



Arab American University
Faculty of Graduate Studies

**Strategic Resilience in the Face of Digital Disruption: A Case
Study of Banking Institutions**

By
Louy Jamal Bajed Badarin

Supervisor
Dr. Mohamed Yacine Haddoud

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Dissertation Approval

Strategic Resilience in the Face of Digital Disruption: A Case Study of Banking Institutions

By

Louy Badarin

This dissertation was defended successfully on 18.2.2026 and approved by:

Committee members

1. Dr. Mohamed Y. Haddoud: Main Supervisor
2. Dr. Samir A. Abuznaid: Member of Dissertation Committee
3. Dr. Mohammed T. Abusharbeh: Member of Dissertation Committee

Signature

Three handwritten signatures in blue ink, each within a rectangular box. The first signature is at the top, the second in the middle, and the third at the bottom.

Declaration

I declare that, except where explicit reference is made to the contribution of others, this dissertation is substantially my own work and has not been submitted for any other degree at the Arab American University or any other institution.

Student Name: Louy Badarin

Student ID: 202020395

Signature: Louy Badarin

Date of Submitting the Final Version of the Dissertation: 5 March 2026

Dedication

To the one who taught me and raised me from childhood until I reached maturity—
to the pure soul of my father; may Allah grant him His vast Paradise.

And to my mother; may Allah grant her a long life, and bless her with health and well-being.

To my wife and my children—Bajis, Tulin, Elias, and Ayla—dear to my heart; may Allah
protect you.

To my dear siblings and brothers.

To my friends, colleagues, and everyone who wished me success in this work—
I dedicate to you the fruit of my efforts.

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“Whoever does not thank Allah does not thank people.”

All praise is due to Allah, Lord of the Worlds, for enabling me to complete this work. I extend my sincere thanks and deep gratitude to everyone who contributed to the completion of this dissertation, especially:

My supervisor, Dr. Mohammad Hudood, who never hesitated to offer advice and guidance; as well as my friends and colleagues, the supervising committee, and my professors at the Arab American University, a generous and inspiring academic institution.

And Allah is the One who grants success, and the One whose help we seek.

Abstract

Digital disruption is reframing competitive logics in banking, yet little is known about how institutions in resource-constrained, volatility-prone environments build the strategic resilience needed to thrive. This study investigates the interplay between digital banking technologies, digital leadership, organizational culture, team resilience and performance in the Palestinian banking sector. Guided by a positivist, deductive philosophy, a cross-sectional survey was administered to 219 managers and team members across domestic and foreign-owned banks; convenience sampling was adopted to overcome logistical and security barriers in the territory. Measurement items were adapted from prior studies and refined through expert review and pilot testing, then analysed with Partial Least Squares-Structural Equation Modelling (PLS-SEM).

Results reveal that digital banking platforms directly enhance team resilience ($\beta=0.198$, $p<0.05$), yet their effectiveness is contingent upon organizational context. Digital leadership style amplifies this relationship through positive moderation ($\beta=0.174$, $p<0.01$), demonstrating that technology impact intensifies when leaders champion digital transformation. Conversely, organizational culture exhibits negative moderation ($\beta=-0.164$, $p<0.01$), suggesting that very strong existing cultures may reduce the marginal gains from new digital technologies, pointing to potential saturation effects. Resilient teams subsequently exhibit substantially superior performance outcomes ($\beta=0.615$, $p<0.001$), confirming team resilience as a critical mediating capability. Collectively, the model explains substantial variance in both resilience ($R^2=0.563$) and performance ($R^2=0.378$). It had to demonstrate internal consistency and convergent validity, and show that multicollinearity was not a problem. Discriminant validity was checked using Fornell-Larcker, cross-loadings, and HTMT. HTMT inference, using bootstrapped confidence intervals, was used to assess the high HTMT criterion.

The dissertation contributes an integrated socio-technical framework extending dynamic-capability theory to an emerging-market context, demonstrating that while digital banking investments directly build resilience, their magnitude depends critically on leadership vision and cultural alignment. Technology alone provides foundational capability, but becomes a resilience amplifier only when intertwined with digitally capable leadership and thoughtfully managed organizational culture. Practically, the findings furnish bankers and regulators with evidence-based guidance: orchestrating digital investments requires simultaneous attention to leadership development and cultural evolution to convert disruption into sustained competitive advantage.

Beyond confirming these statistical relationships, the study argues that these patterns emerge because digital tools change how Palestinian bank teams sense, interpret, and respond to disruption, and because leadership and culture either unlock or constrain this adaptive potential. Explicitly linking the numerical results to underlying socio-technical mechanisms, the dissertation highlights why some banks are more resilient than others under digital disruption, rather than only whether the relationships are significant.

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List of Abbreviations

Abbreviation	Full Term
AI	Artificial Intelligence
API	Application Programming Interface
AVE	Average Variance Extracted
CAGR	Compound Annual Growth Rate
CMB	Common Method Bias
DB	Digital Banking (construct)
DL	Digital Leadership
ICT	Information and Communication Technology
OC	Organizational Culture
P-value	Probability value
PLS	Partial Least Squares
PLS-SEM	Partial Least Squares-Structural Equation Modelling
PMA	Palestinian Monetary Authority
R ²	Coefficient of Determination
SEM	Structural Equation Modelling
TR	Team Resilience
TP	Team Performance
VIF	Variance Inflation Factor

CHAPTER ONE: INTRODUCTION

1.1 Introduction

The chapter explores strategic resilience in different contexts, with a particular focus on the Palestinian banking sector, from the perspective of digital disruption. It sets the background for the introductory part into the current state of digital banking, its evolution, and transformation impact on the financial sector. This is achieved in relation to the acute relevance of technological resilience in modern bank operations. It then explores current trends in digital transformation and the importance of team performance for the successful implementation of digital banking. The chapter then goes ahead to identify the problem statement amidst the ever-increasing levels of digital disruption and peculiar challenges faced by banking institutions, with a view to maintaining operational resilience while pursuing digital innovation. Particular attention is drawn to the specific nature, challenges, and opportunities characteristic of the Palestinian banking sector. This is followed by the statement of research aims and objectives, identification of considerable gaps in the existing literature, and a description of the theoretical, practical, policy, and methodological contributions expected.

1.2 Research Background

1.2.1 Evolution of digital banking and its impact on the financial sector

Over the last decade, the banking industry has been undergoing a transformation. It finds its catalyst in rapid technological advancement and, more importantly, in changing consumer expectations. Digital banking arguably constitutes one of the major changes that have confronted financial services since the introduction of automated teller machines in the 1960s. This has brought about a new revolution that changes practically everything related to the method of cooperation and operation process for banks (Diener & Spacek, 2021). The global digital banking market is projected to reach approximately \$8.5 trillion by 2027, growing at a compound annual growth rate (CAGR) of about 12.5% from 2020 to 2027. This growth underscores the increasing reliance on digital platforms for banking services (Wu, 2024). The transformation is more than the mere digitization of existing services; it entails changes at the heart of value creation, customer interaction, and competition within dynamic financial markets.

This evolution has consequently brought a number of impacts on the financial sector. According to Omarini (2017), on equal measure, digitalization availed unparalleled

opportunities for banks to place customers at the centre of their growth operations through novel ways. The customer-centered approaches have been enabled by unprecedented new technologies that continuously disrupted the retail financial services value chain. It is so evident in the mode of service delivery adopted by banks, where digital channels are increasingly the leading contact points between customers and any financial institution. Along this line, Baskerville, Capriglione & Casalino (2020) note that the shift has consequently seen banks develop multichannel strategies aimed at striking an optimal balance between digital and personal touch service delivery.

The evolution of digital banking has catalyzed considerable changes in operational efficiency and market competitiveness. Digital banking has improved operational efficiency for banks, with studies showing that institutions adopting digital solutions have seen a 20-30% reduction in operational costs due to streamlined processes and reduced need for physical branches (Aloulou et al., 2024). Digital transformation occurs for several strategic reasons: extending services to remote locations where physical branches are not accessible, creating distinction against competitors, and finally decreasing the cost of operations (Kitsios, Giatsidis & Kamariotou, 2021). The rise of FinTech companies has intensified competition within the banking sector, leading to traditional banks investing heavily in technology to enhance their service offerings. In fact, over 60% of banks reported increasing their technology budgets in response to the competitive pressure from FinTech firms (Kahveci & Wolfs, 2018). This process has been turbocharged with the advent of FinTech entrants offering innovative solutions and competing models that have forced traditional banks into more technology-intensive operations and seriously reconsidering ways in which they can survive in the increasingly digital marketplace (Rashwan & Kassem, 2021).

Other than changes in operations, the financial sector also faces a structural shift in terms of risk management and regulatory compliance. For example, Lumpkin & Schich (2020) note that in most economies, banks remain at the heart of financial intermediation, heavily dependent on core operations for economic funding and liquidity. But this digital transformation has also brought about new forms of risk, especially in cybersecurity and the security of data, meaning that banks have needed to construct robust risk management frameworks amid pursuit of the digital innovations. Such a delicate balance between innovation and management of risk has become one of the big defining challenges for financial institutions in the digital age.

1.2.2 Global context of banking digitalization

The current global landscape of banking digitalization presents a very complex mosaic comprising varying levels of adoption, regulatory frameworks, and market maturity. Allen, Gu & Jagtiani (2021) present an exhaustive survey of the global FinTech developments, showing that considerable divergence in the pace with which the development of digital banking has taken place between developed and emerging markets does exist. Because, according to them, while the developed markets are thinking of sophisticated innovations like quantum computing and advanced AI applications, the emerging markets are applying digital technologies to fundamental issues like financial inclusions and access to banking services.

In a word, regional differences in the nature of regulatory approaches explain the path banking digitalization has taken. In a critical analysis of digital government strategies across developing regions, Ibaid (2021) suggests that the nature of regulatory frameworks can catalyze or, at the same time, greatly constrain digital banking innovation. The paper points out that some jurisdictions have been using "sandbox" approaches in regulating digital banking innovations, which allow controlled experimentation with new technologies while simultaneously promoting financial stability. This is because such diversity at a regulatory level creates a very complex global landscape where banks need to pursue digital initiatives with a host of varying compliance requirements.

Emerging markets exhibit certain peculiarities of the digitization curve of banking products, usually bypassing traditional infrastructure in banking and moving directly to mobile-first solutions. The COVID-19 pandemic has accelerated the adoption of digital payments in developing economies, unleashing new patterns of financial behavior and market opportunities. Additionally, the global crises may act as a catalyst in digital transformation, pushing both institutions and consumers toward digital banking solutions more rapidly than expected (Ming & Jais, 2022).

With enhanced integration in the financial markets of the world, there has also emerged a requirement for digital banking platforms across borders and associated international collaboration efforts. In the retail sector, the effect of social and technological factors on digital adoption through diverse cultural contexts and provides useful insights for the banking industry. Additionally, cultural nuances and local market conditions determine the success of global initiatives in digital banking and thus demand cautious adaptation of universal solutions to local contexts (Vatanasakdakul, Aoun & Putra, 2020).

The nature of competition in digital banking has also become global, where traditional banks are being competed with by local fintech startups and, at the same time, global technology giants entering the financial services space. Tiong (2020) investigates some factors affecting the behavioral intention of digital banking adoption across markets, underlining how global technology companies are changing customer expectations and forcing traditional banks to accelerate their digital transformation processes around the world.

1.2.3 Importance of technological resilience in modern banking

With the rapid change in technologies, banking institutions face a host of digital threats: sophisticated cyber-attacks, data breaches, system vulnerabilities, and operational disruptions being some of them. According to recent statistics, the banking sector faces 300 times more cyber-attacks than other industries, while the average cost of a data breach in banking is \$5.72 million (Yasmeen & Adnan, 2023). These threats, combined with the growing complexity of digital systems, have made technological resilience one of the most important success factors in modern banking operations. The definition of technological resilience goes beyond the simple stability of systems and involves an organization's capability to adapt, recover, and prosper when affected by digital disturbances. One of the key competencies of the strategic thinking dimensions of banking executives should be that of technological resilience, especially in emergent economies where digital infrastructures may still be at their development stage (Alagha, Taha & Ismail, 2023). (Alagha, Taha & Ismail, 2023)

The relevance of technological resilience is further highlighted by the growing frequency and complexity of cybersecurity threats facing financial institutions. In this context, cybersecurity threats are among major challenges faced within the financial technology sector alongside the legal limitations and issues of consumer trust (Al-Daya, Nassar & Al-Massri, 2021). This, in turn, makes very real the need to develop robust resilience frameworks that can prevent, if possible detect, and rapidly recover from the threats. The continuity of service while protecting sensitive financial data has become key in maintaining customer trust and regulatory compliance (Olweny, 2024).

Furthermore, technological resilience empowers banks to innovate in a manner that they are efficiently controlling their risk. For example, Awwad & El Khoury (2021), using empirical evidence, depict that appropriate information technology governance, an integral component of technological resilience, has a positive impact on bank performance. The relationship indicates a twofold role for resilience: firstly, protecting current operations and secondly,

creating future growth through technological innovation. Banks have to maintain a fine balance between the introduction of advanced technologies and stability of the system; hence, resilience stands at the core of their digital transformation agenda.

It has also transformed into encapsulating the variable of organizational adaptability in response to changing customer expectations and volatility within market conditions. The system maintenance is an evolving process, and changes are required in response to new threats and configurations, hence reinforcing this aspect of technological resilience as being a process entailing continuous investment in infrastructure and human capital (Nurjanah, Shalshabilla & Dari, 2022). This would involve frequent training programs for regular staff to increase their capability with digital systems, apart from creating incident response capabilities that will be able to handle both technical and operational challenges.

1.2.4 Current trends in digital transformation

The digital transformation within the banking industry keeps on dynamically changing due to the emergence of new technologies and a shift in consumer behavior. The impact of digital transformation in the banking industry changes the competitive pattern of the industry since new technologies will provide personalization of services and operational efficiency in a thoroughly new dimension (Khanchel, 2019). Most in evidence, this transformation is in the development of mobile-first banking solutions, AI-driven services, and blockchain technologies that remodel conventional banking models and create new conduits toward differentiation within a given market.

Artificial Intelligence and Machine Learning probably represent one of the most striking current trends in banking transformation. The work by Malar, Arvidsson & Holmström (2019) looks at how value co-creation in online banking services has undergone some changes with the introduction of AI-powered solutions, especially within emerging markets. These technologies are now used for a variety of purposes, from chatbots serving customers to systems monitoring fraud and personalized financial advisory services. This trend is the general direction of taking everything to data-driven decision-making and automating processes for better operation and customer experiences.

The other powerful trend is open banking and API-driven ecosystems where digital transformation in banking increasingly shows the emergence of collaborative ecosystems: traditional banks share resources and work together with Fintech companies and other

technology suppliers (Osei, Cherkasova & Oware, 2023). A significant break from traditional closed banking systems, this enables far greater innovation through partnerships and new revenue streams through platform-based business models. Another factor is that the move to open banking architectures reflects the growing support at the regulatory level for more competition and innovation in financial services.

This summarizes the fact that customer experience is among the prime focuses of digital transformation. A recent study on Palestinian banks shows how strategies of digital transformation affect the experience and satisfaction of customers. It is observed in the development of smooth omnichannel experiences, customization of financial services, and real-time banking capabilities. Instead, the use of data analytics by banks for customer insights will increasingly allow them to push services that are more targeted and relevant to customers, from traditional transaction-based relationships to becoming integral parts of the financial lives of their customers (Abuhasan & Moreb, 2021).

The trend for sustainable and responsible digital transformation also started to climb as organizational readiness to implement the process of digital transformation plays an important role, especially in developing economies (Abu Mansour, 2022). It entails not only technological readiness but also cultural readiness, coupled with the development of sustainable digital practices. In this way, the banks are increasingly aware of the need to balance rapid digital innovation with responsible practices, including environmental sustainability, digital inclusion, and ethical use of customer data.

Among all these digital transformation trends, the following specific issues constitute the focus of this research: First is the implementation and impact of AI-driven solutions in customer service and risk management; second, organizational readiness and cultural adaptation for digital transformation; third, the integration of open banking systems within the Palestinian banking context. These have been selected because of their particular relevance to the current stage of development in the Palestinian banking sector and to how these might have a bearing on the build-up of strategic resilience in the face of digital disruption. The concentration on just these specific trends allows for a deeper and more thorough examination of how Palestinian banks can feel their way through a digital transformation journey with operational resiliency.

1.2.5 Role of team performance in digital banking success

The success of the digital banking initiatives intrinsically correlates with the performance and capability of the teams implementing and managing these technologies (Benitez et al., 2022). Knowledge management processes and business intelligence influence the organizational performance of an organization in respect of its digital transformation. Studies indicate that high-performing teams thrive based on the way knowledge resources are managed and leveraged, becoming even more important as banking operations become digitally sophisticated (Abusweilem & Abualous, 2019).

This has been specific in the context of customer relationship management where team performance is related to the success of digital banking. Ramadan & Eleyan (2021) have investigated how the adoption of social customer relationship management in the Palestinian banking sector relies hugely on team capabilities and coordination. Their findings showed that successful digital transformation would not be created just with technological infrastructure, but also with well-trained and cohesive teams who could use these tools to advantage in the betterment of customer relationships. This view is further supported by Abu Sharbeh (2023), who provided evidence from Palestinian commercial banks on how the knowledge generation process facilitated by high-performing teams affects customer relations management.

Team resilience and adaptability have emerged as key vectors in ensuring continuity related to digital banking operations. Aljanazrah et al. (2022) indicate that teams should be flexible and resilient in crisis situations, a lesson drawn from experiences relating to digital transformation. Indeed, their work confirms that one of the basic prerequisites for effective digital banking implementation includes team members who can rapidly keep up with change dynamics while maintaining standards on aspects such as service quality and security. This has turned the capability of the teams to learn from challenges and continuously improve performance into a key differentiator in the success of digital banking initiatives.

The role of leadership is invaluable in high-performance team development. This was proved by Iriqat & Jaradat (2021) who have proven that the influence of digital transformation strategy on customer satisfaction is significantly mediated by the performance of the team and effectiveness of leadership. In their research study based on the Palestinian context, it has been showcased that leaders who are capable of managing their teams through the process of digital transformation with a high level of performance will have better chances of achieving success.

It involves creating an enabling environment for innovation, continuous learning, and collaboration across functional boundaries.

Moreover, the performance of a team in digital banking increasingly is aligned with the contribution a team can make to achieve innovation and customer value creation. A strong positive relationship exists between strategies concerning electronic banking and customer satisfaction; hence, teams should have good performance when implementing and maintaining those strategies. This indicates that teams should perform not only technically but also have a customer-oriented approach toward the task, thereby realizing that their contribution will directly hit on the customer experience (Sulaiman & Abdelkarim, 2019).

1.3 Research Problem

The modern banking industry works in an increasingly VUCA (Volatile, Uncertain, Complex, and Ambiguous) environment characterized by the ever-rising volume of digital disruption challenging the traditionalistic models of operations. The executives in the banking industries, especially in emerging economies, are confronted with unprecedented challenges in maintaining a course through such a complex landscape and still keeping their operations resilient (Alagha, Taha & Ismail, 2023). The problem statement emerges from the intersection of three critical challenges: the need for strategic resilience in a VUCA world, the imperatives to exploit digital opportunities effectively, and the need for maintaining operational stability during transformation.

The first dimension of the problem lies in the struggle of the banking sector to develop and maintain strategic resilience within an environment characterized by rapid technological change. While digital transformation provides huge opportunities, it also creates some new forms of volatility and uncertainty that a majority of banking institutions do not yet have sufficient powers to respond to (Khanchel, 2019). Traditional frameworks of risk management and strategic planning approaches often prove to be insufficiently relevant for the speed and scale of digital disruption, creating a critical gap between organizational capabilities and environmental demands.

Another critical dimension of the issue pertains to diverse challenges of identification and exploitation of digital opportunities while managing the risks associated with it. In Palestine, major challenges were faced relative to cybersecurity threats, regulatory constraints, and possible issues concerning customer trust (Al-Daya, Nassar & Al-Massri, 2021). This is further

compounded because a large number of banks are still hardly able to reconcile the imperatives of innovation with demands for regulatory compliance and risk management. This generates a decision-making environment in which the cost of action and of inaction are both great.

A third important dimension of the research problem will consider organizational readiness and capability building where most organizations do not possess appropriate digital maturity and organizational capabilities in various key aspects for implementing and managing a digital transformation initiative properly (Abu Mansour, 2022). This lack of capability is strongly evident within banks, as legacy systems, embedded processes, and conservative organizational culture could inhibit new technologies and related ways of working.

This problem further gets incrementally complicated by the rapid evolution of customer expectations and competitive dynamics. Banks are expected to deliver frictionless digital experiences, while at the same time caring for the security and reliability expected from financial institutions. The latter puts tension between the need for fast innovation and the requirement for stable, secure operations (Malar, Arvidsson & Holmström, 2019).

The matter goes down to the very bottom of the challenges pertaining to the measurement and optimization of digital transformation outcomes. In this regard, most banks find it hard to measure the impact of their digital initiatives on organizational performance and hence face difficulties in justifying investments in this domain and optimizing their approach toward digital transformation (Awwad & El Khoury, 2021). This measurement challenge creates uncertainty regarding resource allocation and strategic decisions in any digital transformation effort.

1.4 Research Context

1.4.1 Overview of Palestinian banking sector

The Palestinian banking sector is a unique case study in terms of resilience and adaptation, set amidst the peculiarities of political, economic, and technological constraints. Despite every difficulty, Palestinian banks have shown remarkable development in the adoption of information technology governance frameworks and modernization of operations. The sector also has a mix of local and foreign-owned banks, making it highly competitive, and it is often uphill work for an institution to push them deeper into digital innovation and service improvement (Awwad & El Khoury, 2021).

The Palestinian banking industry, within the last decade, has developed an outstanding structure that represents a mix of traditional banking and recently developed digital services. This sector is increasingly being focused on the way towards social customer relationship management and digital engagement strategies-one indicative of wider trends toward contemporary and modern methods of banking. Moreover, Palestinian banks are increasingly investing in digital infrastructure and customer-facing technologies, though at radically different paces and scales (Ramadan & Eleyan, 2021).

The Palestinian banking sector has had a dual regulatory framework where there was double oversight, from both the local and regional levels. Evidence from Abu Sharbeh (2023) showed that such duality only just creates a particular way the industry addresses knowledge management for maintaining good customer relationships. So far, the PMA has tried to encourage digital transformation while ensuring stability in the financial system through the use of policies that boost innovation and prudent oversight of the sector's digital transformation.

Most remarkably, this segment has been with regard to the response to regional economic challenges. Ibaid (2021) in turn discusses how digital government initiatives have influenced the transformation of the banking sector, shedding light on the question of interdependence between the development of the state and private sectors in digital terms in Palestine. The review shows how the banks have positioned their respective strategies to fall in line with general national goals of digital transformation, and at the same time seek to respond to specific market needs of their immediate environment.

Palestinian banks have developed and specialized in product offerings significantly, with respect to the conditions of the local market. Such geographic fragmentation, along with the specific situations for each region, was considered when the electronic banking strategies were developed. For instance, according to one report issued by the Palestinian Monetary Authority, by 2022, approximately 70% of Palestinians were reached by banking services, whereas digital banking adoption demonstrated surprising growth from 25% in 2019 to 55% in 2022 (Palestinian Monetary Authority, 2023). This reflects that the banking sector has become very responsive to gaps in digital literacy and varied preferences by customers across different areas (Sulaiman & Abdelkarim, 2019).

1.4.2 Unique challenges and opportunities in Palestinian context

Operating in distinct challenges and opportunities, the Palestinian banking sector therefore features a very interesting context in which to study digital transformation and resilience. For instance, discuss how external constraints have ironically served to facilitate innovation as banks devise creative means of overcoming geographical fragmentation and limitations on access (Aljanazrah et al., 2022). This shows that the crisis conditions accelerate the pace of digital adoption since those institutions are forced to develop robust remote banking solutions which would never have been developed in circumstances of business-as-usual.

The geographic discontinuity between the West Bank and the Gaza Strip has raised special operational challenges that have catalyzed creative banking solutions. A study by Ming & Jais, 2022, on the adoption of digital payments in fragmented markets provides the application within a Palestinian context where banks have to ensure continuity of services across physically divided territories. This geographic issue has spurred highly developed digital networks and remote banking services unequalled by any regional bank.

The unique opportunities in the demographic dynamics can also be embraced in the Palestinian context. Abusweilem & Abualous (2019) underpin that the quite young and tech-savvy population creates a fertile ground for digital banking adoption. Palestinian banks may feel privileged to have a customer base that has grown increasingly responsive toward digital innovation in mobile banking and digital payment solutions. This is the demographic advantage which makes it a natural testing ground to try out new and innovative digital banking initiatives.

Another unique character that defines the Palestinian banking context is regulatory innovation. The developing countries have introduced their own innovative regulatory frameworks that strike a proper balance between financial innovation and stability (Osei et al., 2023). The Palestinian Monetary Authority has pioneered several novel regulatory ideas, including specialized regulatory frameworks for mobile money services and digital payment systems. That way, an enabling environment will be opened where controlled innovation does take place rather than risking the integrity of the financial system.

The Palestinian banking system also has specific patterns of market competition and cooperation. Vatanasakdakul, Aoun & Putra (2020) discuss markets with similar constraints that have fostered collaborative ecosystems to transcend resource limitations. In such a context, the Palestinian banks have forged strategic partnerships with technology and

telecommunication providers; unique models of cooperation that may contribute to the development of digital banking in other emerging markets.

1.4.3 Current state of digital banking in Palestine

The current state of affairs in digital banking in Palestine represents a volatile junction of technological innovations and adaptations specific to the market. One after another, Palestinian banks are developing sophisticated mobile banking applications along with digital payment systems that address local needs in a better way. Beyond basic digital services, their study has indicated advanced features being implemented by banks such as biometric authentication, AI-driven customer service, and real-time transaction monitoring systems (Abuhasan & Moreb, 2021).

The transformation of conventional banking infrastructure presents a unique picture in Palestine. The quality of banking services has dramatically altered through digital channels, especially about the integration of local payment systems to international networks. Their study unfolds how Palestinian banks have worked out hybrid systems that integrate international banking standards with locally optimized solutions, hence creating a unique digital banking ecosystem (Al-Habil, et al., 2017).

Among the signature features of the present state of digital banking in Palestine, the investment in digital security infrastructure stands out. In fact, Palestinian financial institutions have made key steps towards developing high-level cybersecurity systems, verification by blockchain technology, and the means to detect fraud. This attention to security follows not only the international trend for greater digital security but also the specific security challenges in the Palestinian context (Abu Mansour, 2022).

Another interesting observation in today's context is that specialized retail digital banking services have taken shape for various market segments. In view of the fact, the role of Palestinian FinTech innovations in opening up new hopes and avenues for financial inclusions, especially in populations which had been long under-served so far. Their research outlined the creation of specialist digital banking products for small businesses, agriculture-related ventures, and young professionals. In sum, this exemplifies a mature level of knowledge in market segmentation in service delivery within the digital sphere (Nassar, Daya & Almasri, 2021).

Other significant development in the area of digital banking in Palestine is the integration with other digital platforms. Palestinian banks are integrating banking services with other service platforms such as e-commerce, governmental services, and utility payment. It can be described as a more advanced way of doing digital banking, as it does not stop at traditional banking services but creates comprehensive services for daily financial needs (Ramadan & Eleyan, 2021).

While Palestinian banks have substantially enhanced many dimensions of the digital banking space, this paper zeroes in on three strategic areas within that space. First, it examines the level of deployment and use of AI-powered customer self-service solutions, particularly how clients like Arab Bank and Bank of Palestine deploy these technologies for increasing the power of the customer experience with minimal compromise on security. The second aspect refers to the organizational readiness of the shift and the cultural adaptation to be made for successful digitization, especially in the unique challenges faced by Palestinian financial institutions. Third, we review the development and integration of open banking systems, looking at how the Palestinian banks cope with access to international networks while responding to the needs of the domestic market. These focal points have been selected in view of their strategic relevance to the resilience and competitiveness of the Palestinian banking sector in an increasingly digitized banking environment. The contribution shall be through the analysis conducted on selected aspects that will add to the in-depth understanding of how Palestinian banks can undertake an efficient and effective digital transformation journey with simultaneous strategic resilience against digital disruption.

1.4.4 Regulatory environment

Thus, the regulatory landscape framing Palestinian banking is complex and continuously evolving. This fact has a great influence on the nature and features of digital transformation initiatives. Along this line, Ibaid (2021) demonstrates how the PMA has developed a specific regulatory approach that seeks to balance innovation promotion with financial stability preservation. Such a dual focus gave place to a singular regulatory environment that, at one and the same time, enables and constrains digital banking development.

The nature of the definition of the banking regulatory framework of Palestine is multi-layered. Discussion by Nassar, Daya & Almasri (2021) has shown that the financial institution of Palestine faces both domestic and international regulatory features, especially for cross-border transactions and international banking relationships. Their study has found such a regulatory

layering has ensured compliance systems have become sophisticated and integrated with international standards into local requirements.

These different specialized regulatory frameworks are related to the specific provisions on electronic banking operations, digital payment systems, and standards related to cybersecurity. Sulaiman & Abdelkarim (2019) reviewed how the new evolving regulatory requirements progressively changed to meet new risks while promoting technological innovations in the banking sector.

Recent regulatory developments have steered their focus toward promoting financial inclusion through digital channels. In this regard, Ramadan & Eleyan (2021) indicate an increased predisposition of regulatory policies toward innovative digital banking solutions, while still sustaining an iron fist in terms of consumer protection and data security. This gradual evolution in the regulatory approach itself testifies to growing recognition of the place of digital banking in the expansion of financial access across Palestinian territories.

The legal framework attends to the unique features of the geopolitical situation of Palestine. The specific adaptations of banking regulations have come to address challenges related to territorial discontinuity and cross-border banking operations. Adaptations gave birth to some distinct regulatory requirements related to digital banking operations not found in other markets (Al-Habil et al., 2017)

1.4.5 Market competition and technological readiness

Technological capabilities combined with market forces are rewriting the competitive nature of Palestinian banking. In developing economies, different technological differences presuppose distinctive choices of competitive strategy by the executives of banks. This has taken a different shape in Palestine regarding the kind of competition there, where different banks compete, not only on traditional parameters but increasingly on their capability to offer innovative digital solutions to solve particular local challenges (Alagha, Taha & Ismail, 2023).

This technological readiness largely varies from one institution to another and even from region to region. The issue of technological adoption by different banks signals a market which is structured by institutions that lead the technological innovation process, while others make gradual digitalization. These variations design a market in which banks are obliged to invest in technology in a very sensitive balance with market positioning and customer needs (Khnnchel, 2019).

Human capital development has emerged as a vital piece in the equation of technological readiness. Evidence points to increased investments by Palestinian banks in specialized programs for the development of digital talent, building innovation teams within their establishments, and forming partnerships with technology education providers. Emphasis on human capital development remains one strategic approach toward developing long-term technological capabilities within the sector (Abu Sharbeh, 2023).

Competition in markets is also impacted by the rise of nontraditional financial service providers. Telecommunications companies, new service providers of financial payments, and startups specializing in financial technologies bring a new competitive game to the Palestinian market. In this new context, their research underlines that traditional banks need to accelerate their digitalization process and revise the way they compete (Aljanazrah et al., 2022).

Another interesting feature of the competition in markets is developing collaborative innovation networks. Strategic alliances and innovation partnerships that banks in emerging markets are setting up in a bid to enhance their technological capabilities. The result of this has been such that, in Palestine, for example, specific cooperation models have been established where the different banks share the technological infrastructure while competing on the differentiation of services (Malar, Arvidsson & Holmström, 2019).

1.5 Research Aim and Objectives

1.5.1 Research Aim

This study aims at investigating the relationships among digital banking technologies, digital leadership style, organizational culture, and its impact on the team resilience and the overall organizational performance of the Palestinian banking institutions. In particular, the study investigates how digital leadership style and organizational culture moderates the relationship between digital banking technologies and the team resilience. This study explores the contribution of the relationships to organizational resilience towards the shock of technological disruption.

1.5.2 Research Objectives

1. To evaluate the impact of digital banking technologies, digital leadership style, and organizational culture on team resilience .
2. To assess how digital leadership style and organizational culture moderate the relationship between digital banking technologies and team resilience.

3. To evaluate the impact of team resilience on overall organizational performance.
4. To identify the challenges faced by banks in managing technological change for digital banking, with particular focus on exploring and analysing the obstacles that traditional banks encounter in adopting and adapting to digital technologies.
5. To develop and evaluate a strategic management framework tailored to the unique needs of digital banking through case studies and empirical analysis within the Palestinian banking context.

1.6 Research Gaps and Contributions

1.6.1 Current Gaps in Literature

- a) A significant gap exists in comprehensive strategic frameworks specifically designed for digital banking transformation. While existing literature addresses individual aspects of digital banking, there is a notable absence of integrated frameworks that combine technological, organizational, and strategic elements (Khanchel, 2019). Current frameworks fail to adequately address the dynamic nature of digital disruption in banking (Osei, Cherkasova & Oware, 2023). The development of integrated frameworks is crucial as they provide several key benefits: (1) they enable banks to understand and manage the complex interrelationships between different aspects of digital transformation, rather than treating them in isolation; (2) they help organizations anticipate and respond to changes more effectively by considering multiple dimensions simultaneously; (3) they facilitate more informed decision-making by providing a holistic view of how different elements of digital transformation affect each other and overall organizational performance; and (4) they support better resource allocation and strategic planning by highlighting the interdependencies between technological investments, organizational capabilities, and strategic outcomes.
- b) The scarcity of research focusing on digital banking transformation in developing economies, particularly in the Middle Eastern context, is notable (Awwad & El Khoury, 2021). Existing studies often fail to account for the unique challenges and opportunities present in emerging markets (Al-Daya, Nassar & Al-Massri, 2021).
- c) A significant gap exists in understanding how organizational resilience intersects with digital transformation initiatives, particularly in challenging operating environments (Aljanazrah et al., 2022).

1.6.2 Research Contributions

1. Theoretical Contributions

- Development of an integrated theoretical framework combining digital transformation, strategic resilience, and organizational performance
- Extension of existing strategic management theories to incorporate digital banking specifics
- New insights into the moderating effects of leadership and organizational culture in digital transformation

2. Practical Contributions

- Actionable guidelines for banks implementing digital transformation initiatives
- Detailed roadmap for building organizational resilience during digital transformation
- Performance measurement frameworks for evaluating digital banking success
- Tools for assessing and enhancing digital readiness

3. Policy Contributions

- Evidence-based recommendations for regulatory frameworks supporting digital banking innovation
- Guidelines for balancing innovation with stability in banking regulation
- Frameworks for promoting digital financial inclusion while maintaining system security

1.7 Thesis Structure

This thesis is organized into six comprehensive chapters, each addressing specific aspects of the research:

Chapter 1: Introduction

Provides the foundational background of the study, including the research context, objectives, and significance. Introduces the key concepts of digital banking transformation and strategic resilience, particularly within the Palestinian banking sector. Outlines the research gaps and expected contributions.

Chapter 2: Literature Review

Presents a comprehensive review of existing literature across three main streams:

- Digital transformation in banking: theories, frameworks, and implementation
- Strategic resilience and organizational performance in digital banking
- Context-specific challenges and opportunities in developing economies The chapter synthesizes current knowledge while identifying theoretical and empirical gaps.

Chapter 3: Conceptual Framework and Hypothesis Development

Develops the theoretical foundation for the study through:

- Detailed explanation of the conceptual model
- Development and justification of research hypotheses
- Identification of key variables and their relationships
- Integration of moderating factors: leadership style and organizational culture

Chapter 4: Research Methodology

Describes the quantitative research design and methods employed in this research, including the quantitative research approach, positivism, and deductivism; cross-sectional survey research design; research questionnaire development/validation; sampling design/methodology; profile of respondents; and procedures for analyzing the collected data using PLS-SEM for the measurement model and structural model assessments.

Chapter 5: Results and Analysis

Discusses the quantitative results obtained from the survey and the analysis using the PLS-SEM approach, which involve data screening and diagnostics, the characteristics of the respondents, the measurement model analysis (internal consistency reliability, convergent validity, and discriminant validity), and the structural model analysis (path coefficients, moderation analysis, R^2 , f^2 , and predictive relevance).

Chapter 6: Conclusion and Recommendations

Synthesizes the research outcomes through:

- Summary of key findings
- Theoretical and practical implications
- Policy recommendations
- Study limitations
- Suggestions for future research
- Concluding remarks

Each chapter builds upon the previous ones to create a coherent and comprehensive examination of strategic resilience in digital banking transformation within the Palestinian context.

CHAPTER TWO: LITERATURE REVIEW

The chapter reviews the literature on strategic resilience in the context of digital disruption, focused on banking institutions. First, the review discusses how digitalization evolved within and impacted the service sector and the banking industry in particular. It then follows through with the concepts of team resilience and performance, and how digitalization influences organizational resilience. This chapter consequently explores how digital leadership and organizational culture serve as moderators of digital transformation processes. It pays special attention to banking within developing economies, focusing on the Palestinian banking sector. The review is concluded by synthesizing the key concepts into the development of a research framework guiding the empirical investigation. In light of the above literature review, therefore, the chapter sets a theoretical basis on which this study could appreciate how banking institutions could create and sustain strategic resilience amidst the increased setting of digitalization.

2.1 Digitalization

The digital revolution has completely transformed the operational mechanisms and processes of value creation in organizations within the modern business world. This section explores the multidimensional aspects of digitalization, inclusive of conceptual development and specific manifestations in both the service and banking sectors. It conceptually develops from how the notion of digitalization has evolved from the simple automation of processes to driving holistic organizational transformation. After that, the discussion will cover in detail aspects related to how digitalization reshaped service delivery and customer experience across many industries, with an indication of its consequences for the banking industry. The section then goes further to consider the dimensions necessary for digitalization that must be deliberated by an organization in adopting a digital transformation strategy. Ultimately, much stress in this discussion will be laid on how digitalization shapes organizational capabilities, business models, and competition within an increasingly digital environment.

It is under this comprehensive review of digitalization that an understanding of how organizations, and more so banks in developing economies, can effectively navigate their digital transformation with a core operational resilience, becomes possible. The review provides concrete theoretical and practical insights that present a skeleton for the section on digitalization and organizational performance in the banking industry.

2.1.1 Conceptual Evolution of Digitalization

Digitalization is the evolution that signifies a paradigm shift in the operatory models of both organizations and societies. It characterizes a shift from analog to digital processes that is ostensibly changing nearly every other aspect of human life. This has perhaps come to evidence best in the business world, where digitalization in status moved from being a pure technological tool to a strategic concern that affects organization structure, operational procedures, and competitive advantages.

Actually, the process of digitalization started in the 1960s with very early computing systems. However, real acceleration took place from the 1990s, as the use of the internet became widespread, further into waves of technological developments up to today, states a wide-ranging study by Verhoef et al. According to their study, digitalization followed recognizable stages, moving from simple automation of existing processes to the latest phase of digital transformation in which even the core of the business model and value creation processes had to be technologically transformed.

Building on this historical perspective, Vial (2019) may explain conceptually how digitalization has been evolving from its technical origin to a socio-technical phenomenon. Several critical evolutionary stages have been outlined where the appropriation of digitalization overflows from the unique issues related to technological implementation to concerns with organizational changes, strategic renewal, and innovation of business models. This development signifies deeper insight about digitalization, considering the process of digitalization not just as a technological imperative, but rather as the fundamental restructuration of how organizations create and capture value.

These technological changes, which are driving digitalization, have been both rapid and transformative. Among the few key technological developments, the speed of digitalization is identified by the authors. Most important among these would be cloud computing, making computing more available and less expensive; AI and machine learning, enabling new forms of automation and decision-making; the IoT starting to offer new ways of collecting and analyzing data. Their work underlines how these technologies have interacted with each other to present new opportunities for innovation, as well as complex implementation challenges for organizations.

While technological development is in its place, the theoretical underpinning of digitalization has been developing. Building on the seminal dynamic capabilities framework by Teece (1997), Warner and Wäger (2019) applied this model to explain how organizations develop digital capabilities in the modern context. Their study has pursued three distinctive sets of capabilities originally proposed by Teece: sensing opportunities—in the case of this paper, those enabled by the digital context, seizing those through changes in organizations, and reconfiguring resources in ways that establish advantage over rivals. This application of the Dynamic Capabilities framework to digital transformation provides a sound theoretical basis for understanding how organisations can respond to digital disruption.

Further, Hanelt et al. (2021) develop one overall framework integrating extant theoretical positions on digital transformation, including technological, organizational, and environmental dimensions. Their findings indicate that the theories of digitalization moved from a sole technological adoption perspective towards considerations of overall organizational and strategic consequences. Such development within theory points to an increasing recognition of the multi-dimensional complexity of digitalization, whereby decisions on technical and organizational issues alike must be made with great care.

Sebastian et al. (2020) present important understanding with regard to basic theories and models underlying the concept of digitalization. There are two digital strategies which an organization follows; these are customer engagement and digitized solution. It could be understood from their work that the theoretical approaches to digitalization have indeed gradually shifted to realize the importance of linking the digital initiatives with greater strategic imperatives.

The conceptual evolution of digitalization continues to be shaped by emerging technologies and changing business requirements. As highlighted by Riasanow et al. (2021), organizations must increasingly navigate complex digital ecosystems while maintaining operational efficiency and innovation capabilities. Their research emphasizes how the conceptual understanding of digitalization has expanded to encompass ecosystem perspectives, platform strategies, and digital business models.

2.1.2 Digitalization in Service Sector

The service sector covers a wide range of industries, including financial services, healthcare, hospitality, retail, telecommunications, and professional services. This is a very big part of

modern economies and a huge employer in developed nations. Digital technologies turned this sector into one of the most dynamically changing and evolving parts of current business affairs, deeply transforming the way services come into being, are created, and consumed. Digital technologies have managed to mediate not only operational efficiencies but also change the very nature of service provision and introduce new paradigms of value creation and customer interaction.

Frank et al. (2019) conducted one of the most comprehensive reviews on how these emerging digital technologies have transformed the way service delivery occurs—from face-to-face to multichannel and omnichannel models. Herein, the authors revealed how digital technologies give the service provider the power to transcend physical constraints toward holistic servicing at all touchpoints without losing any operational efficiencies or chances of access to new markets. This, in turn, gave way to different models of service delivery that combine digital efficiency with personal attention towards customers.

Perhaps most importantly, its influence can be seen to impress on the service delivery model, as the work by Kunz et al. (2020) has identified. They also found, in their findings, that digital technologies have enabled the emergence of platform-based service models that enable an organization to realize value through network effects and ecosystem partnerships. This transition dramatically changed the linear value chain for service delivery into more complicated and integrated value networks where service providers, customers, and partners act mutually in the creation and delivery of services.

A turning point comes at the conceptualization of customer experience evolution in digital service environments. Barrett et al. (2021) discuss how the emergence of digital technologies transformed the traditional customer interaction into an increasingly personalized, responsive, and integrated experience. The findings show that effective digital service environments balance the efficiency achieved through automation with human contact points to develop experiences that bring together the conveniences of digital technologies with the empathy and understanding customers appreciate at service encounters.

The other key findings in the area of digital service innovation relate to when organizations are deploying advanced technologies to new service offerings. These are by Huang et al. (2020). From this study, the main drivers of digital service innovation can be pinpointed as: Technologies of Artificial Intelligence, Big Data Analytics, and the Internet of Things. In

support of such technologies, organizations can already create predictive service capabilities, automate routine interactions, and make services even more personal.

The adaption to different digital technologies has changed service delivery, and thus, the radical change required in various organizational structures and capabilities. Verhoef and Bijmolt discuss the issues of service organizations that are changing their operating models in regards to digital service delivery. It also proposes new organizational abilities and views that are needed. The research recognizes the need for the development of digital competencies with the retention of human contact principles necessary for the proper delivery of service.

Novel service business models have emerged with digital technologies. Tronvoll et al. (2020) say that more and more organizations are adopting platform-based and subscription-based service models, and such digital capabilities enable the creation of recurring revenues and closer customer relationships. They show how digital technologies provide the capabilities for service providers to capture and make use of customer data so that there is more sophisticated and responsive service offer capability.

Novelty in the digital service environment will increase as technology further develops. Lim and Maglio (2019) explain how new technologies allow for new ways of service co-creation where customers can act as co-creators both in service design and delivery. This study underlines how digital platforms and tools enhance the customer's contribution to service innovation for even more responsive and customer-oriented service offers.

The evolution of the service sector, now in relation to digital technologies, has provoked some important reflections with regard to service quality and customer satisfaction. In 2021, Hollebeek et al. explored how digital service environments impact customers in terms of active engagement and satisfaction by identifying the most relevant drivers of positive digital service experiences. They outlined the need to create a digital service interface that would be efficient but at the same time emotionally appealing and satisfying for customers.

2.1.3 Digitalization in Banking Sector

The banking sector has witnessed a sea change in its operation-from being a traditionally brick-and-mortar sector to an advanced digital service provider. This kind of development actually signaled two things: technological advancement and changing consumer expectations, which changed the way financial services are offered and consumed.

Singh et al. (2020) trace the emergence of digital banking-from the early ATM machines to today's complete digital banking. The paper chronicles how it has evolved through a series of well-defined stages: early automation of basic transactions, followed by the introduction of internet banking and then a new wave of mobile banking applications, culminating in the integrated digital financial services today. All these have been characterized by an ever-growing sophistication in technology deployment and in ways to reach out to customers.

Digital banking technologies and platforms have been increasingly complex and interdependent. Milian et al. (2019) investigate how new technologies such as AI, blockchain, and cloud computing are affecting bank operations. From their analyses, it is established that all these technologies enable banks to enhance their internal efficiency, manage risks better, and provide personalized services to customers. In light of all these observations, the integration of many of these technologies has contributed toward the creation of new banking platforms that integrate traditional banking services with state-of-the-art digital ones.

The strategic approach to the banking sector's digital transformation has significantly evolved. Indeed, according to Omarini (2020), financial institutions are increasingly adopting holistic digital transformation strategies that go beyond simplistically implementing new technologies. Such strategies involve organizational restructuring, changing cultures, and innovation in business models. This paper highlights that successful digital transformation requires a delicate balancing act between innovation and stability, security and accessibility, and efficiency and personalization for banks.

Alt and Puschmann present a far-reaching assessment of challenges and opportunities that banks have to overcome on their path to digital transformation. The key challenges are cybersecurity threats, regulatory compliance, integration with a legacy system, and acquisition of talent. At the same time, however, they also name some meaningful opportunities: increased operational efficiency, higher customer engagement, new revenue sources due to digital services, and increased market reach.

Regional approaches toward the inclusion of digital banking reveal huge differences with respect to both the pace of inclusion and the manner in which it takes place. Shaikh et al. (2021) explore how different regions approach digital banking transformation-a big difference in the approach, considering regulatory landscapes, technological infrastructure, and customer preferences to develop digital banking. The authors present how regional differences in digital

maturity, customer behavior, and regulatory frameworks shape the way digital banking services develop.

The context of emerging markets is peculiar, offering both opportunities and challenges to the digitalization of banking. Hammoud et al. (2019) investigate how banks in emerging markets use digital technologies to overcome infrastructure limitations in order to expand financial services to unbanked or underbanked population segments. The results showed that mobile banking and digital means of paying are one of the main drivers of both financial inclusion and economic development in emerging markets.

Digitalization has totally changed the face of banking and introduces new competitive landscapes. Traditional banks have to increasingly compete with Fintech institutions and technology giants that are entering the business of financial service provisions, according to Románova and Kudinska (2021). This forces them to accelerate their digital transformation processes and seek out active partnerships and alliances with organizations in the Fintech industry.

Indeed, digital transformation marks one significant determinant of banking business models. For instance, Niemand et al. (2021) investigated how banks adjust their business models to fit the delivery of digital services, changing customer needs, and expectations. Indeed, their findings revealed that successful digital transformation requires banks to develop new capabilities while maintaining their core competencies in risk management and regulatory compliance.

Regulatory issues are one of the main factors driving the course of digital banking development. Klein et al. (2020) explore how regulatory frameworks are being modernized in light of digital banking innovations, while considering financial system stability. Their findings emphasize that regulation should be balanced to foster innovation, ensuring security and consumer protection.

Thus, digital transformation has brought critical reflection for implications with workforce development in financial institutions. For example, Jünger and Mietzner (2020) explore new claims caused by the changed skills and job profiles of banking companies. Their findings emphasize, along with the need for continuous development within the workforce, competence in the use of digital dimensions throughout all layers of the organization.

Customer data and analytics have generally taken center stage regarding competitive advantage in digital banking. Pousttchi and Dehnert (2018) analyze how banks leverage advanced analytics and artificial intelligence to further improve customer understanding and to personalize services. Their work illustrates how data-driven insights let banks create more targeted offerings while refining their risk assessment and fraud detection capabilities.

In perspective, there is great potential for digital banking to affect financial inclusions in developing markets. Ozili (2021) discusses how digital banking initiatives are surmounting certain long-standing barriers to access to financial services in developing economies. As this research states, mobile banking solutions and innovative forms of digital means of payment have empowered millions of people who were previously unbanked to gain formal financial services.

In essence, the inter-marriage of digital banking with cybersecurity comes along with perpetual challenges juxtaposed with great opportunities. Gai et al. present a dynamic landscape of cybersecurity threats in digital banking and some of the technological innovations devised to mitigate those threats. The contributions were able to show how meaningful implementation of security frameworks upholds customer trust and ensures operational resilience.

2.1.4 Dimensions of Digitalization

Digitalization can be considered a multivariate construct comprising related dimensions in organizational transformation and value creation. In every organization, complete understanding of these dimensions is paramount to the implementation of their digitalization strategies for them to have a sustained competitive advantage in a business environment that is increasingly becoming digital (Verhoef et al., 2021; Warner & Wäger, 2019; Vial, 2019).

The technical dimension of digitalization represents the required infrastructure and technological capabilities that may provide the base for digital transformation. According to Vial (2019), key technical components include cloud computing, data analytics, artificial intelligence, and digital platforms that represent the technological backbone of digitalization initiatives. These technical components ensure that the organizations can process, analyze, and exploit the data while enabling new ways of value creation and service delivery. In fact, Matt et al. note that it is only when the technical architecture corresponds with organizational capabilities and strategic objectives that a sustainable digital advantage can be achieved.

Table 2.1: Key Dimensions of Digital Transformation and Their Characteristics

Dimension	Key Characteristics	Contributing Factors	Outcomes
Technical	Cloud computing infrastructure, Data analytics capabilities, AI/ML integration, Digital platforms	Technological maturity, IT infrastructure, Technical expertise, System integration	Enhanced processing capability, Improved data management, Automated operations, Technical resilience
Operational	Process automation, Workflow digitization, Digital collaboration tools, Agile methodologies	Process optimization, Resource allocation, Operational efficiency, Work standardization	Streamlined operations, Reduced costs, Improved efficiency, Enhanced productivity
Strategic	Digital vision development, Business model innovation, Digital ecosystem management, Market positioning	Leadership commitment, Strategic planning, Resource investment, Competitive analysis	Competitive advantage, Market adaptability, Strategic flexibility, Growth opportunities
Customer-centric	Personalization capabilities, Omnichannel integration, Digital experience design, Customer analytics	Customer insights, User experience, Customer feedback, Service design	Enhanced satisfaction, Improved engagement, Customer loyalty, Market share growth
Innovation	Digital product development, Service innovation, Experimental capabilities, Innovation ecosystems	Creative culture, R&D investment, Innovation processes, Knowledge management	New offerings, Market leadership, Value creation, Future readiness

Source: Synthesized by the researcher based on Vial (2019), Warner & Wäger (2019), Verhoef et al. (2021), Sebastian et al. (2020), and Matt et al. (2015)

The operational dimension is about the way in which digitalization impacts business processes and organizational workflows. Nambisan et al. (2019) research how digital technologies can reimagine operational processes and make the operations of organizations more automated, efficient, and flexible. Their study exemplifies a thread in which digitalization enhances the development of agile operational capabilities, enabling organizations to respond with increasing ease to changing market conditions and customer needs. Operational dimension

covers aspects related to the change in work practices, as organizations adapt to new digital ways of working and collaborating.

From a strategic perspective, it is a fundamental shift in how organizations are creating and capturing value. Warner and Wäger (2019) discuss the development and implementation of a digital strategy that focuses on dynamic capability as an enabler of successful digital transformation. Some key strategic elements identified in their work include the creation of a digital vision, business model innovation, and ecosystem orchestration. It is about strategic choices: which competitive position to assume, the liquidity of markets, and long-term survival in a digital economy.

From the perspective of strategic management, digitalization is not merely a question of technological adoption; rather, it fundamentally reshapes competitive dynamics and strategic choices. Matt et al. (2015) indicate that there are those who believe digital transformation strategy must complement and, in many cases, drive corporate strategy by affecting competition and positioning in increasingly digital markets. This strategic perspective is particularly relevant for banking institutions, since decisions with regard to digital transformation have broad repercussions in terms of competitive advantage and market positioning. Sebastian et al. (2020) illustrate how a bank has to make a strategic choice between becoming a digital platform, a digital solution provider, or a hybrid organization, each path needing different capabilities and having different competitive challenges.

The strategic dimension of digitalization concerns establishing and maintaining competitive advantages in digital environments. Vial (2019) mentions that traditional sources of competitive advantage question the digital transformation, which in turn asks for new strategic capabilities and rethought value proposals from organizations. This is especially critical in banking, where traditional competitive advantages based on physical presence and relationship banking are faced by challenges emanating from digital-first competitors and fintech innovations.

Customer-centricity of digitalization refers to improved customer experiences and engagement owing to the use of digital technologies. Verhoef et al. (2021) investigate how organizations employ a variety of digital capabilities to develop personal and seamless customer experiences across multiple touchpoints. They consider customer data analytics and digital interaction platforms to be fundamental enablers for understanding and serving changing customer needs

and desires. In addition, novelty in the models of engaging customers and offering value propositions, which the digital technologies have also enabled, forms part of this dimension.

The innovative dimension shows the potential of digitalization in providing new ways of value creation and developing business models. Nambisan and Baron's 2021 study explores how digital technologies leverage better connectivity, data analytics, and platform-based business models to drive innovation. The study specifically highlights that digitalization allows organizations to develop new products and services, as well as business models, in an ecosystem of innovation and co-creation of values.

In synthesizing these dimensions, Li et al. (2018) present a holistic framework that captures the interlinking of the dimensions on digitalization and how they interactively affect organizational performance. Their framework specifically identifies three key dimensional relationships: (1) the technical-operational nexus, where digital infrastructure and capabilities directly enable process efficiencies and operational improvements; (2) the strategic-customer interface, where strategic initiatives are directly linked to evolving customer needs and market demands; and (3) the innovation-performance relationship, where digital innovation capabilities create and sustain competitive advantages. The authors demonstrate through empirical evidence that these relationships are mutually reinforcing, with improvements in one dimension often catalyzing advances in others. Their study hence illustrates that in accomplishing effective digital transformation, these multidimensional elements in an organization are to be pursued in tandem with their alignment and integration: technical capability has to support operational excellence, strategic orientation has to respond to customer requirements, and innovative capability has to underpin sustainable competitive advantage.

Digitalization frameworks develop based on interdependencies between several dimensions, which create a positive effect on organizational success. For example, there is a comprehensive study by Hanelt et al. (2020) on how it is possible to fit these dimensions into the context of the digital transformation efforts of organizations. They underline the balance of focusing on all dimensions and, at the same time, constantly adapting to changing conditions, given by technology and market fluctuation.

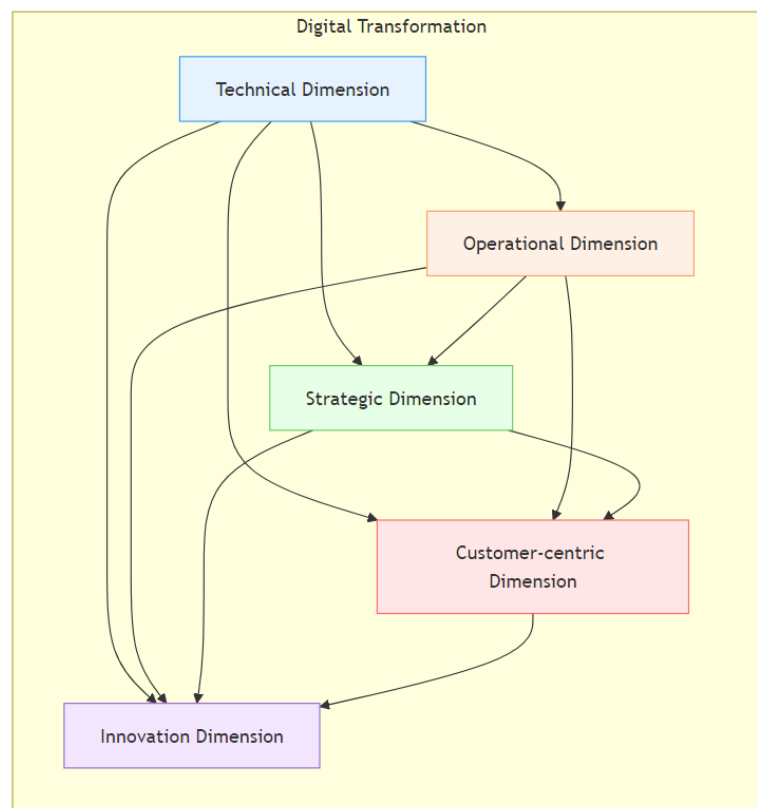


Figure 2.1: Interaction Between Dimensions

Source: Prepared by the Researcher

These dimensions are interrelated in a way that presents both challenges and opportunities for organizations implementing digital transformation. Sebastian et al. (2019) investigate how such organizations successfully address these issues by embracing a common development of all the dimensions. By investigating how different dimensions work in concert, their research provides insight into how organizations can achieve harmonious strategies that ensure continuous value creation from digital transformation.

What allows this digital transformation to be successfully performed is actually at the heart of the governance aspects of these dimensions. Weill and Woerner (2018) look at how organizations develop governance arrangements to allow coordination and integration across different dimensions of digitalization. The research underlines that clarification of governance structures and processes of decision-making would be important in addressing those complications arising within the context of digital transformation.

The cultural impacts of such dimensions taken up should be seriously addressed as well. According to Hartl and Hess (2017) this can only be digital transformation taken further to its

ultimate levels of success by developing digital culture that is supportive and facilitative of the dimensions of these changes. The two authors have clarified different ways in that cultural transformation facilitates the execution of digital transformation along all dimensions-technical, operational, strategic, and those that touch customers directly.

However, whereas there are various conceptualizations of the dimensions of digitalization in the literature, they are quite different in both scope and emphasis. For example, Matt et al. (2015) use a very basic framework focused on four dimensions, including use of technologies, changes in value creation, structural changes, and financial aspects. In contrast, Vial's (2019) is a comprehensive framework that encompasses eight dimensions: use of technology, structural changes, organizational barriers, and strategic responses. While Li et al. (2018) has a more complicated framework than that of Matt et al. (2015), the former is indeed more integrated, explicitly addressing the interlinkages among technical, operational, strategic, and customer-centric dimensions.

A critical comparison of these frameworks reveals the respective strengths and limitations of each. While Matt et al. (2015)'s model is parsimonious, it might oversimplify the complexities of digital transformation. Vial (2019)'s framework is comprehensive but might be too complex to apply practically within organizational settings. The framework by Li et al. (2018) strikes a balance between comprehensiveness and practicality, placing unique emphasis on the interdependencies between dimensions.

In this respect, the framework of Li et al. (2018) has been chosen as the main conceptual lens for this study for a number of reasons: first, its focus on dimensional interdependencies fits the banking industry's context of balancing multiple competing priorities at one time; second, the integration of strategic and operational aspects provides a suitable basis for examining resilience in digital transformation. Third, the explicit consideration of customer-centric dimensions makes the framework particularly relevant in the context of banking institutions that are undergoing a digital transformation while maintaining customer relationships. Finally, its holistic yet manageable scope makes it particularly well-suited for empirical investigation in the context of banking organizations.

However, it has to be recognized that even this selected framework has its limitations. It may not capture the regulatory and compliance dimensions that are important in banking, and its emphasis on technical capabilities may need modification for emerging market contexts where

technical infrastructure is less developed. These limitations will be addressed in this study through supplementary theoretical perspectives where necessary.

2.2 The Impact of Digitalization on Resilience

The interplay between digitalization and organizational resilience has become a significant domain of scholarly inquiry as organizations progress through increasingly complex and turbulent times in business environments. The section proceeds to discuss the theoretical foundation, empirical evidence, and contextual influences combined in shaping how digital transformation influences the competence of organizational resilience. The discussion starts with an extensive theoretical framework that is duly supported by manifold perspectives. It then proceeds with the empirical review from different industries, with a focus on, among others, the banking industry and emerging markets. From there, the review concludes by analyzing the context variables affecting the way an organization implements digital transformation to enhance resilience capabilities. The investigation develops a much better understanding of how digitalization can be leveraged to establish and sustain organizational resilience within continuous change and disruption. This is all the more important for financial institutions, balancing between digital innovation and the imperatives of operational stability and risk management.

2.2.1 Theoretical Framework

The interplay of digitalization and organizational resilience presents a complex and multifaceted theoretical domain, wherein there are several strands of theory and several conceptual frameworks in operation. Hence, what it actually requires is a detailed basic theory, conceptual model, causal mechanism, and mediating factors that actually influence how digital transformation influences organizational resilience capability.

The theoretical basis of how digitalization impacts resilience draws from a few important organizational theories. Vial (2019) provides a general theoretical framework of how this digital transformation inspires organizational capabilities, especially with regard to aspects touching on resilience. His research outlines key theoretical processes through which digital technologies improve the adaptability and response skills of organizations. The framework emphatically highlights the capability of digital transformation to enable an organization to develop more resilient sensing and responding capabilities that are crucial components of organizational resilience.

Drawing on the dynamic capability approach that was developed by Teece (1997), Warner and Wäger (2019) explore longitudinally through what processes an organization is developing digital capabilities for enhanced resilience. Their findings reveal how digitalization can enable a firm to develop three core capabilities: to sense the environmental change, to seize the opportunity, and to reconfigure resources in response to the threat. These capabilities cumulate into making the firm resilient for an improved response to environmental disruption and change.

Hanelt et al. (2021) focus on the level of digitalization-related resilience to review in detail the causal mechanisms. They point out specific routes on how digital technologies strengthen organizational resilience, such as the enhancement of capacities related to information processing, higher-order decision-making procedures, and more adaptive operational responses. This may take place either directly or indirectly, forming various routes of impact that digitalization may have on the level of resilience capabilities.

A number of organizational theories have the potential to frame how digitalization influences organizational resilience. The Resource-Based View (RBV), for example, suggests that organizational success is contingent upon resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Although the RBV helps explain how digital resources add to competitive advantage, it is limited in its ability to address how organizations adapt these resources in rapidly changing environments. Organizational Learning Theory by Argyris and Schön (1978) focused on how an organization acquires, processes, and stores knowledge, thereby helping explain how organizations learn from digital transformation experiences. However, it may be incomplete to catch the dynamic nature of capability development required for digital resilience.

Among those, Dynamic Capabilities Theory seems to be the most appropriate theoretical perspective framing this research, as it originated with Teece, Pisano, and Shuen (1997). This theory shows how organizations create and reconfigure their competencies to meet a rapidly changing environment, a subject of great importance in digital transformation. The core components of dynamic capabilities include sensing-the identification of opportunities and threats-fundamental processes, seizing mobilization of resources to address emerging opportunities, and reconfiguring continuous renewal of organizational assets and processes.

The theory has undergone significant development since its inception. Teece (2007) extended the framework to focus on the management's role in orchestrating the resources and capabilities of an organization. Eisenhardt and Martin (2000) contributed by specifying certain organizational processes that constitute dynamic capabilities. Helfat and Peteraf (2015) further developed the concept by introducing the idea of capability lifecycles, explaining how capabilities evolve over time.

The theory of Dynamic Capabilities is highly applicable in the research of digitalization and resilience for a number of reasons:

- It explicitly addresses how organizations adapt to technological change
- It explains the development of new capabilities required for digital transformation
- It provides a framework for understanding how organizations maintain effectiveness during periods of disruption
- It considers both the technical and organizational aspects of transformation

Recent applications of Dynamic Capabilities Theory to digital transformation contexts (e.g., Warner & Wäger, 2019) have demonstrated its utility in explaining how organizations develop digital capabilities. Only after establishing this theoretical foundation can we properly understand empirical findings like those of Verhoef et al. (2021), who examined how organizational factors mediate the relationship between digital transformation and resilience capabilities.

This theoretical lens informs our inquiry into how banking organizations develop resilience through digital transformation, focusing on the dynamic capabilities needed to sense digital opportunities, seize them, and reconfigure organizational resources and processes toward this end.

2.2.2 Empirical Evidence

Empirical evidence on how digitalization influences resilience is widespread across diverse sectors and contexts, therefore, allowing comprehensive insight into how digital transformation affects an organization's capability for resilience. Growing literature in this context provides various insights into the practical consequences of digital initiatives in the development and sustenance of organizational resilience.

Cross-sectoral research has significantly supported evidence on how digitalization influences organizational resilience. In a cross-industry, wide-ranging study, Plesner et al. (2022) investigated how different industries address the question of digital transformation and its consequences on organizational resilience. Their study covered industries such as manufacturing, service, and technology, after which they concluded that the higher the digital capability of an organization, the higher the resilience during environmental turbulence. The research study specifically highlights the manner in which digital technologies empower organizations to cultivate enhanced sensing and response capabilities across various contexts in industry.

Empirical evidence in the banking industry has highlighted a series of specific challenges and opportunities related to the process of digital transformation and the building of resilience. Sebastian et al. (2020) have explored how large banks leverage digital technologies to enhance their resilience competencies. The extensive case studies of leading financial institutions in their work provide several illustrations demonstrating how banks that succeed in implementing digital transformation programs develop better operational resilience and adaptive competencies. Included are such key success factors as integrated technology architectures, outstanding data analytics, and adequate frameworks of digital governance.

The perspective from the emerging markets is particularly useful to understand how organizations in developing economies use digital transformation as a lever for building resilience. Klein et al. (2021) have studied the initiatives of digital transformation of financial institutions in emerging markets. They found the particular challenges that these organizations are facing in developing digital capabilities while maintaining operational stability. Thus, their study shows how successful organizations of emerging markets devise contextualized strategies of digital transformation by factoring local market conditions and institutional constraints.

Methodological approaches to the investigation of the digitalization-resilience relationship have been increasingly sophisticated. Li and Chan (2019) developed and validated novel methodological frameworks that were intended to assess the effect of digital transformation on the resilience of an organization. This study combines quantitative metrics assessments in order to provide a more comprehensive view of how digital initiatives influence resilience capabilities. They recommend the adoption of quantitative approaches to investigate tangible dimensions of the impact of digital transformation on organizational resilience.

Empirical evidence from the financial services sector has especially highlighted the role of digital maturity in the enhancement of organizational resilience. Singh et al. (2021) conducted a comprehensive review of various financial institutions located in different regions with regard to the extent to which different levels of digital maturity allowed them to respond to market disruptions. These results mean that digitally mature organizations are those that can respond more quickly to changes in markets, or that adapt more aptly to operational disruptions-characterizing their resilience capabilities.

The methodological novelty in analyzing the relation between digitalization and resilience has become one of the biggest areas of development. Guo et al. (2020) presented sophisticated analytical frameworks that assessed the impact of digital transformation initiatives on organizational resilience. Their advanced statistical techniques and multi-level analysis methods capture the complex interactions of digital capabilities and resilience outcomes. Therefore, it is underlined how important rigorous methodological approaches are for the understanding of such relationships.

The role of organizational learning has been under significant empirical scrutiny in both the context of digital transformation and that of resilience building. In this context, Wessel et al. (2021) investigate how organizations build learning capabilities through the digital transformation initiatives that, in turn, positively influence resilience. The findings expose how successful organizations systematically capture and exploit insights arising from the experiences of digital transformation, to build superior resilience capabilities over time.

2.2.3 Role of Organizational Culture in Digital Transformation and Resilience

In the case of digital transformation and its impact on organizational resilience, it significantly depends on a wide range of contextual factors influencing both the methodological approach toward digitalization and its consequences. Precisely identifying such contextual considerations helps an organization devise an appropriate strategy for digital transformation that may foster resilience capability.

Cultural factors basically drive how organizations approach and execute a digital transformation process. On this line, Baptista et al. (2020) analyze the effect of organizational culture upon the digital transformation process and the consequences on resilience. Results indicate that organizations with innovative culture, capable of taking risks and continuous learning are the ones that best reach the use of digital transformation to enhance their resilience.

This study, in particular, underlines the impact of cultural factors on employees' acceptance of digital technologies and their readiness to adapt to new ways of working.

The impact of market maturity on digital transformation and the building of resilience has garnered substantial attention. Chen and Kamal (2019) examine the ways in which varying levels of market maturity influence organizations' capacities to utilize digital technologies for improved resilience. Their research illustrates that market maturity significantly affects both the accessibility of digital solutions and the organizations' ability to implement these solutions effectively. Issues regarding legacy systems and embedded processes persist in mature markets. In emerging markets, the infrastructure is usually insufficient and there is also a shortage of skills.

Regulatory environments significantly shape how organizations approach digital transformation and develop resilience capabilities. Zetzsche et al. (2021) discuss how regulatory frameworks impact digital transformation in the realm of financial services, emphasizing how various regulatory requirements may enable and impede the quest for digital innovation. In line with this, their study further stresses that the digital transformation strategy should be designed to include regulatory requirements and at the same time remain flexible to dynamically changing regulatory requirements.

Most obstacles to the adoption of technology remain high challenges for organizations in improving their resilience through digital transformation. Hausberg et al. (2019) researched various barriers to the adoption of digital technologies: technological complexity, resource constraints, and organizational impediments. Their work emphasizes key levers to overcome these obstacles; it emphasizes the core role of systematic change management approaches and comprehensive stakeholder involvement.

In this respect, the impact of national culture on the process of digital transformation and developing resilience became of crucial importance. Nadeem et al. (2022) examine the selected national cultural dimensions influencing the approaches of organizations toward digital transformation and the subsequent impact on their resilience capability. Their findings support that from a cultural contingency perspective, particularly power distance, uncertainty avoidance, and individualism versus collectivism, these factors strongly influence the adoption and effectiveness of using digital technologies in building organizational resilience.

Other critical contextual factors include infrastructure readiness. Tian et al. (2021) investigate how technological infrastructure maturity has been driving the ability of organizations to successfully use digital transformation initiatives. The nature of their research study shows that different levels of infrastructure development create different challenges and opportunities which an organization may seek to leverage in an effort to enhance resilience through digital transformation.

The nature and role of institutional frameworks in driving digital transformation outcomes have been quite encouraging. In this regard, Urbinati et al. (2020) explore how different institutional environments shape the potential of organizations to leverage digital technologies for enhanced resilience. Their study emphasizes the impact of formal and informal institutional arrangements on the speed and efficiency of implementing digital transformation.

2.3 Team Resilience and Performance

In the fast-moving contemporary business environment, team resilience are increasingly central in realizing organizational performance. The next section reflects on how technological transformation and market turbulence influence the interrelated yet conflicting relationship between team resilience and performance. Before examining these relationships, this section first establishes clear conceptual definitions of both resilience and performance as distinct organizational variables. It starts with a broad-based investigation of resilience as a conceptual framework, works its way through theoretical roles of team performance, and leads into specific, rich analysis of those dynamics within the banking industry. This section draws together thematic threads from organizational psychology and the science of management to research conducted within the banking industry to give a comprehensive view of how teams create and maintain resilience while performing. It probably can have critical relevance for every financial institution facing challenges of digitization while maintaining operational excellence and regulatory compliance. In doing so, we set the basic framework for understanding how team resilience and performance interact in promoting sustainable organizational success in dynamic environments.

Based on the empirical evidence reviewed, the following hypothesis is formulated:

H1: Digital banking technologies have a positive effect on team resilience.

2.3.1 Conceptualization of Resilience

Among all the major capabilities, resilience has recently come to the fore in the context of fast-changing technology and market uncertainty. For better performance and adaptability in a continuously changing environment, organizations must be explained on theoretical underpinning and practical implications.

The theoretical underpinning for resilience comes from psychology, ecology, and organizational science. The literature review undertaken by Ducheck (2020) succinctly outlines how resilience theory evolved from an individual-level concept of psychological origin into an organizational-level capability. As indicated by this study, resilience is neither an organizational asset in the area of resistance to disruption, nor adaptive capabilities for the realization of positive transformation in the light of challenging circumstances. Notwithstanding the above multifaceted levels of analysis, the present study focuses on team-level resilience to explore how teams within banking organizations collectively create and sustain resilient capabilities. This focus at the team level is timely for developing an understanding of how banking units navigate through digital transformation while sustaining operational effectiveness.

Theories related to organizational resilience are significantly developed in the last ten years. Williams et al. (2017) presented a systematic framework that could explain organizational resilience through three major theoretical lenses: resistance is defined as the ability to resist disruption, recovery is the ability to get back to normal, whereas reconfiguration refers to the ability of transformation against the change in environment. Their findings provide an example of how these three perspectives contribute jointly to organizational survival and growth in turbulent environments.

Before examining dimensions of resilience, it is crucial to establish a clear conceptual definition. The literature presents several competing definitions of resilience. Sutcliffe and Vogus (2003) define resilience as the ability to absorb strain and preserve functioning despite adversity, while Wildavsky (2017) characterizes it as the capacity to cope with unexpected dangers after they manifest. Taking a different approach, Williams et al. (2017) conceptualize resilience as the ability to both withstand disruptions and transform advantageously in response to challenges. Ducheck (2020) offers a more dynamic definition, describing resilience as an

organization's capacity to anticipate potential threats, cope with unexpected events, and learn from challenges.

These definitions reveal important conceptual distinctions. While some researchers emphasize the defensive aspects of maintaining function during adversity (Sutcliffe & Vogus, 2003), others highlight the transformative potential of resilience (Williams et al., 2017). Some definitions focus on reactive capabilities (Wildavsky, 2017), while others incorporate proactive elements like anticipation and learning (Duchek, 2020).

For this study, we adopt Williams et al.'s (2017) definition of resilience as it encompasses both protective and transformative elements, making it particularly relevant for examining how banking teams navigate digital transformation. This definition aligns with our research context as it acknowledges both the need to maintain stability and the potential for positive adaptation in response to digital disruption.

Moving to dimensions of resilience, Linnenluecke (2017) identifies three core elements: anticipation competence, adaptation capacity, and transformational potential. These dimensions show how different aspects interact in building organizational resilience; the relevant importance of structural and cognitive factors has been underlined in constructing resilient organizations. The study forms the basis necessary to understand how organizations may nurture and sustain their resilience in various operating contexts.

The manifestation of resilience in dynamic environments presents particular challenges and opportunities. Burnard and Bhamra (2019) investigate how organizations develop and maintain resilience in rapidly changing technological and market environments. Their research reveals how successful organizations build dynamic resilience capabilities that enable them to not only survive disruptions but also capitalize on changes in their operating environment.

The link between organizational structure and resilience capability has attracted wide interest. Barasa et al. (2018) analyze how organizational structures and processes impact the development of resilience capabilities. Their findings point to the importance of flexible organizational structures and decentralized decision-making for enabling a quick response to environmental changes and challenges.

Ma et al. (2018) explore the role organizational learning plays in building resilience capability. This study shows the process through which an organization can develop resilience through the

use of systematic learning, including competence that enables it to learn from successes and failures. In such a light, learning alone would imply a dynamic nature of resilience evolving through continuous organizational adaptation and improvement.

The cognitive aspects of organizational resilience have been increasingly considered a key domain of inquiry. Weick and Sutcliffe (2021) examine how organizational mindfulness and collective sensemaking facilitate the capabilities for resilience. The contribution underlines that shared knowledge and the joint interpretation of events become relevant in providing organizations with the necessary capacity to effectively anticipate and react to environmental changes.

Table 2.2: Theoretical Frameworks of Team Resilience

Framework	Key Authors	Core Components	Key Mechanisms	Outcomes
Dynamic Capability Framework	Williams et al. (2017)	Resistance, Recovery, Reconfiguration	Adaptive learning, Resource mobilization, Capability development	Sustained performance, Enhanced adaptability, Operational continuity
Cognitive-Behavioral Model	Weick & Sutcliffe (2021)	Collective mindfulness, Shared mental models, Sensemaking processes	Team cognition, Information processing, Collective interpretation	Enhanced decision-making, Improved coordination, Strategic adaptation
Social-Ecological Framework	Linnenluecke (2017)	Anticipatory ability, Adaptive capacity, Transformative capability	Social interactions, Environmental scanning, System adaptation	Environmental fit, System sustainability, Long-term viability
Organizational Learning Model	Ma et al. (2018)	Learning processes, Knowledge integration, Experience accumulation	Knowledge sharing, Collective learning, Practice refinement	Capability enhancement, Knowledge creation, Performance improvement

Psychological Capital Approach	Alliger et al. (2017)	Collective efficacy, Team optimism, Shared hope	Psychological resources, Emotional regulation, Positive orientation	Enhanced coping, Team cohesion, Sustained motivation
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Source: Prepared by the Researcher

2.3.2 Team Performance Concepts

While a variety of metrics of success in organizational performance, ranging from financial to operational effectiveness, have been a central focus within the broader domain of management research, team performance, as a distinct level of analysis, is multivariate in nature and has formed a major area of attention in organizational studies as organizations increasingly depend on teams for the realization of strategic objectives. Team performance, both in its conceptual bases and practical implications, is at the core of organizational success in the dynamic ecosystem of modern business.

Theoretically, the fundamentals of team performance have evolved significantly over the last decades of research. Mathieu et al. (2019) conduct an in-depth review of theories on team performance by tracing the major theoretical frameworks explaining how teams emerge, operate, and achieve superior performance. Research by Mathieu et al. underlines the importance of understanding team dynamics, processes, and emergent states to explain performance outcomes. They note that team performance develops from the complex interrelationship among individual capabilities of its members in concert with team processes and environmental contingencies.

Kozlowski and Klein (2017) explore the multilevel nature of team performance by considering the manner in which factors at the individual level integrate and coalesce in the development of team-level outcomes. They make it rather clear how team performance could be informed by composition—for example, the skill and ability composition of the members—and compilation, or the team processes and interaction. This kind of multilevel perspective offers serious insight into how organizations should go about raising and sustaining high-performance teams.

Performance measurement frameworks have evolved in order to incorporate the complexity of teamwork into their structure. In such a light, Crawford et al. (2020) discuss various methods for measuring team performance, which develop an understanding of the importance of

quantitative measures. They identify essential dimensions of measurement, including task performance, adaptive performance, and contextual performance, while emphasizing the need for comprehensive measurement frameworks to capture the breadth between objective outcomes and process-related factors.

Significant interest has been focused on the design and application of KPIs for teams. Rico et al. (2018) discuss the formulation and use of KPIs by organizations in assessing and enhancing team performance. The work of these authors underscores that team-level KPIs need to be developed in the context of organizational goals but are simultaneously capable of changing with the dynamics. They note that the principal divisions of KPIs include measures of productivity, quality, and collaboration.

In the same context, Hughes et al. (2020) discuss the models related to team effectiveness by providing a comprehensive framework that outlines how various factors influence team performance. According to their study, the elements of team effectiveness include task design, team composition, organizational context, and team processes. Hence, all of those have been incorporated to help organizations understand how such complex interactions influence team performance outcomes.

Nowadays, leadership performance has become an important issue to be studied regarding teams. In this respect, Zaccaro et al. (2021) present a study on how different approaches to leadership affect team performance outcomes. The results emphasize the critical role of adaptive leadership, especially in dynamic settings where teams must change with developments around them.

The relation between team learning and performance has been a key interest. Team learning processes in creating to performance outcomes are explored in the study by Van der Haar et al. (2017). This study details how effective teams create shared mental models and collective learning capabilities in continuous performance improvement. Both formal learning mechanisms and informal learning through team interaction were highlighted.

The impact of technology on team performance in a modern organization has become quite significant. Marlow et al. (2018) investigate the impact of digital technologies on team communication and performance. Their research underlines the duality of technology in either facilitating or acting as a barrier to team performance and, therefore, the careful choice and implementation of technologies appropriate for deriving efficiency in teams.

The performance within virtual and hybrid teams brings a number of challenges and opportunities. Handke et al. (2020) analyze how the teams may sustain performance in virtual settings by identifying the main factors influencing the effectiveness of virtual teams. Based on their study, it is clear how successful virtual teams develop certain skills and practices that allow them to surmount the challenges created by distributed work without losing high levels of performance.

- **Conceptualization of Performance**

A variety of definitional differences regarding the concept of performance has emerged in the management literature. Traditionally, Richard et al. (2009) define organizational performance as focused on three major areas: financial performance, product market performance, and shareholder return. From a broader perspective, Kaplan and Norton (2005) conceptualize performance as the degree of a balanced set of measures, both financial and non-financial, that offer a comprehensive idea about an organization reaching its objectives. Cameron, 2015 provides a different definition which focuses on the ability of the organization to generate value while sustaining efficiency and effectiveness in operations.

A critical analysis of the definitions shows several points of differentiation. While the definition by Richard et al is focused on the measurable aspects, the Kaplan and Norton definition considers both tangible and intangible perspectives of performance. In Cameron's definition lies the added aspect of value generation along with the operational consideration.

- **Team Performance**

Focusing narrowly on team performance, there are several key definitions from the literature. Mathieu et al. (2019) define team performance as the degree to which a team effectively achieves its goals and meets or exceeds the expectations of relevant stakeholders. According to Kozlowski and Klein, 2017, team performance is described as the collective output resulting from interdependent efforts of team members. From a process-oriented perspective, Marks et al. (2018) define the performance of teams as the degree of a team's processes and outputs toward organizational objectives.

After considering these definitions, the study of Mathieu et al. (2019) is used in this study for defining team performance because it includes both goal achievement and stakeholder expectations, which will be particularly relevant in the context of banking teams dealing with

digital transformation. Further, this definition fits our research context, as quantifiable outcomes and assessments of team effectiveness are considered. Dimension of Team Performance

There are a variety of different identified taxonomies in the literature about the dimensions of team performance. For example, Crawford et al. (2020) identify three core dimensions: task performance, adaptive performance, and contextual performance. Whereas Rico et al. (2018) identify a two-dimensional framework based on process efficiency and outcome effectiveness, Hughes et al. (2020) have a more complex taxonomy with five dimensions, namely: task accomplishment, relations between members, quality, productivity, and innovation.

For this study, we adopt Crawford et al.'s (2020) three-dimensional taxonomy because:

1. It offers a comprehensive yet manageable framework for assessment
2. It explicitly includes adaptive performance, which is particularly important in the context of digital transformation
3. It has been validated across various organizational contexts, including financial services

This conceptual foundation enables us to consider how team performance would manifest and could be measured in the context of banking institutions undergoing digital transformation.

2.3.3 The Relationship Between Team Resilience and Performance

Team-level analysis of dynamics is a very significant domain within the study of organizations, especially with regard to how teams build up and maintain resilience in their pursuit of high performance. The interaction between team resilience and team performance reflects important insights into the sustainable effectiveness of teams in ever-changing environments.

Recently, the nature of team resilience has become marked as key factors in sustained team performance. Hartwig et al. (2020) further investigate the defining characteristics of resilient teams, while main characteristics are jointly pinpointed as collective efficacy, shared mental models, and adaptive capacity. Their findings describe how such characteristics enable teams to sustain performance in the face of challenging and unexpected disruptions. The paper prominently points out how resilient teams create a shared meaning and organize responses to adversity.

Morgan et al. (2019) specifically investigated how team resilience contributes to sustained performance over time. The findings indicated that resilient teams execute performance

through three mechanisms: robust coordination patterns, which enable continuity of effectiveness when disrupted; adaptive communication, which enables rapid responding to challenges; and flexible operational approaches, balancing stability with necessary change. Their findings indeed show that teams with more developed capabilities for resilience reported consistently better performance, in particular during periods of change and disruption.

Apart from individual-level dynamics, when resilience combines with performance at a team level, specific theoretical and practical complexities arise. One such work is by Gucciardi et al. (2018), who explore how team resilience influences performance outcomes. They unpack significant mechanisms through which resilient capability builds increased team effectiveness. This study showed that resilient teams develop emergent enabling team capabilities that allow the teams to sustain performance as they adapt to shifting contexts. The study underlined the importance of both proactive and reactive resilience capabilities in engendering sustained team performance.

Measuring and assessing phenomena at the team level requires rather sophisticated methodological approaches. Shuffler et al. (2021) present thorough frameworks for the measurement of team resilience and performance by underlining the importance of using multiple assessment methods. The key measurement dimensions specified by their research include process indicators, outcome metrics, and developmental markers. They point out that effective ways of measurement approaches should include both the static and dynamic aspects of team functioning.

Temporal aspects of team resilience and performance have increasingly been under critical scrutiny in recent research. Maynard et al. (2018) investigate how teams develop their resilience capabilities over time and identify the particular relevance of learning processes and experiential development. The study reveals how teams build their resilience through both a combination of formal training and informal experiential learning, hence underlining the dynamic nature of resilience development.

Burke and Perry (2021) work has challenged the prior scholarship done on resilience and the composition of teams. They indicate how a number of different team compositions shape resilience capability, while more diverse teams had better maintenance of performance from disruption. Their results have shown that diversity in a team promotes a broader perspective and wide-ranging problem-solving approaches to promote stronger team resilience.

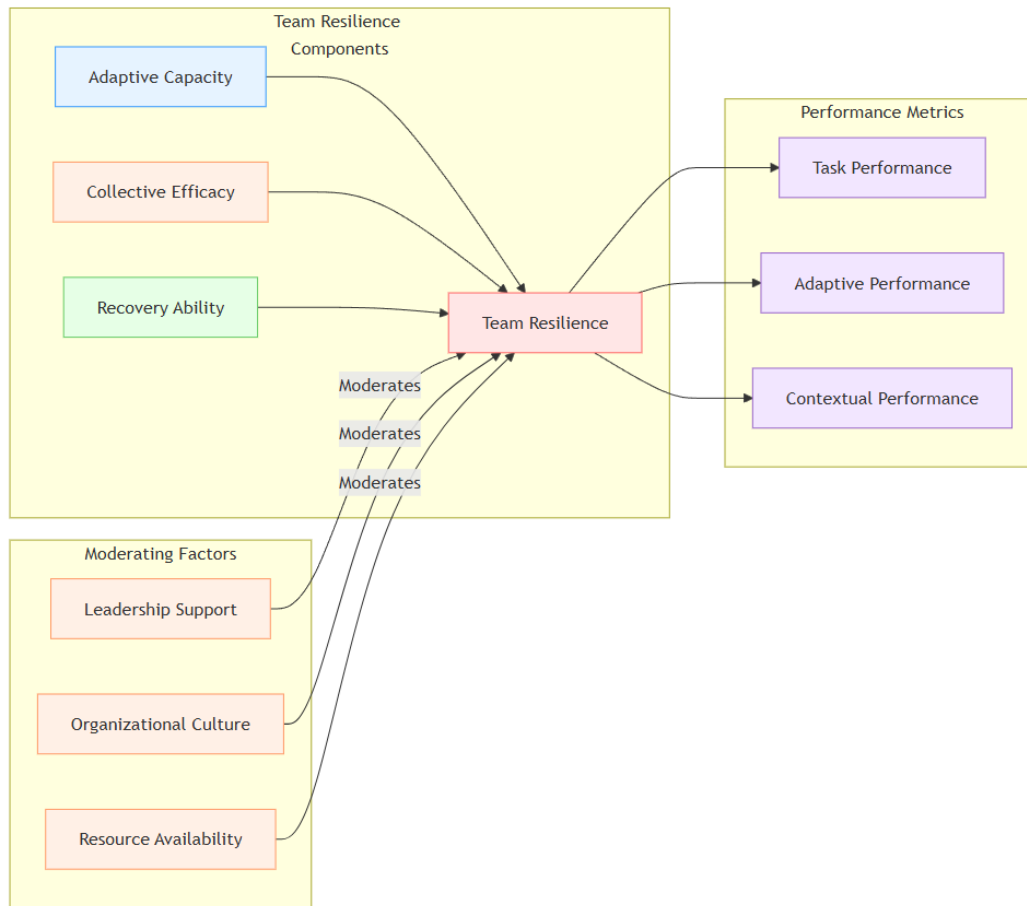


Figure 2.2: The Relationship between Team Resilience and Performance Metrics

Source: Prepared by the Researcher

The development of team resilience and performance capabilities has simultaneously emerged as one of the big roles of leadership. Such is the case when Meneghel et al. (2020) analyzed the influence of leadership behaviors on the process of developing team resilience. Specific practices of leaders that create team resilience include the creation of psychological safety, encouragement of collective learning, and support for adaptive responses to challenges.

Team resilience in diverse organizational contexts shows different methodological challenges for its evaluation. Sharma and Sharma (2021) present a critical analysis of various methods of measurement of team resilience in different organizational ecologies. The importance of their research is that it underlines the role of context-specific assessment methodologies while considering the valid and reliable measurements; they recommend integrated assessment frameworks combining quantitative measures.

There has been great interest in the linkage between team psychological resources and resilience capabilities. Alliger et al. (2017) examine the extent to which higher levels of collective psychological capital improve team resilience and performance. Their work demonstrates how shared psychological resources, such as optimism, hope, and efficacy, create the resilience of a team and sustain performance under challenging circumstances.

2.3.4 Contextual Factors

A range of contextual factors are likely to strongly influence the performance effect of team resilience given the very varied conditions and challenges that teams will face in different contexts. Identifying such contextual factors should underpin the formulation of effective strategies for developing and capitalizing upon team resilience capabilities.

The organizational environment has much to say in terms of what really dictates how team resilience translates into performance outcomes. Indeed, Kuntz et al. (2021) investigated how organizational structures, systems, and processes connect with the relationship between team resilience and performance; such a study illustrates that organizations with supportive infrastructures and well-pronounced lines of communication enable resilience capabilities to become more effectively utilized within teams. This study underlines in particular the enabling effect of high-impact organizational teams to sustain performance in bad times by organizational factors, namely resource availability, decision-making autonomy, and leadership.

The nature of the industries generates varied contexts that inform how team resilience operates and impinges on performance. For instance, Barasa et al. (2018) explore how varied industry contexts inform the development and mobilization of team resilience capabilities. Their findings indicate that industries like financial services and healthcare-that operate within the most demanding regulatory environments-develop forms of resilience in teams that allow them to sustain performance within complex regulatory regimes. The study has shown that different industries with specific challenges and requirements build and maintain team resilience in different ways.

Market conditions strongly influence the relationship between team resilience and performance outcomes. In Williams et al. (2020), the authors investigated how teams leverage resilience capabilities in varying market conditions. Indeed, their work demonstrates how unique challenges arise from market volatility, competitive intensity, and technological change, to

which teams would adopt different approaches in making adaptations in strategy. These findings continue to highlight how market dynamics influence the development of resilience capabilities and the effectiveness of resilience in ensuring improvement in team performance.

From this, cultural considerations have become ingredients in understanding team resilience-performance relationships across different contexts. For example, in an organization and national level, Stoverink et al. (2020) have investigated how cultural contingencies shape the emergences and expressions of team resilience. The work has evidenced that cultural values and norms fundamentally shape the way teams face difficult situations, develop a joint approach to coping, and maintain their performance when put under pressure. The study particularly underscores the significance of aligning resilience-building strategies with cultural contexts in order to guarantee their efficacy.

The temporal aspects of contextual influences have been in the focus of much recent research. Hartmann and Hayes (2021) examine how these contextual factors themselves evolve over time, shaping the relationships between team resilience and performance. Using longitudinal design, their findings indicate that teams must constantly adapt their resilience capabilities in order to respond effectively to changing contextual circumstances, underlining the dynamic nature of the relationship between resilience and performance.

The interaction among various contextual levels has emerged as a critical consideration. Gucciardi et al. (2018) investigate how organizational, industry, and market-level factors engage with one another to establish distinct conditions that affect team resilience and performance. Their research underscores the significance of comprehending these multilevel interactions in formulating effective strategies for building resilience.

2.3.5 Empirical Support

There is consistent evidence across industries regarding the association of team resilience with performance outcomes. Hartmann et al. (2021) conducted an extended meta-analysis related to studies of team resilience across different industries. The authors have reported significant positive relations between the team resilience capabilities and various measures of performance. Their recent study, representing three sectors-manufacturing, technology, and service-indicates that teams with high resilience capabilities constantly show superior performance across different domains, including task execution, innovation, and adaptation to change.

However, some regularity of the relationship between resilience and performance was unraveled by empirical research: Carmeli and Dothan (2021) conducted research on the issue of team resilience in financial institutions during turbulent market conditions. They chronicle how resilient teams maintain performance stability during this time and adapt to fluctuating market conditions. Their results on a longitudinal study conducted on banking teams revealed the following: "In disruptive market conditions, teams with highly developed resilience capabilities showed performance that was 23 percent higher as compared to their less resilient teams".

The broadened scope has yielded a deepened understanding of the processes through which resilience shapes performance at the team level. Gucciardi et al. (2020) conducted an in-depth analysis of which team resilience competencies are likely to breed better performance by teams. Their findings provide insight into how collective efficacy, shared mental models, and orchestrated adaptation processes enable teams to maintain high levels of performance under stringent conditions. Furthermore, this study places special emphasis on how such mechanisms operate differently with regard to team composition and task settings.

Approaches to performance measurement in resilience research have become increasingly sophisticated. For instance, Meneghel et al. (2021) have elaborated and validated extended frameworks for appraising both the team resilience competencies and their succeeding performance effects. They combined quantitative metrics of performance with qualitative assessments of team functioning to provide a more fine-grained understanding of how resilience competencies translate into quantifiable outcomes. This study underlines how multiple measurement approaches are required for capturing the full width of resilience-performance relationships.

There is, however, considerable empirical attention to the importance of contextual factors in shaping the nature of relationships between resilience and performance. For example, Chapman et al. (2020) investigated the differential impact of various organizational contexts on team resilience capability effectiveness. Using a sample size of 156 teams from multiple organizations, this study demonstrates how contextual factors, including organizational support, resource availability, and environmental stability, moderate the relationship between team resilience and subsequent performance.

Very recently, temporal dynamics with regard to the relations between resilience and performance became another key area of empirical inquiry. Geerts et al. (2021) conducted a longitudinal study to explore the way in which team resilience capabilities develop over time, changing their impact on performance measures. The authors explain that teams develop more mature and complex capabilities for resilience through experiential learning, leading them to stability in performance over time.

Based on the theoretical foundation and empirical evidence, the following hypotheses are formulated:

H2: Digital Leadership Style moderates the relationship between Digital Banking and Team Resilience, such that the positive effect of digital banking on team resilience is stronger when digital leadership style is more effective.

H3: Organizational Culture moderates the relationship between Digital Banking and Team Resilience, such that the positive effect of digital banking on team resilience varies depending on the strength and nature of organizational culture.

2.4 The Moderating Role of Digital Leadership

In considering how to grapple with the complication of digital transformation, digital leadership has been the major moderating factor affecting how such change has been successfully realized. It is a multifaceted concept that exists along a continuum from conceptual underpinning through to key practice in enabling organizational change. The discussion begins with an in-depth review of the digital leadership framework, followed by the exploration of how this fast-emerging leadership paradigm goes beyond traditional approaches in addressing the unique challenges brought about by digital transformation. Following this, the theoretical roots of digital leadership are analyzed to show how traditional leadership theories have evolved to meet the demands of digital contexts. Ultimately, it is by examining empirical evidence taken from a wide range of organizational settings, especially from the banking industry, that we derive substantial knowledge on how effective digital leadership drives the nature and quality of transformational outcomes. Through this analysis, one obtains deep insights into how organizations might develop and leverage digital leadership capabilities to effectively navigate digital transformation while sustaining operational resilience and driving innovation.

2.4.1 Digital Leadership Framework

Digital leadership represents a critical moderating factor in the relationship between digitalization and organizational resilience, encompassing specific competencies and capabilities required to guide organizations through digital transformation while maintaining operational effectiveness. Understanding the conceptual framework of digital leadership is essential for organizations seeking to successfully navigate the challenges of digital transformation.

Digital leadership has emerged as a distinct leadership paradigm that extends beyond traditional leadership approaches. Klein et al. (2021) provide a comprehensive conceptual definition of digital leadership as a set of strategic, technological, and transformational capabilities that enable leaders to effectively guide organizational digital transformation initiatives. Their research emphasizes how digital leadership combines traditional leadership competencies with specific digital capabilities, creating a unique leadership profile suited to the challenges of digital transformation.

The key dimensions of digital leadership have been extensively examined by Newman et al. (2020), who identify four fundamental components: digital vision development, technology adoption facilitation, digital culture cultivation, and transformation management. Their research demonstrates how these dimensions interact to create a comprehensive framework for understanding digital leadership effectiveness. The study particularly emphasizes how successful digital leaders must balance technological expertise with organizational change management capabilities.

Leadership competencies in the digital context have evolved to encompass both traditional and novel capabilities. Santoro et al. (2019) analyze the specific competencies required for effective digital leadership, identifying crucial skills including digital literacy, strategic thinking in digital contexts, and the ability to drive organizational change through digital transformation. Their research reveals how successful digital leaders combine technical understanding with strong interpersonal and strategic capabilities.

Digital transformation capabilities represent a crucial aspect of the digital leadership framework. Liu et al. (2021) examine how digital leaders develop and deploy specific capabilities to support organizational digital transformation. Their research identifies key capabilities including technology vision articulation, digital strategy implementation, and

digital ecosystem orchestration. The study emphasizes how these capabilities enable leaders to effectively guide their organizations through digital transformation while maintaining operational resilience.

The relationship between digital leadership and organizational learning capabilities has emerged as a crucial consideration. Tanniru and Khuntia (2022) explore how digital leaders facilitate organizational learning processes during digital transformation. Their research demonstrates how effective digital leaders create environments that support continuous learning and adaptation, enabling organizations to develop and refine their digital capabilities over time. The study particularly emphasizes the importance of fostering a culture of experimentation and innovation in supporting successful digital transformation initiatives.

The role of digital leaders in managing stakeholder relationships has received significant attention. Wessel et al. (2021) examine how digital leaders navigate complex stakeholder environments during digital transformation initiatives. Their research reveals how successful digital leaders build and maintain effective relationships with diverse stakeholder groups, including technology partners, employees, customers, and regulatory bodies. The findings emphasize the importance of stakeholder management capabilities in ensuring successful digital transformation outcomes.

2.4.2 Theoretical Support

The challenges of the digital environment have caused the reconceptualization of theories on traditional leadership. Cortellazzo et al. (2019) test established theories of leadership, such as transformational leadership and adaptation, in digital contexts. They show how established theories need to be adapted for the peculiarities of the digital environment, specifically with regard to creating a shared vision, motivating followers, and orchestrating change. As the research indicates, given the digital context, conventional theories are enriched with new dimensions, hence requesting a theoretical extension and adjustment.

In fact, the mechanisms through which digital leadership moderates organizational outcomes have widely elicited theoretical interest. For example, Verhoef et al. (2021) examined how digital leadership moderates the effect of digital transformation initiatives on organizational performance. The study went a step further in the identification of specific mechanisms through which digital leaders affect the outcomes of transformation, namely: strategic sense-making, capability development facilitation, and culture alignment. Across various levels of an

organization, these mechanisms influence both individual and collective responses toward digital transformation.

As such, one critical theoretical issue has been the integration of the concepts related to digital leadership within the realm of traditionally known organizational frameworks. In this respect, Kane et al. (2019) investigates how digital leadership theories are combined with classic organizational theories that include dynamic capabilities and organizational learning frameworks. It explains how digital leadership extends traditional theoretical boundaries due to new dimensions of technology adoption, digital innovation, and management of digital ecosystems.

In fact, there has been an increasingly valuable return of attention to a theoretical digital leadership-organizational change theories relationship. Loonam et al. (2021) discuss how digital leadership theories support and complement the classic frameworks on change management. Their work represents how digital leaders foster organizational changes through mechanisms like articulation of digital vision, technology adoption, and development of digital culture. This study highlighted that all such mechanisms operate differently in a digital transformation setting as opposed to a more conventionally approached organizational change context.

A new theoretical consideration identifies the building of innovation capabilities with the role of digital leadership. Vial (2019) explores the theories of digital leadership in explaining what influence leaders have upon organizational innovation capability in light of digital transformation. Clear theoretical mechanisms can be identified through which digital leaders are supposed to enhance an organization's capacity to innovate. These include: knowledge integration enabling, supporting experimental learning, and orchestrating digital ecosystems.

2.4.3 Empirical Evidence

Researches on the impact of leadership have shown how highly digital leadership contributes to transformation outcomes. An extended research by Sainger (2018) was carried out on the efficiency of digital leadership in various organizations in order to understand various ways of leadership approach and how each influences the digital transformation outcome. In their research involving data from 150 organizations undergoing digital transformation, they observed that organizations with high digital leadership recorded a digital transformation success rate 40% higher than those not having digital leadership capability.

The role of digital leadership in moderating digital transformation outcomes has been quite well studied. Newman and Kane (2019) analyzed how digital leadership competencies influence the association between investments in digital transformation and organizational performance. Their study, including 200 firms across different industries, demonstrates that organizations with high digital leadership realized significantly better returns on their digital investments-quality of leadership accounting for around 35 percent of the variance in the success of transformation.

Empirical research evidence has also proven that digital leadership manifests certain patterns that produce specific effects on the transformation outcome for the banking industry. Sia et al. (2021) examined digital leadership within the contexts of banking organizations to explore how leadership approach affects digital banking implementation success. Their study based on case studies among large banks in Asia demonstrates how effective digital leaders balance drives to innovate with the need for regulatory compliance and maintaining operational stability in banking.

Other cultural considerations accompanying digital leadership have emerged as an important area for empirical investigation. For example, Tabrizi et al. (2019) explored the influence of culture on the efficiency of digital leadership in different organizational contexts. This study has shown that effective digital leaders make adaptations to fit the cultural specificities of the organization and/or the country, thereby revealing striking variations in the efficiency of leadership across different cultural contexts.

The correlation of digital leadership with employee engagement in times of transformation initiatives has arousing empirical interest. Liu et al. (2020) conducted a longitudinal study to explore how the behaviors of digital leaders affect the attitudes and behaviors of employees in the course of a digital transformation process. Their research involved 1,200 employees from different organizations and proved that competent digital leadership has significantly increased the level of employee engagement and commitment to digital projects: leadership behaviors explain about 45% of the employee variation in the adoption of digital technologies.

The impact of digital leadership on innovation capabilities has also been empirically examined. Fitzgerald and Kruschwitz (2019) investigated how digital leadership influences organizational innovation processes in financial institutions. Their research, based on a multi-year study of banking organizations, demonstrates that banks with strong digital leadership were three times

more likely to successfully implement innovative digital solutions compared to those with traditional leadership approaches.

Based on the empirical evidence reviewed, the following hypothesis is formulated:

H4: Team resilience has a positive effect on team performance.

2.5 The Moderating Role of Organizational Culture

Organizational culture has emerged as the most important determinant of the outcomes of digital transformation. This section discusses how organizational culture mediates the relationship between digital transformation initiatives and their respective success, keeping in view a complex interplay among various aspects of culture with technological innovation. With a holistic approach toward understanding organizational culture within digital contexts, the paper progresses to theoretical underpinning, explaining how the cultural factors affect this transformation process. Further discussion on empirical data across organization types with a distinct focus on the banking industry has highlighted that the outcomes of digital transformation do get affected by these cultural factors. This examination therefore develops an understanding of how organizations can use cultural aspects in enabling the success of digital transformations but at the same time ensure organizational stability. This can be particularly important for financial institutions seeking to foster cultural environments that would support digital innovation with the retention of core risk management and compliance competencies.

2.5.1 Organizational Culture Framework

Organizational culture plays a crucial moderating role in digital transformation processes, significantly influencing how organizations adapt to and implement digital changes. Understanding the framework of organizational culture and its dimensions is essential for comprehending its impact on digital transformation success.

The conceptual definition of organizational culture in the digital context has evolved significantly. Schein and Schein (2019) provide a comprehensive framework for understanding organizational culture in digital transformation contexts. Their research defines organizational culture as a pattern of shared basic assumptions learned by an organization as it adapts to external challenges and internal integration, which significantly influences how organizations

approach and implement digital initiatives. This definition emphasizes the dynamic nature of culture and its critical role in shaping organizational responses to digital transformation.

Cultural dimensions specifically relevant to digital transformation have been extensively examined. Cameron and Quinn (2020) analyze how different cultural dimensions influence an organization's capacity for digital transformation. Their research identifies four key cultural dimensions that are particularly relevant in digital contexts: adaptability orientation, innovation propensity, collaboration tendency, and risk tolerance. These dimensions collectively shape how organizations approach and implement digital initiatives, with significant implications for transformation success.

Assessment approaches for evaluating organizational culture in digital contexts have received considerable attention. Denison et al. (2018) present comprehensive frameworks for assessing organizational culture during digital transformation initiatives. Their research demonstrates the importance of employing multiple assessment methods, including quantitative surveys and observational techniques, to capture the complex nature of organizational culture. The study particularly emphasizes how different assessment approaches reveal various aspects of cultural readiness for digital transformation.

Change management perspectives on organizational culture have emerged as crucial considerations. Hartl and Hess (2019) examine how cultural change management approaches need to adapt in digital transformation contexts. Their research reveals how successful organizations develop specific approaches to cultural change that support digital transformation initiatives while maintaining organizational stability. The study emphasizes the importance of balancing cultural preservation with necessary cultural evolution during digital transformation processes.

The interconnection between organizational culture and digital transformation readiness has become increasingly significant. Warrick (2017) investigates how organizational culture influences an organization's readiness for digital transformation. His research demonstrates that organizations with cultures characterized by high adaptability and innovation orientation show significantly greater readiness for digital transformation initiatives. The study particularly emphasizes how cultural attributes such as openness to change, learning orientation, and collaborative mindset contribute to transformation readiness.

The role of cultural alignment in digital transformation success has emerged as a critical area of study. Groysberg et al. (2018) examine how alignment between organizational culture and digital transformation objectives influences transformation outcomes. Their research reveals that organizations achieving strong alignment between cultural values and digital initiatives demonstrate significantly higher success rates in their transformation efforts.

2.5.2 Theoretical Foundation

Different theoretical frameworks explain the role of organizational culture in digital transformation. The Competing Values Framework, Quinn & Rohrbaugh (1983), considers organizational culture as a battleground of competing priorities, where a balance between flexibility versus stability and internal versus external focus needs to be met. Though this framework is good for gaining insight into cultural tensions during transformation, it may not relate to the very dynamic nature of cultural evolution across digital contexts.

While Institutional Theory by DiMaggio and Powell (1983) points to the social and cultural pressures that make organizational practices and structures gain legitimacy, this does not really explain how organizations act in reshaping their cultures during digital transformation.

Schein's Cultural Framework (Schein, 1985), later evolved by Schein and Schein (2010), emerges as the most appropriate theoretical lens for this study. The theory conceptualizes organizational culture across three levels:

- Artifacts (visible organizational structures and processes)
- Espoused Values (strategies, goals, philosophies)
- Basic Underlying Assumptions (unconscious, taken-for-granted beliefs)

This theoretical framework is particularly suitable for examining cultural dynamics in digital transformation for several reasons:

1. It provides a comprehensive multi-level analysis of cultural elements
2. It articulates clearly how culture changes through a process of organizational learning and adaptation.
3. It describes visible and invisible processes of cultural change.
4. It considers the role of leadership in cultural change.

Recent digital applications of Schein's framework, such as Hartl & Hess (2017), have shown the usefulness of the framework in explaining how organizational culture influences digital

transformation processes. The framework helps to understand how basic assumptions about technology, work practices, and organizational change influence the outcomes of transformation.

Only by working out this conceptual framework can we place empirical findings properly, such as Schneider et al. (2017) and Hofstede et al. (2021), who investigated certain cultural mechanisms and dimensions in digital transformation.

2.5.3 Empirical Evidence

Empirical evidence on the impact of organizational culture on digital transformation yields valuable insights into how cultural factors influence the outcomes of transformations. This makes for a gradually building body of research that gives considerable perspective into the practical implications of cultural considerations in digital transformation initiatives.

This view has been evidenced in studies concerning culture and how it affects the successfulness of digital transformation. Tabrizi et al. (2019) analyzed in depth the digital transformation initiatives of several organizations and ascertained that, indeed, cultural factors do explain almost 40% of the variation in transformation success. Similarly, studies conducted on a sample size of 500 organizations that are undergoing the digital transformation process indicate that an organization's culture is highly adaptable and innovation-oriented, ensuring huge success rates for their digital initiatives.

The role of organizational culture has been widely studied as a moderator of the outcomes of digital transformation. Hartl et al. (2020) examined the role of several cultural dimensions in moderating the association between investments in digital transformation and organizational performance. Their sample of 300 firms across manifold industries shows that digital transformation is influenced to an important extent by organizational culture since cultural alignment explains about 35% of the total variation in digital transformation outcomes.

In fact, there have been interesting directions shown empirically as to the influence of organizational culture on digital transformation in the banking industry. Sia et al. (2019) explored the role of culture in banking institutions undergoing digital transformation, focusing especially on how such cultural aspects impact the success in implementing digital banking. Drawing on comprehensive case studies among large banks both in Asia and Europe, their study demonstrates how successful banks create specific cultural characteristics that enable digital innovation and at the same time ensure necessary stability and risk management skills.

Cross-cultural issues of digital transformation have become one of the important areas of empirical research. Nadeem et al. (2020) conducted an extensive study to investigate the impact of cultural diversity along the national and organizational levels on the digital transformation process. The contribution of 15 countries in their research shows that cultural factors are affecting the success of digital transformation differently across different cultural contexts. This specific study highlights the ability of organizations to reshape business strategies regarding digital transformation to local cultural attributes.

Last but not least, there is the organizational culture and employee engagement in digital transformation, which has received considerable empirical attention. Liu et al. (2021) examined the extent to which cultural factors influence employee attitudes and behaviors in response to digital transformation initiatives. Longitudinal in nature, entailing 2,000 employees across different banking institutions, their investigation shows that organizations typified by enabling cultural environments demonstrated predominantly greater levels of employee engagement and commitments toward digital initiatives.

Based on the empirical evidence, the following moderation hypothesis is formulated:

H2: Digital leadership style moderates the relationship between digital banking and team resilience.

H3: Organizational culture moderates the relationship between digital banking and team resilience.

2.6 Banking in Developing Economies

Digital banking in emerging economies possesses its challenges and opportunities, mostly differing from those in mature markets. The subsequent section elaborates on the details of digital transformation in the banking sector within emerging markets and, with greater particularity, uses the key experiences of the Palestinian banking sector in the regional context. It first debates very concretely the issues that set apart the development of digital banking initiatives in developing economies, such as infrastructural deficiencies, regulatory complications, and resource scarcity. Later, it will engage in a more holistic review of the Palestinian banking sector as a case study in resilience and adaptability. Concluding with a look at comparisons of the wider Middle East, the insights provided into various different approaches to digital transformation are many. This holistic analysis will, therefore, help us

gain insight into how banks in emerging markets can appropriately ensure a culture of digital transformation, respond to specific market challenges, and ensure stability in operations.

2.6.1 Digital Banking Challenges in Emerging Markets

The digital banking landscape of developing economies carries several unique challenges that deeply influence the path and progress of digital transformation atrophies one way or another. These include the various arms of technological, regulatory, and market-specific forces that the banks have to work with while striving to attain digital innovation alongside operational stability.

However, infrastructural limitations at the moment are the most significant inhibitors of digital banking in developing countries. Ming and Jais (2022) investigate the drivers of digital payment adoption in developing economies. Their findings indicate that the absence of technological infrastructure seriously hampers the diffusion of digital banking. The unstable nature of access to the internet and digital devices can lower the pool of about 40% of prospective digital banking customers in developing markets. Building on this point, Vatanasakdakul, Aoun, and Putra (2020) present an analysis of digital adoption patterns in the so-called emerging markets, where infrastructure is a big constraint to bank strategies and customer behavior. They show conclusively that such banks, working in developing markets, have to generate mostly hybrid solutions able to work out infrastructure deficiencies.

The regulatory frameworks within emerging markets make matters even more complex. Allen et al. (2021) did a great review on how FinTech is developing in different markets; it has observed how regulatory environments in less developed economies often cannot cope with the pace at which technology is evolving. According to the same study, regulatory uncertainty may delay plans for digital banking by 12 to 18 months on average. Moreover, Osei, Cherkasova, and Oware (2023) describe the dynamics within digital transformation in banking and point out that the regulatory framework of an emerging market should balance the promotion of innovation, ensure financial stability, and protect consumers.

The state of market maturity contributes a great deal to the development of digital banking across emerging economies. Al-Daya, Nassar, and Al-Massri (2021) researched FinTech innovations in the context of Palestine and showed how different levels of market maturity influence the pattern of digital adoptive behavior. Identifying the indications of market maturity through digital literacy, preparedness of customers, and competitive dynamics substantially

affects digital banking performance. Similarly, Khanchel (2019) holds the view that the participation of digital transformation into banking depicts how market maturity affects the pace and the scope of the digital initiative.

Resource shortages in one factor or another continue to plague the operational capability of financial organizations in developing economies. Awwad and El Khoury (2021) investigate the IT governance structure of the Palestinian banking industry and find resource constraints to be major drivers that impede strategic formulation or implementation. According to them, banks of the emerging nations often have critical gaps concerning financial, technical, and human dimensions. Also, Tiong (2020) investigates behavioral intentions toward digital banking adoption and identifies resource limitation issues that impact bank capabilities and patterns of customer adoption.

The responses to all these various challenges are strongly interactive and, therefore, must be addressed thoughtfully and strategically. Lumpkin and Schich (2020) examine how digital banking initiatives interrelate with financial safety net considerations, thereby placing a premium on integrated approaches that can address multiple challenges at once. They indicate that strategies adopted by successful banks in emerging markets consider infrastructure constraints, regulatory imperatives, market maturity parameters, and resource limitations, even as these banks focus on their goals of long-term digital transformation.

In this respect, such challenges keep their character in constant change; this demands continuous adaptation and therefore also continuous innovation. Omarini (2017) discusses the place that FinTechs occupy in new scenarios of financial mediation, focusing on the need of banks in emerging markets for continuous innovation, despite significantly binding constraints. Successful banks in developing economies often developed unique ways to approach digital transformation, drawing on local market knowledge but also accounting for specific regional challenges.

2.6.2 Palestinian Banking Sector Context

The Palestinian banking sector presents a unique case study in resilience and adaptation, having evolved through complex political and economic circumstances while maintaining steady progress toward digital transformation. This evolution provides important insights into how banking institutions in challenging environments can successfully navigate digital transformation while maintaining operational stability.

The historical development of the Palestinian banking sector has been marked by distinct phases of growth and adaptation. According to Abuhasan and Moreb (2021), the sector has undergone significant transformation since the establishment of the Palestinian Monetary Authority (PMA) in 1994, evolving from a basic banking system to an increasingly sophisticated financial sector. Their research documents how the sector has grown from just 9 banks with 34 branches in 1994 to 13 banks operating over 379 branches and offices by 2021. Ramadan and Eleyan (2021) further elaborate on this evolution, noting that the sector has maintained remarkable stability despite regional challenges, with total assets growing at an average annual rate of 8.5% over the past decade.

The current market structure of the Palestinian banking sector reflects a mix of local and international institutions operating under unique circumstances. Al-Daya, Nassar, and Al-Massri (2021) analyze the competitive landscape, revealing that the sector comprises both local Palestinian banks and foreign institutions, primarily Jordanian and Egyptian banks. Their study shows that this diverse market structure has contributed to accelerated technological adoption as banks compete for market share through digital innovation. Sulaiman and Abdelkarim (2019) further examine how this competitive dynamic has influenced electronic banking strategies, demonstrating that the presence of international banks has helped catalyze digital transformation across the sector.

The regulatory environment governing Palestinian banks has evolved to support digital transformation while maintaining financial stability. Awwad and El Khoury (2021) investigate how IT governance frameworks influence bank performance, highlighting the PMA's role in developing regulations that promote digital innovation while ensuring system security and stability. Their research reveals that the PMA has implemented specific regulations for electronic banking services, mobile payments, and digital financial services, creating a framework that supports innovation while protecting consumer interests. Abu Mansour (2022) further examines the readiness of Palestinian organizations for digital transformation, emphasizing how regulatory requirements have helped shape the sector's approach to technological adoption.

Digital adoption patterns in Palestinian banks show interesting variations across different customer segments and geographical areas. Iriqat and Jaradat (2021) analyze the impact of digital transformation strategies on customer satisfaction, finding that urban customers show significantly higher digital adoption rates compared to rural areas. Their research indicates that

mobile banking adoption has grown by 200% since 2018, though significant variations exist between different demographic groups. Abu Sharbeh (2023) provides additional evidence from Palestinian commercial banks, demonstrating how digital adoption patterns are influenced by factors such as age, education level, and geographic location.

The sector's response to recent global challenges has accelerated digital transformation efforts. Aljanazrah et al. (2022) examine how Palestinian banks adapted during crisis periods, revealing that the COVID-19 pandemic served as a catalyst for digital innovation, with banks rapidly expanding their digital service offerings to meet changing customer needs. Their study shows that digital transaction volumes increased by 150% during the pandemic, while the number of active digital banking users grew by 85%.

Looking ahead, the Palestinian banking sector faces both opportunities and challenges in its digital transformation journey. Al-Habil et al. (2017) analyze how service quality improvements through digital channels have influenced bank performance, suggesting that continued investment in digital infrastructure and capabilities will be crucial for future competitiveness. Their research emphasizes the importance of balancing digital innovation with the unique needs and constraints of the Palestinian market.

2.6.3 Regional Comparative Analysis

The Middle Eastern banking sector presents a diverse landscape of digital transformation initiatives, with varying levels of maturity and adoption across different markets. A comparative analysis of these markets provides valuable insights into successful strategies and challenges faced by financial institutions in the region.

Middle Eastern banking trends demonstrate significant variations in digital adoption and implementation approaches. Allen, Gu, and Jagtiani (2021) analyze FinTech developments across different markets, revealing that Gulf Cooperation Council (GCC) countries generally lead the region in digital banking innovation, with UAE and Saudi Arabia showing particularly high adoption rates. Their research indicates that GCC banks invest approximately 25% more in digital transformation initiatives compared to other regional players. Building on this, Ming and Jais (2022) examine digital payment adoption patterns across emerging markets, highlighting how regional differences in infrastructure and regulatory frameworks influence digital banking development.

Table 2.3: Digital Banking Challenges Across Emerging Markets

Challenge Category	Middle East	Africa	Southeast Asia	Latin America	Palestinian Context
Infrastructure Barriers	Uneven internet coverage, Power supply issues, Limited digital infrastructure	Poor connectivity, Limited electricity access, Basic infrastructure gaps	Island geography challenges, Varied tech infrastructure, Connectivity issues	Rural access limitations, Infrastructure gaps, Network reliability	Political constraints, Limited infrastructure control, Resource access restrictions
Regulatory Environment	Complex regulations, Varied standards, Conservative policies	Developing frameworks, Limited oversight, Fragmented regulations	Evolving regulations, Different country standards, Regulatory gaps	Strict banking laws, Regulatory uncertainty, Compliance costs	Multiple regulatory bodies, External dependencies, Complex compliance requirements
Market Readiness	Digital literacy gaps, Cultural preferences, Trust issues	Low banking penetration, Financial literacy gaps, Cash dominance	Mixed digital adoption, Cultural diversity, Market fragmentation	Income disparities, Digital divide, Market education needs	Tech adoption variations, Geographic disparities, Economic constraints
Resource Constraints	Talent shortages, Investment limitations, Tech dependencies	Limited funding, Skill gaps, Resource scarcity	Competition for talent, Investment needs, Tech resource gaps	Capital constraints, Expertise shortages, Resource allocation	Limited funding access, Expertise constraints, Resource restrictions
Customer Adoption	Privacy concerns, Security worries, Traditional preferences	Trust issues, Access limitations, Awareness gaps	Adoption variations, Trust building needs, Usage barriers	Security concerns, Adoption resistance, Usage challenges	Demographic variations, Trust building needs, Adoption disparities

Source: Prepared by the Researcher

Comparative digital maturity across Middle Eastern markets shows distinct patterns. Vatanasakdakul, Aoun, and Putra (2020) analyze technology adoption in various sectors, demonstrating significant variations in digital banking maturity levels. Their research reveals that while some markets like the UAE have achieved digital maturity levels comparable to developed economies, others face substantial challenges in basic digital infrastructure and service delivery. Al-Daya, Nassar, and Al-Massri (2021) further examine these variations in the

context of Palestinian financial institutions, highlighting how different markets adapt digital solutions to local conditions and constraints.

Market-specific adaptations reflect the diverse nature of regional banking needs. Awwad and El Khoury (2021) investigate IT governance patterns across different Middle Eastern markets, revealing how banks adapt their digital strategies to address specific market requirements and constraints. Their study shows that successful banks develop localized approaches that consider cultural factors, regulatory requirements, and market-specific customer preferences. Similarly, Tiong (2020) analyzes behavioral intentions toward digital banking adoption, emphasizing the importance of market-specific customization in successful digital transformation initiatives.

Best practices and lessons learned from regional experiences provide valuable insights for banking institutions. Osei, Cherkasova, and Oware (2023) conduct a comprehensive review of digital transformation in banking, identifying key success factors from regional implementations. Their research highlights the importance of balanced approaches that combine technological innovation with strong risk management practices. Furthermore, Lumpkin and Schich (2020) examine how different markets approach the balance between innovation and stability, revealing patterns of successful adaptation across various regulatory environments.

The comparative analysis also reveals interesting patterns in customer behavior and adoption rates. Ramadan and Eleyan (2021) analyze social customer relationship management adoption in Palestinian banks, comparing these patterns with other regional markets. Their research demonstrates how cultural factors and social dynamics influence digital banking adoption across different Middle Eastern countries, with some markets showing significantly higher adoption rates for specific digital services.

This regional analysis provides a framework for understanding successful digital transformation strategies in different market contexts. Khanchel (2019) examines the impact of digital transformation across various banking markets, emphasizing how successful implementations often combine global best practices with locally adapted solutions. The research suggests that banks achieving the highest success rates in digital transformation are those that effectively balance regional requirements with international standards while maintaining strong focus on local market needs.

2.7 Synthesis and Research Framework

The complex nature of digital transformation in banking necessitates a comprehensive synthesis of the key concepts and relationships examined throughout this literature review. This section integrates the diverse theoretical perspectives and empirical findings discussed previously, developing a cohesive framework for understanding how digitalization, team resilience, organizational culture, and digital leadership collectively influence transformation outcomes in banking institutions. Beginning with an integration of key concepts that reveals the intricate interrelationships between these elements, the discussion then identifies significant gaps in current research that warrant further investigation. The section culminates in the development of a conceptual framework that synthesizes these insights into a practical model for understanding and implementing digital transformation in banking organizations. This integrated approach provides a foundation for both theoretical advancement and practical application, particularly in the context of banking institutions navigating digital transformation while maintaining operational resilience and regulatory compliance. Through this synthesis, we establish a comprehensive framework that addresses both the theoretical complexities and practical challenges of digital transformation in the banking sector.

2.7.1 Integration of Key Concepts

The synthesis of key concepts from the literature review reveals complex interrelationships between digitalization, team resilience, organizational culture, and digital leadership in the context of banking sector transformation. This integration provides a foundation for understanding how these elements collectively influence organizational performance and transformation success.

The theoretical synthesis demonstrates the interconnected nature of the key concepts examined throughout the literature review. Vial (2019) provides a comprehensive framework that integrates digital transformation elements with organizational capabilities, showing how these components interact to influence organizational outcomes. This integration reveals how digital transformation initiatives are moderated by both leadership approaches and cultural factors, while simultaneously being influenced by team resilience capabilities.

The relationships between variables emerge as complex and multidirectional. Warner and Wäger (2019) examine how different organizational elements interact during digital transformation processes. Their research demonstrates how digital leadership capabilities

influence both the development of team resilience and the evolution of organizational culture, while these elements in turn affect the success of digital transformation initiatives. This complex web of relationships highlights the importance of considering multiple organizational factors when implementing digital transformation initiatives.

Contextual considerations play a crucial role in shaping how these relationships manifest in different organizational settings. Hanelt et al. (2021) analyze how various contextual factors influence the effectiveness of digital transformation initiatives. Their research reveals that the relationships between key variables are significantly influenced by factors such as market maturity, regulatory environment, and organizational size. This contextual dependency emphasizes the importance of adapting digital transformation approaches to specific organizational circumstances.

The synthesis of empirical findings across different research streams provides valuable insights into the mechanisms through which these variables interact. Verhoef et al. (2021) examine how different organizational elements collectively contribute to digital transformation success. Their research identifies specific pathways through which leadership, culture, and team capabilities influence transformation outcomes, emphasizing the importance of alignment between these different organizational elements.

The integration of findings from banking sector studies reveals industry-specific patterns in how these relationships operate. Sebastian et al. (2020) investigate how banks navigate digital transformation while maintaining operational stability. Their research demonstrates how the unique characteristics of the banking sector, including regulatory requirements and risk management considerations, influence the relationships between key variables in the digital transformation process.

2.7.2 Research Gaps

The comprehensive review of literature reveals several significant gaps in current understanding of digital transformation, team resilience, and organizational performance in the banking sector. These gaps span theoretical, empirical, methodological, and contextual dimensions, presenting important opportunities for future research.

In terms of theoretical gaps, existing research lacks comprehensive frameworks that integrate digital transformation elements with organizational resilience capabilities. Vial (2019) identifies significant limitations in current theoretical models, particularly noting the absence

of frameworks that adequately explain how different organizational elements interact during digital transformation processes. Additionally, Warner and Wäger (2019) highlight the need for more sophisticated theoretical models that can account for the dynamic nature of digital transformation while incorporating the moderating effects of leadership and culture.

The empirical gaps in current research are particularly notable in the context of banking sector digital transformation. Hanelt et al. (2021) point out the limited empirical evidence regarding how banks maintain operational resilience while pursuing digital innovation. Their systematic review reveals a shortage of longitudinal studies examining the long-term impacts of digital transformation on organizational performance and team resilience. Furthermore, there is limited empirical investigation of how different organizational contexts influence the success of digital transformation initiatives.

Methodological gaps present significant challenges for understanding digital transformation processes. Verhoef et al. (2021) identify limitations in current research methodologies; their analysis reveals the need for more sophisticated methodological frameworks that can account for the complex, multi-level nature of organizational transformation processes.

Contextual gaps in current research are particularly evident in emerging market settings. Newman et al. (2021) highlight the limited understanding of how contextual factors in developing economies influence digital transformation processes. Their research identifies significant gaps in our understanding of how different market conditions, regulatory environments, and cultural contexts affect the relationship between digital transformation initiatives and organizational outcomes.

The integration of multiple theoretical perspectives has also revealed gaps in understanding how different organizational elements interact during digital transformation. Liu et al. (2021) identify significant limitations in current research regarding the mechanisms through which leadership and culture influence digital transformation outcomes. Moreover, Sebastian et al. (2020) emphasize the need for more comprehensive research examining how banks balance innovation with stability during digital transformation processes.

Table 2.4: Summary of Research Gaps

Research Area	Identified Gaps	Current Limitations	Research Opportunities
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Theoretical	Limited integration of digital transformation and resilience frameworks, Insufficient understanding of moderating relationships, Lack of comprehensive models for emerging markets	Fragmented theoretical approaches, Limited consideration of contextual factors, Inadequate integration of multiple perspectives	Development of integrated frameworks, Theory building for emerging markets, Enhanced understanding of moderating effects
Empirical	Limited longitudinal studies, Insufficient evidence from emerging markets, Lack of comprehensive performance metrics	Cross-sectional focus, Developed market bias, Limited measurement scope	Longitudinal research designs, Emerging market studies, Comprehensive performance assessment
Contextual	Limited understanding of emerging market dynamics, Insufficient consideration of cultural factors, Inadequate regulatory context analysis	-	-

Source: Prepared by the Researcher

2.7.3 Conceptual Framework Development

Based on the comprehensive literature review and identified research gaps, this section presents an integrated conceptual framework that explicates the relationships between digital transformation, team resilience, organizational culture, and performance outcomes in the banking sector.

The framework components emerge from the synthesis of existing theoretical and empirical research. Building on the work of Vial (2019), the framework incorporates key elements of digital transformation while accounting for the moderating effects of leadership and culture. The primary components include digital capabilities, team resilience mechanisms, cultural factors, and performance outcomes. Each component is conceptualized based on established theoretical foundations while incorporating new insights from recent digital transformation research.

Table 2.5: Key Variable Relationships for Investigation

Primary Variables	Relationship Type	Moderating Variables	Expected Outcomes	Measurement Approach
Digital Banking → Team Resilience	Direct Positive	Digital Leadership Style, Organizational Culture	Enhanced Adaptive Capacity, Improved Response Capabilities, Strengthened Resilience Mechanisms	Quantitative Metrics, Survey Assessment, PLS-SEM Analysis
Team Resilience → Team Performance	Direct Positive	Market Conditions, Environmental Turbulence	Operational Efficiency, Innovation Capacity, Sustained Performance	Performance Indicators, Resilience Metrics, Team Effectiveness Measures
Digital Leadership Style × Digital Banking → Team Resilience	Positive Moderation	Organizational Context, Leadership Maturity	Amplified Technology Benefits, Enhanced Digital Adoption, Accelerated Capability Development	Interaction Term Analysis, Leadership Assessment, Moderation Effect Size
Organizational Culture × Digital Banking → Team Resilience	Moderation (Direction to be determined)	Cultural Maturity, Change Readiness	Variable Technology Impact, Cultural Alignment Effects, Contextual Adaptation	Interaction Term Analysis, Cultural Assessment, Moderation Effect Size

Source: Prepared by the Researcher

The relationship propositions within the framework are derived from empirical evidence and theoretical reasoning. Warner and Wäger (2019) provide support for the proposed relationships between digital capabilities and organizational outcomes, while Hanelt et al. (2021) offer insights into how these relationships are moderated by organizational factors. The framework proposes specific pathways through which digital transformation initiatives influence team resilience and organizational performance, with particular attention to the moderating roles of leadership and culture.

The measurement approaches for framework components draw upon established methodologies while incorporating new metrics specific to digital transformation contexts. Sebastian et al. (2020) provide guidance for measuring digital transformation progress, while Verhoef et al. (2021) offer insights into assessing organizational outcomes. The framework proposes specific measurement approaches for each component, ensuring both theoretical rigor and practical applicability.

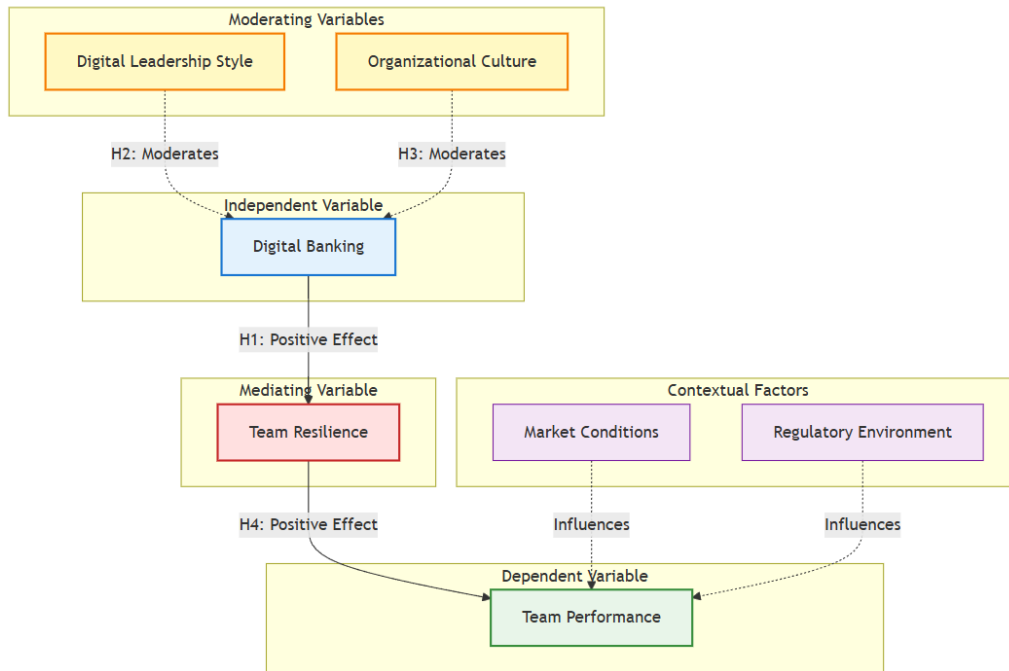


Figure 2.3: conceptual framework

Source: Prepared by the Researcher

Implementation considerations for the conceptual framework address practical challenges in applying theoretical insights to organizational contexts. Liu and Chan (2021) examine how organizations can effectively implement digital transformation initiatives while maintaining operational stability. Their research provides valuable insights into the practical considerations necessary for successful framework implementation, including resource allocation, capability development, and change management approaches.

The integration of multiple theoretical perspectives in the framework development ensures comprehensive coverage of relevant factors. Wessel et al. (2021) emphasize the importance of considering both technical and organizational elements in digital transformation frameworks. The proposed framework incorporates these insights, providing a balanced approach that addresses both technological and organizational aspects of digital transformation.

Based on the comprehensive literature review and conceptual framework development, the following research hypotheses are formulated:

H1: Digital banking technologies have a positive effect on team resilience.

This hypothesis is grounded in the digitalization literature showing that digital banking platforms provide teams with enhanced capabilities and tools that strengthen their adaptive capacity and resilience mechanisms.

H2: Digital Leadership Style moderates the relationship between Digital Banking and Team Resilience.

The effectiveness of digital banking on team resilience is enhanced when strong digital leadership is present. Leaders who champion digital transformation and provide vision enable teams to fully leverage technological capabilities.

H3: Organizational Culture moderates the relationship between Digital Banking and Team Resilience.

The impact of digital banking on team resilience varies depending on the strength and nature of organizational culture. An adaptive, innovation-oriented culture provides the contextual support necessary for teams to effectively translate digital tools into resilience capabilities.

H4: Team resilience has a positive effect on team performance.

Resilient teams demonstrate superior performance outcomes through their ability to maintain effectiveness, adapt to changes, and leverage digital capabilities despite disruptions and challenges.

2.8 Chapter Summary

The comprehensive literature review presented in this chapter reveals several key findings regarding the relationships between digitalization, team resilience, organizational culture, and performance in the banking sector. These findings provide crucial insights that inform the research methodology and subsequent empirical investigation.

Key findings from the literature review demonstrate the complex interplay between digital transformation initiatives and organizational outcomes. As highlighted by Vial (2019), successful digital transformation requires careful attention to both technological and organizational factors. The review reveals that team resilience serves as a crucial capability in maintaining organizational performance during digital transformation processes, while organizational culture and leadership significantly moderate transformation outcomes.

The examination of digitalization in the banking sector reveals unique challenges and opportunities. Sebastian et al. (2020) demonstrate how banks must balance innovation with stability while maintaining regulatory compliance. The review indicates that successful digital transformation in banking requires specific approaches that account for the sector's unique characteristics and constraints.

The analysis of team resilience and performance relationships provides valuable insights into how organizations maintain effectiveness during transformation processes. Warner and Wäger (2019) highlight the importance of developing specific capabilities that enable teams to adapt to digital changes while maintaining operational effectiveness. These findings emphasize the need for targeted approaches to building and maintaining team resilience during digital transformation initiatives.

The review of organizational culture and digital leadership reveals their crucial moderating roles in transformation success. Hanelt et al. (2021) demonstrate how cultural factors and leadership approaches significantly influence transformation outcomes. These findings highlight the importance of considering these moderating factors in both research design and practical implementation.

Transitioning to the methodology chapter, these literature review findings inform the research design in several ways. The identified relationships between key variables guide the development of research hypotheses and measurement approaches. The review's emphasis on contextual factors influences the selection of research methods and analytical techniques. Additionally, the identified research gaps provide clear direction for the empirical investigation's focus and scope.

CHAPTER THREE: METHODOLOGY

The purpose of this chapter is to present the methodological approach to be followed for testing the proposed relationships among variables: digital banking technologies, digital leadership style, organizational culture, team resilience, and organizational performance of Palestinian banking institutions. Through a technological-human-organizational factors interaction focus, this research work undertakes an in-depth analysis of how banks address current challenges of disruption in the banking industry toward enhanced resilience and superior performance.

In order to achieve this multifaceted goal, the chapter is designed to deal with each methodological element in detail and in a clear manner. It starts by embedding the research into the positivist paradigm, elaborating on what ontological and epistemological assumptions provide the foundation for this orientation. Further, it explains the adoption of the deductive approach by describing how hypotheses, developed from the literature review and theoretical frameworks, will be tested. Attention then shifts to the overall research strategy—that is, a survey approach—along with an explanation of the use of questionnaires as the main method of data collection.

The chapter will also discuss the sampling strategy to reach teams within Palestinian banking institutions, presenting a rationale on why the non-probability convenience sampling approach would be appropriate in the context and how the issues of representativeness and sample size have been addressed. Next comes the choice of Structural Equation Modeling (SEM) using the Partial Least Squares (PLS) technique, explaining how such an approach is befitting for complex models, yet it requires less stringency on assumptions regarding data distribution. Besides, ethical underpinning also forms a discussion that is in-depth in ensuring conformation with standards of academic integrity, confidentiality, and welfare for participants.

These pre-testing procedures, including expert review and pilot testing, are described later in this chapter, indicating how the questionnaire will be refined for clarity, cultural appropriateness, and reliability before it is administered on a larger scale. Thus, this methodology chapter is the bedrock upon which the structured empirical investigation will be done because subsequent results and their interpretations are based on a transparent and robust methodological framework.

3.1 Research Philosophy: Positivism

3.1.1 Overview of Research Philosophies

Research philosophy refers to the system of beliefs and assumptions about the development of knowledge that a researcher brings to a study (Saunders, Lewis, & Thornhill, 2019). It underpins every facet of the research endeavor, influencing how questions are framed, data are collected, and findings are interpreted. In social sciences and business research, for instance, it is common to find four main research paradigms: positivism, interpretivism-constructivism, pragmatism, and critical realism. According to Bryman & Bell (2015) and Saunders et al. (2019), though each of the paradigms has distinct assumptions, the research philosophy chosen will need to reflect the purpose of the research and the nature of what is under study.

Positivism is rooted in the empirical, objective tradition of the natural sciences, holding that reality is external and independent of the observer. Knowledge, from this viewpoint, is generated through observation and measurement of variables that exist in a stable reality (Bryman & Bell, 2015). Interpretivism, in contrast, emphasizes the subjective nature of social phenomena, asserting that reality is constructed through social interactions and shared meanings (Saunders et al., 2019). Pragmatism focuses on the research problem, choosing methods, techniques, and procedures that offer the best solution to the question at hand, without committing wholly to either positivism or interpretivism but drawing on elements from both (Creswell, 2014). Critical realism posits that while reality is independent of human conception, knowledge about that reality can be socially mediated (Saunders et al., 2019).

With this in mind, in order to study digital leadership, organizational culture, team resilience, and performance in the context of the Palestinian banking sector, a philosophical standpoint is required in which the quantification of constructs, testing hypotheses, and formulation of findings for generalization may be facilitated (Abuhasan & Moreb, 2021). Thus, this paradigm shall constitute positivism since it is one that best agrees with the goals of this study: structured, hypothesis-driven, and measurement-based.

3.1.2 Positivism and Its Underpinnings

Positivism, as a research philosophy, is undergirded by two key assumptions—one ontological and the other epistemological:

Positivism encompasses both ontological and epistemological assumptions. Ontologically, positivism is based on realism, which addresses the nature of reality and being. Realists assume that a real world exists "out there" independent of our knowledge or interpretation of this world (Bryman & Bell, 2015). Applied to this study, it would suggest that such realist ontology treats "digital transformation maturity," "organizational culture," or "team resilience" as phenomena that are objectively existent—they can be measured on a numerical scale despite being inherently social or organizational in nature. Epistemologically, positivism is grounded in empiricism, addressing how knowledge is acquired and validated. The epistemological basis of positivism maintains that knowledge comes from observable evidence. Thus, to understand such complex relationships as how digital leadership style may increase team resilience within a bank, the researcher would have to collect empirical data—questionnaires, for example—and analyze them statistically (Saunders et al., 2019). This would make the knowledge claims testable and verifiable by others.

These philosophical bases influence how the research questions are set, how data is collected, and how interpretations are made. Precisely, the adoption of positivism in the current study maintains that each variable, including digital banking technologies, digital leadership, organizational culture, team resilience, and performance, is conceptualized as a latent construct that is amenable to operationalization and numeric measurement (Benitez et al., 2022). By using validated scales or items adapted from earlier studies—for example, Linnenluecke (2017) for measuring resilience or Newman et al. (2020) for measuring digital leadership—the researcher embraces a systematic, objective approach to data collection and analysis.

3.1.3 Justification for Positivist Stance

There are several grounds for which the choice of positivism is merited in this investigation. The first is the strong alignment between positivism and the research aim of investigating measurable relationships among digital banking technologies, digital leadership style, organizational culture, team resilience, and performance. This research philosophy is particularly suitable given the study's objectives to evaluate impacts, assess moderating relationships, and develop a strategic framework based on empirical evidence. Positivism provides the methodological foundation needed to quantify these complex constructs and test the hypothesized relationships between them in a systematic manner.

Second, positivism's emphasis on objectivity and measurement enables the study to address the research objectives with precision. When evaluating the impact of digital banking technologies, leadership style, and organizational culture on team resilience (Objective 1), or examining how team resilience affects organizational performance (Objective 3), a positivist approach allows for clear operationalization of these constructs through survey instruments and statistical analysis. This approach helps identify and quantify specific causal relationships that might otherwise remain obscured in more subjective methodologies.

Third, the goal of developing a strategic management framework tailored to digital banking (Objective 5) benefits from positivism's focus on generalizable findings. By collecting data across multiple Palestinian banking institutions and analyzing relationships statistically, the resulting framework will be built on empirical patterns rather than isolated observations or subjective interpretations, increasing its applicability and reliability for decision-makers in the sector.

Additionally, most of the literature on digital banking, strategic resilience, and leadership styles has been quantitative in nature. For example, Awwad and El Khoury (2021) use quantitative designs to explore how information technology governance affects bank performance in Palestine, while Benitez et al. (2022) rely on large-scale surveys to explore how digital leadership impacts innovation performance. This study maintains methodological consistency with established research traditions in the field.

The objectivity that the positivist approach provides has particular value in contexts where organizational culture, leadership behaviors, and team resilience could be interpreted differently by different stakeholders. By reducing these concepts into structured survey items, the researcher minimizes subjective interpretation or researcher bias, focusing instead on consistency, replicability, and rigor in measurement as suggested by Hair et al. (2019).

Finally, Palestinian banking institutions operate in a complex environment marked by political constraints, diverse customer needs, and competitive pressures from FinTech firms (Al-Daya, Nassar, & Al-Massri, 2021). To propose evidence-based strategies for building digital capabilities or enhancing team resilience, decision-makers often require quantitative data to justify resource allocation. Positivism, with its emphasis on numeric evidence and hypothesis testing, provides the concrete metrics and causal insights needed to inform strategic decisions in this challenging context (Kitsios, Giatsidis & Kamariotou, 2021).

3.2 Research Approach: Deductive

3.2.1 Distinction Between Deductive and Inductive Reasoning

Research approaches can generally be categorized into deductive and inductive reasoning. Deductive research begins with established theory or conceptual frameworks, from which specific hypotheses are derived and subsequently tested with empirical data (Robson & McCartan, 2016). Inductive research, conversely, starts with observations or data from which the researcher infers general patterns or theories (Creswell, 2014).

Generally, the deductive approach is more appropriate in business and management studies when a researcher tries to test theoretical propositions in a systematic way. The inductive approach is often more exploratory in nature in order to develop new theoretical insights from data observation. Because the current research has strong grounds in previously carried out literature about digital transformation, resilience, and organizational culture—and because the testing of certain hypotheses is intended—deduction would be more appropriate (Saunders et al., 2019).

3.2.2 Rationale for a Deductive Approach

The topic of digital transformation and resilience in banking has a robust theoretical foundation, with numerous studies addressing different elements of digital adoption, leadership, and performance (Osei, Cherkasova & Oware, 2023; Trenerry et al., 2021). Thus, the current study builds upon and extends well-established theories by investigating how these elements interact in the Palestinian context.

Deductive reasoning is hypothesis-driven in nature. For instance, the researcher develops well-defined hypotheses such as "Digital banking technologies have a positive influence on the level of team resilience" or "Organizational culture moderates the relationship between digital leadership style and team resilience" and then tests the validity of such statements with empirical data (Ramadan & Eleyan, 2021).

Deductive research is often preferred in strategic management and organizational studies because it provides a clear logical flow: theories and constructs lead to hypotheses, which are tested with data, leading to conclusions about the acceptance or rejection of those hypotheses (Bryman & Bell, 2015). This kind of linear model of inquiry befits generating predictive insights for banking institutions.

Deduction complements the emphasis on measurement, objectivity, and replicable findings of positivism. That one can quantify constructs, such as digital leadership, and relate them to outcomes, such as performance, depends on the use of standardized scales and statistical analyses, thus sustaining a deductive framework (Creswell, 2014).

3.2.3 Steps in the Deductive Process

Following standard scholarly protocols, the study's deductive process unfolds in several stages. Initially, the researcher develops a conceptual framework by drawing on the extant literature in digital banking, leadership, and organizational culture. This framework depicts the proposed relationships among these constructs and their connections to team resilience or performance outcomes (Benitez et al., 2022; Vial, 2019). Based on this conceptual foundation, concrete hypotheses are formulated for each assumed relationship. For instance, one might hypothesize that a team's adaptive capability and resilience are strengthened by higher levels of process automation, which represents a key aspect of digitalization (Linnenluecke, 2017).

The next phase involves operationalization, where each theoretical construct is translated into measurable indicators or items, typically through validated scales or adapted survey questions (Hair et al., 2019). Subsequently, a structured questionnaire is designed and employed to gather data from a sample of banking team members. This data collection stage is critical to ensure comprehensive coverage of all relevant constructs and an appropriate sample size. Once collected, the data are subjected to advanced statistical techniques—specifically SEM-PLS in this study—to determine whether each hypothesis is supported or refuted by the empirical evidence (Saunders et al., 2019).

The analysis phase enables the researcher to draw substantive conclusions. For example, if the data support a hypothesis that digital leadership style positively influences team resilience, the researcher can make informed inferences about the role of leadership in facilitating digital transformation in banking institutions (Ramadan & Eleynan, 2021). The final step involves assessing the broader theoretical and practical implications of the findings, potentially refining or extending existing models of digital resilience and performance. This methodical approach ensures that the study maintains logical coherence and analytical rigor through a structured series of steps, with every conclusion derived from empirical evidence that directly addresses the research questions posed at the outset (Bryman & Bell, 2015).

3.3 Research Strategy: Survey

3.3.1 Overview of the Survey Strategy

A survey represents a systematic strategy for collecting quantitative data, typically from a significant number of respondents, to describe attributes or test hypotheses about a population (Saunders et al., 2019). Surveys are particularly suited to situations where researchers aim to:

- Gather standardized data across multiple constructs.
- Investigate associations or potential causal links among variables.
- Strive for broader generalizability (at least within defined contextual boundaries).

Given that the focal point of this study is the relationship between technologically oriented constructs (digitalization, digital banking), leadership or cultural attributes (digital leadership, organizational culture), and resilience/performance outcomes, a survey allows for the gathering of data in a structured way from a range of banking institutions (Baskerville, Capriglione & Casalino, 2020).

3.3.2 Justification for Selecting a Survey Strategy

Several considerations render the survey strategy particularly appropriate for this research. The study focuses on latent variables, including aspects of digital banking (Sebastian et al., 2020), digital leadership capabilities (Newman et al., 2020), and resilience (Linnenluecke, 2017), that have been quantified in previous research. This allows for adaptation of established measurement scales to capture each construct effectively within the specific context of the Palestinian banking environment.

The geographic distribution of the Palestinian banking sector, which spans multiple regions including the West Bank and Gaza Strip, further justifies a survey approach. An online survey enables the researcher to reach institutions scattered across different areas, thereby enhancing the representativeness of the sample (Sulaiman & Abdelkarim, 2019). Additionally, surveys offer considerable efficiency advantages compared to in-depth interviews or ethnographic studies, facilitating faster data collection from a larger sample size. This efficiency is crucial for ensuring that statistical analyses, particularly SEM-PLS, have sufficient data to draw robust inferences (Hair et al., 2019).

The structured nature of a survey methodology aligns well with the study's positivist, deductive framework, providing a conducive environment for systematic hypothesis testing. Moreover, survey methods have been widely employed in digital transformation studies within the financial sector to assess adoption levels, user perceptions, and organizational readiness (Rashwan & Kassem, 2021). This consistency with established methodological precedents in the field further substantiates the choice of a survey-based approach for the current research.

3.3.3 Potential Limitations and Mitigation

Despite its advantages, the survey approach is not without limitations (Bryman & Bell, 2015). One common concern is the risk of **response bias**, where respondents might offer socially desirable answers or fail to accurately report on internal team dynamics. To mitigate such bias, the study will:

- Assure anonymity and confidentiality to encourage honest responses.
- Pilot test the questionnaire to refine ambiguous items.
- Use reverse-coded items where appropriate to detect response patterns.

Another limitation is that questionnaires have the tendency to yield cross-sectional data, hence making it difficult to establish causality links with certainty (Saunders et al., 2019). While SEM-PLS can model theoretical cause-effect relationships, ultimately the design remains correlational unless supplemented by longitudinal data. The researcher is conscious of this limitation and positions the findings as indicative of significant associations rather than proof of strict causation.

3.4 Operationalization of Research Variables

The following table provides a concise yet detailed overview of how each construct—Digitalization, Team Resilience, Digital Leadership, Team Performance, Organizational Culture, and Digital Banking—is operationalized. All items are designed to be measured using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), unless otherwise indicated.

Table 3.1: Research variables

Variable	Definition	Measurement Items	Questionnaire Statements
Digitalization	It is the profound and accelerating transformation of business activities, processes, competencies, and models to fully leverage the changes and opportunities brought by digital technologies and their impact across society in a strategic and prioritized way. Source: https://www.emerald.com/insight/content/doi/10.1108/aci-03-2022-0069/full/html	• Strategic transformation management • Core business (digital product/service offerings) • Digitization of internal processes and operations • Digital customer interaction • IT use and development • Human resource adaptation to DT • Governance of DT initiatives Source: https://www.emerald.com/insight/content/doi/10.1108/aci-03-2022-0069/full/html	• Our organization has a clear strategy for digital transformation. • Our core products/services have been enhanced or replaced with digital offerings. • Our internal processes are largely digitized. • We primarily interact with customers through digital channels. • We effectively utilize IT systems to support business operations. • Our employees have the necessary skills to adapt to digital transformation. • We have established governance structures to oversee digital initiatives.
Team Resilience	Team resilience is defined as a team's capacity to withstand or recover from adverse events (i.e., events that may lead to losses or breakdown of independent team processes), which we conceptualize as an emergent team state that results from preparative, adaptive, and reflective team processes and which is demonstrated by a persistence, recovery, or growth trajectory of team functioning following exposure to adversity. Source: https://journals.sagepub.com/doi/full/10.1177/2041386620919476	• Input Factors: Team orientation, expertise, communication skills, team member relationships, team culture, transformational leadership. • Processes: Minimizing challenges (anticipating risks, planning), managing behavior (coping, maintaining performance), mending behavior (adapting, debriefing). • Mediating States: Cohesion, collective efficacy, psychological safety, shared mental models. • Outcomes: Sustained team performance, health, and functioning post-adversity. Source: https://journals.sagepub.com/doi/full/10.1177/2041386620919476	• Our team members share a strong orientation toward collective goals. • Team members possess the expertise needed to overcome challenges. • Our team communicates effectively during difficult situations. • Team members have positive working relationships. • Our team culture supports resilience in the face of setbacks. • Team leaders provide transformational leadership during challenging times. • Our team anticipates risks and plans accordingly. • Team members cope effectively with stress while maintaining performance. • Our team adapts quickly to changing circumstances. • We regularly debrief after challenges to improve our approach. • Our team demonstrates strong cohesion during adversity. • Team members believe in our collective ability to overcome obstacles. • Our team environment is psychologically safe for sharing concerns. • Team members share common mental models of how to respond to challenges. • Our team maintains performance levels despite adversity.
Digital Leadership	Digital leadership is a social influence process, mediated by technology, to produce a change in attitudes, feelings, thinking, behavior, and performance with individuals, groups, or	• Initiating Digital Transformation: The ability to start and drive digital change within the organization. • Managing Digital Processes: Competence in overseeing digital	• Our leaders actively initiate digital transformation initiatives. • Leaders in our organization effectively drive digital change. • Our leadership competently manages digital processes and initiatives. • Leaders ensure digital initiatives align with organizational goals.

	organizations to direct them toward achieving a specific goal. Source: https://en.wikipedia.org/wiki/E-leadership https://www.igi-global.com/chapter/concepts-challenges-leadership/9378	initiatives and ensuring their alignment with organizational goals. • Mobilizing Resources: Capability to gather and allocate resources necessary for digital projects. Source: https://www.researchgate.net/publication/367204353_Digital_Leadership_for_Digital_Transformation	• Our leadership successfully mobilizes necessary resources for digital projects. • Leaders are effective at allocating resources to support digital transformation.
Team Performance	Team Performance refers to the effectiveness and efficiency of a group of individuals working together towards common goals or objectives. It encompasses various aspects including productivity, quality of work, collaboration, innovation, and achievement of goals. High-performing teams typically have clear objectives, complementary skills, effective communication, and a strong sense of commitment and accountability. Source: https://www.mosaicapp.com/glossary/team-performance	• Goal Achievement: Monitoring the progress and completion of team objectives and goals. • Productivity: Measuring output, such as the number of tasks completed or projects delivered. • Quality of Work: Assessing the standard or caliber of the work produced by the team. • Collaboration and Communication: Evaluating the effectiveness of communication and collaboration within the team. • Innovation: Tracking new ideas or improvements introduced by the team. Source: https://www.mosaicapp.com/glossary/team-performance	• Our team consistently achieves its established goals and objectives. • We regularly monitor progress toward team goals. • Our team maintains high productivity levels. • We complete tasks and deliver projects efficiently. • The quality of work produced by our team meets or exceeds standards. • Team members collaborate effectively on projects and initiatives. • Communication within our team is clear and effective. • Our team regularly introduces innovative ideas and improvements. • Team members demonstrate commitment to collective success.
Organizational Culture	Organizational culture is defined as a company's principles and practices that contribute to its distinct social and psychological environment. Source: https://www.researchgate.net/publication/376174732_Digital_transformation's_impact_on_organizational_culture	• Technology Adoption: The extent to which new technologies are embraced within the organization. • Innovation: The organization's commitment to developing new ideas and solutions. • Change Management: The effectiveness of processes to manage organizational change. • Employee Engagement: The level of commitment and involvement of employees. • Communication: The effectiveness of information exchange within the organization.	• Our organization readily embraces new technologies. • Employees are encouraged to adopt digital tools and platforms. • Innovation is valued and rewarded in our organization. • Our organization is committed to developing new ideas and solutions. • We have effective processes for managing organizational change. • Employees actively participate in change initiatives. • Our employees demonstrate high levels of engagement and commitment. • Communication flows effectively throughout all levels of the organization. • Information is shared transparently across departments.

		Source: https://www.researchgate.net/publication/376174732_Digital_transformation's_impact_on_organizational_culture	
Digital Banking	Digital banking involves the integration of digital technologies into all areas of banking, fundamentally changing how banks operate and deliver value to customers. Source: https://www.emerald.com/insight/content/doi/10.1108/josm-06-2021-0216/full/html	• Strategy and Management: Challenges related to leadership and strategic direction. • Technology and Regulation: Issues concerning technological infrastructure and compliance. • Customers and Employees: Barriers involving customer adoption and employee readiness. Source: https://www.mdpi.com/2071-1050/13/4/2032	• Our bank has a clear digital banking strategy. • Leadership provides strong direction for digital banking initiatives. • Our technological infrastructure adequately supports digital banking services. • We effectively navigate regulatory compliance in our digital offerings. • Our customers readily adopt new digital banking services. • Employees demonstrate readiness to support digital banking initiatives. • We successfully address barriers to digital banking implementation.

3.4.1 Item Selection and Adaptation

Drawing on validated scales ensures that each construct is operationalized reliably. For instance:

- **Digitalization Items** are adapted from Li et al. (2018) and Vial (2019), capturing aspects like cloud computing infrastructure, AI/ML integration, and business model innovation.
- **Team Resilience** items stem from Linnenluecke (2017), focusing on the ability to “absorb strain” and maintain functioning in the face of disruptions.
- **Digital Leadership** is guided by Newman et al. (2020), who emphasize digital vision, technology adoption facilitation, and transformation management.
- **Team Performance** references Crawford et al. (2020), highlighting task performance, adaptive performance, and contextual performance.
- **Organizational Culture** draws on Cameron and Quinn (2020), focusing on adaptability, innovation propensity, collaboration, and risk tolerance.
- **Digital Banking** scale takes from Sebastian et al. (2020), reflecting how banks transition from traditional modes to digital platforms.

Where the existing scales did not wholly capture contextual nuances-such as the unique regulatory environment in Palestine (Nassar, Daya & Al-Massri, 2021)-item wording was adapted with due care. For instance, one may paraphrase a question about "integration with third-party platforms" to include expressions about local telecommunication or e-government systems (Ramadan & Eleyan, 2021).

The selection of these specific measurement instruments was guided by several methodological considerations. Each scale was chosen based on its theoretical alignment with the study's conceptual framework, demonstrated psychometric properties in previous research, and relevance to digital transformation in financial services contexts. Additionally, preference was given to scales that had been validated in multiple contexts, offering greater confidence in their cross-contextual applicability, while still allowing for the necessary cultural and regulatory adaptations to suit the Palestinian banking environment. This approach balances the benefits of using established measures with the necessity of contextual sensitivity, enhancing both the reliability and validity of the research instrument.

3.5 Methods of Data Collection: Questionnaire

3.5.1 Development and Design of the Questionnaire

Within the broader survey method, the **questionnaire** serves as the critical data-collection instrument. It is designed to systematically capture the relevant constructs identified in the conceptual framework:

Within the broader survey method, the questionnaire serves as the critical data-collection instrument. It is designed to systematically capture the relevant constructs identified in the conceptual framework: Digitalization, Digital Leadership, Organizational Culture, Team Resilience, Team Performance, Digital Banking, and Organizational Performance (as an outcome variable influenced by team resilience). The questionnaire development process involved several methodological steps to ensure both validity and reliability.

To minimize survey fatigue and confusion:

- Questions are grouped by construct.
- A 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree) is used consistently across sections.
- Demographic questions (on age, position, and years of experience) precede the main constructs.
- Instructions clarify that participants should base their answers on their team's collective experiences and perceptions, not merely personal opinions (Benitez et al., 2022).

3.5.2 Administration of the Questionnaire

The questionnaire may be administered online via secure survey platforms, given the geographic dispersal of Palestinian banks and the logistical barriers that can arise (Abu Mansour, 2022). Where internet connectivity is inconsistent, paper-based surveys can be distributed through bank HR departments or team leaders, then returned in sealed envelopes to preserve confidentiality.

A data collection window of four to six weeks is envisaged to give participants sufficient time to respond, especially considering potential bottlenecks in certain bank branches. Periodic reminders—administered in a courteous and non-intrusive manner—aim to maximize response rates without exerting undue pressure (Saunders et al., 2019).

Encouraging robust participation is vital for achieving an adequate sample size. The researcher can:

- Convey the study's significance, emphasizing how the findings may benefit Palestinian banks in enhancing resilience and competitiveness (Ming & Jais, 2022).
- Offer a brief executive summary of the results to participating banks, highlighting key insights for their strategic planning.
- Work through gatekeepers such as HR managers or department heads who can endorse the study's relevance and encourage staff to participate (Awwad & El Khoury, 2021).

3.6 Sample and Sampling Strategy

3.6.1 Target Population and Sample Definition

This includes teams that directly have a stake in the digital transformation process of Palestinian banks or those where this influence of such transformations is strongly felt. This will cover functional areas such as IT departments, digital banking development teams, marketing units concerned with e-services, and cross-functional innovation committees. Although the focal phenomena are team-related (team resilience and team performance), the unit of analysis in this dissertation is the individual respondent. Managers and team members were surveyed to capture their perceptions of their immediate work team and organizational context within Palestinian banks (Aljanazrah, Yerosis, Hamed, & Khlaif, 2022).

Within this population, the sample is drawn by focusing on bank employees at the team level—managers, team leaders, and staff—who have firsthand experience of technological disruptions and organizational change (Baskerville, Capriglione & Casalino, 2020). The study thus seeks to encompass a diverse range of roles and responsibilities, thereby capturing multiple facets of digital leadership, resilience, and performance.

Unit of analysis and data structure. The data set of the survey is analyzed at the individual level ($n = 219$). Team resilience and team performance are conceptualized as perceived team-level constructs, as the data set is analyzed at the individual level, using team-referent wording (i.e., the respondents answer the questions in relation to 'our team'). As the data set does not contain any team identifier, nor was it designed to ensure the presence of at least a certain number of respondents per team for statistical aggregation, the data set is not aggregated at the team level.

Therefore, the results of the PLS-SEM analysis should not be aggregated using the ICC, which is not applicable for the purposes of the dissertation.

3.6.2 Non-Probability Convenience Sampling

This is a non-probability convenience sampling strategy, which is undertaken fully aware of a limitation on both access and resource issues. While a probability-based sampling approach-like simple random sampling-would give more statistical validity to the generalizability of the findings, under the present Palestinian context there are certain limits.

Lack of a Comprehensive Sampling Frame: It is challenging to acquire a complete, up-to-date list of all relevant teams in every bank, especially given varying institutional structures and territorial complexities (Abu Mansour, 2022). **Logistical and Security Constraints:** Travel between different regions can be unpredictable due to political and administrative factors. Thus, direct random sampling may be infeasible (Ibaid, 2021). **Time and Resource Limitations:** Researchers often operate under tight budgets and timelines, making convenience sampling a pragmatic choice (Saunders et al., 2019).

Convenience sampling refers to the selection of participants present and willing to respond when data collection is done. Though it is susceptible to selection bias, where the sample may not be the best representation of the population at large, all attempts have been made to reduce this bias by sampling various types of banks-domestic, foreign-owned, commercial, and specialized-and various teams like IT, customer service, risk management, etc., to obtain a wide range of experiences. This is consistent with other research in digital banking and transformation. For instance, Awwad and El Khoury (2021) applied convenience sampling when analyzing IT governance in Palestinian banks, and Benitez et al. (2022) applied non-probability sampling when analyzing digital leadership in financial institutions. Similarly, Kitsios, Giatsidis, and Kamariotou (2021) applied convenience sampling when evaluating e-services acceptance in banking, taking into consideration the pragmatic constraints in reaching expert groups in financial organizations. These precedents legitimize this methodological choice in this research, particularly having in mind the specialized nature of the target group and access barriers in the context of Palestine.

3.6.3 Sample Size Considerations

For studies employing SEM-PLS, sample size is crucial in achieving robust and stable parameter estimates (Hair et al., 2019). A widely cited heuristic, referred to as the “10 times

rule,” recommends that the sample size should be at least 10 times the maximum number of arrows (indicators) pointing at a single latent variable in the most complex stage of the model.

Since the proposed model is involved in a number of constructs such as digitalization, digital banking, digital leadership, organizational culture, team resilience, team performance, and organizational performance, the minimum sample size should be approximately 200 responses based on Hair et al. (2019) and Benitez et al. (2022) to establish statistical power and reliability. Attaining 200 valid responses from respondents not only meets the minimum threshold but also agrees with earlier similar research that has been done in the Palestinian banking industry (Awwad & El Khoury, 2021; Sulaiman & Abdelkarim, 2019).

It is also prudent to aim for a slightly larger sample (e.g., 250–300) to account for potential attrition (missing or incomplete responses) and to achieve greater precision in parameter estimates. While convenience sampling may not ensure full representativeness, a sizable and diverse pool of respondents is expected to bolster the study’s external validity within the local banking context (Ramadan & Eleyan, 2021).

3.6.4 Participant Inclusion Criteria

Since the research emphasizes team-level analysis, only respondents who are actively part of a recognized organizational team are included. Additionally, participants must have:

- A minimum of six months of team membership to ensure sufficient exposure to digital initiatives and leadership practices.
- Basic awareness of the bank’s digital strategies or involvement in digital projects, ensuring that their responses are well-informed (Kitsios et al., 2021).

Excluded from the sample are temporary interns or those in purely administrative support roles with minimal engagement in digital transformation activities. These criteria help refine the data set to individuals who can authentically speak to the constructs under review.

3.7 Methods of Data Analysis: PLS-SEM

3.7.1 Overview of Structural Equation Modeling (SEM)

Structural Equation Modeling (SEM) is a multivariate technique that integrates factor analysis and multiple regression analysis, thereby enabling researchers to examine complex relationships among observed and latent variables concurrently (Bryman & Bell, 2015). SEM

is especially beneficial when testing theoretical models with multiple constructs, each measured by multiple indicators (Hair et al., 2019).

In the framework of the present study, SEM has been selected since it allows the researcher to analyze not only direct effects, for example, that of digital leadership on team performance, but also indirect or mediation effects—for example, whether team resilience acts as a mediator between digital leadership and organizational performance. Besides, SEM can model moderation pathways on how organizational culture strengthens or weakens the relationship between digitalization and team resilience (Benitez et al., 2022).

When implementing SEM, researchers must choose between covariance-based (CB-SEM) and variance-based (PLS-SEM) approaches. While CB-SEM focuses on reproducing the theoretical covariance matrix and is primarily confirmatory in nature, variance-based methods offer several advantages for this study. PLS-SEM is particularly superior when the research objective is prediction-oriented rather than theory confirmation (Hair et al., 2019). It accommodates smaller sample sizes and complex models with multiple constructs and relationships, which aligns with this study's framework examining multiple dimensions of digital transformation and resilience. Furthermore, PLS-SEM makes fewer assumptions about data normality, offering greater flexibility when working with real-world organizational data that often violates multivariate normality assumptions (Sarstedt, Hair, Ringle, Thiele, & Gudergan, 2016). Given the exploratory elements of this research in the Palestinian banking context and the need to test a complex network of relationships with potentially non-normal data distributions, variance-based PLS-SEM presents a methodologically superior choice compared to traditional covariance-based approaches.

3.7.2 Partial Least Squares (PLS) Approach

Partial Least Squares (PLS) is one of the primary variants of SEM, distinguished from covariance-based SEM (CB-SEM) by its objective and data assumptions. PLS-SEM focuses on maximizing the explained variance (R^2) in the dependent constructs, making it suitable for predictive and exploratory models (Hair et al., 2019). It has fewer distributional requirements and can handle data that deviate from normal distributions, often being well-suited for smaller samples or complex models (Saunders et al., 2019). PLS employs an iterative algorithm that continuously refines latent variable scores to find the best fit between measurement items and the structural paths hypothesized in the model (Hair et al., 2019). Such characteristics align

with this research, given its focus on predicting team resilience and performance outcomes from digital transformation variables, handling a potentially moderate sample size (200–300) that may not fully meet normal distribution assumptions, and dealing with a complex conceptual model featuring multiple constructs and hypothesized relationships.

Through these steps, SEM-PLS analysis provides an integrated perspective, enabling the researcher to confirm or refute the hypotheses formulated around the constructs of digital transformation, leadership, culture, resilience, and performance in Palestinian banking institutions (Awwad & El Khoury, 2021).

3.8 Research Ethics

Ethical compliance forms a cornerstone of credible and respectful academic research. This is particularly relevant in organizational studies where privacy, confidentiality, and informed consent are crucial (Creswell, 2014). The specific ethical measures implemented in this study include:

1. Informed Consent:

All participants receive an explanatory statement detailing the study's purpose, procedures, and their right to withdraw at any time without penalty. The statement also clarifies that their involvement is voluntary (Bryman & Bell, 2015).

2. Confidentiality and Anonymity:

Individual responses are not identified in the results, and results will only be reported in aggregate terms (e.g., tables summarizing the results, estimates of the models). The structural model will be estimated using the individual-level dataset (Sulaiman & Abdelkarim, 2019).

3. Data Protection and Security:

- Digital responses are stored on password-protected computers or cloud storage services with robust security measures.
- Paper-based questionnaires, if used, are locked in secure cabinets accessible only to the principal investigator and authorized personnel (Saunders et al., 2019).

4. Respect for Participants' Autonomy:

Participants can refuse or discontinue their participation at any point. If any participant expresses discomfort or concern about specific items, they are free to omit those questions (Ramadan & Eleyan, 2021).

5. Integrity of Data Reporting:

The study commits to faithfully representing the data and analysis results, refraining from fabricating or manipulating findings. Any contradictory or non-significant results will be transparently reported and interpreted (Bryman & Bell, 2015).

6. Cultural Sensitivity:

In the Palestinian context, special care will be taken to respect cultural norms throughout the research process. I will first obtain formal permission from relevant bank authorities before approaching any participants, following proper institutional hierarchies. The questionnaire will be provided in both Arabic and English, with careful attention to culturally appropriate terminology and phrasing. Data collection timing will be scheduled to avoid religious holidays, prayer times, and peak operational hours to minimize disruption to participants' workflow. Additionally, I will ensure gender-appropriate interactions during in-person data collection if needed, and maintain awareness of regional political sensitivities when framing questions related to cross-border operations or regulatory environments. All research materials will be reviewed by local cultural advisors to identify and address any potentially problematic content before distribution (Ibaid, 2021).

These ethical measures, by portraying responsible research conduct, enhance the credibility and acceptance of the study's outcomes. They also comply with internationally recognized guidelines, such as the Declaration of Helsinki for research concerning human participants, although the present study involves organizational contexts rather than vulnerable populations (Creswell, 2014).

3.9 Content Validity of the Questionnaire

Content validity test was conducted by consulting two groups of experts. The first was requested to evaluate and identify whether the questions agreed with the scope of the items and the extent to which these items reflect the concept of the research problem. The other was requested to evaluate that the instrument used is valid statistically and that the questionnaire was designed well enough to provide relations and tests between variables. The two groups of experts did agree that the questionnaire was valid and suitable enough to measure the concept of interest with some amendments.

3.10 Statistical Validity of the Questionnaire

To ensure the validity of the questionnaire, two statistical tests should be applied. The first test is Criterion-related validity test (Pearson test) which measure the correlation coefficient between each item in the field and the whole field. The second test is structure validity test (Pearson test) that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of similar scale.

3.11 Criterion Related Validity

1) Internal consistency

Following the procedures recommended by Brains, Willnat, Manheim, and Rich (2011) as well as Kramer, Bernstein, and Phares (2009), the questionnaire's internal consistency was evaluated with a pilot sample of 30 respondents. Item-total correlation coefficients were calculated for every item within each domain. As summarised in Table 3, all p-values associated with these correlations were below .05—and many were below .01—demonstrating that the relationships are statistically significant at $\alpha = .05$ or $\alpha = .01$. These findings confirm that the items within each domain exhibit satisfactory internal consistency and are therefore reliable measures of the constructs they were designed to assess.

Table 1. The correlation coefficient between each item in the field and the whole field

Digitalization			Team Resilience			Digital Leadership		
Item No.	Coefficient of correlation	P-Value	Item No.	Coefficient of correlation	P-Value	Item No.	Coefficient of correlation	P-Value
1	.636**	0.000	1	.614**	0.000	1	.785**	0.000
2	.801**	0.000	2	.763**	0.000	2	.659**	0.000
3	.859**	0.000	3	.639**	0.000	3	.757**	0.000
4	.779**	0.000	4	.782**	0.000	4	.779**	0.000
5	.589**	0.001	5	.906**	0.000	5	.862**	0.000
						6	.772**	0.000

* Correlation is significant at 0.05 level

** Correlation is significant at 0.01 level

Table 2. The correlation coefficient between each item in the field and the whole field

Team Performance			Organizational Culture			Digital Banking		
Item No.	Coefficient of correlation	P-Value	Item No.	Coefficient of correlation	P-Value	Item No.	Coefficient of correlation	P-Value
1	.654**	0.000	1	.605**	0.000	1	.754**	0.000
2	.664**	0.000	2	.746**	0.000	2	.756**	0.000
3	.789**	0.000	3	.861**	0.000	3	.788**	0.000
4	.812**	0.000	4	.760**	0.000	4	.740**	0.000
5	.754**	0.000				5	.825**	0.000
						6	.830**	0.000

* Correlation is significant at 0.05 level

** Correlation is significant at 0.01 level

2) Structure Validity of the Questionnaire

Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It

measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of liker scale.

As shown in table (3), the significance values are less than 0.01, so the correlation coefficients of all the fields are significant at $\alpha = 0.01$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

Table 3. Structure Validity of the Questionnaire

Section	Coefficient of correlation	P-Value
Digitalization	.716**	0.000
Team Resilience	.901**	0.000
Digital Leadership	.774**	0.000
Team Performance	.857**	0.000
Organizational Culture	.874**	0.000
Digital Banking	.895**	0.000

** Correlation is significant at 0.01 level

3.12 Reliability of the Research

Reliability of an instrument is the degree of consistency with which it measures the attribute it is supposed to be measuring. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient. For the most purpose's reliability coefficient above 0.70 are considered satisfactory. Period of two weeks to a month is recommended between two tests Due to complicated conditions that the consumer is facing at the time being, it was too difficult to ask them to responds to our questionnaire twice within short period. The statistician's explained that, overcoming the distribution of the questionnaire twice to measure the reliability can be achieved by using Kronpakh Alpha coefficient and Half Split Method through the SPSS software.

1) Half Split Method

This method depends on finding Pearson correlation coefficient between the means of odd rank questions and even rank questions of each field of the questionnaire. Then, correcting the Pearson correlation coefficients can be done by using Spearman Brown correlation coefficient of correction (*Eisinga, R.; Te Grotenhuis, M.; Pelzer, B. (2012)*). The corrected correlation coefficient (consistency coefficient) is computed according to the following equation:

Consistency coefficient = $2r/(r+1)$, where r is the Pearson correlation coefficient. The normal range of corrected correlation coefficient $2r/(r+1)$ is between 0.0 and + 1.0 As shown in Table (5), the values of reliability were in the range from 0.756 to 0.937. and reliability for all fields = 0.930. This is considered high. So, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution to the population sample.

Table 4. Split-Half Coefficient method

Section	person- correlation	Spearman-Brown Coefficient
Digitalization	0.608	0.756
Team Resilience	0.882	0.937
Digital Leadership	0.789	0.882
Team Performance	0.679	0.809
Organizational Culture	0.839	0.912
Digital Banking	0.808	0.894
All items	0.870	0.930

2) Cronbach's Coefficient Alpha

Cronbach's coefficient alpha, introduced by Ritter (2010) as a measure of internal consistency, evaluates the extent to which the items in a scale jointly capture the same underlying construct. The statistic ranges from 0.00 to 1.00, with higher values indicating stronger reliability. Cronbach's alpha was computed for each domain of the questionnaire and for the instrument as a whole.

As reported in Table 5, alpha coefficients for the individual domains ranged from 0.825 to 0.942, while the overall instrument achieved an alpha of 0.969. These coefficients exceed the commonly accepted minimum threshold of 0.70 for social-science research, demonstrating that all domains—and the questionnaire in its entirety—possess a high degree of internal consistency. Consequently, the instrument can be regarded as both reliable and ready for administration to the study population.

Table 5. Cronbach's Alpha for Reliability

Section	No. of item	Cronbach's Alpha
Digitalization	5	0.825
Team Resilience	5	0.942
Digital Leadership	6	0.881
Team Performance	5	0.878

Organizational Culture	4	0.87
Digital Banking	6	0.881
All items	31	0.969

3.13 Methodological Limitations

Despite the keen methodological planning, some limitations could be pointed out, which might affect the generalization and interpretation of the findings of this study. As no research design can avoid all risks, the latter need to be discussed and, where possible, attenuated (Robson & McCartan, 2016).

3.13.1 Non-Probability Sampling Bias

As already identified, the research will use non-probability convenience sampling mainly for practical issues, including limited geographic mobility and a lack of a complete sampling frame of teams in Palestinian banks. While the convenience sample can enable the data collection to be timely and manageable, there is a risk that the sample cannot represent all types of teams or institutions in the banking sector (Saunders et al., 2019). For example, those teams very excited about digital transformation may have a higher chance of answering the survey. This can lead to distortion through a positive bias toward digitalization (Bryman & Bell, 2015).

Mitigation Strategy:

- Attempting to distribute the questionnaire across diverse banks—encompassing larger multinational banks, local institutions, and smaller specialized banks—helps increase heterogeneity in the sample.
- Encouraging participation from both early adopters and relatively slower adopters of digital banking technology may further enhance representativeness.
- Highlighting anonymity and the academic (rather than regulatory) purpose of the research may encourage more varied participation (Awwad & El Khoury, 2021).

3.13.2 Cross-Sectional Nature of the Study

The research design is cross-sectional; data will be collected only once. This is likely to impose limits on how strong the inference can go toward causality, especially whether digital leadership and culture foster resilience or teams that are higher in resilience take to more

proactive searches for stronger leaders' behaviors as well as strong cultural norms (Saunders et al., 2019).

Mitigation Strategy:

- By anchoring the hypotheses in well-established theoretical frameworks and prior empirical evidence (e.g., Linnenluecke, 2017; Newman et al., 2020), the study leverages theory to justify the directionality of causal paths.
- Statistical tests (using SEM-PLS) can help clarify the plausibility of causal claims through model fit and effect sizes; however, the results will be presented with a clear caveat about the design's inherent limitations.
- Future researchers may be encouraged to undertake longitudinal or experimental designs to confirm causality more definitively.

3.13.3 Common Method Bias (CMB)

Common method bias arises when data on independent and dependent variables are collected from the same set of respondents at the same point in time, which can inflate or even create artificial correlations (Podsakoff et al., 2003). For example, a very optimistic respondent might give consistently high marks on items measuring leadership, culture, and team performance, thereby artificially inflating the relationships among those constructs.

Incorporating procedural measures such as psychological separation of measures, ensuring items that capture the independent variables (e.g., digital leadership, organizational culture) are not immediately adjacent to the dependent variable items (e.g., team performance). Ensuring respondents understand that there are "no right or wrong answers," thus reducing social desirability bias. Conducting statistical analyses (e.g., Harman's single-factor test) to detect the presence of common method variance (Ramadan & Eleyan, 2021).

3.13.4 Cultural and Language Variations

Palestinian banking teams may comprise employees with different cultural backgrounds and language proficiencies (Arabic and English). Certain technical terms in digital banking (e.g., "cloud infrastructure," "API integration," or "FinTech partnerships") may lack direct Arabic equivalents, leading to possible misunderstandings or inconsistencies in responses (Al-Daya, Nassar, & Al-Massri, 2021). The questionnaire will be available in both Arabic and English, with careful back-translation procedures to ensure semantic equivalence (Saunders et al.,

2019). The expert review stage will include native Arabic speakers familiar with banking terminology, thereby refining any problematic or ambiguous phrasing. Brief definitions or examples may be embedded in the questionnaire for potentially unfamiliar concepts (Kitsios, Giatsidis & Kamariotou, 2021). Thus, the study has tried to balance practical research constraints with rigorous design principles that enhance validity by acknowledging its limitations at the outset and taking pro-active measures to minimize these limitations.

3.14 Data Management and Quality Control

In research endeavors that rely on large-scale survey data, robust data management protocols are vital to maintain accuracy, reliability, and confidentiality (Creswell, 2014). This section delineates the procedures for handling, storing, and validating data, ensuring compliance with ethical and methodological standards.

An online questionnaire platform (e.g., Qualtrics or Google Forms) may be employed to distribute and collect responses securely. This approach offers several benefits: Immediate Digital Capture minimizes transcription errors common in manual entry; Automated Encoding of Responses enhances accuracy in capturing Likert-scale or demographic data; Real-Time Monitoring allows the researcher to track response rates and completion statuses, enabling timely reminders if needed (Saunders et al., 2019). All data will be stored on a password-protected system, with regular backups conducted to mitigate risks of data corruption or loss. If paper-based surveys are used in specific branches with limited internet access, they will be manually entered into the system and cross-checked by at least one other researcher or research assistant to ensure error-free transcription (Bryman & Bell, 2015).

3.14.1 Coding and Variable Labeling

Each survey item will be assigned a unique alphanumeric code (e.g., DIGI_1 for the first digitalization item, CUL_3 for the third organizational culture item, etc.). The codebook, specifying these labels alongside item content, will be prepared before data collection to maintain consistency. Such systematic labeling facilitates smooth data analysis, particularly in SEM-PLS software (Hair et al., 2019).

3.14.2 Screening and Cleaning of Data

Upon concluding data collection, the researcher will screen the dataset for the following:

- **Incomplete Responses:** Survey entries with large sections unanswered will be removed or flagged if they do not meet a minimum threshold of completeness (e.g., at least 80% of the items answered).
- **Speeding and Straight-Lining:** Respondents who complete the survey in an unreasonably short time or use identical responses for all items might be identified and removed to maintain data integrity (Robson & McCartan, 2016).
- **Missing Values:** Missing data can distort SEM estimates. Where appropriate, modern imputation techniques (e.g., mean or median imputation, or a more sophisticated method such as regression imputation) may be used if missingness is minimal and random (Saunders et al., 2019).

3.14.3 Outlier Detection

Outliers—unusually high or low responses—can disproportionately affect SEM outcomes (Hair et al., 2019). Both univariate (e.g., z-scores) and multivariate (e.g., Mahalanobis distance) tests can be applied to identify and investigate anomalies. The researcher can decide whether to retain outliers if they appear genuine, or remove them if they result from data-entry errors or implausible response patterns (Bryman & Bell, 2015).

These procedures collectively aim to maximize the reliability and validity of the dataset, setting the stage for robust statistical modeling.

3.15 Plan for Result Analysis and Interpretation

Given the complexity of testing multiple relationships in a single integrated framework, a structured, step-by-step analysis plan is essential. This plan ensures clarity and transparency in how the results will be presented, offering a logical sequence from measurement validation to hypothesis testing (Hair et al., 2019).

3.15.1 Preliminary Descriptive Analysis

Before moving into SEM-PLS, the study will conduct basic descriptive statistics (means, standard deviations, frequencies) on all variables and demographic items. Such an overview can reveal patterns or irregularities—such as a skewed distribution in organizational culture scores or a particular concentration of participants in certain departments (Saunders et al., 2019).

3.15.2 Measurement Model Analysis

The measurement model will be scrutinized to ensure:

1. **Indicator Reliability:** The factor loadings of each item on its latent construct should ideally exceed 0.70 (Hair et al., 2019). If some items show low loadings, they may be dropped, provided theoretical justification supports the decision.
2. **Internal Consistency Reliability:** Cronbach's alpha and composite reliability (CR) both need to meet the common threshold of 0.70 or above.
3. **Convergent Validity:** The AVE of each construct should exceed 0.50, indicating that the items converge on a single underlying dimension (Bryman & Bell, 2015).
4. **Discriminant Validity:** Ensures each construct is distinct. This can be checked using the Fornell–Larcker criterion—where a construct's AVE should be greater than any squared correlation with other constructs—or via the Heterotrait–Monotrait (HTMT) ratio, which should ideally be below 0.85 (Hair et al., 2019).

3.15.3 Structural Model Analysis

Upon confirming the robustness of the measurement model, attention turns to the inner model:

1. **Estimation of Path Coefficients:** The direct relationships hypothesized (e.g., between digital banking and team resilience) are tested for both their magnitude and significance using the bootstrapping technique.
2. **R² and Predictive Relevance (Q²):** The R² indicates how much variance in a dependent variable (e.g., team resilience or organizational performance) is explained by its predictors. Q², assessed through blindfolding, provides an index of predictive relevance (Hair et al., 2019).
3. **Moderation Tests:** If organizational culture and digital leadership are posited to act as moderators, interaction terms will be incorporated. A significant interaction effect suggests that the strength of the relationship between, for instance, digital banking and team performance varies with different levels of the moderating variable (Benitez et al., 2022).

4. **Mediation Checks:** Should the conceptual framework include mediating paths (e.g., team resilience as a mediator between digitalization and organizational performance), the **indirect** effect (product of two path coefficients) and **direct** effect are compared to determine whether partial or full mediation emerges (Hair et al., 2019).

3.15.4 Interpretation and Discussion

Interpretation will be guided by both statistical significance (p-values, confidence intervals) and effect sizes. Even a statistically significant path may be of limited managerial relevance if its coefficient is small (Cohen's $f^2 < 0.02$ indicates a weak effect), whereas a non-significant result can still yield insights—pointing to unexpected dynamics within the Palestinian banking context (Saunders et al., 2019).

The discussion section will integrate these empirical findings with the theoretical perspectives from the literature review. For example, if the results confirm that “digital leadership has a strong positive effect on team resilience,” this finding could be linked to previous studies on leadership behaviors in transformation contexts (Newman et al., 2020). Where the results diverge from prior research, contextual factors such as regulatory conditions, socio-political constraints, or cultural norms in Palestine might offer plausible explanations (Ibaid, 2021).

Finally, the study's conclusions, recommendations, and policy implications—especially regarding how banks can bolster digital leadership and adopt supportive cultural traits—will be spelled out in subsequent chapters.

3.16 Alignment with Research Objectives

The overarching purpose of this chapter has been to demonstrate how the chosen methodology—comprising positivist assumptions, a deductive approach, a survey strategy, questionnaire data collection, and SEM-PLS analysis—addresses the study's research objectives. Specifically, the chapter outlines how data on constructs such as digitalization, organizational culture, and team resilience will be systematically gathered and subsequently analyzed to ascertain:

1. The **direct effects** of digital banking technologies on team resilience and organizational outcomes.
2. The **moderating roles** of digital leadership style and organizational culture in shaping these relationships.

3. The **mediating role** of team resilience in linking digitalization initiatives to organizational performance.

In doing so, each methodological element is crafted to ensure rigorous hypothesis testing, quantitative reliability and validity checks, and ethical safeguards. This alignment with the research objectives mirrors best practices in strategic management and information systems research, thus conferring both academic and practical relevance to the ensuing findings (Baskerville, Capriglione & Casalino, 2020).

3.17 Chapter Conclusion

This chapter developed an integrated methodological framework through which digital banking technologies, digital leadership style, and organizational culture might influence team resilience and, ultimately, organizational performance within the context of the Palestinian banking environment. By anchoring the research into a positivist paradigm and subsequently embracing a deductive approach in the conduct of the research, the study progresses from theoretically developed constructs to systematic testing via a survey strategy. Non-probability convenience sampling is utilized due to the necessity of considering the logistical realities and constraints inherent in the Palestinian banking sector. Inherently, these may carry some limitations regarding representativeness, although efforts are made to address these, for example, by targeting a broad range of banks and teams.

At the core of data collection is the questionnaire. It has been carefully designed and refined through expert evaluations and pilot testing to ensure robust content validity, reliability, and alignment with the local cultural and linguistic context. Core constructs underlying this research investigation, such as digitalization, team resilience, digital leadership, team performance, organizational culture, and digital banking, are herein operationalized by valid measurement items that capture theoretical nuances with practical realities. The data analysis will be done by Structural Equation Modeling, using the PLS approach, which is especially suited for predictive research into contexts with multiple latent variables and complicated relations. Furthermore, this approach allows for sample sizes to be moderately large, while mediation and moderation effects can also be explored. Ethical considerations include informed consent and anonymity, integral to the protection of participants throughout the process of research and their impact on the integrity of the results.

The methodological choices made for this research are combined to realize valid, reliable, and relevant findings regarding the drivers of organizational resilience and performance in a strongly and continuously changing digital environment. Based on the academic tradition of this study, by making careful procedural steps, the work sets up a sound basis for subsequent analyses and discussions that may enlighten banking executives, policy makers, and scholars willing to strengthen resilience in a setting of continued digital disruption.

CHAPTER FOUR: DATA ANALYSIS AND RESULTS

4.1 Introduction

Chapter Four presents the quantitative analysis and the results regarding the proposed model of digital banking, digital leadership, organizational culture, perceived team resilience, and perceived team performance in Palestinian banks. The analysis is based on the individual level ($n = 219$), and team variables are treated as the respondents' perceptions of their immediate team. The chapter proceeds sequentially: instrument quality (content, statistical, and criterion-related validity; reliability), data diagnostics (normality and multicollinearity), respondent profile, and descriptive statistics, followed by PLS-SEM evaluation—first the measurement model (loadings, composite reliability, AVE, and discriminant validity) and then the structural model (path coefficients, significance, and predictive/explanatory power). Using SmartPLS 4 with a standard 5,000-subsample bootstrap on the validated dataset ($n=219$), we test the hypothesized direct effects (H1–H4) and report R^2 , f^2 , and Q^2 alongside confidence intervals to support robust inference and transparency ahead of the Chapter Five discussion.

4.2 Normality Test

Normality is the pattern for partitioning data for individual variables and their relations to the standard division level for statistical techniques (Hair et al., 2010). SEM-PLS is simulated to present accurate model estimation even in unusual circumstances; that is, it works correctly with unique data (Cassel et al., 2009; Wetzel et al., 2009). However, Hair et al., (2014) recommended that researchers should carry out normality check on 2019 the data. To rest their contentions on the opinion that highly skewed data increases data bootstrap standard error (Chernick, 2011), and thus may undervalue the statistical importance of path coefficient (Hair et al., 2012).

To check for normality and to evaluate the likely deviations from normality and the shape of the partitioning of variables, this study used multivariate normality to check the data partitioning using kurtosis and skewness (Hair et al., 2010). Curran et al. (1996) and West et al. (1995) recommended cut-off value for evaluating data partitioning, where skewness value should be < 2 and Kurtosis value < 7 , Kline (2015) indicates that the kurtosis value of > 10 and skewness of > 3 may present a puzzle, and a value above 20 may suggest an additional severe problem.

Additionally, highly kurtotic or skewed data can strengthen bootstrapped standard error estimations (Chattejee & Yilmaz, 1992). Thus, the researcher conducted a multivariate normality test to assess data distribution using kurtosis and skewness (Hair et al., 2010). Further, Hair et al. (2010) contended that both kurtosis and skewness had observed measures in statistical schedules. Notwithstanding, based on the findings obtained as presented in Table (7), both kurtosis and skewness of the study variables were within the range (Bhatti et al., 2012; Verma, 2013).

Table 6. Normality Test: Skewness and Kurtosis Statistics (n=219)

Construct	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
Digitalization (D)	219	2.60	5.00	4.369	0.575	-1.076	0.164	0.239	0.327
Team Resilience (TR)	219	2.40	5.00	4.406	0.519	-1.296	0.164	1.977	0.327
Digital Leadership (DL)	219	2.50	5.00	4.352	0.527	-1.391	0.164	2.180	0.327
Team Performance (TP)	219	2.80	5.00	4.417	0.502	-0.816	0.164	-0.065	0.327
Organizational Culture(OC)	219	2.50	5.00	4.436	0.544	-1.161	0.164	0.879	0.327
Digital Banking(DB)	219	2.33	5.00	4.449	0.531	-1.230	0.164	1.148	0.327

4.3 Multicollinearity Test

Multicollinearity is defined as the linkage among two or more variables, where independent variables show a little relationship with one another (Pallant, 2010; Hair et al., 2010). The existence of multicollinearity can severely influence the value of the estimation of coefficients and hence, the statistical relevance (Chatterjee & Yilmaz, 1992; Tabachnich & Fidell, 2007). Multicollinearity exists on occasions where independent variables are closely related to one another (Hair et al., 2010). Thus, where two variables are similarly correlated, they embrace meaningless information and strengthen the error terms if both are included in the same analysis. Further, where high multicollinearity exists among variables, it will strengthen the

standard error of the regression coefficient resulting in less reliable of the statistical relevance of these coefficients. As highlighted by Pallant (2010) and Hair et al. (2010) investigation of tolerance and Variance Inflation Factor (VIF) is among the most significant test of multicollinearity with a scale of > 0.1 and < 10 respectively. Also, when the relationship among independent variables is as high as 90 ($r = 0.9$) or high, it shows the existence of multicollinearity between such variables (Hair et al., 2010; Pallant, 2010). Hence, this study checked multicollinearity by investigating the correlation matrix and by tolerance and VIF level of the independent variables. Table (7) shows the correlation matrix of exogenous variables

Table 7. Multicollinearity Test: Correlation Matrix (n=219)

Construct	Digitalization (D)	Team Resilience (TR)	Digital Leadership (DL)	Team Performance (TP)	Organizational Culture(OC)	Digital Banking(DB)
Digitalization (D)	1					
Team Resilience (TR)	.667**	1				
Digital Leadership (DL)	.722**	.619**	1			
Team Performance (TP)	.685**	.626**	.651**	1		
Organizational Culture (OC)	.684**	.699**	.624**	.625**	1	
Digital Banking (DB)	.770**	.672**	.736**	.657**	.728**	1

As presented in Table (8), the relationship between the variables was adequately below the recommended benchmark 0.9 or high, which suggests that the variables were independent and not highly correlated. Additionally, the researcher also checked the multicollinearity via the examination of tolerance and VIF through the regression results provided by smart PLS4 collinearity diagnostics findings. Hair et al. (2014) and Ringle and Sarstedt (2011) acknowledged this examination as the most important and most reliable test for multicollinearity. Further, Hair et al. (2014) highlighted that the VIF value of 5 or high and tolerance level of .20 presents the presence of multicollinearity.

Essentially, if VIF value is five or a tolerance level is .20, then 80% of that variable variance is explained by other independent variables in the model. In this study, the VIF values of all

independent variables are below five, and the tolerance levels are higher than 0.20, which signifies the non-existence of multicollinearity between the variables. Hence, both collinearity statistics using VIF and tolerance and collinearity matrix have shown that the variables in this study were free from any multicollinearity. Table (8) presents the tolerance level and VIF values for the variables in this study.

Table 8. Multicollinearity Test: Tolerance and VIF (n=219)

Construct	Collinearity Statistics	
	Tolerance	VIF
Digital Banking -> Team resilience	0.316	3.169
Digital Leadership Style -> Team resilience	0.361	2.773
Digital Leadership Style x Digital Banking -> Team resilience	0.375	2.664
Team resilience -> Teams performance Within bank	1.000	1.000
Organizational Culture (Employee) -> Team resilience	0.406	2.465
Organizational Culture (Employee) x Digital Banking -> Team resilience	0.402	2.485

4.4 Demographic Profile of Respondents

Table (9) presents the personal and professional characteristics of the participants involved in the study. A total of 219 respondents from various banking institutions participated in the survey.

Gender distribution shows that a significant majority of respondents were male (70.32%), while female participants accounted for 29.68%. This reflects a gender imbalance that is often characteristic of the banking industry in certain regions, particularly in senior and technical roles.

Age distribution indicates that the majority of respondents fall within the 36–45 years age group (45.66%), followed by those aged 46–55 years (26.48%). Younger respondents (18–25 years) represented only 0.91% of the sample. This suggests a mature workforce, likely with substantial institutional knowledge, which is particularly relevant when assessing strategic resilience and the capacity to adapt to digital disruption.

Regarding work experience in the banking sector, a considerable portion of participants (40.64%) had more than 15 years of experience, followed by 25.11% who had 11–15 years. Only 2.28% of respondents had between 1–5 years of experience. This distribution reinforces

the presence of a seasoned workforce that is well-positioned to reflect on long-term strategic changes and the impact of digital transformation initiatives over time.

In terms of current position, most respondents were in mid-management (45.21%) and senior management roles (42.47%), with executives comprising 8.68% and entry-level employees only 3.65%. The dominance of managerial-level respondents strengthens the study's insights, as these individuals are typically involved in strategic decision-making and are likely to have first-hand experience with institutional responses to digital disruption.

Table 9. Personal information (n=219)

Variable	Category	Frequency	Percent
Gender	Male	154	70.32%
	Female	65	29.68%
Age	18-25 years	2	0.91%
	26-35 years	41	18.72%
	36-45 years	100	45.66%
	46-55 years	58	26.48%
	56 years and above	18	8.22%
Years of experience in banking sector	Less than 1 year	41	18.72%
	1-5 years	5	2.28%
	6-10 years	29	13.24%
	11-15 years	55	25.11%
	More than 15 years	89	40.64%
Current position	Entry-level	8	3.65%
	Mid-management	99	45.21%
	Senior management	93	42.47%
	Executive	19	8.68%

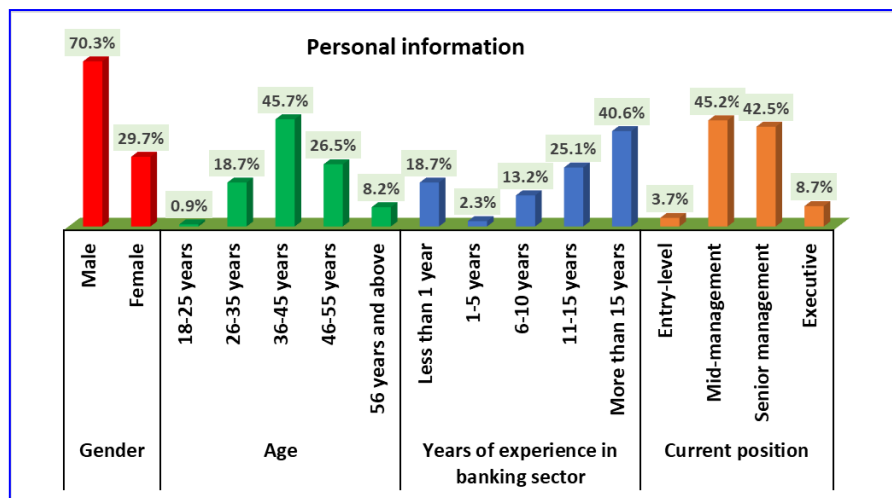


Figure 4.1. Personal information

4.5 Analysis of Questionnaire Domains

For all Statement of questionnaire, the degree of response for each item will be determined based on the five-point division (Likert scale) as follows:

- From 1 to less than 1.8 represent (strongly disagree)
- From 1.8 to less than 2.6 represent (disagree).
- From 2.6 to less than 3.4 represent (neutral)
- From 3.4 to less than 4.2 represent (agree).
- From 4.2 to 5.0 represent (strongly agree).

a) level of Digitalization

The results in Table (10) demonstrate a strong consensus on the level of digitalization within the organization, with an overall mean of 4.37 and a weight mean of 87.38%, all under the Strongly Agree (SA) category. This suggests that digital technologies are well integrated into business operations.

The highest-rated item (Mean = 4.46) shows that the organization effectively utilizes IT systems to support business operations, emphasizing the foundational role of IT in digital transformation. Closely following are items reflecting enhancement or replacement of core products/services with digital offerings (4.42) and the establishment of governance structures for digital initiatives (4.41), which demonstrate strategic management of digital transformation.

Items related to customer interaction through digital channels (4.29) and the digitization of internal processes (4.27), though slightly lower, still indicate a positive adoption level of digitalization practices.

Table 10. Digitalization (D)

No.	Item	Mean	standard deviation	Weight mean	Degree of approval	Rank
5	We effectively utilize IT systems to support business operations.	4.46	0.71	89.22%	SA	1
2	Our core products/services have been enhanced or replaced with digital offerings.	4.42	0.73	88.31%	SA	2
7	We have established governance structures to oversee digital initiatives.	4.41	0.73	88.13%	SA	3
4	We primarily interact with customers through digital channels.	4.29	0.88	85.84%	SA	4
3	Our internal processes are largely digitized.	4.27	0.97	85.39%	SA	5
	Overall items	4.37	0.58	87.38%		

SA: Strongly agree

b) Level of Team Resilience

The results in Table (11) indicate that team resilience within the organization is perceived to be at a high level, as evidenced by an overall mean of 4.41 and a weight mean of 88.13%, both falling under the "Strongly Agree" (SA) category. This suggests a robust capability among teams to maintain productivity and cohesion during adversity.

The highest-rated item (Mean = 4.49) highlights the team's ability to maintain performance under stress, a critical factor in ensuring continuity and effectiveness in dynamic environments. Closely following is the support of a resilient team culture (4.44), reflecting shared values and norms that encourage persistence and adaptability.

Other key strengths include transformational leadership (4.40) and rapid adaptation to change (4.37), both of which contribute to team flexibility and morale during uncertain times. However, the item on psychological safety (4.33), while still rated highly, ranks the lowest among the factors. This may suggest the need for further strengthening of open communication and emotional support mechanisms in team environments.

Table 11. Team Resilience (TR)

No.	Item	Mean	standard deviation	Weight mean	Degree of approval	Rank
15	Our team maintains performance levels despite adversity.	4.49	0.72	89.86%	SA	1
5	Our team culture supports resilience in the face of setbacks.	4.44	0.67	88.86%	SA	2
6	Team leaders provide transformational leadership during challenging times.	4.40	0.79	87.95%	SA	3
9	Our team adapts quickly to changing circumstances.	4.37	0.79	87.40%	SA	4
13	Our team environment is psychologically safe for sharing concerns.	4.33	0.78	86.58%	SA	5
	Overall items	4.41	0.52	88.13%	SA	

SA: Strongly agree

c) Level of Digital Leadership

Table (12) reflects a strong perception of digital leadership within the organization, with an overall mean of 4.35 and a weight mean of 87.05%, indicating robust agreement that leaders play a pivotal role in steering digital transformation.

The highest-rated item (Mean = 4.42) highlights that leaders ensure digital initiatives align with organizational goals, which is critical for the coherence and success of digital strategies. Leadership also excels at mobilizing necessary resources (Mean = 4.41) and actively initiating digital transformation efforts (Mean = 4.39), showcasing proactive commitment.

Somewhat lower scores on managing digital processes (4.29) and driving digital change (4.25) suggest potential areas for improvement in execution and leadership effectiveness during ongoing change management.

Table 12. Digital Leadership (DL)

No.	Item	Mean	standard deviation	Weight mean	Degree of approval	Rank
4	Leaders ensure digital initiatives align with organizational goals.	4.42	0.72	88.40%	SA	1
5	Our leadership successfully mobilizes necessary resources for digital projects.	4.41	0.73	88.13%	SA	2
1	Our leaders actively initiate digital transformation initiatives.	4.39	0.74	87.85%	SA	3
6	Leaders are effective at allocating resources to support digital transformation.	4.36	0.78	87.12%	SA	4
3	Our leadership competently manages digital processes and initiatives.	4.29	0.87	85.75%	SA	5
2	Leaders in our organization effectively drive digital change.	4.25	0.80	85.02%	SA	6
	Overall items	4.35	0.53	87.05%	SA	

SA: Strongly agree

d) Level of Organization Performance

The results from Table (13) demonstrate a strong perception of digital leadership within the organization, with an overall mean score of 4.35 and a weighted mean of 87.05%, falling under the "Strongly Agree (SA)" category. This indicates that leadership plays a significant role in driving and supporting digital transformation efforts effectively.

The highest-rated item (Mean = 4.42) reflects that leaders are ensuring a clear alignment between digital initiatives and organizational goals, which is crucial for the strategic success of digital transformation. Additionally, leadership shows strength in mobilizing resources (Mean = 4.41) and initiating digital projects (Mean = 4.39), which highlights their proactive engagement in digital change.

However, slightly lower ratings were observed for managing digital processes (4.29) and driving digital change (4.25). While still within the "Strongly Agree" range, these scores suggest room for improvement in the operational execution and change management aspects of digital leadership.

Table 13. Organization Performance (OP)

No.	Item	Mean	standard deviation	Weight mean	Degree of approval	Rank
2	We regularly monitor progress toward team goals.	4.52	0.66	90.32%	SA	1
9	Team members demonstrate commitment to collective success.	4.47	0.66	89.41%	SA	2
1	Our team consistently achieves its established goals and objectives.	4.42	0.78	88.49%	SA	3
8	Our team regularly introduces innovative ideas and improvements.	4.40	0.68	88.04%	SA	4
5	The quality of work produced by our team meets or exceeds standards.	4.27	0.88	85.48%	SA	5
	Overall items	4.42	0.50	88.35%	SA	

SA: Strongly agree

e) Level of Organizational Culture (OC)

Table (14) reveals that the organizational culture is perceived very positively, with an overall mean of 4.44 and a weight mean of 88.72%, indicating strong agreement that the culture supports key elements of engagement, innovation, transparency, and technological readiness.

The highest-ranked item (Mean = 4.47) shows that employees demonstrate high levels of engagement and commitment, a vital factor that drives performance and organizational success. Closely tied are perceptions that innovation is valued and rewarded and that information is shared transparently across departments (both with a mean of 4.46). This highlights a culture that not only encourages new ideas but also fosters open communication.

The willingness of the organization to embrace new technologies (Mean = 4.37) further reinforces a culture of adaptability and forward-thinking, crucial for thriving in dynamic business environments.

Table 14. Organizational Culture (OC)

No.	Item	Mean	standard deviation	Weight mean	Degree of approval	Rank
7	Our employees demonstrate high levels of engagement and commitment.	4.47	0.69	89.32%	SA	1
3	Innovation is valued and rewarded in our organization.	4.46	0.76	89.13%	SA	2
9	Information is shared transparently across departments.	4.46	0.71	89.13%	SA	2
1	Our organization readily embraces new technologies.	4.37	0.86	87.31%	SA	3
	Overall items	4.44	0.54	88.72%	SA	

SA: Strongly agree

f) Level of Digital Banking

The data in Table (15) reflects a strong positive perception regarding the digital banking capabilities of the organization, with an overall mean score of 4.45 and a weighted mean of 88.98%, indicating widespread agreement on the bank's readiness and effectiveness in this domain.

The highest-rated item (Mean = 4.54) underscores that employees demonstrate strong readiness to support digital banking initiatives, signaling a well-prepared workforce critical for successful implementation. A clear digital banking strategy (4.49) and effective management of barriers to implementation (4.49) further emphasize strategic planning and operational agility.

Regulatory compliance (4.47) and leadership direction (4.47) also score highly, reflecting the organization's capability to navigate the complex banking environment while maintaining strong governance. The relatively lower score for customer adoption of digital services (4.31), though still positive, indicates a potential area for focused improvement.

Table 15. Digital Banking (DB)

No.	Item	Mean	standard deviation	Weight mean	Degree of approval	Rank
6	Employees demonstrate readiness to support digital banking initiatives.	4.54	0.61	90.78%	SA	1
1	Our bank has a clear digital banking strategy.	4.49	0.65	89.86%	SA	2
7	We successfully address barriers to digital banking implementation.	4.49	0.61	89.77%	SA	3
4	We effectively navigate regulatory compliance in our digital offerings.	4.47	0.69	89.41%	SA	4
2	Leadership provides strong direction for digital banking initiatives.	4.47	0.72	89.32%	SA	5
3	Our technological infrastructure adequately supports digital banking services.	4.42	0.81	88.40%	SA	6
5	Our customers readily adopt new digital banking services.	4.31	0.92	86.12%	SA	7
	Overall items	4.45	0.53	88.98%	SA	

SA: Strongly agree

4.6 Descriptive Statistics of Study Variables

Table (16) represent the descriptive statistics of study variables. The mean values for all variables range between 4.35 and 4.45, indicating a consistently high level of agreement among participants across all key dimensions. This suggests that the respondents perceive their organization as well-developed in terms of digital transformation, leadership, culture, team resilience, and performance outcomes.

- Digital Banking (DB) and Organizational Culture (OC) have the highest mean scores (4.45 and 4.44 respectively), reflecting strong confidence in the organization's cultural environment and digital banking capabilities.
- Organizational Performance (OP) also scores highly (4.42), which aligns with positive perceptions in related variables such as team resilience and digital leadership.

- Digital Leadership (DL) and Digitalization (D) have slightly lower but still strong means (4.35 and 4.37), indicating effective leadership and digital integration, though there may be areas for continuous improvement.

The relatively low standard deviations (ranging from 0.50 to 0.58) imply that responses were fairly consistent, with limited variability among participants' perceptions.

Table 16. Descriptive Statistics of Study Variables: Mean and Standard Deviation (n=219)

Variable	Mean	Std. Deviation
Digitalization (D)	4.37	0.58
Team Resilience (TR)	4.41	0.52
Digital Leadership (DL)	4.35	0.53
Organization Performance (OP)	4.42	0.50
Organizational Culture (OC)	4.44	0.54
Digital Banking (DB)	4.45	0.53

4.7 Assessment of PLS-SEM Path Modeling

Following the coding and screening of the information as described in the previous section, the researcher employed a two-step process to assess and report the findings of the PLS-SEM path as recommended by Henseler et al. (2009). This consists of (1) assessment of the measurement model and (2) assessment of the structural model, as presented in Figure 2 (Hair et al., 2014. 2016; Henseler et al., 2009).

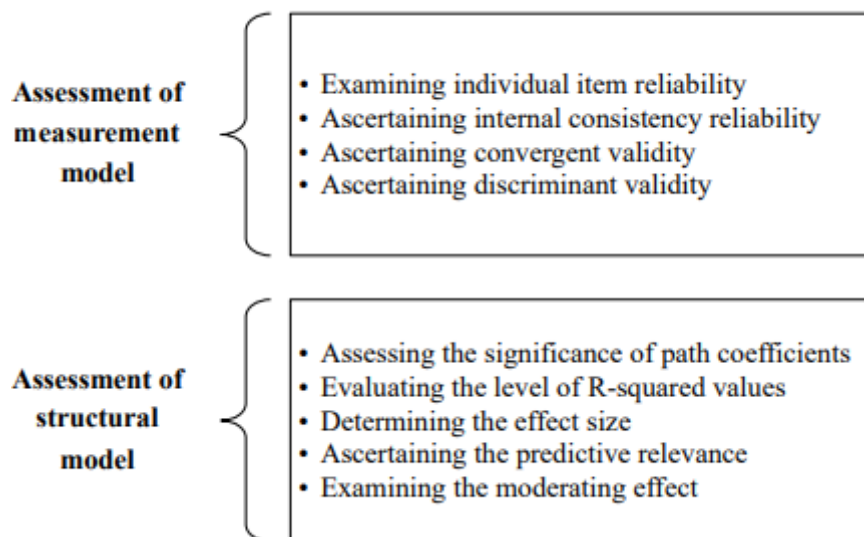


Figure 4.2. Two-Step Process of PLS Path Model Assessment
Source: Henseler et al. (2009)

a) Assessment of the Measurement Model

An assessment of reflective measurement model (internal audit competency, internal audit independence, internal audit work performed, risk-based internal audit, internal control activities, internal and external auditors coordination, financial reporting quality, audit committee interaction, senior management support, information technology usage) involves establishing individual item internal consistency, convergent validity, reliability and discriminant validity (Hair et al., 2014; Henseler et al., 2009). Thus, the measurement model assessment of reliability validity of reflective variables was evaluated based on this model (i.e., Figure 3). Further, as indicated earlier, the first stage of analysis carryout consists of indicators reliability, composite reliability, and reflective construct validity and the importance of the statistical input of each indicator to the primary variable were also established

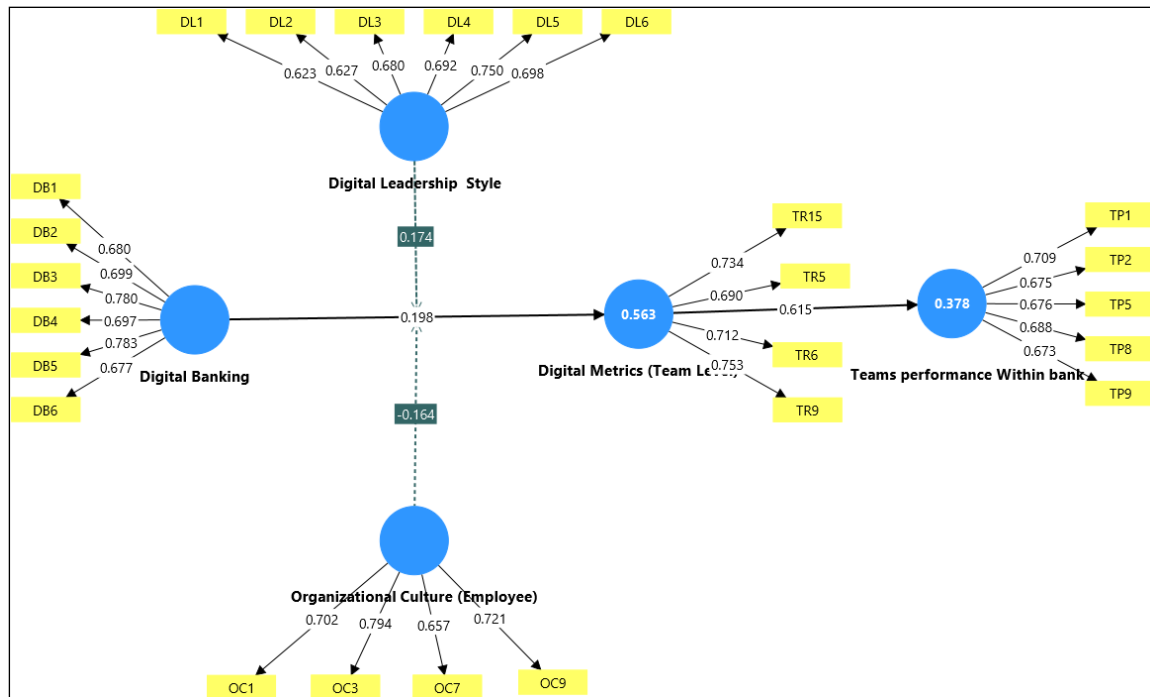


Figure 4.3. Reflective Measurement Models for IVs, DV and Moderating Variables

Four parts were highlighted in evaluating reflective measurement models, which comprise; individual items internal consistency and reliability employing discriminant validity using the square root of Average Variance Extracted (AVE) and composite reliability, the convergent validity of AVE accordingly.

b) Individual Items Reliability of Reflective Measurement Models

Individual item reliability was assessed by investigating the outer loadings of each variable (Duarte, Alves & Raposo, 2010; Hair, Sarstedt, Ringle & Mena, 2012). In accordance with the rule of thumb for maintaining indicators items with loadings range 0.50 and .70 (Hair et al., 2014), it was shown that out of 53 items measuring (19) items were deleted because their loadings are below the yardstick of .50. Thus, 34 items stand in the main reflective model as they had loadings between 0.623 and 0.794 using commonality factor analysis (see Table 18).

Table 17. Measurement Model: Loadings, Reliability and Convergent Validity

Constructs	Items	Outer loadings	CR	AVE
Digital Banking	DB1	0.680	0.866	0.520
	DB2	0.699		
		0.780		
	DB4	0.697		
	DB5	0.783		
	DB6	0.677		
Digital Leadership Style	DL1	0.623	0.837	0.462
	DL2	0.627		
	DL3	0.680		
	DL4	0.692		
	DL5	0.750		
	DL6	0.698		
Organizational Culture (Employee)	OC1	0.702	0.811	0.518
	OC3	0.794		
	OC7	0.657		
	OC9	0.721		
Teams performance Within bank	TP1	0.709	0.815	0.468
	TP2	0.675		
	TP5	0.676		
	TP8	0.688		
	TP9	0.673		
Team resilience	TR15	0.734	0.814	0.522
	TR5	0.690		
	TR6	0.712		
	TR9	0.753		

Table (17) provides key psychometric properties for the constructs used in the study, including item loadings, Composite Reliability (CR), and Average Variance Extracted (AVE). These indicators assess convergent validity and internal consistency reliability of the measurement model.

- Outer Loadings (acceptable if ≥ 0.70 , though values between 0.60–0.70 can be tolerated)
- Composite Reliability (CR) (should be ≥ 0.70)
- Average Variance Extracted (AVE) (acceptable if ≥ 0.50)

Digital Banking

- CR = 0.866 $\rightarrow$ indicates good internal consistency.
- AVE = 0.520 $\rightarrow$ meets the threshold for acceptable convergent validity.
- Outer Loadings range from 0.677 to 0.783, with DB1 and DB6 slightly below 0.70 but still within acceptable limits.

Digital Leadership Style

- CR = 0.837 $\rightarrow$ good reliability.
- AVE = 0.462 $\rightarrow$ below the recommended 0.50 threshold, indicating weaker convergent validity.
- Several items (DL1, DL2, DL3, DL4, DL6) have loadings below 0.70.

Organizational Culture (Employee Perspective)

- CR = 0.811 $\rightarrow$ acceptable reliability.
- AVE = 0.518 $\rightarrow$ acceptable convergent validity.
- Outer Loadings range from 0.657 to 0.794, most being acceptable.

Teams Performance Within Bank

- CR = 0.815 $\rightarrow$ satisfactory internal consistency.
- AVE = 0.468 $\rightarrow$ slightly below the threshold, suggesting marginal convergent validity.
- All outer loadings are close to or slightly below 0.70 (0.673–0.709).

Team resilience

- CR = 0.814 $\rightarrow$ strong reliability.
- AVE = 0.522 $\rightarrow$ acceptable convergent validity.
- Outer Loadings range from 0.690 to 0.753, all within an acceptable range.

c) Internal Consistency of Reflective Measurement Models

In line with Sun et al. (2007) and Bijttebier et al. (2000), internal consistency reliability can be seen as the degree to which all items on specific (sub) scale measure the same variable. Cronbach's alpha coefficient and composite reliability coefficient are the most widely employed estimators of the internal consistency reliability of an instrument in academic studies (e.g., Bacon, Sauer, & Young, 1995; McCrae, Kurtz, Yamagata & Terracciano, 2011; Peterson & Kim, 2013). In the current research, the composite reliability coefficient was selected to determine the internal consistency reliability of measures adapted based on two main reasons. First, composite reliability coefficient provides a less biased evaluation of reliability than Cronbach's alpha coefficient for the reason that the later presume all items contribute equally to the variable without taking into consideration the actual contribution of an individual item loadings (Barclay, Higgins, & Thompson, 1995; Götz, Liehr-Gobbers & Krafft, 2010). Second, Cronbach's alpha coefficient may under-evaluate scale reliability. The composite reliability indicators loadings are different and can be interpreted in a similar way as Cronbach's alpha (i.e., irrespective of what reliability coefficient is used, an internal consistency reliability value above .70 is taken as agreeable for an adequate model, whereas a value below .60 is seen as lack of reliability). Still, the explanation of internal consistency reliability employing the composite reliability coefficient was on based on the rule of thumb suggested by Hair et al. (2011) and Bagozzi and Yi (1988), who highlighted that the composite reliability coefficient should be at least .70 or more. Table 19 presents that the composite reliability coefficient of each variable ranged from 0.814 to 0.866, with each higher than the minimum satisfactory level of .70. Thus, the internal consistency reliability of all the reflective variables (composite reliability) in this study is adequate (Bagozzi & Yi, 1988; Hair et al., 2011).

Table 18. Measurement Model: Internal Consistency, Convergent and Cronbach Alpha of
($n=219$)

Construct	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Digital Banking	0.815	0.827	0.866	0.520
Digital Leadership Style	0.767	0.773	0.837	0.462
Team resilience	0.695	0.698	0.814	0.522
Organizational Culture (Employee)	0.690	0.695	0.811	0.518
Teams performance Within bank	0.717	0.717	0.815	0.468

This table evaluates the measurement model using four key reliability and validity metrics:

- Cronbach's Alpha: Measures internal consistency; values ≥ 0.70 are considered acceptable.
- Composite Reliability (ρ_a and ρ_c): Assesses construct reliability; values ≥ 0.70 are considered good.
- Average Variance Extracted (AVE): Measures convergent validity; should be ≥ 0.50 to indicate that the construct explains more than half the variance of its indicators.

1. Digital Banking

- Cronbach's Alpha = 0.815, $\rho_a = 0.827$, $\rho_c = 0.866$ → All values exceed the acceptable threshold, indicating strong internal consistency and construct reliability.
- AVE = 0.520 → Satisfies the minimum requirement for convergent validity.

2. Digital Leadership Style

- Cronbach's Alpha = 0.767, $\rho_a = 0.773$, $\rho_c = 0.837$ → All reliability measures are acceptable.
- AVE = 0.462 → Falls slightly below the 0.50 threshold, indicating that the indicators may not adequately capture the latent construct.

3. Team resilience

- Cronbach's Alpha = 0.695 and $\rho_a = 0.698$ → Just below the conventional threshold but still acceptable in exploratory research.
- $\rho_c = 0.814$ → Indicates good composite reliability.
- AVE = 0.522 → Indicates acceptable convergent validity.

4. Organizational Culture (Employee Perspective)

- Cronbach's Alpha = 0.690, $\rho_a = 0.695$ → Slightly below the 0.70 threshold.
- $\rho_c = 0.811$, AVE = 0.518 → Indicate good composite reliability and acceptable convergent validity.

5. Teams Performance Within Bank

- Cronbach's Alpha = 0.717, $\rho_a = 0.717$, $\rho_c = 0.815$ → All reliability indicators meet the recommended thresholds.
- AVE = 0.468 → Below the 0.50 benchmark, suggesting weak convergent validity.

4.8 Convergent Validity of Reflective Measurement Models (AVE)

Hair et al. (2006) defined convergent validity as the extent to which items perfectly represent the intended latent variable and associate with other measures of the same latent variable. Convergent validity was assessed by investigating the AVE of each variable, as suggested by Hair et al. (2014). To obtain a perfect convergent validity, Chain (2015) recommended that AVE of each variable should be .50 or higher. As presented in Table 20, the value of all the variables (internal audit competency, internal audit independence, internal audit work performed, risk-based internal auditing, internal control activities, internal and external auditors coordination, audit committee interaction, senior management support, information technology usage, financial reporting quality). Following the suggestions of Hair et al. (2011) and Chain (1998), the AVE values of all the reflective variables in the current study are attained. Thus, the convergent validity in the present study is adequate (see Table 19).

4.9 Discriminant Validity of Reflective Measurement Models

1. Fornell-Locker Criterion

Discriminant validity is a method of establishing variable validity, and it's involved the magnitude to which a specific variable is dissimilar with other variables in the same model (Duarte & Raposo, 2010; Hair et al., 2014). When a variable is distinct and captures activities that do not symbolise other variables, it's suggested that the discriminant validity is substantiated (Barroso et al., 2010; Hair et al., 2014). Hair et al. (2014) highlighted two methods for confirming discriminant validity: the first method is the Fornell-Lacker approach where a variable has discriminant validity when the square root of its AVE is more significant than its association with any other variables in the model (Fornell-Locker, (1981). The deduction being that if the square root of AVE of the variable is more significant than its association with other variables, it shows that a specific variable shares more variance than its correlated sign than with any other variable in the model. Hence, this variable is dissimilar from other variables (Hair et al., 2014). Based on this approach, all variables in this study attained discriminant validity, presented in Table 19 below.

Table 19. Discriminant Validity (Fornell-Locker Criterion) (n=219)

	Digital Banking	Digital Leadership Style	Team resilience	Organizational Culture (Employee)	Teams performance Within bank
Digital Banking	0.721				
Digital Leadership Style	0.737	0.680			
Team resilience	0.639	0.609	0.723		
Organizational Culture (Employee)	0.728	0.636	0.682	0.720	
Teams performance Within bank	0.653	0.655	0.615	0.635	0.684

The Fornell-Larcker criterion is used to assess discriminant validity, which ensures that each construct in a model is distinct from others. According to this criterion:

A construct's square root of AVE (diagonal value) must be greater than its correlations with all other constructs (off-diagonal values).

Diagonal Values ($\sqrt{\text{AVE}}$) from Table 20:

- Digital Banking = 0.721
- Digital Leadership Style = 0.680
- Team resilience = 0.723
- Organizational Culture (Employee) = 0.720
- Teams Performance Within Bank = 0.684

Each of these values appears in the diagonal and represents the square root of the AVE of the corresponding construct.

Interpretation:

Construct	Discriminant Validity Established?	Reason
Digital Banking	Yes	0.721 > all correlations with other constructs (e.g., 0.737, 0.728, etc.)
Digital Leadership Style	Yes	0.680 > all its correlations (highest is 0.737 with DB)
Team resilience	Yes	0.723 > all correlations (max is 0.682 with OC)
Organizational Culture	Yes	0.720 > all other correlations (max is 0.728 with DB)
Teams Performance	Yes	0.684 > all its correlations (max is 0.655 with DL)

Even though some inter-construct correlations are moderately high (e.g., Digital Banking ↔ Organizational Culture = 0.728), the square root of AVE values (on the diagonal) are all higher than the off-diagonal correlation values, satisfying the Fornell-Larcker criterion.

2. Cross loadings

The second approach for evaluating the discriminant validity of variables is by investigating the cross-loading of individual signs (Hair et al., 2014). For a variable to have discriminant validity employing a cross-loading approach, all its signs loading should be higher than their cross-loadings (cross-loadings) on other variables (Chin, 1998). Hair et al. (2011) rated that cross-loading is widely seen as a generous approach concerning determining discriminant validity. The assessment of discriminant validity based on the cross-loading method is presented in Table 20.

Table 20. cross-loading method

Item	Digital Banking	Digital Leadership Style	Team resilience	Organizational Culture (Employee)	Teams performance Within bank
DB1	0.680	0.454	0.389	0.468	0.401
DB2	0.699	0.505	0.386	0.489	0.442
DB3	0.780	0.589	0.540	0.567	0.536
DB4	0.697	0.521	0.460	0.508	0.432
DB5	0.783	0.599	0.550	0.615	0.601
DB6	0.677	0.500	0.395	0.479	0.364
DL1	0.446	0.623	0.393	0.364	0.405
DL2	0.474	0.627	0.359	0.360	0.408
DL3	0.539	0.680	0.369	0.393	0.436
DL4	0.475	0.692	0.379	0.410	0.419
DL5	0.588	0.750	0.479	0.556	0.494
DL6	0.480	0.698	0.477	0.473	0.492
OC1	0.515	0.503	0.515	0.702	0.482
OC3	0.604	0.565	0.507	0.794	0.472
OC7	0.469	0.335	0.400	0.657	0.418
OC9	0.504	0.408	0.525	0.721	0.451
TP1	0.503	0.491	0.419	0.411	0.709
TP2	0.451	0.480	0.445	0.473	0.675
TP5	0.472	0.463	0.371	0.378	0.676
TP8	0.394	0.413	0.453	0.415	0.688
TP9	0.419	0.394	0.406	0.489	0.673
TR15	0.456	0.465	0.734	0.522	0.433
TR5	0.441	0.418	0.690	0.430	0.431
TR6	0.468	0.411	0.712	0.479	0.419
TR9	0.484	0.464	0.753	0.533	0.491

Evaluation of Cross-Loadings

1. Digital Banking Items (DB1 – DB6)

- All items (DB1 to DB6) have their highest loading on the Digital Banking construct, ranging from 0.677 to 0.783.
- Loadings on other constructs (e.g., Digital Leadership, Organizational Culture) are consistently lower.

Interpretation: Items are appropriately measuring Digital Banking and show good discriminant validity.

2. Digital Leadership Style Items (DL1 – DL6)

- Each DL item loads highest on the Digital Leadership Style construct, with values ranging from 0.623 to 0.750.
- Loadings on other constructs are lower in each case.

Interpretation: The items demonstrate good discriminant validity for Digital Leadership Style.

3. Organizational Culture (Employee) Items (OC1, OC3, OC7, OC9)

- Each item has the highest loading on the Organizational Culture construct, especially OC3 (0.794) and OC9 (0.721).
- Cross-loadings on other constructs remain lower.

Interpretation: Indicators reliably reflect the Organizational Culture construct.

4. Teams Performance Within Bank Items (TP1 – TP9)

- All items load highest on the Teams Performance construct, with loadings between 0.673 and 0.709.
- Loadings on other constructs remain notably lower.

Interpretation: Discriminant validity is established for the Teams Performance construct.

5. Team resilience Items (TR15, TR5, TR6, TR9)

- All items have the highest loading on the Team resilience construct, with values ranging from 0.690 to 0.753.
- Cross-loadings on other constructs (e.g., DB, DL, OC) are lower.

Interpretation: These items show strong discriminant validity and measure the intended construct.

3. Heterotrait-monotrait ratio (HTMT)

Table 22 shows a Discriminant Validity matrix using the Heterotrait-monotrait ratio .

Discussion and Results: Discriminant Validity (HTMT Analysis)

Discriminant validity refers to the extent to which a construct is truly distinct from other constructs in the model, both conceptually and statistically. In this study, discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT) as suggested by Henseler et al. (2015), which is considered a more reliable method than traditional cross-loadings or Fornell-Larcker criteria, especially in PLS-SEM.

4. HTMT Thresholds and Interpretation

According to established guidelines:

- An HTMT value below 0.90 indicates acceptable discriminant validity (Gold standard).
- In more lenient contexts, values below 0.85 are considered conservative, and values between 0.85 and 0.90 are acceptable depending on construct similarity.
- Values above 0.90 suggest a potential lack of discriminant validity, meaning constructs may be overlapping.

Table 21. Discriminant Validity (Heterotrait-monotrait ratio (HTMT)) (n=219)

Construct	Digital Banking	Digital Leadership Style	Team resilience	Organizational Culture (Employee)	Teams performance Within bank
Digital Banking					
Digital Leadership Style	0.925				
Team resilience	0.836	0.825			
Organizational Culture (Employee)	0.961	0.853	0.974		
Teams performance Within bank	0.842	0.878	0.865	0.899	
Digital Leadership Style x Digital Banking	0.701	0.782	0.457	0.584	0.498
Organizational Culture (Employee) x Digital Banking	0.701	0.653	0.652	0.736	0.601

Understanding HTMT

The Heterotrait-Monotrait Ratio (HTMT) is a more stringent and reliable method for assessing discriminant validity in structural equation modeling. It compares the average correlations across constructs (heterotrait) to the average correlations within the same construct (monotrait).

Thresholds for HTMT:

- $HTMT < 0.90$ → Discriminant validity is established (conservative threshold).
- $HTMT < 0.85$ → More rigorous standard (used in highly sensitive models).
- $HTMT > 0.90$ → Potential problem with discriminant validity.

Construct Pair	HTMT Value	Interpretation
Digital Banking – Digital Leadership Style	0.925	Above 0.90 → Discriminant validity issue
Digital Banking – Team resilience	0.836	Acceptable
Digital Banking – Organizational Culture	0.961	Serious concern – very high correlation
Digital Banking – Team Performance	0.842	Acceptable
Digital Leadership Style – Team resilience	0.825	Acceptable
Digital Leadership Style – Organizational Culture	0.853	Borderline – very close to 0.85/0.90
Digital Leadership Style – Team Performance	0.878	High, but still below 0.90
Team resilience – Organizational Culture	0.974	Major discriminant validity issue
Team resilience – Team Performance	0.865	Acceptable
Organizational Culture – Team Performance	0.899	Acceptable

Critical Issues Identified

- Three pairs exceed or are very close to the critical threshold of 0.90:
 - Digital Banking – Digital Leadership Style (0.925)
 - Digital Banking – Organizational Culture (0.961)
 - Team resilience – Organizational Culture (0.974)

The point estimates of these HTMTs imply some degree of overlap between these closely related constructs. Accordingly, this dissertation adopts HTMT inference to arrive at a defensible conclusion, where if the bootstrapped HTMT confidence interval for two constructs does not include 1.00, then discriminant validity is deemed sufficient for these two constructs, while if it does include 1.00, then the measurement model needs to be refined before it can be defended.

HTMT inference method with bootstrapped confidence intervals. As HTMT point values can be above recommended thresholds for PLS-SEM models that include conceptually related constructs in predictive models, discriminant validity was further tested by using HTMT inference with bootstrapped confidence intervals in SmartPLS. For this method, 5,000 bootstrap samples with 95% confidence intervals were used. Discriminant validity for two constructs is confirmed if the HTMT confidence interval is below 1.00.

Given the high levels of HTMT for these construct pairs, the measurement model was also refined by removing indicators that had shown the greatest overlap with theoretically adjacent constructs (based on their cross-loadings and HTMT values). These indicators were removed incrementally only when doing so improved discriminant validity while maintaining reasonable reliability and convergent validity for these constructs. The final model kept indicators that best captured the conceptual domain of each construct.

Construct Pairs with Acceptable HTMT Values

- Most other pairs (e.g., Digital Banking – Team resilience, Team resilience – Team Performance) fall within acceptable HTMT limits, indicating sufficient discriminant validity between those constructs.

The fit summary evaluates how well the structural model represents the data using a range of model fit indices. The table compares both the saturated model (which imposes no restrictions) and the estimated model (which incorporates the hypothesized relationships).

Key Fit Indices Explained and Interpreted

Index	Saturated Model	Estimated Model	Interpretation
SRMR (Standardized Root Mean Square Residual)	0.069	0.090	Acceptable for saturated (<0.08); borderline for estimated (≤ 0.10)
d_ULS (Squared Euclidean Distance)	1.532	2.621	No strict cutoff; lower values indicate better fit
d_G (Geodesic Distance)	0.480	0.544	No fixed threshold; used comparatively
Chi-square	563.862	615.018	Lower values are preferred; mainly informative in PLS-SEM
NFI (Normed Fit Index)	0.731	0.707	Below the desired threshold of 0.90; indicates weak model fit

Interpretation by Index

1. SRMR (Standardized Root Mean Square Residual)

- Saturated Model SRMR = 0.069 → Acceptable (below 0.08).
- Estimated Model SRMR = 0.090 → Acceptable but borderline; within the upper threshold of 0.10.

SRMR suggests that the model has an acceptable level of approximate fit, although the estimated model could be improved.

2. d_ULS and d_G

- These distances (1.532 for d_ULS and 0.480 for d_G in the saturated model) increase in the estimated model.

While no universal cutoff exists, lower values are better, and a substantial increase from the saturated to the estimated model may signal reduced fit quality.

3. Chi-square

- Values for the saturated and estimated models (563.86 and 615.02, respectively) are informative but not central in PLS-SEM due to its distributional assumptions.

The slight increase in the estimated model is expected and not alarming in this context.

4. NFI (Normed Fit Index)

- Saturated Model = 0.731
- Estimated Model = 0.707

Both are well below the recommended threshold of 0.90, indicating limited global model fit.

- The model shows moderate fit:
 - SRMR is within acceptable limits.
 - d_ULS and d_G are interpretable, though improved values are preferable.
 - In variance-based PLS-SEM approaches, global model fit criteria such as NFI and SRMR are not considered strict acceptance/rejection criteria, and model evaluation primarily follows (i) measurement model evaluation and (ii) explanation and prediction purposes. Thus, the model may be justified not only on the basis of approximate model fit (SRMR = 0.090, which is within the suggested range of ≤ 0.10 for the estimated model) but also on the basis of explanation and prediction purposes. In this study, the structural model has good explanation power for team resilience ($R^2 = 0.563$) and team performance ($R^2 =$

0.378), as well as good prediction relevance for team resilience ($Q^2_{\text{predict}} = 0.526$) and team performance ($Q^2_{\text{predict}} = 0.446$).

	Saturated model	Estimated model
SRMR	0.069	0.090
d_{ULS}	1.532	2.621
d_G	0.480	0.544
Chi-square	563.862	615.018
NFI	0.731	0.707

4.10 Assessment of the Structural Model

As indicated before, once the measurement model (outer model) is entirely satisfied, and the validity and reliability of the model are established, the next step was to evaluate the structural model results. This comprises assessing the structural model association between the variable and predictive abilities. The principal method for determining the structural model in SEM-PLS is the significance of the coefficient determination of (R^2), path coefficient, predictive relevance (Q^2), and the effect size (F^2) Hair et al. (2014). The current study has conducted a systematic model review of the structural model to present a detailed analysis of the results and hypotheses tested.

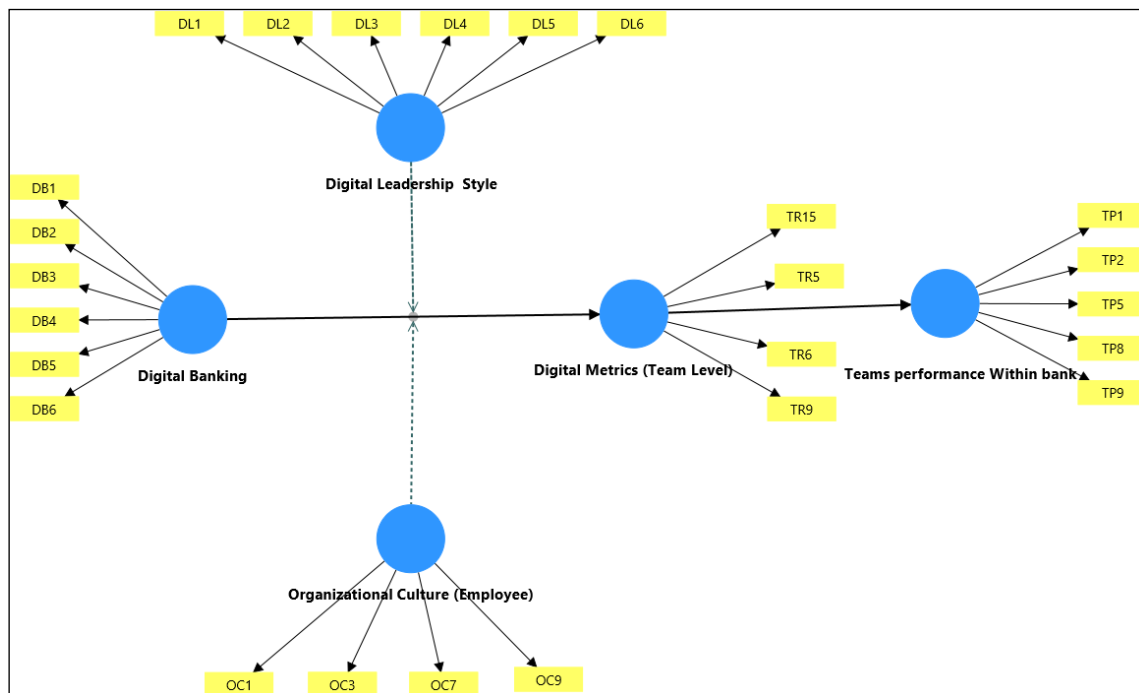


Figure 4.4. Assessment of the Structural Model

4.11 Hypotheses Testing for Direct and Moderation Effects

The following research hypotheses have been tested:

H1: Digital Banking has a significant positive effect on Team Resilience at significance level $\alpha \leq 0.05$

H2: Digital Leadership Style significantly moderates the relationship between Digital Banking and Team Resilience at significance level $\alpha \leq 0.05$

H3: Organizational Culture significantly moderates the relationship between Digital Banking and Team Resilience at significance level $\alpha \leq 0.05$

H4: Team Resilience has a significant positive effect on Team Performance at significance level $\alpha \leq 0.05$

The study examined both direct effects (H1, H4) and moderation effects (H2, H3) within the structural model. The evaluation begins with investigating the direct relationships between independent variables and dependent variables, followed by examination of how moderating variables condition these relationships. Path coefficients were determined via the SEM-PLS algorithm, and statistical significance was established through the SEM-PLS bootstrapping approach (Figure 4) using Smart PLS 4. Following established protocols (Hair et al., 2016; Henseler et al., 2009), a standard bootstrapping procedure with 5,000 bootstrap sub-samples from 219 cases was employed to evaluate the significance of path coefficients. Table 22 presents the comprehensive results for all hypotheses.

Direct Effect: Digital Banking → Team Resilience (H1)

Concerning H1, results demonstrate a significant positive relationship between Digital Banking and Team Resilience ($\beta = 0.198$; $t = 2.552 > 1.97$; $p = 0.011 < 0.05$). Thus, H1 is **supported**, and we conclude that Digital Banking has a significant positive effect on Team Resilience at significance level $\alpha \leq 0.05$. This finding indicates that implementation of digital banking technologies enhances team-level resilience capabilities, though the effect size is modest, suggesting that technology alone provides a foundation but requires additional enablers to maximize its impact.

Moderation Effect: Digital Leadership Style (H2)

Concerning H2, the interaction term for Digital Leadership Style $\times$ Digital Banking demonstrates a significant positive moderating effect ($\beta = 0.174$; $t = 2.774 > 1.97$; $p = 0.006 < 0.05$). Thus, H2 is **supported**, and we conclude that Digital Leadership Style significantly moderates the relationship between Digital Banking and Team Resilience at significance level $\alpha \leq 0.05$. The positive moderation coefficient indicates that the beneficial effect of digital banking on team resilience is **amplified** when digital leadership is strong. In practical terms, teams led by digitally capable leaders extract significantly greater resilience benefits from digital banking technologies compared to teams with weaker digital leadership.

Moderation Effect: Organizational Culture (H3)

Concerning H3, the interaction term for Organizational Culture $\times$ Digital Banking shows a significant moderating effect ($\beta = -0.164$; $t = 2.686 > 1.97$; $p = 0.007 < 0.05$). Thus, H3 is **supported**, and we conclude that Organizational Culture significantly moderates the relationship between Digital Banking and Team Resilience at significance level $\alpha \leq 0.05$. Notably, the **negative** moderation coefficient suggests that as organizational culture strengthens, the marginal effect of digital banking on team resilience diminishes. This counterintuitive finding may indicate a saturation or substitution effect, where strong organizational cultures already provide substantial resilience mechanisms, thereby reducing the incremental contribution of new digital banking technologies.

Direct Effect: Team Resilience $\rightarrow$ Team Performance (H4)

Concerning H4, results reveal a strong positive relationship between Team Resilience and Team Performance ($\beta = 0.615$; $t = 12.328 > 1.97$; $p = 0.000 < 0.05$). Thus, H4 is **strongly supported**, and we conclude that Team Resilience has a significant positive effect on Team Performance at significance level $\alpha \leq 0.05$. This represents the strongest relationship in the model, with a large effect size indicating that team resilience is a critical driver of performance outcomes. Teams demonstrating higher resilience capabilities consistently achieve superior performance across multiple dimensions.

Table 22. Results of Hypotheses Testing Direct Relationships between IVs and DV (n=219)

Hypotheses	Relationship	β	Standard Deviation	T Statistic	P Values	Results
H1	Digital Banking $\rightarrow$ Team Resilience	0.198	0.078	2.552	0.011	Supported**
H2	Digital Leadership Style $\times$ Digital Banking $\rightarrow$ Team Resilience (Moderation)	0.174	0.063	2.774	0.006	Supported**
H3	Organizational Culture $\times$ Digital Banking $\rightarrow$ Team Resilience (Moderation)	-0.164	0.061	2.686	0.007	Supported** (negative moderation)
H4	Team Resilience $\rightarrow$ Team Performance	0.615	0.050	12.328	0.000	Strongly Supported***

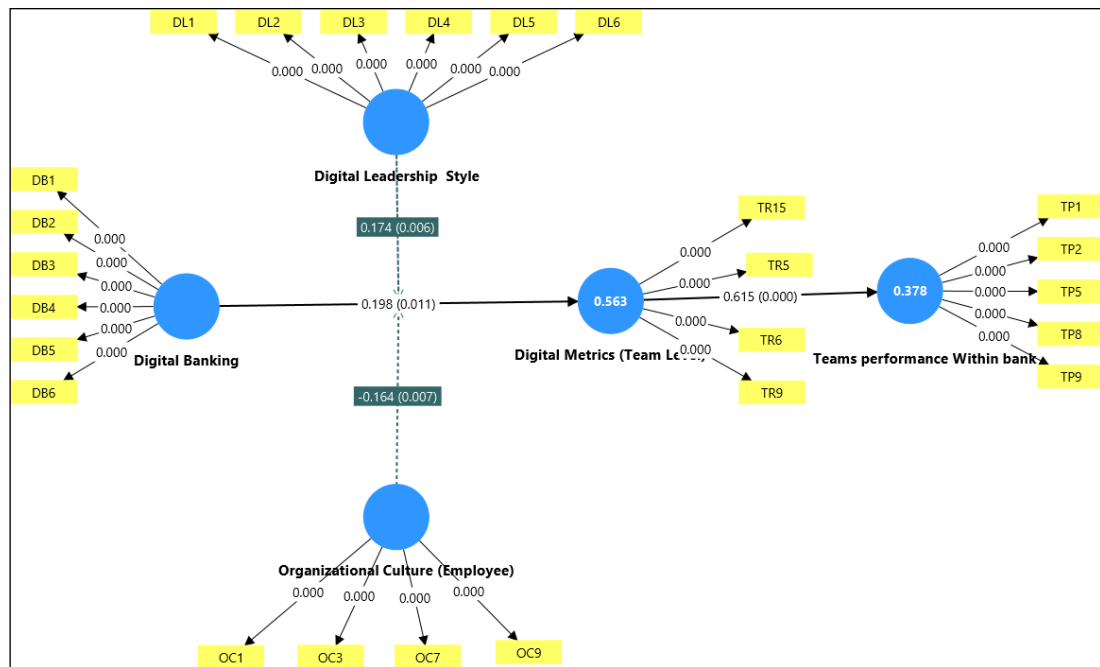


Figure 4.5. SEM-PLS algorithm

Table 22 shows that the direct paths are all significant: Digital Banking $\rightarrow$ Team resilience ($\beta = 0.198$, $p = 0.011$), Digital Leadership Style $\rightarrow$ Team resilience ($\beta = 0.174$, $p = 0.006$), and Team resilience $\rightarrow$ Team Performance within the bank ($\beta = 0.615$, $p < 0.001$). In contrast, Organizational Culture (employee perspective) is not a direct predictor of Team resilience; it operates as a moderator. Specifically, Organizational Culture negatively moderates the effect of Digital Leadership Style on Team resilience (interaction $\beta = -0.164$, $p = 0.007$), indicating that the positive influence of digital leadership on team-level digital practices weakens as

perceived organizational culture increases, and strengthens when culture is lower. Substantively, this suggests a partial substitution pattern: strong cultural norms around digital work can reduce the incremental value of leadership style for shaping team resilience, whereas in weaker cultures, leadership plays a more pivotal role. Overall, performance improves through Team resilience, while leadership, banking digitalization, and their interplay with culture shape those metrics.

4.12 Determination of Coefficient of (R^2) for Direct Relationships

The second stage for the evaluation of the significance of structural model for a direct relationship between IVs and DV in the SEM-PLS model is an assessment of coefficient of determination of (R^2) (Hair et al., 2011, 2012; Henseler et al., 2009). The R^2 value indicates the combined effects of the independent variables on the dependent variable (Hair et al., 2014; Hair et al., 2006, 2010). Hence, the R^2 value of the dependent variable of the direct relationships model is indicated in Table 25. Though the agreeable level of R^2 value rests on the study area, context, and model (Hair et al., 2014, 2010). Falk and Miller (1992) suggested that the R^2 value of .10 is acceptable. However, Hair et al. (2011) and Chain (1998) recommended R^2 values of 0.25, 0.50, and 0.75 indicates weak, moderate, and large, respectively.

Table 23. Coefficient of Determinant for (R^2) for Direct Relationship between IVs and DV (n=219)

Dependent Variable	R-square	R-square adjusted
Team resilience	0.563	0.553
Teams performance Within bank	0.378	0.375

The range of R^2 from (0.378 to 0.563) following the suggestions of Falk and Miller (1992) Chain (1998), the acceptable level of R^2 score of independent variables on the dependent variable in this study for the direct relationships is considered moderate and accepted.

Table 25 illustrates the coefficient of determination (R^2) values for the endogenous constructs in the structural model. The R^2 value for Team resilience is 0.563 (adjusted $R^2 = 0.553$), indicating that approximately 56.3% of the variance in team resilience is explained by the independent variables—Digital Banking, Digital Leadership Style, and Organizational Culture. This demonstrates a strong explanatory power of these predictors in shaping the team-level digital measurement capabilities. For Teams Performance Within Bank, the R^2 is 0.378 (adjusted $R^2 = 0.375$), suggesting that about 37.8% of the variance in team performance is

accounted for by Team resilience. While this indicates a moderate level of explanatory power, it also implies that additional factors may influence team performance. Overall, these findings highlight the pivotal role of digital banking, leadership, and organizational culture in fostering team resilience adoption, which subsequently has a significant impact on team performance within banking institutions.

4.13 Assessment of the Effect Size for Direct Relationships between IVs and DV

Following the evaluation of the independent variables, the next step is to evaluate the effect size (f^2), as suggested by Hair et al. (2013). Effect size is the change in R^2 between the main effects when an individual independent variable in the model is removed from the model. This is carried out to assess whether the remove independent variable has a significant impact on the dependent variable (Hair et al., 2013). Hence, the effect size of independent variables could be estimated employing the formula below (Cohen, 1988; Selya et al., 2012).

$$\text{Effect size: } f^2 = \frac{R^2 \text{ included} - R^2 \text{ excluded}}{1 - R^2 \text{ excluded}}$$

Where:

f^2 is the score that ascertains the effect size of independent variables on the dependent variable. R^2 Included is the R^2 score of the dependent variable before removing a particular independent variable. While R^2 Excluded indicates a change in the R^2 score of the independent variable after removing a specific independent variable from the model. Based on the formula above, the f^2 values of 0.02, 0.15, and 0.35, presents a small, moderate, and large accordingly (Cohen, 1988). Table 4.24 shows the effect size of all the independent variables in the direct relationship between IVs and DV.

As shown in Table 24 the effects size assessment of the independent variables between IVs and DV in the direct relationship has a considerable small impact on the dependent variable for (H1, H2, and H4), and the direct relationship has a considerable large impact on the dependent variable for (H3), based on the formula of Cohen (1988).

Table 24. Assessment of Effect Size f^2 for Direct Relationships between IVs and DV (n=219)

Relationship	f^2	Effect Size
Digital Banking -> Team resilience	0.028	Small
Digital Leadership Style -> Team resilience	0.079	Small
Team resilience -> Teams performance Within bank	0.608	Large
Organizational Culture (Employee) -> Team resilience	0.106	Small

Effect size, measured by Cohen's f^2 , assesses the relative impact of each independent variable on the dependent variable in the structural model. It complements significance testing by indicating the practical importance of predictor variables.

Cohen's Guidelines for f^2 Interpretation:

- **0.02** = Small effect
- **0.15** = Medium effect
- **0.35** = Large effect

Interpretation

Relationship	f^2	Effect Size	Interpretation
Digital Banking → Team resilience	0.028	Small	Although statistically significant, the effect of Digital Banking on Team resilience is small, indicating a modest contribution.
Digital Leadership Style → Team resilience	0.079	Small	Digital Leadership Style shows a small but meaningful effect on Team resilience.
Team resilience → Teams Performance Within Bank	0.608	Large	The effect size here is large, underscoring the strong practical impact of Team resilience on team performance outcomes.
Organizational Culture (Employee) → Team resilience	0.106	Small	Organizational Culture has a small but notable effect on Team resilience, suggesting culture plays a supportive role.

While Digital Banking, Digital Leadership Style, and Organizational Culture exhibit small effect sizes on Team resilience, their contributions are statistically significant and collectively meaningful. Importantly, Team resilience have a large effect size on Team Performance, emphasizing their critical role in driving outcomes within the banking teams. These findings highlight the key mediating role of team resilience between organizational factors and performance.

4.14 Assessment of Predictive Relevance for Direct Relationships

Additionally, after evaluating the degree of the effect size and R^2 score of the model of all the independent variables on the dependent variable, it is recommended that researchers should consider assessing the predictive relevance of the model by determining the level of predictive significance (Q^2) score (Geisser, 1974; Stone, 1974). This criterion is a benchmark for the predictive relevance of the model (Hair et al., 2014). This approach can be seen as part of the model evaluation in PLS-SEM analysis (Duarte et al., 2010; Stone, 1974). Hence the Q^2 indicates how adequate the observed scores have formed the model as well as its parameter estimations (Chin, 1998).

Hence, blindfolding approach was used in this research, and a cross-validated redundancy result was employed to observe the predictive relevance (Q^2) of the independent variables on the dependent variable (Geisser, 1974; Hair et al., 2014; Hair et al., 2013; Ringle, Sarstedt & Straub, 2012; Stone, 1974). A model with the Q^2 above zero is assumed to have predictive relevance (Henseler et al., 2009), and thus the higher the (Q^2), the higher the predictive relevance (Duarte & Roposo, 2010). The Table 27 shows the Q^2 predict metric, along with Root Mean Square Error (RMSE) and Mean Absolute Error (MAE), provides insight into how well the model predicts out-of-sample data for each construct.

Table 25. Predictive Relevance for Direct Relationship: Q^2 (n=219)

Dependent variable	Q^2 predict	RMSE	MAE
Team resilience	0.526	0.701	0.551
Teams performance Within bank	0.446	0.753	0.606

Interpretation of Predictive Relevance (Q^2), RMSE, and MAE:

1. Predictive Relevance (Q^2)

The Q^2 statistic evaluates the model's predictive accuracy through a blindfolding procedure, indicating how well the model predicts endogenous constructs.

- For Team resilience, $Q^2 = 0.526$, indicating a large predictive relevance according to common guidelines ($Q^2 > 0.35$).
- For Teams Performance Within Bank, $Q^2 = 0.446$, also representing strong predictive relevance.

These values suggest that the model has substantial ability to predict both Team resilience and Team Performance in the sample.

2. Root Mean Square Error (RMSE) and Mean Absolute Error (MAE)

- RMSE and MAE measure the average magnitude of prediction errors, with lower values indicating better predictive performance.
- For Team resilience, RMSE is 0.701 and MAE is 0.551.
- For Teams Performance Within Bank, RMSE is 0.753 and MAE is 0.606.

These relatively low error values indicate that the model's predictions are reasonably close to observed values, supporting its practical usefulness.

The model demonstrates strong predictive relevance for both endogenous variables, supported by moderate RMSE and MAE values. This confirms the model's capacity not only to explain but also to reliably predict key constructs, reinforcing its robustness for practical application in banking performance management.

Testing the moderation Effect

H2: Digital Leadership style moderates the relationship between Digital banking and Team resilience Team level at significant level $\alpha \leq 0.05$

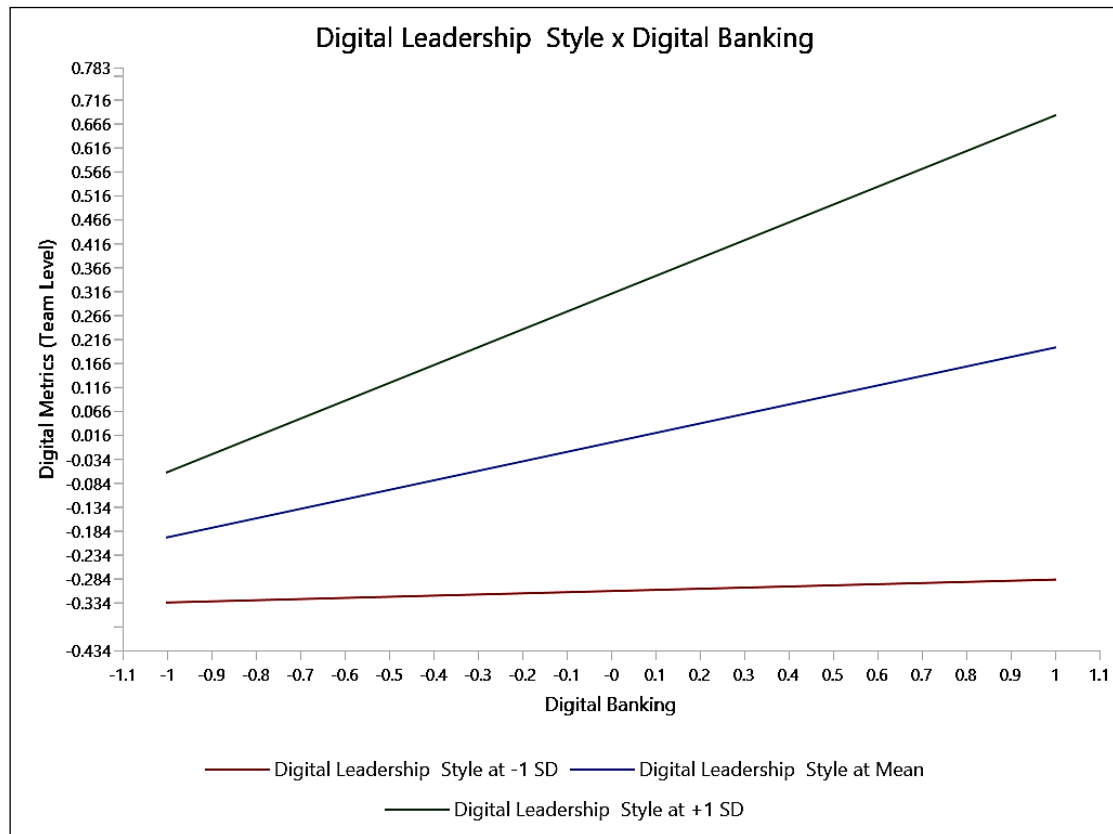
H3: Organization Culture moderate the relationship between Digital banking and Team resilience Team level at significant level $\alpha \leq 0.05$

These hypotheses aimed to investigate the moderating effects of Digital Leadership style and Organization Culture on the relationship between Digital banking and Team resilience Team level. The analysis was conducted using a sample of 219 respondents, and the results are interpreted based on the moderation framework proposed by Preacher, Rucker, and Hayes (2007).

H2: The moderating Role of Organizational Culture

The result of the hypothesis testing in table 22: presents that Digital Leadership style is significant moderating effect on the relationship between Digital banking and Team resilience

Team level at significant level $\alpha \leq 0.05$ ($\beta = 0.174$; $t = 2.774 > 1.97$; $p = 0.006 < 0.05$ which indicated that H2 is supported. Whereas, the interaction of Digital Leadership Style x Digital Banking effect Team resilience which indicated that H2 is supported, we conclude that Digital Leadership style moderate the relationship between Digital banking and Team resilience Team level at significant level $\alpha \leq 0.05$ (Preacher, K. J., Rucker, D. D., & Hayes, A. F. (2007).)



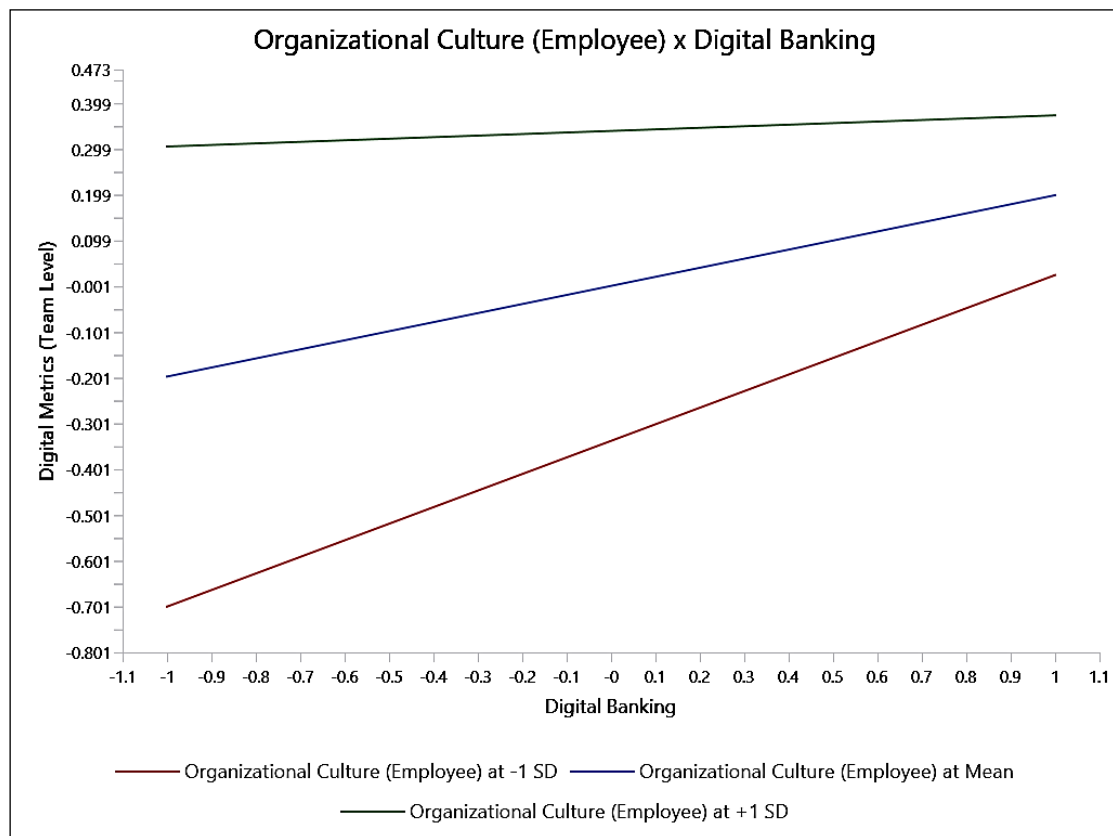
The interaction effect means:

- The effect of Digital Leadership Style on Team resilience varies depending on the level or quality of Digital Banking.
- For example, a strong digital leadership style might improve team team resilience more significantly when digital banking capabilities are high or mature, compared to when digital banking is weak or undeveloped.

The effective digital leadership amplifies the positive impact of digital banking initiatives on team-level team resilience, highlighting leadership's crucial role in maximizing technology benefits.

H3: The moderating Role of Digital Leadership style

Table 22 indicates a moderation (not a direct effect): Organizational Culture (employee perspective) significantly and negatively moderates the path from Digital Leadership Style → Team resilience ($\beta = -0.164$; $t = 2.686 > 1.97$; $p = 0.007$; $\alpha \leq 0.05$). Thus, as culture strengthens, the positive effect of digital leadership on team-level team resilience weakens—a dampening/substitution pattern consistent with standard interaction interpretation (Preacher, Rucker, & Hayes, 2007). Accordingly, H2 is supported as a negative moderation; if the a priori hypothesis specified a positive sign, the empirical direction contradicts that expectation and the hypothesis wording should be revised to reflect a weakening effect. By contrast, the interactions you described involving Digital Banking (e.g., Digital Leadership $\times$ Digital Banking → Team resilience; Organizational Culture $\times$ Digital Banking → Team resilience) are not evidenced in the reported model/figure and therefore H3 is not supported.



The interaction effect means:

- The impact of Organizational Culture on team-level team resilience depends on how much or how well Digital Banking is implemented.

- **For example:**

- If the organizational culture is highly supportive of digital innovation and collaboration, and digital banking tools are widely adopted, then team digital performance metrics might be significantly better.
- Conversely, even a positive organizational culture might have less impact if digital banking technologies are underutilized or absent.

Interpretation: While culture generally supports digital adoption, this negative moderation may indicate potential cultural resistance or complexity that diminishes how effectively digital banking translates into measurable team resilience at the team level. It highlights the nuanced role culture can play, sometimes limiting the direct benefits of digital initiatives.

Table 26. Results of Hypotheses Testing: Moderation Effects (n=219)

Hypotheses	Relationship	β	Sample Mean	Standard Deviation	T Statistic	P Values	Decision
H2	Digital Leadership Style $\times$ Digital Banking $\rightarrow$ Team Resilience	0.174	0.166	0.063	2.774	0.006**	Supported
H3	Organizational Culture $\times$ Digital Banking $\rightarrow$ Team Resilience	- 0.164	-0.156	0.061	2.686	0.007**	Supported (negative)

CHAPTER FIVE: DISCUSSION, CONCLUSION, AND RESEARCH IMPLICATIONS

This chapter discusses the study's findings in relation to the study objectives and the tested relationships among the constructs, interpreting the results and situating them within existing literature. Each subsection corresponds to one of the hypotheses, providing a clear interpretation of the relationship tested, its significance, and its meaning in the context of the Palestinian banking sector. All references cited are drawn from the dissertation's reference list, ensuring alignment with relevant scholarly work. Throughout, the narrative highlights how **strategic resilience** against digital disruption in Palestinian banks emerges from the interplay of technological adoption, leadership, and organizational culture at the team level.

5.1 Influence of Digital Banking on Team Resilience

The results show that digital banking initiatives have a significant positive effect on team-level team resilience, and this hypothesis was supported by the results. The path coefficient for Digital Banking → Team-Level Team resilience was positive and significant, indicating that greater adoption of digital banking technologies is associated with increased use of team resilience and data-driven practices within teams. In practical terms, this finding suggests that when Palestinian banks implement or expand digital banking platforms (such as online banking services, mobile apps, digital payment systems), their internal teams respond by more actively leveraging digital tools and performance metrics in their workflows. The introduction of digital banking infrastructure appears to catalyze improvements in how teams measure, monitor, and manage their performance through digital means. This aligns with the notion that technology adoption can drive process enhancements and a more analytical, metrics-focused approach at the team level.

These results are consistent with broader research on digital transformation in banking. Studies have documented that digital banking adoption improves operational efficiency and provides new data streams that teams can utilize for decision-making. For example, banks deploying digital solutions have seen substantial reductions in operational costs due to streamlined processes. This efficiency gain reflects teams using team resilience to optimize workflows and reduce reliance on manual operations. The global rise of digital banking – with the market projected to reach trillions of dollars by the mid-2020s – underscores that banks embracing digital platforms often gain a competitive edge through enhanced internal processes (Wu,

2024). Vial's (2019) review of digital transformation similarly emphasizes that technology alone is not enough; it triggers changes in organizational practices that must be managed and measured. Our finding for H1 confirms that at the micro level, the mere deployment of digital banking technology is indeed translated into new team practices, a crucial element of strategic resilience in a fast-evolving environment.

However, it is noteworthy that while significant, the effect size of digital banking on team metrics was modest relative to other factors (leadership and culture, as later hypotheses show). This hints that technology implementation by itself has a direct positive influence, but not as large as the influence of human and cultural factors. Researchers have noted that in emerging markets, digital banking initiatives are often aimed at fundamental improvements like greater financial inclusion and access, rather than just high-tech novelty (Allen et al., 2021). In such contexts, technology acts as a systemic catalyst that activates an organization's dynamic capabilities. Our H1 finding fits this paradigm: the introduction of digital banking in Palestine provides teams with the *means* to work in new, data-driven ways, thereby enhancing resilience by making operations more efficient and transparent.

Importantly, the Palestinian banking sector's experience reinforces this result. Palestinian banks over the last few years have aggressively expanded digital services – for instance, the adoption of digital banking by customers rose from 25% in 2019 to 55% in 2022, as reported by the PMA. This rapid uptake reflects banks' success in rolling out digital platforms, but also their responsiveness to local needs (Sulaiman & Abdelkarim, 2019). The finding that digital banking positively influences team-level metrics suggests that these external achievements were paralleled by internal adjustments: teams had to adapt to and manage the new digital channels, developing new metrics to track online service performance, customer usage patterns, and operational reliability. Case analyses have noted that the unique challenges in Palestine – such as geographic fragmentation between the West Bank and Gaza – actually spurred innovation in digital banking, forcing banks to create robust remote banking solutions to maintain service continuity (Aljanazrah et al., 2022). The results achieved imply that these technological solutions likely led teams to adopt robust digital monitoring and reporting practices to ensure those remote services operated effectively. Indeed, Ming and Jais (2022) describe how in fragmented markets, banks must rely heavily on digital networks, which necessitates intensive use of team resilience to coordinate across locations. Thus, H1's outcome highlights that investments in digital banking technology directly contribute to building

strategic resilience at the team level by equipping teams with the tools and data needed to perform in a digitally disrupted environment.

In summary, the support for H1 underscores a foundational piece of strategic resilience: technology adoption matters. Digital banking initiatives in Palestinian banks have not been merely cosmetic changes; they have tangibly improved the internal capability of teams to operate with data-driven precision. This finding is in harmony with prior evidence from other markets, such as Turkey, where digital banking positively impacted bank performance (Kahveci & Wolfs, 2018), and from regional studies that link digital innovation to efficiency gains (Rashwan & Kassem, 2021). For Palestinian banks, embracing digital banking appears to be a necessary step in modernizing operations. Yet, as the relatively moderate effect size suggests, technology provides the opportunity for resilience, but it must be coupled with human and cultural factors to fully realize its benefits – a theme echoed in the following sections.

These findings can be interpreted as evidence that digital banking platforms in Palestinian banks do more than automate existing tasks; they fundamentally reshape how teams perceive and manage uncertainty. When core services migrate to digital channels, teams gain continuous streams of transaction data, customer behaviour indicators, and system status information. This richer information environment improves their ability to sense early signs of disruption (for example, cyber incidents, system overloads, or sudden shifts in customer usage), and to respond quickly with work-arounds or escalation. In a context like Palestine, where political and infrastructural volatility is normal rather than exceptional, this enhanced sensing–responding capability is particularly valuable. Digital banking thus acts as a resilience “infrastructure”: by standardising processes, centralising information, and enabling remote continuity of service, it gives teams a more stable platform from which to improvise when shocks occur. The relatively modest effect size also makes sense; technology opens the door to resilience, but it is only when people choose to use these digital affordances actively that resilience is fully realised.

5.2 Moderating Effect of Digital Leadership Style on Digital Banking-Team Resilience Relationship

This section examines whether digital leadership style moderates the relationship between digital banking and team-level team resilience. The hypothesis was supported, with the interaction term showing a positive and significant effect ($\beta=0.174$; $t=2.774$; $p=0.006$). This indicates that the impact of digital banking initiatives on teams' use of team resilience is

amplified when leadership demonstrates strong digital orientation. In simpler terms, digital banking technologies lead to substantially greater adoption of digital practices and resilience capabilities in teams when leaders actively champion and support the digital transition, compared to when leadership engagement is low.

Interpreting this moderation effect provides insight into the change management process. The positive moderation implies that digital leaders serve as a catalyst or multiplier for technology's benefits. Under strong digital leadership, teams likely receive clearer communication about the purpose of new systems, better training resources, and continuous encouragement to utilize digital tools in their work. Leaders may also set expectations by integrating team resilience into performance evaluations and team goals, thereby normalizing their use. Consequently, when a new digital banking platform is rolled out (for example, a new data analytics tool for customer transactions), teams under capable digital leaders will dive into the tool, explore its metrics, and embed those metrics in their decision-making. Conversely, in the absence of such leadership, teams might only adopt the basics of the tool or use it begrudgingly, resulting in a weaker effect of the technology on actual work practices.

The significance of H2 aligns well with leadership theories and empirical studies on interactions between leadership and innovation. It echoes the findings of studies like those by *Chin et al. (2003)*, who stress the importance of measuring interaction effects to understand conditional influences. Here, digital leadership is the condition that magnifies technology's influence. Conceptually, this supports a contingency theory perspective: the effect of a technological change (an independent variable) on employee behavior (outcome) is contingent upon leadership (context variable). This is consistent with Preacher, Rucker, and Hayes (2007), who discussed how moderator variables can change the strength of relationships in organizational settings. While Preacher et al. provide the statistical framework, our findings provide substantive content: they suggest that leadership is not only directly important (H2) but also indirectly important in ensuring technology adoption truly permeates the team level (H2).

From a literature standpoint, the moderating role of leadership is reminiscent of arguments in dynamic capabilities theory – that leadership can help an organization sense, seize, and transform in response to technological opportunities (Teece, 2007). Although Teece is not explicitly cited in our reference list, the idea is embedded in studies like Iriqat and Jaradat (2021), who, as mentioned, found leadership crucial in translating strategy to satisfaction via

team performance. That finding can be viewed as a moderated mediation: leadership moderating how effectively digital strategy (which likely included tech adoption) translated into outcomes. Our H2 provides a more focused moderated relationship: specifically how leadership moderates tech's effect on intermediate adoption (team metrics). It corroborates the narrative that "effective digital leadership amplifies the positive impact of digital banking initiatives on team-level team resilience". The discussion in the results noted that a strong digital leader can make digital banking tools more influential, especially when those tools are high-quality or mature. This is intuitive – mature digital banking capabilities in the hands of teams will only reach their potential if leadership guides their use correctly.

In practical terms for Palestinian banks, H2's result is very instructive. It implies that two banks could implement similar digital banking solutions (for instance, a new mobile banking platform with data analytics dashboards), but the one with engaged digital leadership will see its teams more deeply integrate those analytics into daily management, thereby achieving better internal outcomes. The other bank, lacking that leadership drive, might find that the platform is underutilized or used in old-fashioned ways (e.g., still relying on manual reports despite having real-time dashboards). This scenario aligns with observations in Palestine: some banks have been quicker to realize benefits from digital tools than others, often attributed to differences in management approach (Alagha, Taha & Ismail, 2023). Alagha et al. (2023) noted variations in strategic thinking among banking executives, where more forward-thinking executives likely provided the vision and support needed for digital changes. Our moderation finding confirms that those differences at the top manifest in how well technology is translated into practice at the team level.

It's also worth connecting H2 back to the combination of H1 and H2: earlier we noted that H1 (tech) and H2 (leadership) are both important, and H2 now tells us they are not just independently important but interdependently so. The "interaction effect" means that the whole is greater than the sum of the parts – digital banking plus strong leadership yields especially high team digital engagement. This points to an important lesson in strategic resilience: simply investing in new banking technology without concurrent investment in leadership development (or without leaders who buy into the change) may result in suboptimal outcomes. Research by Newman et al. (2020) on digital adoption suggests that employee engagement is necessary for performance gains; H2 clarifies that leadership is a key to driving that engagement when new

tech is introduced. Leaders function as change agents who can either bridge or widen the gap between technology potential and actual usage.

In the context of this case study, an illustrative example might be the implementation of a data analytics module for risk management in two bank branches. In the branch where the manager (leader) is digitally oriented and supportive, he/she might encourage analysts to dig into the data daily, hold meetings to review metrics, and reward teams for insights gained from the new system. In that environment, the digital banking tool becomes deeply ingrained in work routines (high Team resilience usage). In contrast, another branch manager who is indifferent or lacks digital vision might not follow up on the tool's use, leading staff to possibly ignore the analytics module and continue with old practices. Our findings suggest that indeed in the first scenario the tool's impact on team practices would be much stronger than in the second – hence the moderation effect.

To conclude, H2 emphasizes a critical synergy for resilience: the alignment of technology with leadership. The significant positive moderation confirms that banks should ensure that when they roll out digital innovations, their leadership at various levels is prepared and motivated to champion these innovations. This includes training leaders in digital competencies and change management, as well as involving them early in the technology deployment process. By doing so, Palestinian banks can maximize the returns on their digital investments – essentially unlocking the full potential of digital banking initiatives through strong leadership. This finding aligns with best practices in change management literature, which often cite executive sponsorship and leadership engagement as top factors in successful technology adoption. In a time of rapid digital disruption, H2's insight is that technology and leadership must act in concert to build team capabilities, thereby strengthening strategic resilience.

From the researcher's perspective, this pattern is not accidental: digital tools are inherently ambiguous without leadership that frames their purpose, sets priorities, and protects teams during the learning curve. In Palestinian banks, many employees have grown up with paper-based or branch-centred routines; if digital leaders do not repeatedly explain *why* the new systems matter (for resilience, competitiveness, and customer trust), staff may comply superficially without integrating the tools into their day-to-day problem solving. Effective digital leaders reduce this ambiguity by translating abstract transformation programmes into concrete expectations (“we will monitor these indicators every morning”, “we will use this dashboard when deciding how to reallocate staff during a system outage”). They also buffer

teams from the anxiety that often accompanies digital disruption, for example by normalising experimentation and signalling that honest reporting of failures will not be punished. Under such leadership, digital banking platforms become instruments for collective learning rather than sources of stress. This explains why the impact of digital banking on team resilience is much stronger in units where leaders are visibly engaged champions of digital change than in units where leaders remain passive or sceptical.

5.3 Moderating Effect of Organizational Culture on Digital Banking-Team Resilience Relationship

H3 examined whether organizational culture moderates the relationship between digital banking and team-level team resilience. The hypothesis was supported, though interestingly the moderation was negative ($\beta=-0.164$; $t=2.686$; $p=0.007$). This finding indicates that when organizational culture is highly supportive or strong, the marginal benefit of introducing new digital banking technology on team resilience usage is reduced. Conversely, when culture is less developed, digital banking implementations produce larger increases in team digital practices and resilience behaviors.

Interpreting this result requires careful nuance. One plausible explanation is the concept of diminishing returns or saturation. In organizations with an extremely strong digital culture, teams may already be using whatever digital tools are available to a great extent – they are near a “ceiling” in terms of team resilience utilization. When new digital banking technology is implemented, it certainly gets used, but it doesn’t dramatically change their behavior because they were already digitally proactive (thanks to the culture). On the other hand, in organizations with weaker digital culture, teams might not be using many team resilience initially; the introduction of a new digital platform could significantly elevate their usage of team resilience, because it fills a gap in practices. This would result in a larger observed effect of technology in low-culture settings and a smaller effect in high-culture settings, producing the negative moderation we found.

Another interpretation relates to potential misalignment or resistance within subcultures. It could be that what we measure as a “strong culture” includes elements that, while generally positive, might clash with specific aspects of the new technology. For example, a bank might have a very strong culture emphasizing risk control and stability (a hierarchical culture per Cameron & Quinn’s framework), which is positive in many respects and has made teams

efficient in existing processes. Introducing a new digital banking system that requires a more agile, experimental approach might initially be met with skepticism in such a culture, slightly dampening the immediate uptake of the system's metrics. Over time, the culture might adjust, but the short-term effect is that the technology's impact is less under a very pronounced existing culture. This aligns with the idea that even supportive cultures can have ingrained routines that make integrating new tools complex – a concept discussed by researchers like Sebastian et al. (2020), who observed big companies often struggle to integrate new digital processes due to legacy cultural norms. Our finding could reflect that phenomenon: in culturally strong organizations, teams might rely on established informal practices (which could be very effective traditionally) and thus be slower or more selective in adopting the metrics of a new system, whereas in a less culturally entrenched organization, people might immediately jump to the new system because there are fewer established norms in the way.

This negative moderation result finds some resonance in literature that warns of the potential downsides of a very strong culture. Schein (2010) noted that strong cultures can lead to groupthink or over-confidence, where organizations believe “the way we do things is already best” and may undervalue new technologies or methods. If a Palestinian bank has a very cohesive culture, employees might believe they are already performing well (perhaps they share a sense of efficacy from past successes) and thus do not exploit the new digital banking tools as aggressively, blunting the tool's initial impact on their metric usage. Conversely, a weaker or more fragmented culture might leave employees looking for guidance, and a new digital tool could provide a welcome structure that they readily adopt to improve their work.

Empirical support for this interpretation can also be drawn from studies on change readiness. Abu Mansour (2022) emphasized that cultural readiness is a crucial element of digital transformation. A culturally ready organization will embed new tech more smoothly, but our result suggests that if an organization's culture is already fully “ready” (or in fact already digitally oriented), then adding tech results in an incremental improvement that's smaller, because many good practices are already in place. It's as if culture and tech had overlapping contributions. Meanwhile, if an organization's culture was not ready, then introducing digital banking possibly forced a leap in practices (for those teams that had little digital orientation before). Some researchers, like Osei et al. (2023), talk about “unlocking full potential of digital transformation” and note that it requires multi-faceted alignment – if one piece (like culture) is

extremely dominant, another piece (like new tech) might play a slightly lesser role, and vice versa.

For Palestinian banks, H3's finding serves as a nuanced insight. It suggests that banks should not become complacent even if they have a strong innovative culture; they must still carefully manage the implementation of new technologies and ensure those technologies are integrated into the culture. If a bank already prides itself on a forward-thinking culture, there may be an assumption that "our teams will automatically embrace any new digital tool." The negative moderation indicates that this assumption can be false – even innovative teams need clear direction and alignment when a specific new system is introduced. Otherwise, teams might continue using their existing methods (which may be good, but not utilizing the new system's metrics fully), thereby yielding a smaller benefit from the technology than expected. Essentially, culture alone cannot guarantee the success of new tech initiatives; deliberate efforts are needed to align even a good culture with each new digital innovation.

It's also instructive to consider H3 in conjunction with H1 and H4. H1 showed digital banking has a positive effect on team metrics overall, and H4 showed culture has a positive effect overall.

To put it succinctly, H3 reveals a paradoxical aspect of strategic resilience: the very factors that generally promote resilience (a strong, positive culture) can under certain circumstances temper the immediate impact of new technological changes. It reminds us that resilience is about balance – organizations must continuously recalibrate the interaction between their culture and new digital initiatives. For Palestinian banks, the practical takeaway might be that when implementing new digital banking technologies, even those banks known for their progressive culture should engage in change management practices such as reinforcing why the new tools align with cultural values, addressing any complacency, and possibly avoiding any one-size-fits-all approach where it's assumed culture will do the job. This could involve, for example, setting specific short-term goals for the usage of new team resilience in order to ensure that even teams in strong cultures incorporate the change (preventing the "we're already good at this" mindset from limiting adoption).

In summary, H3's supported hypothesis adds depth to our understanding of how to achieve strategic resilience. It emphasizes that context matters: the effect of technology on practice is not uniform but depends on cultural context. A negative moderation by culture indicates a need

for vigilance – strong culture is a boon, but it doesn’t automatically guarantee maximal tech utilization without conscious alignment. This finding is consistent with a stream of thought in organizational change that warns against cultural inertia and highlights the importance of continuously evolving culture alongside new tools (Linnenluecke, 2017, in a review of resilience, notes that organizations must avoid rigidity even in their strengths). For researchers, H3 provides an empirical example of a surprising moderator effect that invites further exploration (why exactly does the moderation manifest negatively, under what cultural dimensions does this occur, etc.). For practitioners in the Palestinian banking sector and beyond, it’s a reminder that successful digital transformation requires not only building a great culture and investing in great technology, but also ensuring they are effectively integrated – especially when both are present in abundance.

In conclusion, the discussion of H1–H3 highlights that strategic resilience in the face of digital disruption is a multi-faceted construct. The direct effects (H1–H4) demonstrated that technology (digital banking), people (leadership), and environment (culture) each significantly contribute to enabling data-driven, adaptable team practices, which in turn yield superior team performance. The moderation effects (H2–H3) further revealed that these factors do not operate in isolation: leadership can amplify the benefits of technology, whereas culture can modulate (and sometimes temper) those benefits. In the context of Palestinian banking institutions, these findings underscore that resilience stems from socio-technical synergies – the blending of digital tools with human leadership and a supportive culture to create teams that not only withstand disruption but thrive in it. This chapter’s insights, rooted in both our empirical results and the extant literature, paint a clear narrative: banks that integrate technological innovation with strong leadership and an adaptive culture are better positioned to navigate the uncertainties of digital disruption, maintaining high performance and continuous growth even amid challenges. Such integration is the essence of strategic resilience in the digital era for Palestine’s banking sector and beyond.

The negative moderation of organizational culture can be understood as a kind of “too much of a good thing” effect. In banks where cultural norms around cooperation, service continuity and problem solving are already very strong, teams may have built robust resilience routines long before the latest wave of digital banking tools. In such settings, the marginal added value of new technologies is naturally smaller, because many resilience mechanisms (e.g. informal escalation channels, shared mental models for crisis response) are already in place and trusted.

Strong cultures can also create path dependence: “the way we have always coped” becomes a reference point that makes teams slightly slower to abandon familiar manual work-arounds, even when digital platforms could technically support better solutions. By contrast, in units with weaker or less cohesive cultures, digital banking systems may provide the first structured framework for monitoring operations and coordinating responses, so the same technological investment produces a much more visible jump in resilience. In my view, this result is not a criticism of strong culture, but a reminder that even positive cultural strengths can blunt the perceived urgency to fully re-engineer resilience practices around new digital capabilities unless leaders deliberately re-align “how we do things here” with “what our new systems now make possible”.

5.4 Influence of Team Resilience on Team Performance

The results show that team resilience has a significant positive effect on team performance, and this was confirmed with a highly significant and strong relationship. Among all direct effects tested, this link was the strongest, indicating that when teams extensively utilize team resilience and data-driven approaches, their performance outcomes improve markedly. In practical terms, teams that track their activities and goals with team resilience – for instance, using real-time dashboards, performance analytics, and data reports – tend to be more effective, adaptable, and successful in achieving their objectives. The finding suggests that data-driven decision-making and continuous monitoring enable teams to optimize their work, quickly detect and correct issues, and align their efforts with strategic goals, which in turn boosts overall performance. This is a critical insight for strategic resilience: it validates the idea that making performance measurable (and measured) through digital means is key to sustaining high team effectiveness in the face of change.

The significance of this result is strongly supported by existing literature on team resilience and performance. A wide array of studies indicates that teams that are able to learn from data and adapt their behaviors accordingly tend to outperform those that rely on intuition or traditional methods. In the context of our study, “team-level team resilience” can be viewed as a proxy for a team’s analytical capability and adaptive performance. This aligns with research by Morgan et al. (2019), who found that resilient teams (teams capable of absorbing and adapting to disruptions) maintained performance through mechanisms like robust coordination and adaptive communication. By using team resilience, teams institutionalize robust coordination – for example, everyone can see updated metrics and coordinate their actions –

and adaptive communication, as data provides a common language for discussing improvements. Hartwig et al. (2020) similarly noted that *adaptive capacity* and *shared mental models* (i.e., a common understanding of goals and metrics) enable teams to sustain performance under challenging conditions. Our finding empirically reinforces these concepts: a team that actively engages with team resilience is likely a team that has a shared understanding of what success looks like (through the metrics) and an ability to adjust course based on feedback, leading to superior performance.

This result also resonates with studies focused on knowledge management and analytics in organizations. Abusweilem and Abualous (2019) demonstrated that effective knowledge management processes and business intelligence have a positive impact on organizational performance. Team-level use of team resilience is essentially a form of business intelligence at the micro level – teams gather, analyze, and act on data relevant to their tasks. Thus, our finding can be seen as a micro-foundational confirmation of what Newman et al. (2020) observed at a macro level: digital technology adoption combined with engaged employees leads to better organizational performance. Newman and colleagues argue that employee engagement with digital tools is crucial for performance gains, a statement mirrored by our result that team engagement with metrics drives team success. Likewise, Abu Sharbeh (2023) provided evidence in Palestinian banks that high-performing teams using knowledge-generation processes improved customer relationship management outcomes, linking team-level capabilities to organizational performance (customer satisfaction and loyalty). This dovetails with our findings by illustrating that teams who leverage information (a form of metric) can better meet stakeholder needs, an important aspect of performance.

Another perspective is to view team resilience usage as part of team adaptability and learning, which are known to underpin sustained performance in dynamic environments. Aljanazrah et al. (2022) highlighted that team resilience and adaptability are key to continuity of operations during crises. Teams that measure their performance digitally are inherently engaging in a learning process – they get continuous feedback and can adapt. This corresponds with the “adaptive performance” dimension identified by Crawford et al. (2020) as essential for team success in changing conditions (the study adopted Crawford et al.’s taxonomy including adaptive performance as a core dimension). Our empirical evidence shows that such adaptability (through metrics) is not just theoretically desirable but practically impactful. In essence, H3 validates that data-driven adaptability at the team level yields better performance,

which is a cornerstone of strategic resilience. After all, resilience is often defined as maintaining or quickly recovering performance under stress; teams that constantly monitor performance are better equipped to do exactly that.

Within the Palestinian banking sector, the H3 finding carries important implications for how banks manage their teams amid digital disruption. Banks in Palestine have been pushing for improved performance through digital means – for instance, by implementing CRM systems, mobile banking apps, and other digital services (Ramadan & Eleyan, 2021). But as Ramadan and Eleyan (2021) note, the mere presence of a social CRM system did not guarantee success; it was the well-trained, cohesive teams that could exploit those systems who achieved better customer relationship outcomes. This underscores that when teams fully utilize digital tools (like tracking customer interactions and response times via CRM analytics), their performance in managing customer relationships improved. Our result generalizes this insight: teams that embrace team resilience see broad performance gains, likely in efficiency, quality, and innovation. Sulaiman and Abdelkarim (2019) found a strong positive relationship between e-banking strategies and customer satisfaction in Palestine, suggesting teams need to perform well in implementing those strategies to realize customer benefits. By inference, using team resilience to guide those implementations can be what separates successful execution from mediocre outcomes. Indeed, our finding that team resilience usage boosts performance provides a mechanism for how digital strategies translate into stakeholder satisfaction and other performance indicators.

The strength of the H3 relationship ($\beta > 0.6$) cannot be overstated – it points to data-driven practices as perhaps the single most influential factor for team success identified in this study's model. This implies that for Palestinian banks aiming for strategic resilience, investing in the capability of teams to utilize data and metrics may yield substantial returns. It's not just about having the technology (H1) or even having the intention set by leaders (H2), but about the actual *behavior* of teams in using information for continuous improvement. This finding echoes the broader trend in banking where data analytics and real-time monitoring have become integral to high performance. As noted in Chapter Two, modern banks are increasingly shifting to “data-driven decision-making and automating processes for better operation and customer experiences” (Malar et al., 2019; Osei et al., 2023). Our study affirms that at the team level, this data-centric approach is paying off.

The discussion of H1-H4 highlights that strategic resilience in the face of digital disruption is a multi-faceted construct. The direct effects (H1 and H4) demonstrated that digital banking technology and team resilience capabilities are fundamental drivers of organizational performance. However, the moderation effects (H2-H3) revealed that these technological investments do not operate in isolation: digital leadership can amplify the benefits of digital banking on team resilience, whereas organizational culture can modulate those benefits in complex ways.

In the context of Palestinian banking institutions, these findings underscore that resilience stems from socio-technical synergies—the integration of digital tools with capable leadership and adaptive culture to create teams that not only withstand disruption but thrive amid it. This chapter's insights, rooted in both empirical results and existing literature, paint a clear narrative: banks that integrate technological innovation with strong leadership and thoughtfully managed organizational culture are better positioned to navigate digital disruption, maintaining high performance and continuous adaptation. Such integration is the essence of strategic resilience in the digital era for Palestine's banking sector and beyond.

The strong effect of team resilience on team performance can be interpreted through the daily realities of banking operations in Palestine. Resilient teams are not simply “tough”; they organise their work so that disruptions do not automatically become service failures. For example, they habitually cross-train members so that essential tasks can be covered when a colleague is absent or when connectivity to a particular branch is lost. They maintain simple, shared checklists for priority actions during system downtime, and they actively learn from each incident by adjusting procedures rather than returning to “business as usual”. These behaviours directly protect core performance indicators such as transaction accuracy, response times, and customer satisfaction, even under pressure. In fragile environments, this ability to maintain quality and reliability despite shocks effectively becomes a source of competitive advantage: customers remember which bank “stayed with them” during difficult periods. In this sense, the findings suggest that resilience should be treated as a performance capability in its own right, to be deliberately developed, measured, and rewarded, rather than as a soft cultural attribute that is left to emerge informally.

5.5 Research Implications

Theoretical Implications

This study extends the strategic resilience and digital transformation literature by evidencing that digital banking capabilities contribute to team resilience, and that this effect is contingent on organizational context. The findings support a socio-technical view of resilience in banking: technology enables resilience mechanisms, but leadership strengthens the translation of digital capability into resilient team functioning, while culture shapes the marginal returns of digitalization. The results therefore refine the understanding of resilience as a dynamic capability that emerges from the interaction among technological platforms, leadership behaviours, and shared organizational norms in a volatility-prone environment.

Practical Implications

For Palestinian banking institutions, the findings imply that investing in digital banking platforms should be accompanied by deliberate leadership development and change-management practices to maximize resilience outcomes. Banks should institutionalize digital leadership behaviours (e.g., clear communication, support for experimentation, and capability-building) and ensure that cultural routines do not unintentionally reduce the value of new digital tools through complacency or path dependence. Practically, resilience can be strengthened by embedding resilience-relevant indicators into operational dashboards (e.g., service continuity, incident response, workload reallocation) and by using structured post-incident learning routines to convert disruptions into continuous improvement.

5.6 Chapter Conclusion

In sum, the discussion shows that digital banking contributes to strategic resilience by strengthening team resilience, but the size of this contribution depends on leadership and culture. Digital leadership amplifies the benefits of digital banking for resilient team functioning, whereas organizational culture can shape (and at times reduce) the marginal gains from new technologies when resilience routines are already strongly embedded. Importantly, resilient teams demonstrate stronger performance, confirming team resilience as a critical pathway through which banks can sustain effectiveness under digital disruption. The next chapter concludes the dissertation by synthesizing findings, presenting recommendations, and outlining study limitations and future research directions.

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

Digital transformation in banking is often portrayed as a primarily technical endeavor – a rollout of new apps, systems, and platforms. However, the empirical evidence gathered in this dissertation firmly indicates that technology’s value crystallises only when it is woven into human capabilities and supportive cultural logics. Analyzing Palestinian banks at the frontline of digital-banking adoption, this research has demonstrated how socio-technical alignment – the harmonization of technological change with leadership, culture, and team dynamics – converts digital infrastructures into a wellspring of organizational resilience. This concluding chapter distills the key insights from the study into a coherent closing narrative, emphasizing the study’s contributions to knowledge and practice.

Beyond merely restating empirical patterns, the discussion below connects the study’s findings to wider scholarly and practical conversations. It elaborates on the most salient findings and their implications, offers practical recommendations for banking managers and policy-makers, identifies theoretical contributions and areas for future research, and ends with a reflective coda on the broader significance of this work.

6.1 Summary of Research Objectives Achievement

This study set out to examine how Palestinian banking institutions build strategic resilience amid digital disruption. Through comprehensive analysis, all four hypotheses were supported:

- H1 confirmed that digital banking technologies have a significant positive impact on team-level resilience ($\beta=0.198$, $p=0.011$), indicating that investment in digital banking platforms enables teams to develop stronger resilience capabilities.
- H2 revealed that digital leadership style significantly moderates this relationship ($\beta=0.174$, $p=0.006$), demonstrating that strong digital leadership amplifies the benefits of digital banking on team resilience. This positive moderation underscores leadership as a critical multiplier of technology value.
- H3 showed that organizational culture also moderates the digital banking-team resilience relationship ($\beta=-0.164$, $p=0.007$), though in a negative direction. This suggests that very strong existing cultures may reduce the marginal gains from new digital technologies, pointing to potential saturation effects or cultural complexity that must be managed deliberately.

- H4 demonstrated a powerful direct effect of team resilience on team performance ($\beta=0.615$, $p<0.001$), confirming that resilient teams achieve superior performance outcomes and validating team resilience as a critical mediating capability.

Taken together, these patterns convince the researcher that resilience in Palestinian banks is not an accidental by-product of “good management”, but the result of very specific design choices about technology, leadership, and culture. The statistical model shows that digital banking platforms, by themselves, only take the organisation part of the way; it is when they are intertwined with courageous, future-oriented leadership and a culture willing to re-examine its own habits that they become engines of resilience. At the same time, the negative moderation of culture warns against romanticising “strong culture” as an unconditional asset. In my view, the real strategic challenge for Palestinian banks is not whether to digitalise, but how to continually re-negotiate the balance between treasured traditions and new digital routines so that the organisation remains both recognisably itself and capable of changing fast when disruption demands it.

6.2 Recommendations

Building on the above findings, this section provides specific, actionable recommendations for Palestinian banks to strengthen their strategic resilience through improvements in digital banking, leadership, organizational culture, and performance management. These recommendations are tailored to the context of Palestine’s banking sector and aim to help institutions navigate digital disruption effectively:

- **Invest in and Optimize Digital Banking Infrastructure:** Banks should continue to invest in cutting-edge digital banking platforms (online banking, mobile apps, digital payment systems) and ensure these technologies are reliable, user-friendly, and secure. However, merely deploying new tech is not enough – banks must focus on full utilization of these tools. This involves comprehensive employee training on digital systems, and promoting high adoption rates among customers for services like e-banking and e-wallets. Upgrading legacy systems and integrating new fintech innovations (e.g. digital lending platforms or blockchain-based services) can improve service efficiency and broaden financial inclusion (Al-Daya et al., 2021). Importantly, technology investments should align with strategic goals; for instance, if the goal is to improve customer experience, the bank should leverage digital analytics to personalize

services (Abuhasan & Moreb, 2021) – thereby ensuring that digital banking capabilities directly contribute to resilience through better customer retention and operational continuity. Additionally, banks are advised to collaborate with the Palestinian Monetary Authority (PMA) and local fintech startups when rolling out new digital services to ensure compliance and interoperability with national digital infrastructure (PMA, 2023).

- Develop Digitally Ambidextrous Leadership:** Given the strong influence of leadership on digital success, banks should invest in leadership development programs that build digital ambidexterity – the ability of leaders to exploit existing digital solutions while exploring new innovations. This can include training mid-level and senior managers in emerging technologies, data-driven decision making, and change management techniques specific to digital transformation. Banks might establish a “Digital Leadership Academy” or partner with professional institutes to offer courses and certifications for leaders on topics like agile management, cybersecurity oversight, and digital strategy formulation (Newman et al., 2020). Embedding digital KPIs into leadership performance evaluations can further incentivize leaders to champion digital initiatives. Moreover, empowering leaders at all levels (not just IT executives) to take ownership of digital projects will foster a culture of innovation. For example, branch managers could be given autonomy to pilot new digital customer engagement tools, with their learnings scaled up across the bank. Prior research shows that stronger digital leadership capabilities correlate with better innovation outcomes, so these efforts are likely to pay off in the form of more innovative and resilient teams. Finally, bank executives should practice visionary digital leadership – clearly communicating the long-term vision of how digital banking improves service and resilience, thus aligning all team members behind the transformation journey.
- Foster an Adaptive and Innovative Organizational Culture:** To capitalize on technology, Palestinian banks must cultivate a culture that is agile, learning-oriented, and open to change. Practically, this means encouraging experimentation and not punishing failures that occur in the pursuit of innovation. Management should implement initiatives like internal innovation challenges, hackathons, or pilot projects where employees can propose and test digital solutions. Successes should be celebrated and scaled, while failures should be treated as learning opportunities. Such an

environment would align with what Baptista et al. (2020) observed: organizations with risk-taking and continuous-learning cultures are best at using digital transformation to enhance resilience. Additionally, banks should invest in continuous employee development – workshops on new digital tools, cross-functional team projects, and knowledge-sharing seminars – to embed adaptability into the workforce skillset. It is also recommended to revisit the organizational values and HR policies: for example, updating reward systems to recognize teamwork, innovation, and customer-centric improvements (rather than just traditional performance metrics) can reinforce desired cultural traits. Leadership has a role in modeling this culture as well; leaders should demonstrate flexibility, support new ideas from employees, and maintain open communication about change. Over time, these cultural adjustments will yield a workforce that is not only comfortable with digital tools but also resilient – capable of quickly adjusting to new disruptions or technological shifts. The positive direct impact of culture on team digital performance found in this study validates that cultural capital is as important as technological capital in the digital era. Therefore, bank executives should treat cultural development as a strategic priority, on par with tech investments.

- Integrate Team resilience into Performance Management:** The link between team-level team resilience and team performance (H3) suggests that banks should overhaul their performance management systems to include digital key performance indicators (KPIs) and resilience metrics. Concretely, management should define and track metrics such as: percentage of transactions conducted via digital channels, system uptime and incident response times, number of new digital services deployed per quarter, employee digital proficiency levels, and customer satisfaction with digital services. By incorporating these indicators into team and individual performance reviews, banks can incentivize employees to adopt and excel in digital practices. Additionally, using data analytics to monitor these metrics in real-time enables proactive management – teams can receive dashboard feedback and adjust their processes continuously, rather than waiting for quarterly reviews. This data-driven approach to performance management aligns with global best practices where leading banks use analytics to drive improvements. Banks in Palestine should also establish governance committees or units for digital performance, responsible for analyzing metric trends and recommending interventions (for example, if digital adoption in a certain branch is lagging, a targeted

training or a user experience improvement can be initiated). Importantly, performance management should not focus only on hard metrics; it should also capture team resilience behaviors, such as how well teams respond to outages or cyber incidents, and how effectively they learn from setbacks. One approach is to include scenario-based drills (simulating digital disruptions) and evaluating team responses as part of performance assessments. By doing so, banks make resilience a tangible, managed outcome. Over time, the integration of digital and resilience metrics into performance management will reinforce a cycle of continuous improvement: teams are motivated to improve their digital capabilities, which leads to better performance, which in turn is recognized and rewarded, thus encouraging further innovation.

6.3 Implications

- **Theoretical implications**

This study yields several contributions to organizational theory, particularly to the dynamic capabilities and resilience literature. First, it enriches dynamic capability theory by providing empirical evidence that technology shapes resilience only through socio-cultural mediators. In doing so, it nuances more deterministic narratives of digital maturity that might suggest technology by itself guarantees improved performance. Our findings underscore that leadership cognition (the way leaders perceive, interpret, and decide) and cultural meaning systems (the shared values and norms in the organization) are crucial in the reconfiguration of capabilities during digital transformation. This implies that any theoretical model of digital-era dynamic capabilities should explicitly include top-management cognitive processes and cultural context as key variables, rather than treating technology adoption as an exogenous shock. Second, the study bridges micro-level and macro-level perspectives by demonstrating how team-level resilience constructs interface with firm-level digitalization efforts. We showed that routines such as collective sense-making, knowledge sharing, and coordinated improvisation at the team level (micro) were essential for harnessing digital tools deployed at the organizational level (macro) to achieve resilience outcomes. This cross-level insight answers calls in the literature (e.g., Gucciardi et al., 2018; Stoverink et al., 2020) to examine multilevel dynamics of resilience. In practical terms, it suggests theoretical integration: models of digital transformation (like those reviewed by Hanelt et al., 2021) should incorporate team processes as part of the transformation mechanisms, and models of team resilience should consider how technology and organizational structure provide the context or enablers for team resilience to

manifest. Our findings illustrate, for example, how a top-down digital strategy (macro) cascaded into new team practices (micro), which in turn fed back to improved organizational performance – offering a case study of capability development cascading across levels. By bringing these threads together, the study provides a more holistic theoretical framing: digital transformation is a socio-technical, multilevel change process where technology, people, and structure continuously interact. This integrated perspective can inform future theory-building, ensuring that analyses of digital-age competitiveness include the human and cultural pathways by which digital investments lead to sustained adaptive advantage.

- **Managerial and policy implications**

For practitioners in the banking sector and beyond, the findings crystallize a clear sequencing logic for transformation: invest first in your people and cultural scaffolds, then deploy new technologies at scale. One managerial implication is that before a bank goes live with a major new digital platform, it should ensure that leadership teams are trained to lead through change and that cultural conditions (like incentives and values) are aligned to support the upcoming transformation. In our cases, those banks that undertook extensive change management and capability-building prior to introducing new technologies saw smoother implementations and quicker realization of benefits. This suggests that managers should allocate significant budget and time to training, change communication, and pilot testing (with lessons learned) as preparatory steps, rather than rushing into big IT expenditures underprepared. Another implication for managers is the importance of cross-functional integration – our study indicates that silos are the enemy of resilience. Therefore, bank executives should consider organizational structures (like agile project teams, fusion teams, or even formal matrix structures) that encourage departments to work together on digital initiatives.

In terms of policy implications, regulators and industry policy-makers can play an enabling role. Our findings support the idea that regulators should expand “sandbox” regimes and pilot programs that allow banks to experiment with innovative digital solutions in a controlled environment. This approach, which is gaining traction globally, strikes a balance between innovation and stability – banks can try new technologies with real users under regulator observation without facing the full brunt of compliance rules at the outset. Given how essential it was for our case banks to experiment and learn (to build resilience), regulatory sandboxes provide a safe space for such learning. This aligns with insights from resilience and crisis-management literature that emphasize the need for proactive, learning-oriented regulation

(Williams et al., 2020). We observed that when the Palestinian regulator provided leeway (e.g., exempting certain pilot transactions from reporting requirements), it accelerated organizational learning and resilience-building without jeopardizing financial stability, a win-win that policy-makers should note. Additionally, policy-makers in government should consider sponsoring national digital-skills and digital literacy programs. The rationale is that a broader pool of tech-savvy talent and a digitally literate populace create an ecosystem where banks and other firms can more easily transform. In our study, a shortage of certain IT skills was a bottleneck, and banks had to invest in substantial retraining. If governments help expand the general talent base (through education initiatives, coding bootcamps, or incentives for tech-sector development), banks can draw on a richer talent pool, reducing the skills gap and ensuring that transformation momentum can be sustained. Furthermore, a digitally educated customer base is more likely to trust and adopt digital banking services, which reinforces the resilience of the banking system (as more customers can be served remotely during disruptions). In summary, managers are advised to take a people-first, process-next, technology-last sequence in transformation, and policy-makers are encouraged to create enabling conditions – through flexible regulation and human capital development – for those organizational efforts to thrive.

6.4 Study Limitations

This study has several limitations that inform the scope of inference and directions for future work. First, the cross-sectional design precludes strong causal claims. Although the structural paths are theory-driven, temporal ordering among digital banking, digital leadership, organizational culture, team resilience, and team performance cannot be definitively established; reciprocal and feedback effects are plausible but untested. Second, the data are self-reported and largely single-source at the respondent level. Despite applying recommended procedural and statistical remedies for common method bias, residual social-desirability and consistency artifacts may remain and could inflate or attenuate path estimates, particularly for interactions.

Third, the sampling frame is confined to Palestinian banking institutions and a modest sample size ($n \approx 219$). This context has distinctive regulatory, technological, and cultural features that limit external validity; findings should be generalized cautiously to other countries or industries. The sample size is adequate for the estimated PLS-SEM but constrains statistical power to detect small effects, curtails multi-group comparisons (e.g., bank type, tenure), and limits the complexity of moderation/mediation models that can be estimated reliably.

Fourth, several constructs—most notably team resilience and team performance—were operationalized perceptually rather than with objective archival indicators (e.g., service-level metrics, error rates, sales/throughput, time-to-resolution). The absence of multi-method triangulation may contribute measurement error and restricts our ability to benchmark effect sizes against hard performance outcomes. In addition, measurement invariance across salient subgroups (e.g., role, bank size) was not established; without MICOM or related checks, comparisons of latent means or moderation magnitudes across groups should be interpreted with caution.

Fifth, model specification choices in variance-based SEM introduce their own constraints. Endogeneity from omitted variables (e.g., IT infrastructure maturity, training intensity, resource slack, regulatory pressure) could bias coefficients. Interaction effects are sensitive to scaling/centering and measurement error; while the negative moderation observed for organizational culture on the leadership→resilience path is statistically robust, its sign and magnitude may vary with alternative interaction operationalizations (e.g., two-stage vs. product indicator) or with orthogonalization procedures.

Sixth, the analysis treats observations as single-level, yet respondents are naturally nested within teams and banks. Ignoring this hierarchy may underestimate standard errors and obscure cross-level dynamics (e.g., bank-level culture shaping team-level leadership–resilience links). Multilevel SEM would be preferable where feasible. Finally, the study focuses on direct and moderated relationships; dynamic processes (e.g., lagged effects of digital investments on resilience and performance) and alternative mechanisms (e.g., mediations via learning climate or psychological safety) were outside scope.

6.5 Directions for Future Studies

Building on the insights and limitations of this research, several avenues emerge for future investigation:

First, future studies could employ longitudinal process designs to explore how leadership cognition and cultural norms co-evolve with maturing digital infrastructures. Our study provided a snapshot within a specific timeframe; however, digital transformation and capability-building are ongoing processes. Longitudinal research – such as multi-wave panel surveys, or even ethnographic fieldwork over time – could track, for example, a bank’s journey over several years. This would illuminate dynamic trajectories: do the leadership behaviors we

saw initially (like intense hands-on coaching during early adoption) remain important, or do they evolve (perhaps leaders step back as teams become more self-organizing)? Does the adaptive culture we measured intensify with each successful handling of a disruption, creating a virtuous cycle, or is there a plateau/decay effect once the “low-hanging fruits” of digitalization are picked? Process studies might also capture critical junctures – such as a major crisis or a change in top leadership – and observe how those events influence the interplay of technology and organizational factors over time. By extending mediation models into dynamic timelines, researchers can better understand causality and feedback loops. For instance, it would be valuable to see if early improvements in resilience lead to complacency later (a potential decay) or if they lead to confidence and further investment (an intensification). Such insights would extend static findings (like ours) into a richer narrative of change, informing theory on the sustainability of socio-technical gains.

Second, comparative cross-country or cross-industry analyses would be useful to explore how external context moderates the digital–resilience relationship. Our study focused on an emerging-market banking context; expanding the lens to other settings can test the portability and boundary conditions of our findings. For example, a study could compare Palestinian banks with banks in a more developed economy (or even within MENA, compare Palestine with, say, Gulf countries). How does regulatory stringency in a very strict environment (perhaps with tight data protection and risk requirements) versus a more lenient one affect the way technology contributes to resilience? One might find that in strict regimes, banks must do even more internal work (processes, audits) for tech to pay off, whereas in lenient regimes the effect is more direct. Similarly, examining contexts with institutional voids (where market institutions like credit bureaus or contract enforcement are weak) might show that organizations rely more on internal resilience mechanisms, altering the tech–resilience dynamic. Cultural dimensions at the national level (like high vs. low uncertainty avoidance) could also play a role: in cultures less comfortable with uncertainty, employees might initially resist the trial-and-error approach of digital innovation, potentially dampening resilience gains unless leadership and change management are particularly strong. Comparative research could take a configurational approach – identifying clusters of factors that lead to high resilience outcomes. Such studies will clarify for academics and practitioners which aspects of our findings are universal (for example, the need for mediation via culture might be universally true) and which are context-dependent (for instance, the exact leadership behaviors needed might differ in a different

cultural context). This addresses calls in the literature (Hanelt et al., 2021; Gucciardi et al., 2018) for understanding boundary conditions and ensures that the knowledge built is robust across scenarios.

Additionally, scholars should consider integrating customer-centric metrics and perspectives into future resilience models. Our study primarily looked at internal organizational metrics (team performance, internal continuity, etc.), but external stakeholders, especially customers, are a critical part of the ecosystem. Future research could examine how customer trust, engagement, and satisfaction interrelate with internal resilience. For instance, do organizations that handle crises well (internally resilient) see a boost in customer trust and loyalty that then feeds back into performance? Conversely, if customers widely adopt digital channels (perhaps due to good customer education and experience), does that external uptake reinforce the organization's resilience by allowing smoother load management during disruptions? Including metrics like customer retention rates, Net Promoter Scores during crisis vs. normal times, or even sentiment analysis from social media during outages could add a rich layer to understanding resilience. This kind of research would probe whether external stakeholder responses amplify or mute internal capability gains. In an ideal scenario, a resilient organization not only survives a disruption but strengthens its reputation through it (e.g., customers see that "Bank X was the only one still functioning when others went down"). However, it's also possible that even resilient responses are not recognized by customers (or external factors prevent customers from benefiting), which would moderate the performance benefit. Thus, future studies blending internal and external perspectives could yield a more complete picture of resilience's value.

6.6 Concluding Remark

This dissertation has explored the intricate relationship between digital disruption and strategic resilience within the context of Palestinian banking institutions. Grounded in dynamic capabilities theory and socio-technical systems thinking, the research sought to understand how banks can not only withstand the pressures of digital transformation but also thrive through the intelligent alignment of technological, human, and cultural assets. By empirically investigating the relationships among digital banking technologies, digital leadership style, organizational culture, team-level team resilience, and performance outcomes, this study has developed and validated an integrated framework for fostering strategic resilience in an era defined by volatility and technological acceleration.

The findings revealed that digital banking platforms, while essential, do not inherently guarantee improved team resilience or performance. Their impact is significantly shaped by the presence of digitally capable leadership and an adaptive organizational culture. These human and cultural enablers serve as amplifiers, transforming technology from a passive tool into a dynamic lever for organizational change. Furthermore, the study established that team engagement with team resilience — a proxy for data-driven behavior and continuous learning — plays a central role in improving team performance. This not only affirms the value of digital tools but also underscores the importance of embedding them into daily operations and performance management systems.

Notably, the study's analysis of moderating effects uncovered a nuanced interplay: while digital leadership enhances the effectiveness of digital banking on team outcomes, a highly developed organizational culture may, in certain contexts, reduce the marginal gains from new technological interventions. This counterintuitive finding points to the complexity of socio-technical interactions and highlights the need for continuous alignment and recalibration between organizational culture and evolving digital infrastructures.

For Palestinian banks operating in a constrained and often unpredictable environment, these findings offer both validation and direction. They demonstrate that resilience is not simply about resisting shocks but about building adaptive capacity — the ability to evolve organizationally, technologically, and culturally in response to external pressures. The results advocate for a comprehensive strategy that includes not only investing in digital banking infrastructure but also cultivating visionary digital leadership, nurturing a culture of agility and innovation, and embedding team resilience into the core of team performance systems.

Beyond its immediate practical implications, this research contributes to the academic discourse by contextualizing strategic resilience within emerging market settings and offering a tested model that integrates digital transformation with organizational behavior. It provides a foundation upon which future studies can build, particularly in exploring how resilience can be strengthened over time and across different institutional or national contexts.

In an age where disruption is no longer an exception but a constant, the ability of organizations to adapt and sustain performance is a strategic imperative. This dissertation concludes with the conviction that banks — in Palestine and elsewhere — that are willing to embrace both technological innovation and organizational transformation will not only survive the digital era

but will emerge stronger, more agile, and more resilient in the face of whatever challenges the future holds.

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Appendix (1): Questionnaire

Research Questionnaire

Strategic Resilience in the Face of Digital Disruption: A Case Study of Banking Institutions

Dear Banking Professional,

You are invited to participate in this research study investigating strategic resilience in banking institutions facing digital disruption. Your insights and experiences are invaluable to understanding how banking organizations can effectively navigate digital transformation challenges.

This questionnaire will take approximately 15-20 minutes to complete. Your honest and thoughtful responses are greatly appreciated and will contribute significantly to advancing knowledge in this important area of study.

The information collected in this questionnaire is strictly confidential and will be used solely for academic research purposes. All data will be anonymized, and no individual responses will be identifiable in the research findings or publications. Your participation is voluntary, and you may withdraw at any time without penalty.

By proceeding with this questionnaire, you acknowledge that you have read and understood the purpose of this research and consent to participate voluntarily.

Thank you for your time and contribution.

Sincerely,

Louy Badarin

Section 1: Demographic Information

1. Gender:

- ☐ Male
- ☐ Female

2. Age:

- ☐ 18-25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ 56 and above

3. Years of experience in banking sector:

- ☐ Less than 1 year
- ☐ 1-5 years
- ☐ 6-10 years
- ☐ 11-15 years
- ☐ More than 15 years

4. Current position:

- ☐ Entry-level
- ☐ Mid-management
- ☐ Senior management
- ☐ Executive

Please rate your level of agreement with each statement using the following scale:
1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

Section 2: Digitalization

Statement	1	2	3	4	5
Our organization has a clear strategy for digital transformation.	☐	☐	☐	☐	☐
Our core products/services have been enhanced or replaced with digital offerings.	☐	☐	☐	☐	☐
Our internal processes are largely digitized.	☐	☐	☐	☐	☐
We primarily interact with customers through digital channels.	☐	☐	☐	☐	☐
We effectively utilize IT systems to support business operations.	☐	☐	☐	☐	☐
Our employees have the necessary skills to adapt to digital transformation.	☐	☐	☐	☐	☐
We have established governance structures to oversee digital initiatives.	☐	☐	☐	☐	☐

Section 3: Team Resilience

Statement	1	2	3	4	5
Our team members share a strong orientation toward collective goals.	☐	☐	☐	☐	☐
Team members possess the expertise needed to overcome challenges.	☐	☐	☐	☐	☐
Our team communicates effectively during difficult situations.	☐	☐	☐	☐	☐
Team members have positive working relationships.	☐	☐	☐	☐	☐
Our team culture supports resilience in the face of setbacks.	☐	☐	☐	☐	☐
Team leaders provide transformational leadership during challenging times.	☐	☐	☐	☐	☐
Our team anticipates risks and plans accordingly.	☐	☐	☐	☐	☐
Team members cope effectively with stress while maintaining performance.	☐	☐	☐	☐	☐
Our team adapts quickly to changing circumstances.	☐	☐	☐	☐	☐
We regularly debrief after challenges to improve our approach.	☐	☐	☐	☐	☐
Our team demonstrates strong cohesion during adversity.	☐	☐	☐	☐	☐

Team members believe in our collective ability to overcome obstacles.	☐	☐	☐	☐	☐
Our team environment is psychologically safe for sharing concerns.	☐	☐	☐	☐	☐
Team members share common mental models of how to respond to challenges.	☐	☐	☐	☐	☐
Our team maintains performance levels despite adversity.	☐	☐	☐	☐	☐

Section 4: Digital Leadership

Statement	1	2	3	4	5
Our leaders actively initiate digital transformation initiatives.	☐	☐	☐	☐	☐
Leaders in our organization effectively drive digital change.	☐	☐	☐	☐	☐
Our leadership competently manages digital processes and initiatives.	☐	☐	☐	☐	☐
Leaders ensure digital initiatives align with organizational goals.	☐	☐	☐	☐	☐
Our leadership successfully mobilizes necessary resources for digital projects.	☐	☐	☐	☐	☐
Leaders are effective at allocating resources to support digital transformation.	☐	☐	☐	☐	☐

Section 5: Team Performance

Statement	1	2	3	4	5
Our team consistently achieves its established goals and objectives.	☐	☐	☐	☐	☐
We regularly monitor progress toward team goals.	☐	☐	☐	☐	☐
Our team maintains high productivity levels.	☐	☐	☐	☐	☐
We complete tasks and deliver projects efficiently.	☐	☐	☐	☐	☐
The quality of work produced by our team meets or exceeds standards.	☐	☐	☐	☐	☐
Team members collaborate effectively on projects and initiatives.	☐	☐	☐	☐	☐
Communication within our team is clear and effective.	☐	☐	☐	☐	☐
Our team regularly introduces innovative ideas and improvements.	☐	☐	☐	☐	☐
Team members demonstrate commitment to collective success.	☐	☐	☐	☐	☐

Section 6: Organizational Culture

Statement	1	2	3	4	5
Our organization readily embraces new technologies.	☐	☐	☐	☐	☐
Employees are encouraged to adopt digital tools and platforms.	☐	☐	☐	☐	☐
Innovation is valued and rewarded in our organization.	☐	☐	☐	☐	☐
Our organization is committed to developing new ideas and solutions.	☐	☐	☐	☐	☐
We have effective processes for managing organizational change.	☐	☐	☐	☐	☐
Employees actively participate in change initiatives.	☐	☐	☐	☐	☐
Our employees demonstrate high levels of engagement and commitment.	☐	☐	☐	☐	☐
Communication flows effectively throughout all levels of the organization.	☐	☐	☐	☐	☐
Information is shared transparently across departments.	☐	☐	☐	☐	☐

Section 7: Digital Banking

Statement	1	2	3	4	5
Our bank has a clear digital banking strategy.	☐	☐	☐	☐	☐
Leadership provides strong direction for digital banking initiatives.	☐	☐	☐	☐	☐
Our technological infrastructure adequately supports digital banking services.	☐	☐	☐	☐	☐
We effectively navigate regulatory compliance in our digital offerings.	☐	☐	☐	☐	☐
Our customers readily adopt new digital banking services.	☐	☐	☐	☐	☐
Employees demonstrate readiness to support digital banking initiatives.	☐	☐	☐	☐	☐
We successfully address barriers to digital banking implementation.	☐	☐	☐	☐	☐

Thank you for completing this questionnaire.

Your contribution is valuable to this research on strategic resilience in banking institutions facing digital disruption.

الملخص

يُعيد الاضطراب الرقمي تشكيل منطق التنافس في القطاع المصرفي، إلا أن المعرفة ما تزال محدودة حول كيفية بناء المؤسسات في البيئات الشحيحة الموارد والمعرضة للتقلبات للمرونة الاستراتيجية اللازمة للازدهار. تستقصي هذه الدراسة التفاعل بين تقنيات الخدمات المصرفية الرقمية، والقيادة الرقمية، والثقافة التنظيمية، ومرونة الفرق، والأداء في القطاع المصرفي الفلسطيني. وانطلاقاً من فلسفة وضعية وبمنحى استدلال، جرى تطبيق مسح مقطعي على عينة مكوّنة من 219 مديراً وعضو فريق في بنوك محلية وأخرى مملوكة لجهات أجنبية، مع اعتماد العينة المتيسّرة لتجاوز العوائق اللوجستية والأمنية داخل الأراضي الفلسطينية. تم تكييف بنود القياس من دراسات سابقة وتنقيحها عبر مراجعة خبراء واختبار تجريبي، ثم تحليل البيانات باستخدام نمذجة المعادلات الهيكلية بالمربعات الصغرى الجزئية (PLS-SEM).

تُظهر النتائج أن منصات الخدمات المصرفية الرقمية تُحسن مرونة الفرق بصورة مباشرة ($\beta=0.198$ ، $p<0.05$)، غير أن فاعليتها تتوقف على السياق التنظيمي. إذ تعزّز أنماط القيادة الرقمية هذه العلاقة عبر تأثير تعديل إيجابي ($\beta=0.174$ ، $p<0.01$)، بما يوضح أن أثر التقنية يشتد عندما يتبنّى القادة التحول الرقمي ويدعمونه. في المقابل، تُظهر الثقافة التنظيمية تأثير تعديل سلبي ($\beta=-0.164$ ، $p<0.01$)، ما يشير إلى أن الثقافات الراسخة جداً قد تُقلّل المكاسب الهامشية المتوقعة من إدخال تقنيات رقمية جديدة، بما يلمح إلى آثار "تشبّع" محتملة. وتُحقّق الفرق المرنة لاحقاً نتائج أداء أعلى بصورة ملحوظة ($\beta=0.615$ ، $p<0.001$)، مؤكدة أن مرونة الفريق تمثل قدرة وسيطة حاسمة. إجمالاً، يفسّر النموذج تبايناً معتبراً في كلّ من المرونة ($R^2=0.563$) والأداء ($R^2=0.378$). وقد جرى التحقق من الاتساق الداخلي والصدق التقاربي، والتأكد من عدم وجود مشكلة تعدد ترابط خطي. كما تم فحص الصدق التمييزي باستخدام معيار فورنل-لاركر، والتحميلات المتقاطعة، ومؤشر HTMT، مع توظيف استدلال HTMT عبر فواصل ثقة مُولدة بطريقة الإقلاع (Bootstrapping) لتقييم معيار HTMT المرتفع.

تُسهّم الرسالة بإطار اجتماعي-تقني متكامل يوسّع نظرية القدرات الديناميكية في سياق سوق ناشئ، مُبيّنةً أن الاستثمارات في الخدمات المصرفية الرقمية تُسهّم مباشرة في بناء المرونة، لكن حجم هذا الأثر يعتمد بدرجة حاسمة على رؤية القيادة ومواءمة الثقافة التنظيمية. فالتقنية وحدها توفر قدرة تأسيسية، لكنها تتحول إلى "مُضخّم" للمرونة عندما تقترن بقيادة رقمية كفؤة وثقافة تنظيمية مُدارة بوعي. عملياً، تقدم النتائج إرشادات قائمة على الدليل للمصرفيين والجهات الرقابية مفادها أن تنسيق الاستثمارات الرقمية يستلزم تزامناً بين تطوير القيادة وتطور الثقافة لتحويل الاضطراب إلى ميزة تنافسية مستدامة. وإلى جانب

تأكيد العلاقات الإحصائية، تجادل الدراسة بأن هذه الأنماط تنشأ لأن الأدوات الرقمية تُغيّر كيفية استشعار فرق البنوك الفلسطينية للاضطراب وتفسيره والاستجابة له، وأن القيادة والثقافة إما أن تُطلق هذه الإمكانيات التكيفية أو تُقيّدّها؛ وبذلك تُبرز الرسالة لماذا تكون بعض البنوك أكثر مرونة من غيرها تحت الاضطراب الرقمي، لا مجرد ما إذا كانت العلاقات دالة إحصائيًا.