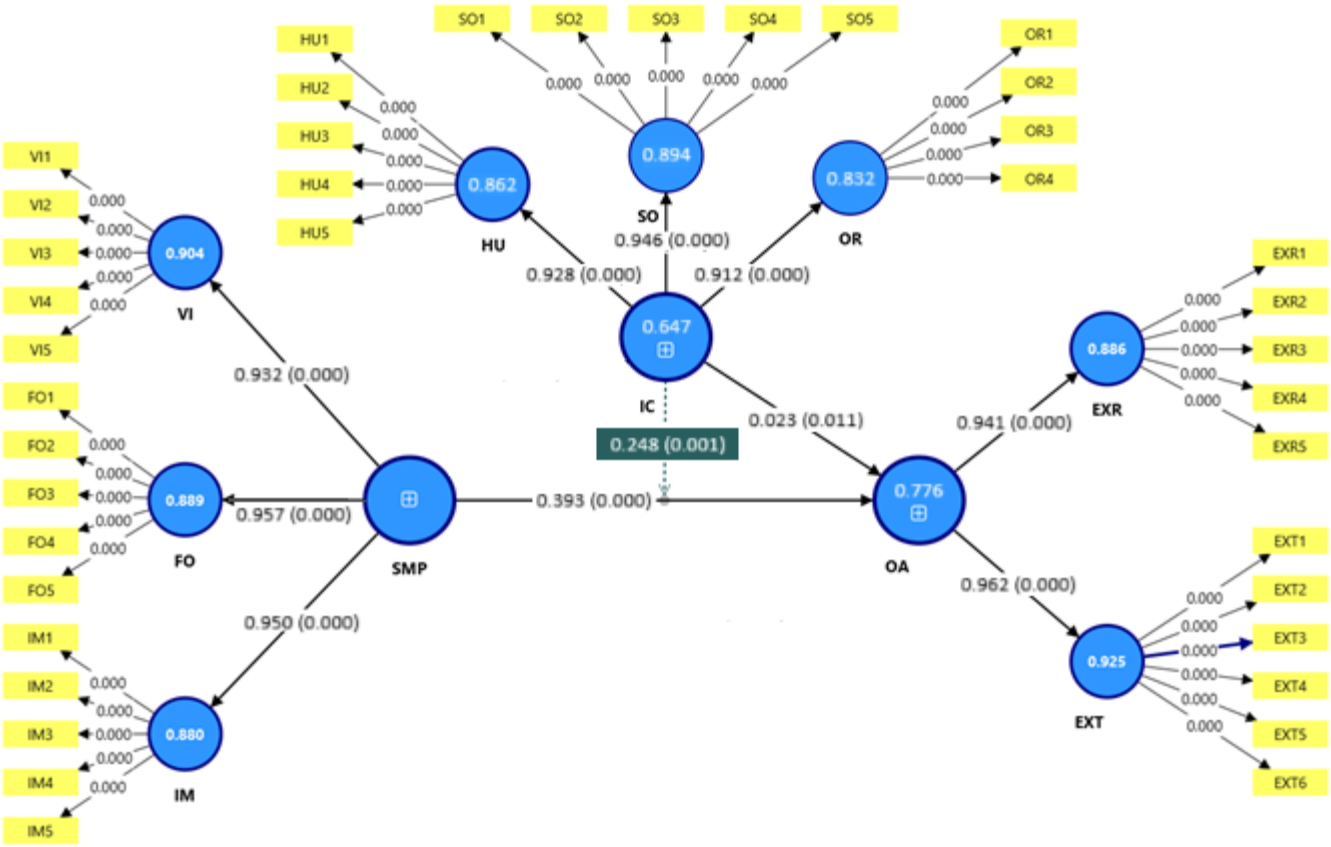

Figure (4.1) Results of Path Analysis

*Values in the inner model represent the (p-value); the outer model represents β-value.

4.7.1 Results of the Hypothesis

4.7.1.1 Strategic Management Practices and Organizational Ambidexterity

This section presents the results of hypothesis testing related to the influence of Strategic Management Practices (SMP) and its subdimensions on Organizational Ambidexterity (OA). To examine these relationships rigorously, a new first-order measurement model was developed specifically for SMP. Four hypotheses (H1 through H1c) were tested using bootstrapping techniques with 5000 subsamples to estimate the path coefficients (β), t-values, and p-values for each structural path.

As shown in Table (4.16) and Figure (4.2), the results strongly support all proposed hypotheses. The direct effect of SMP on OA (**H1**) was found to be statistically significant, with a β = 0.393, t = 8.095, and p < 0.000, indicating that strategic

management practices, when modeled as a first-order construct, have a positive and meaningful impact on organizational ambidexterity in the public sector. The analysis further decomposes this relationship into three sub-hypotheses, each reflecting one of the SMP dimensions:

H1a: Visioning (VI) → OA was supported (β = 0.294, t = 5.217, p = 0.000), showing that a clear and compelling vision contributes significantly to enhancing ambidexterity.

H1b: Focusing (FO) → OA was also supported (β = 0.075, t = 2.016, p = 0.022), indicating that strategic focus positively influences an organization's ability to balance exploration and exploitation.

H1c: Implementing (IM) → OA showed the strongest effect among the dimensions (β = 0.092, t = 2.958, p = 0.002), suggesting that successful implementation mechanisms are critical to realizing ambidextrous outcomes.

Table (4.16) Results of the First Hypothesis

Hypothesis	**Direction**	***β* coefficient**	**Std.**	***t* Value**	***p* Value**	**Result**
H1	SMP → OA	0.393	0.049	8.095	0.000	Supported
H1a	VI → OA	0.294	0.056	5.217	0.000	Supported
H1b	FO → OA	0.075	0.037	2.016	0.022	Supported
H1c	IM → OA	0.092	0.031	2.958	0.002	Supported

*Note. **P<0.05*

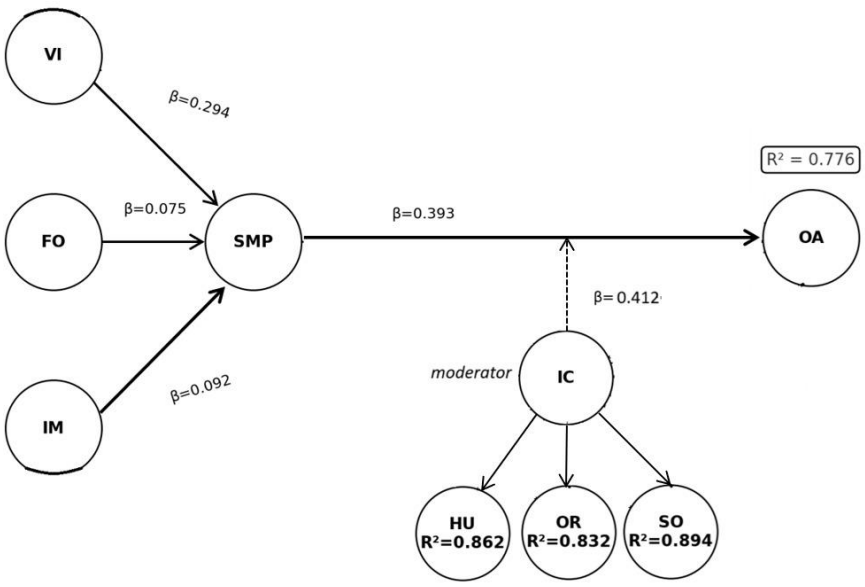

Figure (4.2) first-order structural model

4.7.1.2 Intellectual Capital and Organizational Ambidexterity

Hypothesis H2 proposed that Intellectual Capital (IC) significantly contributes to the development of ambidextrous capabilities (OA) within public sector organizations.

As shown in Table (4.17), the path analysis revealed a significant and positive relationship between IC and OA, with a path coefficient (β) of 0.023, a t-value of 2.307, and a p-value < 0.011. These values provide strong empirical support for H2, confirming that Intellectual Capital plays a substantial role in enhancing the dual capabilities of exploration and exploitation in public organizations.

The result suggests that when organizations possess rich stocks of human, social, and organizational capital, they are more capable of simultaneously pursuing innovative activities (exploration) and optimizing current practices (exploitation). This finding reinforces the importance of investing in knowledge assets as a strategic lever for ambidexterity in the public sector.

Table (4.17) Results of the Second Hypothesis

Hypothesis	**Direction**	***β*** **coefficient**	**Std.**	***t*** **Value**	***p*** **Value**	**Result**
H2	IC → OA	0.023	0.010	2.307	0.011	Supported

*Note. **P<0.05*

4.7.1.3 The Moderating Role of Intellectual Capital

This section explores the moderating effect of Intellectual Capital (IC) on the relationship between Strategic Management Practices (SMP) and Organizational Ambidexterity (OA), including its dimensions: Visioning (VI), Focusing (FO), and Implementing (IM). Moderation analysis was performed to test whether IC amplifies the effect of SMP and its subcomponents on OA.

As presented in Table (4.18), the interaction between SMP and IC was found to be statistically significant (β = 0.248, t = 20.559, p < 0.001), providing strong support for Hypothesis H3. This result suggests that Intellectual Capital positively moderates the overall relationship between Strategic Management Practices and Organizational Ambidexterity, amplifying the effect of SMP on OA when intellectual

resources are robust. Further examination of the moderation effects at the subdimension level revealed mixed results:

H3a: VI × IC → OA was supported (β = 0.115, t = 2.127, p = 0.017), indicating that when intellectual capital is high, the contribution of visioning to ambidexterity strengthens.

H3b: FO × IC → OA was not supported (β = 0.066, t = 0.843, p = 0.200), suggesting that intellectual capital does not significantly moderate the relationship between strategic focusing and ambidexterity.

H3c: IM × IC → OA was also not supported (β = 0.074, t = 0.893, p = 0.186), indicating no significant moderation effect of intellectual capital on the implementing–ambidexterity link.

These findings offer partial support for the proposed moderation hypotheses. While IC enhances the overall SMP–OA relationship and particularly strengthens the contribution of visioning, it does not appear to significantly influence the moderating dynamics for focusing and implementing. This highlights the nuanced role of intellectual resources, suggesting that not all aspects of strategic practice are equally leveraged by IC in fostering ambidextrous outcomes.

Table (4.18) Results of the Third Hypothesis

Hypothesis	Direction	β coefficient	Std.	t Value	p Value	Result
H3	SMP x IC → OA	0.248	0.012	20.559	0.000	Supported
H3a	VI x IC → OA	0.115	0.054	2.127	0.017	Supported
H3b	FO x IC → OA	0.066	0.078	0.843	0.200	Not Supported
H3c	IM x IC → OA	0.074	0.083	0.893	0.186	Not Supported

Note. **P<0.05

4.8 Summary of Findings

The results provide an integrated perspective of strategic avenues through which public-sector organizations may develop ambidextrous capabilities. Strategic Management Practices (SMP) were found to influence Organizational Ambidexterity (OA) and Intellectual Capital (IC) at both levels significantly. Among these, IC, in addition, is a direct contributor to OA, while also positively moderating SMP-OA relationships at the level of visioning. These results imply that the presence of intellectual resources, including human talent, social networks, and organizational systems, renders strategic endeavors more fruitful.

The study, using the moderation perspective, confirmed that it is when IC is strong, shall SMP function better on OA. Mediation effects were not sought because the model was theoretically and empirically grounded on direct interaction (moderation) rather than indirect ones. This offer makes scope for analysis clear while reinforcing the view that IC acts as a contingency rather than an alternative pathway.

The result, in general, confirms the conceptual framework in which Strategic Management Practice is of primary importance as an input, Intellectual Capital acts strategically as an enhancer, and Organizational Ambidexterity comes to be valued much more as a performance capability in innovation and adaptation in the public sector.

Chapter Five: Discussion

5.1 Introduction

The chapter critically interprets the empirical results of the study on the effects of strategic management practices (SMPs) on organisational ambidexterity (OA) among Palestinian public sector organisations, with particular reference to the moderating effect of intellectual capital (IC). In order to give a more specific analysis, the discussion explains, contrasts and contextualizes the findings. It uses the empirical findings of the previous chapter to place them in the context of Dynamic Capabilities Theory, the Resource-Based View (RBV), and Intellectual and Social Capital Theory.

The analysis demonstrates that the strategic dimensions of visioning, focusing, and implementing influence ambidextrous capacity, and that intellectual capital either augments or moderates the influence. The institutional and political context in which the dynamics are observed is also taken into consideration in the discussion. The chapter is organized on the basis of the central relationships that are being tested and is connected to pertinent literature to theorize and empirically place findings within context.

Besides the discussion of the findings, the chapter also provides the general conclusions of the study, theoretical and practical implications, limitations, and future research directions. This unified method guarantees a harmonious consideration of the way strategic practices and intellectual resources combine to influence organisational flexibility in resource-scarce situations within the public sector.

5.2 Discussion of the Demographic Results

The outcomes of gender distribution indicated that most of the respondents were found to be male and represented 63.6%, and females represented 36.4%. The likely reason behind this finding is that most Palestinian organizations in the public sector, especially those found in defense and public order institutions, where the majority of the respondents work, were traditionally male-dominated because of cultural regulations combined with the gendered division of labor. This result has implications for understanding how organizational ambidexterity and strategic management practices may be shaped by gendered perspectives and potentially limited diversity in decision-making

processes. This result agrees with Abu-Rmeileh and Iriqat (2024) in terms of highlighting structural challenges, including gender disparities, in Palestinian public institutions. However, it disagrees with Mubarik et al. (2019) in terms of the assumption that organizations with diverse intellectual capital, including gender diversity, naturally achieve stronger ambidextrous capabilities, suggesting that contextual barriers may limit this effect.

The findings of the age distribution showed that the greatest percentage of the respondents was aged 40 years and more (51.2%), and the next highest percentage was that of the respondents aged 35 to 40 years (18.6%). The observed result may be explained by the idea that public sector jobs in Palestine have low turnover with long-tenure career jobs, which may cause an average workforce to be older.. This finding bears implications for the ambidexterity aspect, where older employees might have much institutional knowledge (structural and human capital), yet they might not be able to accommodate exploration-oriented activities involving innovation. This finding concurs with Kraus et al. (2022) in the aspect of acknowledging the importance of context, i.e., tenure and discipline, in the shaping of intellectual capital, specifically experience-based human capital. It nevertheless differs from Chakma et al. (2021) on the assumption that ambidexterity is directly proportional to experience, since such a setting implies that long tenure can result in a reinforcement of routines that inhibit exploration.

The findings on educational attainment showed that the majority of the respondents had a bachelor's degree (60.2%), followed by those who had a master's degree (24.5%), respectively. One of the plausible explanations of this finding might relate to the fact that the Palestinian recruitment policy in the public sector is characterized by a standardized need that is focused more on academic than on professional training or practical experience with innovation. This finding has some implications for the practices of strategic management since it identifies that formal education is an associated factor in facilitating focusing and implementation activities, but other than a contributing factor, cannot bear exploration or dynamic capabilities alone. This finding aligns with Fu et al. (2016) because they also consider the role of human capital (knowledge and skills) to be the precondition to ambidexterity. It, however, does not concur with Teece et al. (1997) in the aspect of dynamic capabilities being automatic extensions of educational attainment, as this scenario shows that formal degrees do not necessarily result in versatile strategic hues without the mixing component of experience.

The findings of the type of institutional activity have demonstrated that most of the respondents were employed in defense and public order institutions (42.4%), as well as in public services (26.2%). One of the potential interpretations of this finding may be explained by the historical strength of the security institutions in the Palestinian public sector and their implications for governance and stability during the volatile political environment. This finding has implications to strategic management and ambidexterity because defense institutions might focus on exploitation (efficiency and control) rather than exploration (innovation and experimentation) which might impose limitations to organizational learning and organizational fit. The finding is aligned with Alayasa and Musa (2021) on the extent to which the security imperative transforms Palestinian public sector organizations. Nevertheless, it differs from Sulphey (2019) regarding the expectation that organizations in the public sector will systematically reconcile exploration and exploitation because the high level of defense-oriented behaviors means a lean towards exploitation compared to innovative capability.

5.2.1 The Relationship Between Elements of Strategic Management Practices and Organizational Ambidexterity in Palestinian Public Sector Organizations

The results show that there is a positive and direct impact of strategic management practices on organizational ambidexterity. The relationship was strong and significant even when other variables were taken into consideration, meaning that effective strategic management actually plays a significant role in helping an organization to balance exploration and exploitation activities. This can be attributed to the fact that strategic management practices offer a formal structure that integrates long-term planning and operational execution, thus allowing organisations to engage in both exploration and exploitation processes, which are the major aspects of organisational ambidexterity (Teece et al., 1997). This finding has a bearing on public sector organizations in Palestine, in that it means that the adoption of coordinated strategic practices can help the organizations in Palestine to enjoy dual capacity of adapting to emerging challenges and stable performances at the same time. The definition of dynamic capabilities according to Teece et al. (1997) is comparable to the sizing of SMP in the ability of a firm to sense, seize and transform resources to suit the requirements of the environment, which is in line with the mechanisms of SMP in making organizations ambidextrous. Although the current findings resonate with those of Du and Chen (2018) in confirming that balanced and

coherent strategic practices ease the practice of ambidexterity in a volatile environment, they differ with the recommendations of Kostopoulos et al. (2015), who suggest that structured strategic systems inhibit exploratory capacity. Such contradiction is explainable by the peculiarities of the institutional and socio-political environment of the Palestinian public sector. Unlike the developed, private-sector environments in which too much structure can constrain autonomy and innovation, Palestinian public institutions are characterized by a climate of systemic uncertainty, political instability, and chronic resource shortage. In this more limited context, formalized strategic management processes, especially visioning, focusing and implementing processes, do not in any way suppress innovation but instead provide the procedural clarity and organization coherence needed to facilitate it. According to Teece (2007), dynamic capabilities are not always rigid or flexible but their effectiveness is dependent on the institutional environment within which they are implemented. Likewise, Scott (2014) points out that formal routines may be enablers of adaptation instead of a barrier when the institutional environment is highly pressured externally and has low autonomy. Therefore, structure does not oppose ambidexterity in the Palestinian context, but is a precondition of managing the institutional complexity and supporting controlled innovation. This study result supports the view that Strategic Management Practices (SMP) which include visioning, focusing, and implementing, have a substantial impact on Organizational Ambidexterity (OA) in the Palestinian organizations in the public sector. This finding is consistent with Du and Chen (2018), who also proved that equilibrium strategic guidelines and articulate models can contribute to organizational flexibility in turbulent environments. The study also confirms the belief of Teece et al. (1997) that dynamic capabilities, especially sensing and seizing opportunities, are incorporated in formal strategic management practices. In contrast to Kostopoulos et al. (2015) who have proposed that exploration is limited by the inability of rigid strategic systems, the current research has provided evidence that in the Palestinian public sector, its structured practices promoted ambidexterity, which implies that the contextual traits, like institutional mandates, public accountability, may moderate this relationship.

The results indicated that strategic management practices significantly positively influenced organisational ambidexterity. One of the explanations of this finding may be that compelling vision may explain organizational purpose and priorities that can coordinate the process of exploration of new opportunities to accompany the exploitation

of existing strengths (Elmassarey, 2023). The implications of this finding to leadership in Palestinian public institutions are that well-articulated strategic visions may be an anchor to adaptive behavior and dynamism. The Palestinian public sector is characterised by institutional instability, resource scarcity, and evolving policy mandates. A well-communicated vision acts as a stabilising force in this environment, promoting consistency in the face of instability. In this scenario, strategic visioning is not just aspirational but a useful tool that can drive adaptive behaviour and collectively make sense of and strengthen dynamic responses at the organisational level. Hence, the leadership implication in Palestinian public institutions is that clearly defined strategic visions could ground flexible and robust behaviors that allow organizations to strike a balance between innovation and efficiency in a limited environment. Dynamic Capabilities Theory by Teece et al. (1997) mentions that visioning fits into the sensing capability, which provides organizations with the ability to scan and understand emerging trends and threats to facilitate effective transformation. This finding corresponds with that of Elmassarey (2023) in the sense that visioning makes organizations ready to expect change and incorporate long-term ambitions through daily activities. The Palestinian context of the public sector, however, poses a rather different institutional environment, which is marked by uncertainty, limited autonomy, and strategic coherence in a politically and resource-volatile environment. In this context, visioning is not simply another command-and-control process but is a unifying process which allows organizations to keep on track, stay legitimate, and be flexible. Nevertheless, it differs with the views of Baškarada et al. (2016) who proposed that transactional views of strategic direction can be restraining of exploration, yet this paper reveals that visioning empowered the concept of ambidexterity.

The results regarding the focusing dimension showed a positive and significant correlation with organisational ambidexterity, but the magnitude of this correlation was not very large. This implies that although strategic focus is one of the components that help balance exploration and exploitation, its role could be more helpful than critical in developing ambidextrous capabilities. One of the reasons why such an outcome may be explained is the fact that in the context of focusing, the broad visions expressed within organizations are put into specific priorities, thus assisting in keeping to frame alignment in terms of the various departments and eliminating the division of resources. The relatively weak, yet significant, impact of strategic focusing on

organisational ambidexterity can be attributed to the contextual aspects unique to the Palestinian public sector, i.e., overlapping mandates, institutional fragmentation, and chronic resource scarcity. The attempt to build strong strategic priorities in such an environment can be watered down or compromised by bureaucratic inertia and coordination issues, restricting the degree to which focusing can become an effective means of supporting both exploration and exploitation in parallel. In the Dynamic Capabilities Theory by Teece et al. (1997), focusing is related to the seizing ability, meaning mobilizing resources in order to take actions with regard to the perceived opportunities. This finding concurs with Hadid and Al-Sayed (2021) when it comes to the ability of focus to enable organizations not to be over reliant on the current competencies or untested innovations. Nevertheless, it contradicts Abuzaid (2016), who indicated that, in some situations, excessive focus might restrain adaptive responding, whereas such an observation implies the existence of a positive relationship. Nevertheless, the institutional context of the present study, the Palestinian public sector, provides an alternative institutional reality, in which the presence of ambiguity in policy mandates, constrained resources, and duplication of roles and duties across ministries frequently result in disintegrated strategic behavior. In these environments, a clear strategic direction does not eliminate flexibility; instead, it facilitates it by lessening fragmentation and directing constrained capabilities to shared priorities.

Lastly, the outcome of implementation was found to be the highest impacting all the dimensions on OA . One explanation of this finding might be explained by the fact that sound practice implementation indeed operationalizes the strategic plans to make sure that the ambidextrous objectives are supported by resources, rewards, and feedback mechanisms(Ali, 2023) . This finding can be used in managerial practice to show that effective implementation is crucial in achieving both innovative and efficiency outcomes in public organizations. Under the Dynamic Capabilities Theory, Teece et al. (1997) stated that have a close alignment between implementation and transformation of capability where the organizations can reconfigure and renew resources, as set with strategy. This finding matches Ali (2023) in its perspective that implementation is a critical step to the transformation of strategy into actual outcomes, to the detriment of exploration and exploitation. Nevertheless, it contradicts the finding by Kostopoulos et al. (2015), who warned that formal implementation systems may limit innovation, but this research obtained a positive outcome.

5.2.2 The Relationship Between Intellectual Capital and Organizational Ambidexterity in Palestinian Public Sector Organizations

In the findings of the second hypothesis, Intellectual Capital (IC) played a substantive role in ambidextrous capabilities development in Palestinian public sector organizations, as the path coefficient was positive. The explanation of this finding may possibly be linked to the fact that when organizations have strong portfolios of human, social and structural capital, they are in a better position to achieve a balanced movement between exploration and exploitation processes. The finding has significant implications to organizations in the public sector working in resource restrained settings where it is stressed that internal knowledge resources are worth harnessing to spur adaptive and innovativeness. Intellectual and Social Capital Theory offers that relational, structural and cognitive aspects of social capital will help an organization to have access to existing knowledge, share existing knowledge and innovate new knowledge that can facilitate ambidextrous strategies (Nahapiet and Ghoshal 1998). This finding concurs with Mubarik et al. (2019) about the ability to show that highly intellectual firms have the propensity to achieve ambidextrous capabilities through encouraging the integration of knowledge and innovation. Nevertheless, it does not agree with Kostopoulos et al. (2015) in the parameters of the discovery that strict management systems can hinder exploration, but in this regard, intellectual capital seems to always increase both sides' ambidexterity measure. This paradox can be attributed to the unique nature of the Palestinian public sector, in which very rigid bureaucratic systems are prevalent, yet the intellectual capital makes up for these shortcomings. Formal structures are not always enough to promote flexibility in such an institutional environment. Nevertheless, these limitations are mitigated by the existence of high human, relational, and structural capital that facilitates informal knowledge sharing, internal trust, and collective learning. Such mechanisms allow organizations to be responsive and innovative even when they are working in rigid administrative structures. Consequently, as opposed to the situations where the rigid systems are the obstacles to creativity, in Palestine, intellectual capital is a strategic facilitator that enhances both exploration and exploitation, supporting ambidexterity even when it is accompanied by strict management frameworks.

In general, these results prove the assertion that, in addition to having direct effects on organizational ambidexterity, intellectual capital also can increase the effects posed by strategic management practices, the level of which differs in different strategic dimensions. One potential explanation of this general pattern can be explained by the distinct nature of the operating environment of Palestinian institutions of the public sector, where informal knowledge networks and relational capital can be absolutely vital in determining strategic performance, most notably in fields that demand adaptive learning and innovation. Implications of such findings are that it is important that public organizations focus more on the development of intellectual capital as a way of ensuring strategic fit and operational adaptability. The Intellectual and Social Capital Theory presented by Nahapiet and Ghoshal (1998) indicates that intellectual capital is a resource that contributes towards the alignment of knowledge co-creation and mobilization, which is vital in maintaining ambidextrous performance. This finding is consistent with Fu et al. (2016) in the sense that it establishes the fact that knowledge asset integration facilitates exploration and exploitation directly. Nevertheless, it differs from Day (2024) on the belief that ambidexterity is bound to be restrained by the presence of hidden variables and routines because this study offers support that intellectual capital, which was found to be robust, can surpass those limitations.

5.2.3 The Moderating Role of Intellectual Capital in the Relationship Between Strategic Management Practices and Organizational Ambidexterity in Palestinian Public Sector Organizations

Though Intellectual Capital was basically tested as a moderating factor, the results also showed a significant relationship in that, strategic management practices seem to play a part in the emergence of intellectual capital in the organisational setting. The potential interpretation of this finding might be associated with the fact that the practices of strategic management, including visioning, focusing, and implementation, provide the organizational environment under which knowledge sharing, staff competency development, and building of the relational networks take place. The implication of this finding is applicable to the theory of public sector organizations and makes the assumption that intellectual resources can indeed be innovatively saved and used creatively even in condition-challenged situations through well-planned strategic practices. According to the Resource-Based View (RBV) Theory, founded by Barney

(1991), valuable, rare, inimitable, and non-substitutable resources like intellectual capital are essential for sustaining organizational advantage, and SMP can be seen as a mechanism to build such resources. This finding is consistent with that of Du and Chen (2018), who maintain that effective strategic visioning contributes to the development of knowledge deposits and future preparedness. However, it does not agree with Kostopoulos et al. (2015), who identified that strict strategic systems might sometimes limit the flexible utilization of the knowledge resources, especially within a rigid bureaucratic environment.

The results of the impact of each of the dimensions of strategic management practices on intellectual capital showed that visioning had the strongest positive impact, implementing had a moderate impact, and focusing had a relatively low but still significant impact . One of the conceivable interpretations about this finding may be explained by the fact that visioning can give a clear sense of long-term orientation and augment mutual comprehension, leading to common devotion to the development of intellectual capital, whereas focusing and implementing transform this vision into organised practices and procedures. The finding has its bearing on strategic leadership within public institutions and reflects the overall need to fuse visionary planning with a stiff adherence to action as a means of enhancing human, structural, and relational capital. Resource-Based View (RBV) Theory, developed by Barney (1991), states that these kinds of practices aid in anchoring the inimitable knowledge assets that cannot easily be copied, thus strengthening the ability of a certain organization to innovate and adjust. This finding complies with the findings of Elmassarey (2023), who pointed out the value of strategic vision in objective convergence and management of knowledge resources. Nevertheless, it is contradicted by Alharbi (2024) who proposed such an implementation activity as the main cause of knowledge development, but visioning is something specific in the context of the research.

The findings of the third hypothesis showed the positive moderation of the relationship between Strategic Management Practices (SMP) and Organizational Ambidexterity (OA) by Intellectual Capital, based on the significant interaction effect. One of the possible explanations of this finding can be put in the effect that the intellectual capital is a strategic capability that transforms the planning and decision-making activities into a viable ambidextrous performance through the development of collective sense-making and trust among the members of an organization. The finding has implications

for public institutions that want to improve their adaptive capabilities through investments not only in the strategic management systems but also in knowledge-based assets relevant to realizing the implementation. Intellectual and Social Capital Theory by Nahapiet and Ghoshal (1998) suggests that the relational and the cognitive aspects of social capital enable the conversion of tacit knowledge to the shared organizational routines and better performance of the strategy. The finding concurs with Sağlam and İyigün (2022) in regards to showing that strong human and relational capital improve the responsiveness of an organization to strategic pressure. It, however, contradicts the findings of Koka and Prescott (2002) on the suggestion that the issue of the evaluation of the social capital is a significant limitation to empirical clarity, since this research was able to empirically establish a strong moderation outcome.

The sub-dimension examination of moderating effect indicated that Intellectual Capital has a significant enhancing effect on the role of Visioning in ambidexterity , but does not have any significant moderating effect on the role of Focusing and Implementing with ambidexterity. A possible explanation of this mixed result could be attributed to the fact that visioning activities rely more heavily on shared understanding, trust, and cognitive alignment—all of which are strengthened by intellectual capital—whereas focusing and implementing are likely to depend more on formal procedures and rigid structures that intellectual capital alone may not adequately influence. This finding has implications for strategic leaders, suggesting that while investments in intellectual capital can enhance strategic visioning and innovation, complementary mechanisms may be needed to improve focusing and implementing capabilities. According to Intellectual and Social Capital Theory by Nahapiet and Ghoshal (1998), the cognitive dimension of social capital is essential in developing a collective vision and shared language, which can explain why visioning benefited most from the moderating effect. This result agrees with Turner et al. (2015) in terms of intellectual capital enhancing the realization of strategic goals through improved information flows. However, it disagrees with Hadid and Al-Sayed (2021) in terms of the assertion that effective focusing and implementation can be equally reinforced by intellectual resources, as this study did not find significant moderation in these areas.

It was also found that the Intellectual Capital (IC) has a positive moderating effect in the relationship between SMP and Organizational Ambidexterity (OA) and reinforces the influence of SMP on OA in situations where there is a lot of

intellectual capital resources. One potential interpretation of this finding may be that more ambidexterity can be achieved in public sector organizations that have richer inventories of human expertise and relational and structural knowledge to convert strategic plans to both exploration and exploitation actions. This finding has implications for policymakers and managers, who should rest assured that investment in intellectual capital is not a secondary measure but an important facilitator of strategic success. The Resource-Based View (RBV) Theory formulated by Barney (1991) states that intellectual capital is a VRIN resource that allows improving the performance of strategic actions through the embedding of organizational unique capabilities. The finding is also in line with Effendi et al. (2024) that intellectual resources increase the impact of ambidextrous leadership on the performance of institutions. Nevertheless, it does not agree with Kostopoulos et al. (2015), who mentioned that management systems may act as a restraint to exploration in cases where intellectual resources are strictly regulated, arguing that in the Palestinian public sector, IC presence supplements strategic management practices instead of restraining them.

The findings on the overall conceptual model indicated that strategic management practices have a direct effect on both organizational ambidexterity and intellectual capital, whereas intellectual capital was also in a position to impact as a result of organizational ambidexterity and a moderator between SMP and OA. This finding may be explained by the fact that in the context of a resource-scarce environment like the Palestinian public sector, the role of intellectual capital is both an outcome of the strategy and the driver of its effects on innovation and operational efficiency. The findings, both in theory and practice, offer evidence of the fact that intellectual capital has a dual character: as an asset elaborated by strategy and a strategic lever that increases the performance capacity. This dual role is the best example of the intangible resources that exist in the process of being commodities and capabilities of sustaining competitive advantage according to the Resource-based View (RBV) Theory by Barney (1991). This finding concurs with the findings of Firmansyah et al. (2025) who established that intellectual capital reinforces strategic flexibility and bi-lateral capability among governmental institutions. Nevertheless, it does not agree with the conclusions of Kostopoulos et al. (2015), who believed that the rigidly based formalized structures could become a limitation of ambidextrous capabilities, and in this example, intellectual resources and practices of strategies have a synergistic effect and do not inhibit each other.

The results of the third research question confirm the presence of a moderate positive influence of the intellectual capital.

The conclusion can be compared to the findings of Elmassarey (2023), who stressed that a powerful vision could make organizations predict change and frame adaptive behavior. The visioning was connected with the sensing capacity following Dynamic Capabilities Theory (Teece et al., 1997), which allows firms to scrutinize and analyze the developing trends. Furthermore, the study is consistent with Hadid and Al-Sayed (2021), who opined that visioning can be used to equalize exploration and exploitation thus keeping organizations focused on long-term goals and operating dynamically. The benefits of visioning differ from the pessimism introduced by Baškarada et al. (2016), who recommended the idea of transactional strategic direction to be a barrier to innovation.

The second dimension, focusing, exhibited a positive but lesser effect on ambidexterity. The result validates the conclusion by Du and Chen (2018) that focusing leads to prioritizing and allocating resources effectively, which minimizes the risk of overcommitting to unproven initiatives. This ability to prioritize would be especially useful within the Palestinian setting in which available resources are sometimes limited. The finding is consistent with Teece et al. (1997), whose contributions on capturing capabilities emphasized how companies integrate resources to pursue opportunities that were sensed. The findings echoed those by Hadid and Al-Sayed (2021), who stated that alignment between strategy and execution is strengthened by focusing. On the other hand, the findings disagree with Abuzaid (2016), who argued that excessive focus could stifle any adaptive response, indicating that a strong focus and ambidexterity depend on the context of operation.

The implementation showed the highest impact among the SMP dimensions, proving that it is the key dimension in ensuring the implementation of strategy. This corresponds with Elmassarey (2023), who claimed that implementation enforces strategic plans to be effective by aligning incentives, monitoring systems, and resource allocation. Moreover, this finding is consistent with Teece et al. (1997); specifically, in the transforming capability, it turns out that organizations are able to reorganize their resources and routines. In contrast to Kostopoulos et al. (2015), who warned that formal implementation mechanisms can impede exploration, the study shows

that implementation can be effective and simultaneous with innovation, at least in the case of a public institution where compliance and uniformity are necessary.

In terms of the intellectual capital (IC), the study affirmed a substantial favorable mutual correspondence between the intellectual capital (IC) and the organizational ambidexterity . This result contributes to the view of Nahapiet and Ghoshal (1998), whose Intellectual and Social Capital Theory suggests that relational, cognitive and structural resources can contribute to innovation and adaptive capacity. It also corresponds to Mubarik et al. (2019), who demonstrated that intellectual capital contributes to integrating knowledge and innovation, and Fu et al. (2016), who stated that human and relational capital a major contributors to ambidexterity. On the other hand, the study contradicts Kostopoulos et al. (2015), who have concluded that, tight management system may limit exploration, since intellectual capital in the same contexts always augments not only exploration but also exploitation.

The most distinguished contribution of the study is, maybe, related to the moderating influence of intellectual capital. The findings showed that IC impact on the relationship between SMP and ambidexterity to be significant . This finding correlates with Effendi et al. (2024), who identified the reinforcement of the effects of ambidextrous leadership on institutional performance by the intellectual capital, as well as with Firmansyah et al. (2025), who also revealed that intellectual capital improved strategic adaptability and ambidexterity in the Indonesian public organizations. In addition, the finding proves Nahapiet and Ghoshal's (1998) suggestion that social capital and shared understanding can enable the conversion of tacit knowledge to adaptive practices. It is important to note that the moderation analysis showed that the strengthening effect of IC was the strongest in the case of visioning , yet was not significant in the case of focusing or implementing. This observation implies that cognitive congruence and language (Nahapiet and Ghoshal, 1998), which are especially critical to strategic visioning, are more of an informal process and structure, whereas focusing and implementing are more of a formal process and structure. The findings contradict those of Hadid and Al-Sayed (2021), who highlighted that IC can equally support every dimension of strategy and that the influence of the intellectual resources on strategy is more subtle.

Overall, the study supports a model that has very strong empirical evidence demonstrating that strategic management practices do directly increase

organizational ambidexterity as well as intellectual capital and further proves that intellectual capital can not only be a contributor of ambidexterity but also moderate the relationship between SMP and OA. These findings confirm the combined theory framework, which comprises Dynamic Capabilities Theory (Teece et al., 1997), Intellectual and Social Capital Theory (Nahapiet and Ghoshal, 1998), and the Resource-Based View (Barney, 1991). They also note the significance of matching strategy with knowledge resources to develop ambidextrous capabilities, especially in resource-constrained and complex settings like the Palestinian national sector. In general, the results support the dominant role of visioning and intellectual capital in facilitating innovation and maintaining operational efficiency especially in a context of institutional limitation.

5.3 Conclusion

Returning to the objectives of the research, summarizing the main findings and describing their theoretical and practical implications. The main purpose of the study was to examine the influence of strategic management practices, namely, visioning, focusing, and implementing, on organizational ambidexterity in the Palestinian public sector, as well as to evaluate the moderating effect of intellectual capital in the relationship between the two.

Based on a resource-based strategy with a quantitatively oriented methodology based on the Resource-Based View (RBV), Dynamic Capabilities Theory (DCT), and the Knowledge-Based View (KBV), the research affirms that systematic strategic practices are highly effective in strengthening ambidextrous capacity, especially when reinforced by a strong intellectual capital. This chapter critically reflects on these findings, identifies the contributions of the findings to theory and practice, as well as limitations to the study. It also presents some important future research directions that may expand and elaborate on the current findings.

5.3.1 Overview of Research Objectives and Key Findings

In this section, the research objectives of the study are revisited and the degree to which each has been answered using the empirical findings. The main aim of the present research was to investigate the effects of strategic management practice (SMP), namely visioning, focusing, and implementation, on organizational ambidexterity

(OA) in the Palestinian public sector. Another objective was to investigate the moderating effect of intellectual capital (IC) on the relationship between SMP and OA. Meeting these objectives also helped to meet the general purpose of the study, which was to have a better comprehension of how strategic practices and resource-based knowledge interact with each other to promote ambidexterity in institutional environments that are resource-constrained. In order to meet these objectives, the research used a combined theoretical approach that includes the Resource-Based View (RBV), Dynamic Capabilities Theory (DCT), and Knowledge-Based View (KBV) and used a quantitative research design that involved a structured questionnaire that was distributed to the institutions within the Palestinian state that are in the public sector.

The findings showed that the three dimensions of SMP play a significant role in improving OA, with visioning showing the strongest impact. This implies that a clearly defined strategic direction makes an organization better equipped to pursue new opportunities and capitalize on its strengths at the same time. Further, the research established that intellectual capital has a positive moderating effect between SMP and OA, which supports the notion that knowledge assets enhance the influence of strategic practices on organizational adaptability. These results validate that within an institutional and resource-constrained environment like the Palestinian public sector, structured strategic routines, when combined with well-managed intangible resources, are pivotal in ambidextrous capacity.

5.4 Implications

This research indicates the positive and significant relationship between Strategic Management Practices (SMP), which include visioning, focusing, and implementing and Organizational Ambidexterity (OA), with visioning as the most impactful dimension. This result confirms the assumptions of the Dynamic Capabilities Theory (Teece et al., 1997), which understands the adaptive capacity as the network of interrelated processes that are involved in sensing, seizing and transforming resources in dynamic settings. In the resource-limited, politically unstable, and institutionally complex environment of the Palestinian public sector, the institutionalized character of SMP does not undermine the innovation, as Kostopoulos et al. (2015) claim in the more autonomous and less turbulent environments, but rather offers the procedural clarity, stability, and

strategic coherence that is required to enable controlled exploration in addition to exploitation.

The popularity of visioning in this context is due to its twofold nature as a strategic anchor and a driver of adaptive behavior, which is consistent with the statement provided by Elmassarey (2023) that a compelling vision can make the organization ready to change as long-term aspirations become embedded in the daily practice. This conclusion is also consistent with the Teece et al. (1997) idea of visioning as sensing ability that enables organizations to scan, interpret and anticipate environmental changes. Although statistically significant, strategic focusing had a comparatively lower effect, which confirms the findings of Du and Chen (2018) and Hadid and Al-Sayed (2021) that prioritization coordinates the resources effectively, yet the potential effects of prioritization may be compromised by overlapping mandates, fragmentation, and bureaucratic inertia, which are widespread in the Palestinian public sector. Such structural realities have the potential to weaken the ability of focusing to strike a balance between exploration and exploitation, but the study refutes Abuzaid (2016), who argued that excessive focus limits adaptive responses, demonstrating a positive relationship, in the given case. Implementation had the most significant operational impact following visioning, as it is a crucial step in moving strategic intentions into reality by allocating resources systematically, aligning incentives, and monitoring performance.

This aligns with the perspective of Ali (2023) and Teece et al. (1997) that effective implementation operationalizes the ambidextrous objectives and reconfigures resources to sustain innovation and efficiency at the same time, which is contrary to the argument made by Kostopoulos et al. (2015) that formal execution mechanisms inevitably restrict exploration.

Intellectual Capital (IC) showed both direct and substantive effects: directly increasing OA and indirectly moderating the connection between SMP and OA in line with the Resource-Based View (Barney, 1991) and the Knowledge-Based View (Nahapiet & Ghoshal, 1998), which treat human, structural and relational knowledge resources as valuable, rare, inimitable, and non-substitutable (VRIN) resources. The most notable moderation effect was observed in the visioning-OA relationship and indicated that IC, through common mechanisms of shared understanding, trust and cognitive alignment, can be a significant multiplier to the ability of visioning to synchronize

strategic direction with adaptive organization behaviour. This finding is consistent with the argument of Turner et al. (2015), who stated that cognitive congruence helps to achieve strategic goals, but it differs with the prediction of Hadid and Al-Sayed (2021), who expected IC to support all SMP dimensions to the same extent.

Its comparatively less moderated focus and implementation can be explained by the fact that they are heavily dependent on formal processes and strict hierarchies, which cannot be impacted by IC alone enough to change them. IC is a strategic compensator in the bureaucratic setting of the Palestinian public sector that softens rigidity by informal knowledge sharing, relations, and collective learning to deliver ambidextrous results despite structural limitations. The dynamic also supports Mubarik et al. (2019) who have shown that strong IC facilitates innovation by combining knowledge with strategic action, and refutes the argument by Day (2024) that the existence of hidden routines is an inevitable barrier to ambidexterity and shows that well-established IC can overcome such impediments. Additionally, the existence of a positive direct relationship between SMP and IC supports the claims by Du and Chen (2018) and Elmassarey (2023) that vision-driven leadership promotes the gathering and mobilization of knowledge resources, whereas the Resource-Based View emphasizes that SMP can be a planned process of creating VRIN resources.

Collectively, these results confirm the integrative usefulness of RBV, Dynamic Capabilities Theory, and KBV in describing the SMP OA IC interface in resource-constrained public sectors. They reveal that SMP and IC are synergistic to maintain ambidexterity, and that visioning is the most advantageously leveraged dimension, especially when supplemented with IC. The empirical evidence supports the fact that in an institutional environment of scarcity and instability, formalized strategic routines, rather than inhibitors of innovation, can become sources of adaptive capacity when the environment in question is rich in knowledge. This further supports the position that vision-based leadership, systematized IC development, and institutionalization of integrated planning-knowledge systems are the key to sustainable equilibrium between exploration and exploitation and long-term adaptability, resilience, and performance in the public sector.

5.5 Limitations of the Research

The main goal of this thesis is to discuss how strategic management practices, including visioning, focusing, and implementing, determine the organizational ambidexterity in the Palestinian public sector organizations, focusing on the moderating effects of intellectual capital. Even though the study provides valuable knowledge about such relationships, it is mainly limited to the Palestinian public sector, which has its own institutional and resource limitations. Therefore, there is the possibility that the findings could not be generalized to the private sector companies or even other public institutions in future studies, implying the necessity of further studies in diverse environments.

The present study used an inclusive theoretical perspective that integrates Dynamic Capabilities Theory (Teece et al., 1997), the Resource-Based View (Barney, 1991) and Intellectual and Social Capital Theory (Nahapiet & Ghoshal, 1998) perspectives. It is noted, however, that these theories are predominantly formed in Western settings and might not capture the cultural and institutional peculiarities of Palestinian publicly owned organizations. Additionally, there is a limitation to the applicability of these theories in resource-constrained situations where the development and leverage of intellectual capital may have different dynamics. This type of contextual disparity may affect the strength of assumptions of the theory in different contexts where it may not have been originally developed.

The data collection depended on the use of structured questionnaires that aimed at gauging the strategic management practices, intellectual capital, and organizational ambidexterity. Although these instruments are validated and are widely used in similar research, the use of self-reports itself leads to possible biases, such as social desirability and misinterpretation by the respondents. Further, the tools might not be sufficient in terms of depth to fully represent nuanced processes behind strategic practices and intellectual assets, which may restrict the depth and accuracy of data gathered.

The restraint towards conducting a study which limits itself only to the Palestinian organizations of the public sector will have a limited value on the generalizability of the results, which will be reflected in a geographic or sectoral setting. Also, the sample size (420) suffices in statistical application but does not reliably cover

the full spectrum of all the Palestinian public institutions, particularly the smaller and less resourceful ones. Other, possibly more restrictive factors contributing to the diversity of the respondents might have been access constraints, organization hierarchies, and political sensitivities and may have influenced the scope of the collected points of view.

Although the research establishes that there is a high level of association between practices involved in strategic management and intellectual capital as well as organizational ambidexterity, the findings are locale-specific and can be affected by local institutional or cultural conditions. Since the study is of the cross-sectional design, the causal direction cannot be established; the observed relationships may be transient or change to be different at other times or under different environmental pressures. Recent research studies recommend the use of longitudinal studies in future to determine stability and causality of these results.

5.6 Recommendations for Future Studies

According to the limitations identified, it is thus proposed that further studies should address the generalizability of these results to other sectors and geographical settings. The researchers are advised to present such correlations in private organizations or non-governmental organizations, or the governments of other countries, to establish whether strategic management practices and the moderating applications of intellectual capital function similarly outside the Palestinian public sector. The comparison of the various institutional settings will complement the knowledge of the impact of the contextual influences on the processes of organizational ambidexterity and strategic resources.

Since this study is based on a framework that is premised on theories that emerged in the West, it should be noted that research conducted in the future should either invent or adjust its theoretical framework in light of the cultural and institutional peculiarities of a resource-constrained system as that of Palestine. Adopting indigenous views, culturally sensitive constructions, or geographically specific factors may refine the explanatory capacities of these theories. It can also be done through qualitative or mixed-methods research conducted in order to identify the hidden cultural practices, social norms, and institutional influences that drive the strategic behaviour and the development of intellectual capital in such environments.

In order to overcome these limitations that are attached to the methods of collecting data, longitudinal designs or multiple sources of data, which could be a combination of an interview, observation, and the documents of the organization should also be employed in the subsequent studies. Such strategies can address biases in self-report questionnaires and give more depth and complexity to how strategic practices and intellectual assets change over time. Additionally, the qualitative data are capable of providing a more in-depth understanding of the processes, issues, and external governance that the quantitative instruments might fail to capture.

Larger and more diverse samples are also a goal of future research: it can involve smaller organizations, other regions in Palestine, or cross-national samples consisting of different political and institutional contexts. Increasing the sample size and diversification will enhance the representativeness of results and enable more sensitive comparative studies. To understand how the size of an organization, the level of resources or political environments affect strategic resource interaction and ambidexterity, researchers may use stratified sampling or purposeful case studies.

Given the cross-sectional approach of the present study, further studies can be conducted using Longitudinal or panel designs, which will help more accurately determine the causal links and monitor the changes over time.The ways in which intellectual capital and strategic management practices affect organizational ambidexterity in the various stages of the changing environment or institutional reforms could be assessed by such studies. Such a dynamic view is especially relevant to the public sector, where the policies, leadership, and resource availability can vary and directly affect a strategic outcome.

Lastly, any additional relations should be investigated to mediate or modify another factor besides intellectual capital that could affect the relationship between strategic management and ambidexterity. Other variables that will give an in-depth understanding will include organisational culture, leadership style, political stability, and technological readiness. These factors could be added to improve theoretical models and provide more actionable knowledge to practitioners who want to encourage ambidextrous capabilities within a variety of organizations.

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Appendices

Appendix (A) Questionnaire

Dear Participants,

In your hands is a questionnaire distributed by a Ph.D. student in the Strategic Management program at the School of College of Graduate Studies, Arab American University of Palestine. The study topic is "The Impact of Strategic Management Practices on Organization Ambidexterity in The Palestinian Public Sector Organizations: The Moderator Role of Intellectual Capital".

Completing the questionnaire is expected to consume approximately 10-15 minutes of your time, and the gathered information will contribute to academic research. Your participation is entirely anonymous, and there is no need to provide your name or department. The compiled data will be presented solely as summary statistics. Your involvement in this survey is optional, and you can refrain from answering any questions. By responding to all questions, you signify your agreement to participate.

Your participation is greatly valued, as your input will significantly contribute to the study's findings.

If you have any questions concerning the research or the questionnaire, please don't hesitate to reach out to the researcher on the mobile number provided: 00972-*********.

Thanks for your cooperation and time

***Part One (Demographics Data). Please fill in the following**

1. Age:

[ ] Less than 30 years old

[ ] From 30 to 34 years old

[ ] From 35 to 39 years old

[ ] More than 40 years old

2. Gender: -

[ ] Male

[ ] Female

3. Educational Degree?

[ ] Below Bachelor's Degree

[ ] Bachelor's Degree

[ ] Master's Degree

[ ] Doctoral Degree

4. Work Experience

[ ] Less than 5 years

[ ] From 3 to 5 years

[ ] From 6 to 9 years

[ ] More than 10 years

5. Job Role Level:

[ ] Ministerial or Executive Position

[ ] Director

[ ] Head of Department

[ ] Policy Advisor or Specialist

[ ] Administrative Staff

[ ] Other (Please specify):_____

7. Public Sector Activity:

[ ] General Public Services

[ ] Defense and Public Order

[ ] Economic Affairs

[ ] Environmental Protection

[ ] Health

[ ] Education

[ ] Social Protection

[ ] Culture and Religion

[ ] Housing and Infrastructure

[ ] Other (Please specify): _____

***Part Two (Questionnaires)**

Please indicate the level of your agreement or disagreement with the statement, as it reflects your satisfaction. Mark the appropriate response with an (Hair Jr et al.): Strongly Disagree, Disagree, Neutral, Agree, or Strongly Agree.

Item #	Questions	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
Strategic Management Practices						
Visioning						
1.	I have a clear and complete conception of the company's future.					
2.	I consistently desire to improve or change the organization's current situation.					
3.	I have the tendency to adopt goals that are completely different from the current situation.					
4.	I consistently identify new opportunities in the surrounding environment, such as potential collaborations, emerging technologies, or changes in policy that can benefit the organization.					
5.	I work toward establishing a long-term growth path for the organization.					
Focusing						
6.	I ensure that subordinates share organizational values and beliefs that contribute to its benefit.					
7.	I effectively communicate the organization's vision to employees, colleagues, and relevant stakeholders.					
8.	I encourage subordinates to engage in joint and coherent teamwork.					
9.	I encourage subordinates to participate in cohesive, collaborative teamwork.					
10.	I develop suitable teams to implement the company’s plans and programs.					
Implementing						

11.	I motivate my colleagues and team members to carry out action plans efficiently.					
12.	I inspire and motivate employees by linking their goals with the organization's goals.					
13.	I remove any obstacles that hinder implementation, even if it requires delegating authority.					
14.	I provide necessary information and guidance to my colleagues when they encounter work challenges.					
15.	I take action to implement organizational goals and plans effectively.					
Organization Ambidexterity						
Exploration						
16.	We work on adopting new requirements that go beyond current processes.					
17.	We examine innovative methods and methodologies.					
18.	We experiment with new strategies and approaches within public sector institutions.					
19.	We implement entirely new initiatives within public sector institutions.					
20.	We frequently explore new opportunities to enhance governmental performance in new areas.					
Exploration						
21.	We frequently improve the delivery of current governmental services and procedures.					
22.	We systematically refine existing policies and procedures.					
23.	We offer improved versions of existing policies and services to the local community.					
24.	We enhance the efficiency of public and administrative service delivery.					
25.	We increase the effectiveness of operations and procedures within current governmental institutions.					
26.	Public institutions expand the range of services provided to current citizens and beneficiaries.					
Intellectual Capital						
Human						
27.	Our employees are highly skilled.					
28.	Our employees are considered among the best in our professional field.					
29.	Our employees are creative and bright.					
30.	Our employees are experts in their particular jobs and functions.					
31.	Our employees develop new ideas and knowledge.					

Social						
32.	Our employees are skilled at collaborating with each other to diagnose and solve problems.					
33.	Our employees share information and learn from one another.					
34.	Our employees interact and exchange ideas with people from different areas of the company.					
35.	Our employees partner with customers, suppliers, alliance partners, etc., to develop solutions.					
36.	Our employees apply knowledge from one area of the company to problems and opportunities that arise in another.					
Organizational						
37.	Our organization uses patents and licenses as a way to store knowledge.					
38.	Organizational knowledge is embedded in manuals, databases, and systems.					
39.	Our organization's culture (stories, inherited practices) contains valuable ideas, ways of doing business, etc.					
40.	Our organization embeds much of its knowledge and information in structure, systems, and processes.					

Appendix (B) Result of Normality

							Kolmogorov-Smirnov[a]		Shapiro-Wilk	
Construct	**Questions**	**N**	**Skewness**	**Std. Error of Skewness**	**Kurtosis**	**Std. Error of Kurtosis**	**Statistic**	**Sig.**	**Statistic**	**Sig.**
SMP										
VI	VI1	420	-0.966	0.119	3.132	0.238	0.325	0.000	0.706	0.000
	VI2	420	-1.213	0.119	3.443	0.238	0.286	0.000	0.719	0.000
	VI3	420	-1.127	0.119	3.144	0.238	0.293	0.000	0.731	0.000
	VI4	420	-0.906	0.119	4.037	0.238	0.366	0.000	0.670	0.000
	VI5	420	-1.140	0.119	4.512	0.238	0.331	0.000	0.702	0.000
FO	FO1	420	-1.203	0.119	3.707	0.238	0.296	0.000	0.710	0.000
	FO2	420	-1.153	0.119	3.967	0.238	0.313	0.000	0.701	0.000
	FO3	420	-1.288	0.119	4.344	0.238	0.287	0.000	0.707	0.000
	FO4	420	-1.083	0.119	4.187	0.238	0.336	0.000	0.693	0.000
	FO5	420	-0.923	0.119	3.156	0.238	0.334	0.000	0.706	0.000
IM	IM1	420	-1.277	0.119	4.603	0.238	0.303	0.000	0.699	0.000
	IM2	420	-1.155	0.119	4.228	0.238	0.312	0.000	0.712	0.000
	IM3	420	-0.973	0.119	3.120	0.238	0.308	0.000	0.730	0.000
	IM4	420	-1.325	0.119	4.622	0.238	0.293	0.000	0.698	0.000
	IM5	420	-1.250	0.119	4.911	0.238	0.320	0.000	0.688	0.000
OA										
EXR	EXR1	420	-1.025	0.119	2.061	0.238	0.264	0.000	0.768	0.000
	EXR2	420	-0.769	0.119	2.552	0.238	0.334	0.000	0.728	0.000
	EXR3	420	-0.986	0.119	3.481	0.238	0.326	0.000	0.720	0.000
	EXR4	420	-0.983	0.119	3.652	0.238	0.328	0.000	0.713	0.000
	EXR5	420	-1.262	0.119	4.856	0.238	0.319	0.000	0.705	0.000
EXT	EXT1	420	-1.282	0.119	5.399	0.238	0.335	0.000	0.687	0.000
	EXT2	420	-1.122	0.119	4.269	0.238	0.326	0.000	0.711	0.000
	EXT3	420	-0.933	0.119	3.592	0.238	0.336	0.000	0.716	0.000
	EXT4	420	-1.303	0.119	4.883	0.238	0.322	0.000	0.699	0.000
	EXT5	420	-1.314	0.119	5.969	0.238	0.348	0.000	0.670	0.000
	EXT6	420	-1.410	0.119	5.421	0.238	0.326	0.000	0.691	0.000
IC										
HU	HU1	420	-0.951	0.119	2.378	0.238	0.298	0.000	0.738	0.000
	HU2	420	-1.218	0.119	3.821	0.238	0.296	0.000	0.723	0.000
	HU3	420	-0.995	0.119	2.722	0.238	0.293	0.000	0.747	0.000
	HU4	420	-1.139	0.119	3.343	0.238	0.299	0.000	0.723	0.000
	HU5	420	-1.218	0.119	3.675	0.238	0.295	0.000	0.727	0.000
SO	SO1	420	-1.174	0.119	3.074	0.238	0.283	0.000	0.747	0.000
	SO2	420	-1.245	0.119	3.530	0.238	0.283	0.000	0.731	0.000
	SO3	420	-1.011	0.119	2.987	0.238	0.302	0.000	0.737	0.000
	SO4	420	-1.040	0.119	3.348	0.238	0.314	0.000	0.725	0.000
	SO5	420	-1.040	0.119	3.502	0.238	0.324	0.000	0.719	0.000
OR	OR1	420	-1.063	0.119	2.750	0.238	0.283	0.000	0.745	0.000
	OR2	420	-0.973	0.119	3.487	0.238	0.329	0.000	0.720	0.000
	OR3	420	-1.012	0.119	2.518	0.238	0.283	0.000	0.754	0.000
	OR4	420	-1.156	0.119	3.945	0.238	0.311	0.000	0.720	0.000

Appendix (C) Cross-Loading Result

Construct		Q.	VI	FO	IM	EXR	EXT	HU	SO	OR
		VI1	0.827	0.695	0.653	0.602	0.621	0.612	0.616	0.600
		VI2	0.820	0.703	0.692	0.595	0.627	0.565	0.585	0.612
	VI	VI3	0.830	0.632	0.634	0.641	0.638	0.579	0.611	0.605
		VI4	0.840	0.704	0.702	0.680	0.698	0.636	0.667	0.681
		VI5	0.844	0.744	0.703	0.662	0.695	0.617	0.628	0.632
		FO1	0.720	0.843	0.728	0.603	0.641	0.604	0.612	0.568
		FO2	0.708	0.851	0.732	0.568	0.640	0.577	0.610	0.548
SMP	**FO**	FO3	0.707	0.867	0.772	0.557	0.622	0.630	0.613	0.563
		FO4	0.734	0.882	0.782	0.591	0.646	0.588	0.593	0.557
		FO5	0.730	0.852	0.761	0.618	0.658	0.629	0.612	0.636
		IM1	0.724	0.814	0.862	0.593	0.660	0.629	0.624	0.571
		IM2	0.713	0.769	0.881	0.600	0.690	0.642	0.605	0.587
	IM	IM3	0.691	0.685	0.841	0.595	0.656	0.584	0.600	0.556
		IM4	0.687	0.771	0.883	0.580	0.613	0.590	0.584	0.512
		IM5	0.734	0.787	0.890	0.611	0.707	0.637	0.631	0.611
		EXR1	0.661	0.546	0.565	0.855	0.645	0.630	0.652	0.678
		EXR2	0.664	0.591	0.572	0.893	0.701	0.611	0.685	0.698
	EXR	EXR3	0.668	0.599	0.601	0.900	0.701	0.595	0.678	0.685
		EXR4	0.665	0.596	0.606	0.887	0.716	0.580	0.655	0.655
		EXR5	0.698	0.664	0.652	0.854	0.795	0.623	0.701	0.677
OA		EXT1	0.703	0.646	0.668	0.702	0.855	0.609	0.687	0.670
		EXT2	0.676	0.631	0.665	0.739	0.877	0.623	0.676	0.685
	EXT	EXT3	0.670	0.639	0.636	0.717	0.869	0.634	0.657	0.694
		EXT4	0.667	0.660	0.666	0.680	0.875	0.634	0.654	0.650
		EXT5	0.718	0.702	0.714	0.723	0.911	0.678	0.708	0.674
		EXT6	0.741	0.675	0.693	0.739	0.907	0.685	0.698	0.691
		HU1	0.659	0.642	0.633	0.579	0.624	0.890	0.692	0.633
		HU2	0.648	0.640	0.640	0.660	0.664	0.914	0.735	0.714
	HU	HU3	0.660	0.646	0.639	0.612	0.658	0.914	0.716	0.709
		HU4	0.652	0.613	0.640	0.612	0.649	0.918	0.729	0.685
		HU5	0.645	0.639	0.641	0.657	0.697	0.874	0.773	0.686
		SO1	0.663	0.643	0.632	0.694	0.678	0.758	0.902	0.726
		SO2	0.671	0.644	0.608	0.636	0.650	0.706	0.891	0.700
IC	**SO**	SO3	0.656	0.611	0.604	0.703	0.693	0.743	0.893	0.730
		SO4	0.635	0.622	0.633	0.685	0.690	0.691	0.875	0.724
		SO5	0.695	0.624	0.629	0.697	0.714	0.693	0.884	0.748
		OR1	0.686	0.567	0.573	0.682	0.688	0.687	0.731	0.892
		OR2	0.665	0.583	0.586	0.664	0.655	0.654	0.692	0.886
	OR	OR3	0.664	0.596	0.562	0.700	0.680	0.666	0.732	0.901
		OR4	0.673	0.640	0.607	0.713	0.716	0.708	0.759	0.892

اثر ممارسات الادارة الاستراتيجية على المرونة التنظيمية في مؤسسات القطاع العام الفلسطيني: الدور الوسيط رأس المال الفكري

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ملخص

تهدف هذه الدراسة إلى اختبار المرونة التنظيمية في مؤسسات القطاع العام الفلسطيني من خلال تحليل تأثير ممارسات الإدارة الإستراتيجية. وتحديدًا، تبحث الدراسة في دور الممارسات الإستراتيجية، بما في ذلك الرؤية المستقبلية، والتركيز، والتنفيذ، في تحديد قدرة المؤسسات على الموازنة بين أنشطة الاستكشاف والاستغلال، إلى جانب تحسين قدرتها على التكيّف والأداء المؤسسي.

كما تستعرض الدراسة كيف يسهم رأس المال الفكري، المكوّن من رأس المال البشري، والهيكلي، والعلاقي، في تعديل العلاقة بين ممارسات الإدارة الإستراتيجية والمرونة التنظيمية.

شملت العينة 420 مشاركًا من مؤسسات حكومية فلسطينية مختلفة، وتم جمع البيانات باستخدام استبانة منظمة. استندت فقرات الاستبانة المتعلقة بممارسات الإدارة الإستراتيجية إلى Neumann & Neumann (1999)، ورأس المال الفكري إلى Youndt et al. (2004)، والمرونة التنظيمية إلى Jansen et al. (2006). وتم استخدام الإحصاءات الوصفية والاستدلالية لتحليل البيانات واختبار العلاقات بين المتغيرات.

أظهرت النتائج وجود أثر إيجابي مهم لممارسات الإدارة الإستراتيجية على المرونة التنظيمية، كما يعزز رأس المال الفكري هذه العلاقة. وتؤكد هذه النتائج أهمية تبني الممارسات الإستراتيجية والاستثمار في رأس المال الفكري لتحسين الابتكار وكفاءة تقديم الخدمات في القطاع الحكومي.

بناءً على ذلك، توصي الدراسة بأن تعمل المؤسسات العامة على تعزيز التخطيط الإستراتيجي، وتطوير رأس مالها البشري والهيكلي، وترسيخ ثقافة مؤسسية داعمة للمرونة التنظيمية، بهدف تعزيز أدائها والتكيف مع البيئات المتغيرة.

الكلمات المفتاحية: ممارسات الإدارة الإستراتيجية، المرونة التنظيمية، القطاع العام، رأس المال الفكري، فلسطين.