T.C. ISTANBUL AYDIN UNIVERSITY INSTITUTE OF GRADUATE STUDIES



THE EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE IN BANKING INDUSTRY IN PALESTINE

MASTER'S THESIS

Shaas S A ZİDAN

Department of Business Business Administration Program

AUGUST, 2023

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ONAY FORMU

DECLERATION

I hereby declare with the respect that the study "<u>The Effects of Strategic</u> <u>Management Practices on Organizational Performance in Banking Industry in</u> <u>Palestine</u>", which I submitted as a Master thesis, is written without any assistance in violation of scientific ethics and traditions in all the processes from the project phase to the conclusion of the thesis and that the works I have benefited are from those shown in the References. (10/08/2023)

Shaas S A Zidan

FOREWORD

It is with great pleasure and a sense of accomplishment that I present this master thesis as the culmination of my research work. This thesis has been an intense and rewarding journey, and I owe thanks to many people who have supported me along the way. First and foremost, I would like to express my heartfelt gratitude to my Mother and my two sisters Sondos and Saba , whose unwavering love and encouragement have been my constant source of inspiration. Their unconditional support has made it possible for me to pursue my academic goals and complete this thesis.

I would also like to acknowledge the contributions of other individuals who have passed away before the completion of this thesis. My father's absence is deeply felt, and I regret that he is not here to see the culmination of my efforts. He inspired me with his passion for studying MBA, and his insights continue to inform my work today. Though he is no longer with us, his impact on my life and work will never be forgotten.

I would also like to extend my deepest appreciation to my research advisor Prof. Cihan Tinaztepe , whose guidance, insights, and expertise have been instrumental in shaping my research work. She has provided me with invaluable feedback, challenged me to think critically, and pushed me to achieve my best.

THE EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE IN BANKING INDUSTRY IN PALESTINE

ABSTRACT

This study investigates the impact of strategic management practices on organizational performance in Palestinian banks. The research objectives included assessing the influence of environmental scanning, strategy formulation, strategic implementation, and strategic evaluation on organizational performance, as well as measuring employees' opinions regarding these practices. A quantitative research design was employed, with data collected through questionnaires from a sample of 340 employees in Palestinian banks. The data was analysed using descriptive statistics, measurement model analysis, and structural model analysis. The results revealed significant and positive relationships between all strategic management practices and organizational performance, with strategic evaluation having the strongest influence. The findings also indicated that employees' perceptions of these practices were moderate to high, suggesting room for improvement. The theoretical contribution of this study lies in its exploration of strategic management practices in Palestinian banks, which can help to expand the understanding of these practices in a unique context. Practically, the study provides valuable insights for bank managers and policymakers to enhance their strategic management processes, ultimately improving organizational performance. Limitations of the study include its cross-sectional design, reliance on self-reported data, and potential cultural differences within the Palestinian context. Future research is recommended to explore the impact of other factors on organizational performance, conduct longitudinal studies, and investigate the moderating effects of contextual variables.

Keywords: Strategic Management, Organisational Performance, Environmental Scanning, Strategy Formulation, Strategic Implementation, Strategic Evaluation

FİLİSTİN'DE BANKACILIK ENDÜSTRİSİNDE STRATEJİK YÖNETİM UYGULAMALARININ ÖRGÜTSEL PERFORMANSA ETKİLERİ

ÖZET

Bu çalışma, Filistin bankalarındaki stratejik yönetim uygulamalarının örgütsel performans üzerindeki etkisini incelemektedir. Araştırma amaçları, çevresel tarama, strateji oluşturma, stratejik uygulama ve stratejik değerlendirme etkinliklerinin örgütsel performans üzerindeki etkisini değerlendirmeyi ve çalışanların bu uygulamalar hakkındaki görüşlerini ölçmeyi içermektedir. Nicel bir araştırma yöntemi kullanılmış olup, Filistin bankalarındaki 340 çalışandan oluşan bir örneklem üzerinden anketler yoluyla veri toplanmıştır. Veriler, betimleyici istatistikler, ölçüm modeli analizi ve yapısal model analizi kullanılarak analiz edilmiştir. Sonuçlar, tüm stratejik yönetim uygulamaları ve örgütsel performans arasında anlamlı ve olumlu ilişkiler ortaya çıkarmıştır; stratejik değerlendirme en güçlü etkiye sahip olarak bulunmuştur. Bulgular ayrıca, çalışanların bu uygulamaları orta ila yüksek düzeyde algıladıklarını ve gelişmeye açık olduklarını göstermektedir. Bu çalışmanın teorik katkısı, Filistin bankalarındaki stratejik yönetim uygulamalarının incelenmesinde yatar ve bu uygulamaların benzersiz bir bağlamda anlaşılmasını genişletmeye yardımcı olabilir. Kısacası, çalışma, banka yöneticileri ve politika yapıcılar için stratejik yönetim süreçlerini geliştirerek, nihayetinde örgütsel performansı artırmalarına yönelik değerli içgörüler sunmaktadır. Çalışmanın sınırlılıkları arasında kesitsel tasarımı, kendini bildiren verilere dayanması ve Filistin bağlamında potansiyel kültürel farklılıklar yer almaktadır. Gelecekteki araştırmalar, örgütsel performans üzerindeki diğer faktörlerin etkisini keşfetmeye, uzun dönemli çalışmalar yapmaya ve bağlamsal değişkenlerin düzenleyici etkilerini araştırmaya yönlendirilmelidir.

Anahtar Kelimeler: Stratejik Yönetim, Örgütsel Performans, Çevre Taraması, Strateji Formülasyonu, Stratejik Uygulama, Stratejik Değerlendirme.

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ABBREVIATIONS

DCT	:	Dynamic Capability Theory
ES	:	Environmental Scanning
OPC	:	Organizational Performance – Customer
OPF	:	Organizational Performance – Financial
OPG	:	Organizational Performance – Growth
OPP	:	Organizational Performance – Process
OP	:	Organizational Performance
PLS	:	Partial Least Equation
SPSS	:	Software Package for Social Science
SE	:	Strategic Evaluation
SI	:	Strategic Implementation
SF	:	Strategy Formulation
SEM	:	Structural Equation Modelling

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I. INTRODUCTION

A. Background of Study

The banking industry is vital to the economy because it processes transactions and offers financial services to consumers and companies. According to Broby (2021), today's business climate is characterised by fierce competition and rapid environmental change. In order to stay ahead of the competition and achieve long-term success, banks need to employ effective strategic management practises. To support the achievement of organisational goals, strategic management entails goal-setting, plan creation, and action implementation. According to Bryson and George (2020) and Irawati (et al., 2019), strategic management has a significant impact on organisational performance in the banking industry. To achieve the aim of this research, an overview of the significance of looking into organisational performance in the banking industry is provided by the current research. It also provides an explanation of what strategic management is and why it matters to businesses. This research delves deeply into the four foundations of strategic management—environmental scanning, strategy formulation, strategic implementation, and strategic evaluation.

The level of organisational performance has a considerable impact on how successful the banking industry is. In order to maintain a competitive edge within the banking industry, it is imperative for organisations to effectively implement successful strategies (Siu & Wong, 2018). Financial performance, customer satisfaction, staff fulfilment, and market share are just a few of the many elements that make up the construct of organisational performance. To develop effective strategies for enhancing performance, it is crucial to analyse the performance of the organisation and identify the key success factors.

Many previous studies revealed that strategic management practices have contribution to the organisational management that leads to organisational outcome such as performance, resilience, leverage (Fuertes et al., 2020; George et al., 2019). David (2017) posits that strategic management is an all-encompassing methodology that encompasses the application of diverse procedures, instruments, and methodologies to enable the evaluation of an entity's internal and external landscapes. The process of analysis makes it easier to recognise potential strategic options, which are then developed, put into action, and evaluated to determine how effective they were. Strategic management is essential for organisations as it enables them to:

- Align their resources with their goals and objectives.
- Anticipate and respond to changes in the business environment.
- Gain a competitive advantage by developing unique and sustainable strategies.
- Improve organizational performance by focusing on strategic objectives.
- Enhance stakeholder satisfaction by meeting their expectations and needs.

According to Schoemaker et al. (2018), environmental scanning is the process of studying and monitoring the internal and external surroundings of an organisation in order to find opportunities and dangers that may impact the organization's performance. The internal environment of an organisation is comprised of its resources, capabilities, and culture. This environment is referred to as the "inner workings" of the organisation. On the other hand, the external environment is comprised of the political, economic, social, technical, and legal elements that have an effect on the performance of the organisation. This environment may be thought of as having five main categories. Environmental scanning is vital for businesses because it enables them to carry out a variety of critical activities, including the following items on this list:

- Identify opportunities for growth and expansion.
- Anticipate and respond to changes in the business environment.
- Develop effective strategies that leverage their strengths and mitigate their weaknesses.
- Improve organizational performance by aligning their resources with their goals and objectives.

The process of producing strategies that connect an organization's resources and capabilities with its purposes and objectives is referred to as strategy formulation. This process takes place within the organization. It involves analysing both the internal and external environments of the company, determining potential strategic options, ranking those possibilities, and deciding which ones are the most suitable (David, 2017). The following are some of the reasons why organizations require strategy formulation:

- Develop unique and sustainable strategies that differentiate them from their competitors.
- Allocate resources effectively to achieve their strategic objectives.
- Anticipate and respond to changes in the business environment.
- Improve organizational performance by aligning their strategies with their goals and objectives.

Strategic implementation refers to the process of placing a plan of action into motion within a specific environment. This requires transforming strategies into detailed action plans, allocating finances, and implementing management systems to track and assess performance, as stated by Schoemaker et al. (2018). The significance of the strategic implementation process can be summed up in a few words as follows for businesses and other organizations:

- Maintain efficient and successful execution of strategies.
- Recognise and adapt to alterations in the business environment.
- Effectively allocate resources to accomplish their strategic goals.
- Increase the effectiveness of the organization's implementation of its strategies and their alignment with its goals and objectives in order to boost performance.

The process of determining if a strategy is successful in reaching organisational goals and objectives is known as strategic evaluation. It entails tracking performance metrics, evaluating the results, and making the required corrections to improve performance (David, 2017). Organisations need strategic evaluation because it enables them to:

- Check to see if the goals of the strategy are being met.
- Identify areas for development and implement necessary changes.
- Recognise and adapt to alterations in the business environment.
- Ensure that strategies are in line with goals and objectives to improve organisational performance.

In the banking industry, research on organisational performance is crucial for figuring out what makes it successful and creating plans to make it better. A key strategy for leading organisations to accomplish their aims and objectives is strategic management. The four pillars of strategic management practices—objective, environmental scanning, strategy formulation, and strategic evaluation—are crucial for organisations to achieve their strategic objectives, enhance organisational performance, and gain a competitive edge in Palestine's banking sector.

B. Problem Statement

The purpose of this research is to get a deeper understanding of the ways in which strategic management practises influence the performance of firms operating within the banking industry in Palestine. From a theoretical point of view, the problem is that there hasn't been enough research done on the relationship between strategic management practises and organisational performance in the Palestinian banking business. In the Palestinian banking industry, the paucity of empirical data relevant to the connection between the variables under discussion is brought to light by the current study. In spite of the significant study that has been carried out on this topic in other countries and industries, such as Saudi Arabia (Aldakhil et al., 2018), Pakistan (Ali et al., 2019), and Kenya (Barasa & Iravo, 2020), there is a lack of knowledge on this relationship in the Palestinian banking industry. This is due to the fact that there has not been enough time spent on the issue. An empirical inquiry of the relationship between strategic management practises and organisational performance in the Palestinian banking industry is going to be carried out as part of the current study in order to close a knowledge gap that is currently present. The purpose of the study is to present empirical data that substantiates the existence of this relationship.

The practical issue of the Palestinian banking industry is the lack of empirical data on the effectiveness of strategic management techniques in enhancing organisational performance. Empirical evidence is required to substantiate the assertions posited by theoretical models and frameworks regarding the efficacy of strategic management practises such as environmental scanning, strategy formulation, strategic implementation, and strategic evaluation in enhancing organisational

performance within the banking sector. The absence of empirical data impedes the capacity of banks operating in Palestine to implement efficacious strategic management methodologies and to augment their performance within a competitive environment. Therefore, this study aims to fill this practical gap in the literature by providing empirical evidence of the effects of strategic management practices on organizational performance in the banking industry in Palestine.

C. Research Objectives

The research aims to examine the impact of the strategic management practices (environmental scanning, strategy formulation, strategic implementation, strategic evaluation) on the organizational performance in the Palestinian banks. In consistent with the research aim, the study is exploring the following objectives:

- 1) To assess the effect of environmental scanning on the organizational performance in the Palestinian banks.
- To assess the effect of strategy formulation on the organizational performance in the Palestinian banks.
- 3) To assess the effect of strategic implementation on the organizational performance in the Palestinian banks.
- To assess the effect of strategic evaluation on the organizational performance in the Palestinian banks.
- To measure the employee's opinion for the strategic management practices in the Palestinian banks.

D. Research Questions

In consistent with the research aim, the study is exploring the following questions:

1) What is the effect of environmental scanning on the organizational performance in the Palestinian banks?

- 2) What is the effect of strategy formulation on the organizational performance in the Palestinian banks?
- 3) What is the effect of strategic implementation on the organizational performance in the Palestinian banks?
- 4) What is the effect of strategic evaluation on the organizational performance in the Palestinian banks?
- 5) What is the employee's opinion for the strategic management practices in the Palestinian banks?

E. Significance of the Study

The significance of this research lies in several aspects:

- A contribution to the existing body of knowledge The purpose of this study was to investigate the effects of strategic management practises on organisational performance within the banking industry in Palestine. This fills a gap in the existing body of knowledge. The outcomes of this study will contribute to the body of information that is already available and will expand the understanding of the relationship between strategic management practises and organisational performance.
- 2. Implications for practise: the research presents empirical proof that strategic management practises are helpful in improving organisational performance in the Palestinian banking industry. The results of this study may be utilised by banks in Palestine in order for them to implement efficient strategic management practises and improve their overall performance in an environment that is highly competitive.
- 3. The study provides decision-makers with a knowledge of the importance of strategic management strategies for enhancing organisational performance in the Palestinian banking industry. This understanding has policy implications. The findings of this research may be put to use in the formulation of regulations and guidelines for the banking sector in Palestine, with the goal of fostering the implementation of effective strategic management practises.

The conclusions of this study have significant repercussions for future research, banking industry practises, and policy relating to Palestine's banking sector. The findings of the study can assist to understand the link between organisational performance and strategic management practises, and banks in Palestine can use them to implement strong strategic management practises and enhance their performance. In addition, the findings of the study might be used by the authorities to develop laws and regulations that encourage the Palestinian banking industry to make use of effective strategic management practises.

F. Research Scope

Every academic study has its own distinctiveness in terms of concepts, location, period, population, and methods utilised in the investigation. Academic research is a methodical and rigorous process of investigation that attempts to contribute to the body of knowledge in a given topic.

- The study focuses on the four key strategic management practices, including environmental scanning, strategy formulation, strategic implementation, and strategic evaluation, and their effects on organizational performance.
- The study is limited to the banking industry in Palestine.
- Data collection took place in May 2023.
- The research population includes Palestine's employees of particular banks. The sample for the study will be drawn at random from the population using a stratified sampling procedure.
- The study will employ a positivist research philosophy and a quantitative research approach. Primary data was gathered from respondents via printed questionnaire.

Overall, by conducting empirical research using a questionnaire among chosen employees, the study focuses on the four key strategic management practises, including environmental scanning, strategy formulation, strategic implementation, and strategic evaluation, and their effects on organisational performance in Palestine.

G. Definition of Key Terms

The research presented includes a list of commonly used key terms:

Strategic management: Strategic management refers to the continuous cycle of making, executing, and assessing decisions across different departments to attain an organization's goals. (Hitt et al., 2020). Strategic management involves developing and executing strategies to attain organisational goals and objectives. Establishing an organization's goal, vision, and values, doing an analysis of both the organization's internal and external surroundings, formulating plans, putting those strategies into action, and evaluating the outcomes are all components of strategic management. In today's fast-paced, competitive climate, Chen and Fang (2018) argue that strategic management is essential for organisational survival and success.

Environmental scanning: Environmental scanning involves examining external factors that may affect an organization's future (Prieto et al., 2018). Environmental scanning is the process of gathering and sharing data about an organization's external environment. This exercise focuses on operational efficiency-related opportunities and threats. The organization must be examined in politics, economics, sociology, technology, and law. The research conducted by Barasa and Iravo (2020) indicates that environmental scanning is an essential procedure for companies to do in order to comprehend the external environment in which they operate and to devise suitable strategies with which to deal with any changes in that environment.

Strategy formulation: Planning is the process of devising a strategy with the intention of achieving a predetermined list of goals and objectives. (Liu et al. 2019, p. 207). The process of strategy formulation involves creating and choosing strategies that will help an organisation achieve its goals and objectives. Evaluation of the external and internal environment, identification of strategic alternatives, and selection of the most effective tactics comprise the process. In order for businesses to achieve their aims and objectives and improve their performance, Dang, Nguyen, and Nguyen (2020) argue that the strategy formulation process is essential.

Strategic implementation: The execution of the strategies created during the formulation process is referred to as strategy implementation (Sharifi & Ismail, 2019). The process of strategic implementation includes developing, putting into action, and tracking the progress of a company's goals and objectives. Allocation of resources,

development and implementation of organisational structures and procedures, and management of human resources all play a part. Aldakhil, The implementation of strategic plans, as found by Hussainey and Alyahya (2018), is essential to the effective execution of organisational strategies and the realisation of intended results.

Strategic evaluation: The process of establishing whether or not a corporation's established and implemented strategies have been effective in the context of the company (Huang et al. 2020, p. 138). The process of strategic evaluation comprises a thorough evaluation of how well a company's strategies have performed in accomplishing its stated objectives and aims. The procedure comprises analysing the strategy's outcomes, identifying their benefits and drawbacks, and making any necessary adjustments. Ali et al. (2019) stress the importance of strategic evaluation as a crucial procedure for businesses to assess the success of their strategies and check for alignment with their aims.

Organizational performance: Organisational performance is defined as the degree to which an organisation is successful in achieving its objectives. The performance of an organisation may be measured using a variety of metrics, including its financial performance, the contentment of its employees, the satisfaction of its customers, and its market share.. Barasa and Iravo (2020) posit that strategic management practises constitute both internal and external factors that impact organisational performance, a crucial metric of an organization's success.

H. Summary

This study addresses a gap in the literature on strategic management approaches and financial institutions' operational efficacy in the Palestinian Authority's banking industry. This study examines the effects of strategic management practices such environmental scanning, strategy formulation, strategy implementation, and strategic evaluation on Palestine's banks' performance. Five objectives will help achieve the ultimate goal in this investigation. Examine the effect of environmental scanning on the effectiveness of the banks' operations in Palestine to get started. Examining the effect of strategy formulation on the overall performance of Palestinian banks is the study's secondary goal. This study's main goal is to look into how strategic implementation affects the operational efficiency of banks in Palestine. During the fourth stage, assess the influence of strategic evaluation on the performance of Palestinian banks. Furthermore, financial institution experts in Palestine must be surveyed on strategic management.

II. LITERATURE REVIEW

A. Banking Industry in Palestine

The Palestinian banking sector is absolutely necessary to the Palestinian economy since it is responsible for the provision of financial services, the promotion of investments, and the maintenance of economic growth. Instability on the political front, unpredictability in the economy, and intense competition are some of the issues that the industry faces, all of which have an influence on its performance. This section offers an overview of the Palestinian banking industry, discussing its relevance to the Palestinian economy as well as the issues that it faces.

According to Omar (2020), the Palestinian banking industry is made up of a total of 14 banks, 11 of which are commercial banks and the remaining three being Islamic banks. These banks are all governed by the Palestine Monetary Authority (PMA). The Palestinian economy heavily depends on the industry sector for capital mobilisation, credit provision, and investment promotion. In 2019, the banking sector's assets and loans and advances accounted for approximately 67% and 55% of the Palestinian GDP, respectively (World Bank, 2021). According to the Palestinian Central Bureau of Statistics in 2020, the banking industry employed over 8,000 people, or around 1.5% of the labour force, demonstrating the sector's importance to the economy.

The Palestinian banking industry is important economically, although its performance is hampered by issues. Political and economic uncertainty have created serious challenges for the Palestinian territory. Israel's occupation and subsequent warfare have disrupted banking sector operations and investments (Omar, 2020). Since the economy is so reliant on foreign aid and remittances, both of which are susceptible to swings in the global economy and regional political events, the Palestinian Monetary Authority (2021) warns that the economy is in a fragile situation.

The Palestinian banking industry encounters fierce competition from both domestic and foreign banks. Increased competition due to the entry of new banks and expansion of existing ones has resulted in reduced profit margins and the adoption of more risky strategies (Omar, 2020). The banking industry in the West Bank is extremely concentrated due to the region's small size, leaving the region vulnerable due to a lack of diversity. This includes the concentration of lending in specific sectors and clients, as reported by the Palestinian Monetary Authority in 2021.

Because of its importance in providing financial services, promoting investment, and fostering economic progress, the Palestinian banking industry deserves special attention. Political instability, economic unpredictability, and severe rivalry are just a few of the factors weighing on the industry's performance. Because of these difficulties, it is all the more vital that the industry adopt effective strategic management practises in order to boost its performance and longevity. Strategic management practises such as environmental scanning, strategy formulation, strategy implementation, and strategic evaluation help banks navigate complex and uncertain environments, spot opportunities and threats, and create efficient plans to boost performance and accomplish goals and objectives.

B. Underpinning Theories

Two theories, the dynamic capabilities theory of Teece and Pisano (1994) and the contingency theory of McWilliams et al. (2002), underpin the conceptual framework of the study. Strategic management practises have various effects on organisational performance, according to the dynamic capability theory. According to proponents of contingency theory, there is no one best business plan that can be applied in every situation.

1. Dynamic Capability Theory

The Dynamic Capability Theory (DCT) elucidates how businesses might gain and keep an edge in a complex and ever-shifting market. This section elucidates how the DCT's theoretical foundations, core components, research applications, and relevance to the study's conceptual framework all mesh.

Teece, Pisano, and Shuen (1997) proposed the DCT as a means of elucidating how firms can establish and utilise dynamic capabilities to generate and maintain competitive advantages. The DCT focuses on three fundamental capabilities sensing, seizing, and transforming—that allow businesses to adapt to environmental changes and deliver top-notch performance. Sensing capabilities entail detecting and comprehending alterations in both the external and internal surroundings. Opportunities and threats can be seized upon if one possesses the requisite seizing ability. The ability to transform entails the flexibility to adjust and combine existing assets to meet the changing demands of one's environment.

How businesses might gain and keep an edge in a complex and ever-evolving market is explained by the Dynamic Capability Theory (DCT). The DCT has been extensively employed in recent studies to examine the correlation between strategic management practises and organisational performance, specifically in dynamic and turbulent environments (Aldehayyat et al., 2018; Nguyen & Nguyen, 2018). Teece, Pisano, and Shuen (1997) first presented the DCT as a theoretical framework to explain how businesses might build and use dynamic capabilities to create and sustain competitive advantages. The DCT highlights three key capabilities - sensing, seizing, and transforming - as crucial for firms to effectively adapt to environmental changes and achieve superior performance (Suklev & Sikimić, 2020; Saebi & Foss, 2015).

In this study, the DCT is employed to gain an understanding of how strategic management practises like environmental scanning, strategy formulation, strategic implementation, and strategic evaluation can aid banks in establishing and maintaining competitive advantages through the development and application of dynamic capabilities (Heirati et al., 2020; Mihret & Admassu, 2019). The DCT emphasises the value of lifelong learning, originality, and adaptability in meeting the challenges of a changing environmental landscape. Political unpredictability, economic volatility, and fierce competitiveness are just a few of the difficulties the Palestinian banking industry faces. Using the DCT, as proposed by Shahbazi et al. (2018) and Amin et al. (2017), can help banks enhance their performance and resilience.

The DCT provides a helpful framework for understanding how businesses may create and sustain competitive advantages in a complex and ever-changing market. The link between strategic management practises and organisational performance has been extensively studied in recent studies using the DCT. The significance of this research lies in its provision of a theoretical framework for comprehending the manner in which banks can enhance their performance and fortitude through the establishment and utilisation of dynamic capabilities in response to obstacles and unpredictability. The correlation between strategic management practises and organisational performance has been thoroughly examined in a recent study utilising the DCT (Kaur & Yadav, 2019; Durisin et al., 2018).

2. Contingency Theory

In the 1960s and 1970s, the Contingency Theory emerged to explain how organisational structure, leadership, and performance are linked. Donaldson (2001) says that the theory shows that the best way to run and grow a company depends on its specific environment, so there is no one-size-fits-all answer.

The research uses the Contingency Theory as a theoretical foundation for enhancing organisational performance in the Palestinian banking industry using strategic management practises such as environmental scanning, strategy formulation, strategy implementation, and strategic evaluation. McWilliams et al. (2002) claim that the best strategic management practises depend on how the company is set up and what its circumstances are.

According to the Contingency Theory, environmental variables, organisational structure, size, culture, and resources are only few of the situational aspects that affect management practises and methods (Alegre & Chiva, 2013). Depending on the context and circumstances of the organisation, strategic management practises such as environmental scanning, strategy formulation, strategic implementation, and strategic evaluation can have a positive or negative effect on organisational performance.

The relationship between strategic management practises and organisational performance has been studied by scholars using Contingency Theory in a wide range of fields and settings. Mohammadi et al. (2018) looked into how strategic planning affects the performance of hospitals in Iran. According to the study, components like the size and type of hospital, environmental complexity, and managerial support all had an impact on the link. The impact of quality management practises on the performance of small and medium-sized enterprises (SMEs) in Spain was investigated by Alegre and Chiva (2013). The study revealed that the correlation between the two variables was influenced by the organisational culture and market orientation.

The goal of this study is to use the Contingency Theory to look at Palestine's banking system. This study aims to investigate the impact of factors such as political and economic instability and intense market rivalry on the efficacy of strategic management methodologies. The study takes a contingency perspective, which acknowledges that the effectiveness of strategic management practises may vary based on the organization's specific needs (Mohammadi et al., 2018).

Looking at the contingency theory allow us to understand that strategic management practises can improve organisational performance in the Palestinian banking industry. The theory emphasises how the decision-making environment and implementation of strategic management practises is very important. With a focus on the particular problems and possibilities encountered by banks in the Palestinian environment, this research employs a contingency approach to provide a nuanced understanding of how strategic management practises may be applied to improve organisational performance in the banking industry.

C. Organizational Performance in Banking Industry

Human, physical, technological, and capital resources are all considered part of an organization's productive assets since they work together towards a similar goal (Roghanian et al., 2012), which forms the foundation of the notion of organisational performance. Financial performance (profits, return on assets, return on investment, etc.); market performance (sales, market share, etc.); and shareholder return (total shareholder return, economic value added, etc.) are all aspects of a company's performance that are included in organisational performance (Chungyas & Trinidad, 2022; Roghanian et al., 2012). Good economic performance is important, but a company's success also depends on the way its entrepreneurs and workers collaborate to achieve their goals (Chungyas & Trinidad, 2022).

In the banking industry, an institution's performance is measured by how well it operates as a whole and how well it meets its stated objectives. Financial performance (such as profitability and return on investment), customer and employee happiness, staff retention and contentment, and adherence to rules and industry standards are just a few examples of what we mean. A bank's strong organisational performance entails efficient resource and operational management, provision of highquality products and services to customers, and maintenance of a positive industry reputation (Tuan, 2020).

D. Strategic Management Practices

Strategic management is the process through which a company's upper management creates and carries outs long-term plans on behalf of the company's shareholders. This process involves considering the organization's resources and assessing the internal and external environments in which it competes. The four main parts of this process are environmental scanning, strategy formulation, strategic implementation, and strategic evaluation (Bryson & George, 2020; Fuertes et al., 2020).

Environmental scanning is the process of gathering and reviewing data about possible internal and external effects on a business. The study looks at both the outside and inside strengths and flaws of the company. Environmental scanning helps businesses find and understand factors like changes in the economy, new technology, and customer tastes that could affect how they run their businesses (Ginter et al., 2018; Hambrick, 1982).

Strategy formulation is the process of making a plan to help an organisation reach its goals and aims. Depending on the organization's means and skills, the results of environmental scans may help figure out what the best next step is. The process of strategy formulation commonly employs tools like SWOT analysis and Porter's Five Forces model to evaluate the internal and external environment of the organisation (Bose, 2020).

Strategic implementation refers to the execution of a formulated strategy. Measurement of success may be attained by the establishment of performance measures, the allocation of resources, and the alignment of organisational structure and processes with the plan. Strong leadership, open lines of communication, and the flexibility to adjust to new situations are necessary for successful strategic implementation (Dzwigol et al., 2019).

Last but not least, strategic evaluation is the act of judging how well an organization's plan is working and adjusting it if required. The organization's

performance should be compared to industry standards on a regular basis. Dzwigol et al. (2019) and Shammi et al. (2021) argue that organisations may increase their chances of success by performing strategic evaluations to identify areas for development and make the required modifications to their plan.

E. Proposed Model and Hypotheses Development

The present study's conceptual framework comprises four distinct independent variables that are linked to strategic management practices, namely environmental scanning, strategy formulation, strategic implementation, and strategic evaluation. The banking industry's organizational performance is anticipated to be influenced by four strategic management practices. Figure 1 presents the conceptual framework and research hypothesis.

Environmental scanning refers to the process of collecting and analysing information about internal and external factors that may affect an organization. By monitoring and analysing these factors, organizations can anticipate opportunities and threats, and adjust their strategies accordingly (Kabeyi, 2019). There is evidence that strategic environmental scanning can have a significant impact on organizational performance (Palanisamy et al., 2022; Sirajuddin et al., 2017). Therefore, the following hypothesis is assumed.

• H1: Environmental scanning has a significant positive influence on the organisational performance.

The process of making a plan of action to reach a goal or set of goals is called strategy formulation. When done well, strategy formulation can aid companies to boost their performance (Steiss, 2019). Strategy formulation helps groups match their resources and efforts with their overall aim and goals. Moreover, people could get more done and reach their goals faster if they did this. Strategy formulation aids businesses in foreseeing and responding to shifts in the external environmental environment, such as shifts in customer desire or regulatory changes. This can help businesses keep their competitive edge and adapt well to changes in the market (Chungyas & Trinidad, 2022; Henry, 2021; Sirajuddin et al., 2017). According to research (Hanif et al., 2022; Palanisamy et al., 2022), strategy formulation can have a significant impact on organisational performance. So, the following hypothesis is suggested:

• H2: Strategy formulation has a significant positive influence on the organisational performance.



Figure 1 Conceptual Framework of the Study

Strategic implementation, also called strategy execution (Ginter et al., 2018), is the process of putting plans and choices made during strategic planning into action. Effective strategic implementation can have a big impact on an organization's performance by helping it reach its goals and objectives and adapt to changes in the outside world. (Bose, 2020; Irawati et al., 2019) A well-executed plan can help an organisation make the most of its resources, become more competitive, and make more money. The success of an organisation ultimately depends on successful strategic implementation (Gunarathne et al., 2021; Hanif et al., 2022). There is proof that strategic implementation can have a significant influence on the performance of an organisation. So, the following is considered:

• H3: Strategic implementation has a significant positive influence on the organisational performance.

For businesses to determine how effectively their strategies are doing and make any necessary adjustments, strategic evaluation is a crucial step. This might entail analysing the performance of various departments or business groups, determining how successfully specific initiatives or plans are being implemented, and determining how near the organisation is to achieving its overall objectives (Bryson & George, 2020; Ginter et al., 2018). Strategic evaluation can improve an organization's performance when it is done well. Key players, like managers, workers, and shareholders, can learn a lot from the results of a strategic evaluation. This can make the organisation more open and accountable (Bryson & George, 2020; Roghanian et al., 2012) and encourage a mindset of continuous growth. In short, strategic evaluation can have a big impact on the performance and competitiveness of an organisation. According to research (Clauss et al., 2019; Gunarathne et al., 2021), strategic evaluation can significantly affect organisational performance. So, the following argument is made.

• H4: Strategic evaluation has a significant positive influence on the organisational performance.

F. Summary

Two theories contribute to the research conceptual framework, the dynamic capabilities theory by Teece and Pisano (1994), and contingency theory by McWilliams et al., (2002). The dynamic capabilities theory supports the assumption that different strategic management practices affect the organizational performance. Besides, contingency theory proposes that there is no best strategy for every firm and postulates that the best choices vary depending on circumstances. The proposed conceptual framework of this research composed of four independent variables belongs to strategic management practices; environmental scanning, strategy formulation, strategic implementation, and strategic evaluation. The four strategic

management practices supposed to have influence on the organisational performance in the banking industry.
III. RESEARCH METHODOLOGY

A. Research Design

The research design of a study serves as the primary framework that directs the methodology employed for data collection, analysis, and interpretation. As per the design, scholars can refine their research methodologies to achieve optimal outcomes and establish their inquiries for triumph (Jr Hair et al., 2019). To attain a comprehensive comprehension of knowledge gaps and to arrive at informed decisions, it is necessary to employ a blend of exploratory, descriptive, and causal research. The selection of an appropriate approach is contingent upon the nature of the research problem, as each approach has its own set of advantages and disadvantages (Sekaran & Bougie, 2016). This research integrates the three categories for the optimal combination. First, the research explores strategic management methods and organizational performance in Palestine's banking industry. Second, the research describes Palestine's banking industry's strategic management techniques and organizational performance. Finally, the research tries to establish a causal link between strategic management methods and organizational performance in Palestine's banking industry. The study uses regression analysis to test for causality and to identify the strength and direction of the relationship between the variables.

The development of research hypotheses is grounded in prior research that explores the association between diverse strategic management approaches and organizational performance within the banking sector of Palestine. The study employed the survey methodology for the purpose of inquiry. The measurement of each variable is associated with the antecedent research from which the inquiries were derived. The study can be classified as cross-sectional in nature, as the data was gathered at a single point in time over the course of several months to address the research inquiries. The survey instrument was distributed to all participants and subsequently retrieved upon their completion of the evaluation.

The current study is following systematic steps and following the scientific approach, in which the research deeply explores the existing knowledge to formulate

an assumption concerning an identified problem or issue. Answers to confirm of reject proposed hypotheses are done by the result coming out from statistical analysis. The phases of this academic research are demonstrated in Figure 2. As seen in the research design diagram, the study is started by identifying and exploring the research topic to collect the necessary information for clarifying the research topic. Then followed by identifying the research problem, setting up the research objectives, and research questions. The commenced three steps are fully dependent upon previous knowledge of reports and previous studies.

The main outcome of the first three steps is the proposed model that reveals the concepts and relationships between it. Followed by the design of the survey that has been used for collecting original data from the chosen samples. Pilot study is performed to validate the research tool. Actual data collection is performed among chosen sample of the whole population. The last phases are to analyses data and come out with conclusions.

The research philosophy is positivism in the which it is assumed that the research variables of organizational performance and strategic management can be measured in numbers. The philosophy is the opposite to the interpretivism policy, in which the variables such as emotions assumed not be measured in numbers (Sileyew, 2019). In addition, the research is deductive approach because the study can assume a set of hypotheses in early stage of the research and the objective is to evaluate those hypotheses. The study used quantitative methods to evaluate the hypotheses in numbers by using statistical analysis (Jr Hair et al., 2019).

B. Instruments of the Study

This research use questionnaire as the main instrument for collecting primary data. The questionnaire is adapted from previous studies, use likert-5 scale. The following sections discuss the structure and development of the questionnaire.

1. Questionnaire Structure

It is crucial to use the right technique to evaluate the conceptual framework's five factors. This research used a questionnaire that adapted from previous studies. The

adapted questionnaire is self-directed and has two sections: the first is to collect demographic data from participants, including gender, age, income, job title, and education, and the second includes five subsections, each related to a variable from the conceptual framework, make it significant. Each variable is evaluated using previous research questions.

The replies to variable impression questions are to be given on an ordinal scale of five points, with strongly disagreeing and strongly agreeing at the extremes of the scale. The social sciences typically make use of a method known as the Likert-5 scale. A Likert scale with five points was utilised by Babakus and Mangold (1992) in order to boost survey response rate and quality while simultaneously reducing respondent irritation. To lessen patient annoyance and increase response rate and quality, the academics suggested the implementation of a five-point Likert scale.

2. Questionnaire Development

This section illustrates the different items of each variable along with the citation from the previous studies that used for building the questionnaire.

a. Demographic Questions

The questionnaire includes the following demographic questions.

- Gender
- Age (years)
- Education Level
- Total Work Experience in the bank sector
- Managerial level
- Bank Name (Optional)

b. Organizational Performance (OP)

As seen in table 1, the items for this variable were taken from the study of Fathi et al. (2021). As seen in the table, there are four dimension and 12 questions to measure the organizational performance.

Code	Description
Financial	
1	The market share of our bank over the past three years is above the average of the banking industry.
2	The share growth of our bank over the past three years is above the average of the banking industry.
3	The profitability of our bank over the past three years is above the average of the banking industry.
Customer	
4	The clients are satisfied with the bank's products.
5	The bank is responsive to customers' complaints.
6	The bank regularly invests in customers' needs and demands.
Process	
7	The internal processes of the bank are adjusted to respond to customers' needs.
8	The bank's processes have been simplified in order to be agile.
9	Future threats are considered in reforming the bank's internal processes.
Growth	
10	The employees are promoting in their job environment.
11	The bank has suitable performance in employees' training and development.
12	The employees are satisfied with the bank's environment

Table 1 Organisational Performance Scale

c. Environmental Scanning (ES)

As seen in table 2, the scale has 7 questions that adapted from one previous study conducted by Aboramadan and Borgonovi (2016). The following table shows the items of the environmental scanning scale.

d. Strategy Formulation (SF)

As seen in table 3, the scale has 6 questions that adapted from one previous study conducted by Aboramadan and Borgonovi (2016). The following table shows the items of the strategy formulation scale.

Table 2 Environmental Scanning Scale

Code	Description
1	In the bank, we identify the external threats and opportunities.
2	In the bank, we identify he internal weaknesses and strengths
3	In the bank, we analyse environmental factors such as the economic, political, social and technological ones.
4	In the bank, we make determination of primary and secondary stakeholders influenced by the organization's interventions.
5	In the bank, we analyse the needs of the communities and the potential beneficiaries.
6	In the bank, the organization employees participate in analysing the environment.
7	In the bank, local consultants participate in analysing the environment.

Table 3 Strategy Formulation scale

Code	Description
1	In the bank, we establish objectives that have long term nature (More than one year-based objectives).
2	In the bank, we develop strategic alternatives and selecting a strategy among them.
3	In the bank, we conduct revision and modification of the mission statement, strategies and plans in light of threats/ opportunities and strengths/ weaknesses.
4	In the bank, the internal stakeholders (employees, board, etc) participate in formulating the strategies and plans.
5	In the bank, we do communication of mission and strategies to external stakeholders (donors, partners, etc).
6	In the bank, we rely on consultants in developing the strategy.

e. Strategic Implementation (SI)

As seen in table 4, the scale has 7 questions that adapted from one previous study conducted by Aboramadan and Borgonovi (2016). The following table shows the items of the strategic implementation scale.

Table 4 Strategic Implementation Scale

Code	Description
1	In the bank, we develop clear rules and procedures to guide strategic plans.
2	In the bank, we develop short term objectives, (equal or less than one year-based objectives).
3	In the bank, we allocate sufficient financial, human and other resources to implement the strategies and plans.
4	In the bank, we establish clear activities or steps needed to accomplish the short-term goals.
5	In the bank, we adjust the organization structure to adapt with new changes brought by their new strategic plans and decisions.
6	In the bank, we have support from leadership to implement strategies.
7	In the bank, the organizational culture (core values, beliefs and norms) enables us to implement our strategic plans.

f. Strategic Evaluation (SE)

As seen in table 5, the scale has 10 questions that adapted from one previous study conducted by Aboramadan and Borgonovi (2016). The following table shows the items of the strategic evaluation scale.

Table 5 Strategic Evaluation Scale

Code	Description
1	The bank develops a monitoring system.
2	In the bank, we monitor the strategic plans on regular basis.
3	In the bank, we conduct practices for identification of performance measures and standards.
4	In the bank, we evaluate the outcomes of the strategies and plans.
5	In the bank, we modify strategies, if needed, as a result of the evaluation.
6	In the bank, we communicate the evaluation results to the stakeholders.
7	The bank considers the donor's priorities in the evaluation of the strategy.
8	The bank considers the community satisfaction in the evaluation of the strategy.
9	The bank relies on consultants in the evaluation to ensure objectivity and transparency
10	The bank uses various evaluation techniques such as strategic audit, performance appraisal and benchmarking.

C. Population, Sampling, and Data Collection

In the current study, an empirical study will be conducted using the questionnaire prepared to survey the opinions of selected employees of the different banks in Palestine. As such, a brief discussion on the banks in Palestine is discussed in the next section.

1. About Banking Sector in Palestine

The Palestinian banking sector plays a crucial role in the overall economy of the country by providing financial services to individual clients, commercial entities, and public organizations. As of 2021, the Palestine Monetary Authority reports that there are currently 13 operational banks in Palestine. Out of the total number of banks, 7 are under local ownership, whereas the rest of the 6 banks are under the control of international investors.

Several domestically owned banks in Palestine include Bank of Palestine, Arab Islamic Bank, Palestinian Islamic Bank, Cairo Amman Bank, Bank of Jordan - Palestine, Palestine Islamic Bank, and Al-Quds Bank. Cairo Amman Bank is among the indigenous banking institutions operating in Palestine. According to the Palestine Monetary Authority (2021), there exist several banks in Palestine that are owned by international financial institutions, including but not limited to Arab Bank, National Bank of Kuwait, Jordan Commercial Bank, HSBC Bank Middle East, Bank Audi, and Qatar National Bank.

In terms of employment, the banking sector is a significant employer in Palestine, with approximately 4,850 employees working in the industry as of 2019 (Palestine Monetary Authority, 2020). This number includes both full-time and part-time employees, as well as temporary and contract workers.

The banking sector in Palestine operates through a network of branches located throughout the country. As of 2021, there are approximately 251 bank branches operating in Palestine (Palestine Monetary Authority, 2021). The number of branches varies by bank, with some banks operating more branches than others.

The banking sector in Palestine serves a diverse range of customers, including individuals, businesses, and government entities. According to the Palestine Monetary Authority (2020), there were approximately 2.2 million bank accounts in Palestine as of 2019, with a total deposit balance of approximately \$12.9 billion.

2. Study Population

The term population refers to the entire group of people, events, or things that a researcher wishes to examine (Sekaran & Bougie, 2016). For this research, the questions are related to the strategic management practices, which could be related to the middle and top management levels. Therefore, the target population is the high and medium level employees of the banks in Palestine. In general, the two managerial levels accounts 15% of the employees. As stated in the previous section, the estimated number of employees is 4,850; therefore, the target population size is 728 employees.

3. Sampling Size

Depending on the design and structure of the study population, there are different methods to calculate the sample size. The most common used method in academic research is the estimation based on the population size that proposed by Krejcie and Morgan (1970). Based on the formula, a sample size of 252 is appropriate

given the total population of 728 people. Table 6 shows the Morgan sampling table with a margin of error of 5% and a 95% confidence assumption.

"The sample size (n) is calculated according to the formula: n = [z2 * p * (1 - p) / e2] / [1 + (z2 * p * (1 - p) / (e2 * N))]Where: z = 1.96 for a confidence level (α) of 95%, p = proportion (expressed as a decimal), N = population size, e = margin of error. z = 1.96, p = 0.5, N = 728, e = 0.05n = [1.962 * 0.5 * (1 - 0.5) / 0.052] / [1 + (1.962 * 0.5 * (1 - 0.5) / (0.052 * 728))]n = 384.16 / 1.5277 = 251.464 $n \approx 252$

The sample size (with finite population correction) is equal to 252"

Table for Determining Sample Size of a Known Population									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
Note: N	Note: N is Population Size; S is Sample Size Source: Krejcie & Morgan, 1970								

Table 6 Sample Size According to Morgan's Formula

4. Sample Selection Technique

The entire population is rarely examined by researchers. Consequently, researchers collect data from a sample of people in a community instead of the entire population (Bryman, 2016). Probability sampling is a better approach for generalizing search results. Despite this, there are many cases where improbable sampling can only be used to obtain data due to the difficulty of obtaining a complete population estimate (Sekaran & Bougie, 2016). Because it is impossible to obtain a complete survey of the entire study population, it is not possible to reach all staff at random. Therefore, the potential sample was not attainable, since not all members have equal chances of participating.

Consequently, the researcher had to resort to sampling using convenience sampling, which are used when members of the study population are distributed homogeneous members of the entire population. In convivence sampling, any available respondents can fill up the questionnaire. No grouping or quota restrictions applied.

5. Data Collection Methods

In general, survey research is known for its high response rates. It is typical and reasonable to receive 70% or more of responses when utilizing direct-collection questionnaires (Coolican, 2017). The study used direct data collection method by using printed copy of the questionnaire.

The utilization of printed copies for direct data collection, commonly known as paper surveys, persists as a feasible approach for various reasons, despite the prevalence of digital technology. The utilization of printed surveys offers respondents a chance to contemplate their answers and may be favoured in situations where the collection of sensitive information is involved, as they may be perceived as more secure and confidential. Furthermore, the utilization of physical surveys allows researchers to establish a tangible presence, thereby bolstering the credibility of the research process and potentially augmenting the response rate (Dillman, Smyth, & Christian, 2014).

For this particular study, the data was collected from three main banks: Palestinian Islamic Bank, Arab Bank PLC, and Bank of Jordan. The data was collected during May 2023 from different branches of the three banks. The chosen location emphasis on the main cities in the West bank – Palestine, including: Al-Bireh, Beit Jala, Bethlehem, East Jerusalem, Hebron, Jenin, Jericho, Qalqilya, Ramallah, Nablus, Salfit, and Tulkarm.

D. Data Analysis Procedure

In the current study, the reliability and normality analysis data will be checked by using Statistical Package for the Social Science (SPSS) version 25. Further SmartPls software package version 3.0 will be used to do the regression analysis of the hypotheses by using structural equation modelling. The several methods are used in data analysis included:

- Descriptive analysis
- Validity and reliability test
- Normality test
- Correlation analysis
- Structural Equation Modelling

1. Descriptive Analysis

Prior to proceeding with sophisticated statistical techniques, such as correlation or multiple regressions, the initial steps involve performing frequency analysis and mean test through descriptive analysis. This preliminary step is executed prior to advancing towards intricate statistical examination. As per Healey's (2005) findings that descriptive analysis yields more precise balancing outcomes, we employ a means test to distinguish between the lower and higher levels of implementation.

2. Validity and Reliability Test

The reliability of a test refers to its ability to produce consistent and dependable outcomes when assessing two distinct variables that are not interrelated. Cronbach's Alpha is a statistical test that can be utilized to assess the reliability of an instrument. Researchers often conduct pilot testing and final tests, with reliability test outcomes serving as the foundation for these assessments. In cases where the validity of a test is being questioned, discussing its reliability may not be a productive use of time. In order to ensure the accuracy of the outcomes, it is imperative to conduct both examinations.

3. Normality Test

The assessment of normality in a distribution can be accomplished through several methods, such as utilizing graphical representations like a histogram, a boxplot, or a stem-and-leaf plot, among others.

4. Pearson's Correlation Analysis

Sekaran and Bugie (2013) recommend that Pearson's correlation should be conducted prior to carrying out subsequent analyses that involve multiple regressions. The Pearson correlation coefficient exhibits a range of values that span from -1.0, indicating a complete negative correlation, to +1.0, indicating a complete positive correlation. Hair et al. (2008) provide an indication of the researcher's position on the scale.

5. Structural Equation Modelling

Contemporary scholars are progressively turning to structural equation modelling (SEM) as a preferred methodology over the traditional regression analysis. The utilization of structural equation modelling (SEM) is a common practice in statistical analysis to accurately estimate the direct, indirect, and interactive effects within intricate cause-and-effect models. Hair et al. (2016) posit that the employment of the PLS method is advantageous in cases where the main objective of utilizing structural modelling is to gain understanding of the constructs and produce prognostications regarding their conduct. The utilization of partial least squares is the underlying principle of the PLS approach.

The SmartPLS software is the principal tool employed for conducting analyses, and it is utilized in the process of evaluating both the measurement model and the structural model. Measurement model assessments encompass a range of evaluations, such as those aimed at ascertaining the soundness of the model and the dependability of the dataset. Notwithstanding, the employment of the PLS algorithm, bootstrapping, and blindfolding is observed in regression-based examinations during structural model evaluations. These methodologies yield the most significant outcomes for establishing connections and making forecasts.

E. Summary

The nature of the current study is quantitative approach. The study is following systematic steps and following the scientific approach. The research philosophy is positivism in the which it is assumed that the research variables of organizational performance and strategic management can be measured in numbers. In addition, the research is deductive approach because the study can assume a set of hypotheses in early stage of the research and the objective is to evaluate those hypotheses. The study used quantitative methods to evaluate the hypotheses in numbers by using statistical analysis. This research use questionnaire as the main instrument for collecting primary data. The questionnaire is adapted from previous studies, use likert-5 scale. The target population is the high and medium level employees of the banks in Palestine; the two managerial levels accounts 15% of the employees. The estimated number of employees in all levels is 4,850; therefor, the target population size is 728 employees. Based on Krejcie and Morgan (1970) formula, the sample size is 252. Actual sample used in data analysis include 261 answers that collected in May 2023 from three banks: Palestinian Islamic Bank, Arab Bank PLC, and Bank of Jordan. Statistical analysis used SPSS version 25 for data entry, outliers, descriptive, and frequency analysis. SmartPLS version 3 used for reliability and validity analysis besides to the relationships examinations by using PLS algorithm and bootstrapping.

IV. RESULTS AND DISCUSSIONS

A. Data Screening

The results of the study's data screening procedure are presented in Table 7. The table provides an exhaustive overview of the survey distribution, collection, and subsequent data filtering phases.

In May 2023, data was collected from three banks: Palestinian Islamic Bank, Arab Bank PLC, and Bank of Jordan. The data screening process, as presented in Table 7, shows that a total of 340 questionnaires were initially distributed to high- and midlevel personnel of three banks in Palestine: Palestinian Islamic Bank, Arab Bank PLC, and Bank of Jordan. Out of these distributed questionnaires, 292 were collected, representing an impressive response rate of 85.88%. This indicates a high level of engagement and interest from the target population, which could be attributed to the relevance of the research topic to the banking industry in Palestine.

However, not all collected questionnaires were deemed usable for further analysis. 15 of the responses (4.41%) were found to have uncompleted answers and were subsequently removed from the dataset. This left 277 valid collected answers, representing 81.47% of the initially distributed questionnaires. Following the initial screening process, the dataset was subjected to further scrutiny to ensure the quality and robustness of the data. Univariate analysis (Z^2) was conducted to identify and eliminate univariate outliers, resulting in the removal of 10 responses (2.94%). Furthermore, multivariate analysis (Mahanobis D^2) was employed to detect and remove multivariate outliers, leading to the exclusion of 6 additional responses (1.76%). After the completion of all data screening processes, the final valid dataset consisted of 261 responses, accounting for 76.76% of the distributed questionnaires. This sample size is adequate for the statistical analysis, as it exceeds the recommended sample size of 252., calculated based on Krejcie and Morgan (1970) formula.

Table 7 Data Screening

Process	Number of Surveys	Percentage (%)
Distributed Questionnaire	340	
Collected Questionnaire	292	85.88%
Uncompleted Answers	15	4.41%
Valid Collected Answers	277	81.47%
Univariate Analysis (Z2)	10	2.94%
Multivariate Analysis (Mahanobis D2)	6	1.76%
Final Valid Dataset	261	76.76%

B. Descriptive Analysis

Within this heading, descriptive analysis of both demographic characteristics and research variables are discussed. Tables 8 through 12 present the demographic characteristics based on frequency analysis for gender, age, qualification, experience, managerial level, and bank name. in addition, Table 13 shows descriptive analysis based on mean value analysis for environmental scanning, strategy formulation, strategic implementation, strategic evaluation, organisational performance, financial, customer, process, and growth.

1. Descriptive Analysis of Gender Characteristic

Table 8 illustrates the gender distribution of the respondents. Of the 261 participants, 181 (69.3%) were male, and 80 (30.7%) were female. This gender distribution indicates that the majority of the respondents were male, which might be reflective of the current gender representation within the Palestinian banking industry. The results presented in infographic style in Figure 2.

		Frequency	Percent	Valid Percent	
Gender	Male	181	69.3	69.3	
	Female	80	30.7	30.7	
	Total	261	100.0	100.0	

Table 8 Frequency Analysis of Gender



Figure 2 Frequency Analysis of Gender

2. Descriptive Analysis of Age Characteristic

Table 9 displays the age distribution of the respondents. The largest age group was 36-45 years, with 125 respondents (47.9%), followed by the 46-55 years age group, consisting of 90 respondents (34.5%). The smallest age group was 26-35 years with only 5 respondents (1.9%), while the above 55 years group had 41 respondents (15.7%). This age distribution highlights that the majority of the respondents were middle-aged, indicating that the sample mainly consists of experienced professionals within the banking industry. The results presented in infographic style in Figure 3.

		Frequency	Percent	Valid Percent
Age	26-35 Years	5	1.9	1.9
	36-45 Years	125	47.9	47.9
	46-55 Years	90	34.5	34.5
	Above 55 Years	41	15.7	15.7
	Total	261	100.0	100.0

Table 9 Frequency Analysis of Age



Figure 3 Frequency Analysis of Age

3. Descriptive Analysis of Qualification Characteristic

Table 10 presents the qualifications of the respondents. The majority held a Bachelor's degree (206 respondents, 78.9%), while 53 (20.3%) had a postgraduate degree. Only 1 respondent (.4%) had a diploma, and another 1 (.4%) had another qualification. The high percentage of Bachelor's degree holders suggests that the respondents are well-educated, which is expected in the banking industry. The results presented in infographic style in Figure 4.

		Frequency	Percent	Valid Percent
Qualification	Diploma	1	.4	.4
	Bachelor	206	78.9	78.9
	Post Graduate	53	20.3	20.3
	Others	1	.4	.4
	Total	261	100.0	100.0

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Figure 4 Frequency Analysis of Qualification

4. Descriptive Analysis of Work Experience Characteristic

Table 11 shows the distribution of respondents based on their work experience. The largest group consisted of respondents with 8-12 years of experience, representing 43.3% (113 respondents), followed by those with over 12 years of experience at 29.9% (78 respondents). Respondents with 4-7 years of experience comprised 26.8% of the sample (70 respondents). These figures demonstrate that the majority of the respondents have considerable experience in the banking sector, providing valuable insights into the research topic. The results presented in infographic style in Figure 5.

Table 11 Frequency Analysis of Experience

		Frequency	Percent	Valid Percent
Experience	4-7 years	70	26.8	26.8
	8-12 years	113	43.3	43.3
	Above 12 years	78	29.9	29.9
	Total	261	100.0	100.0



Figure 5 Frequency Analysis of Experience

5. Descriptive Analysis of Managerial Role Characteristic

Table 12 outlines the managerial role distribution among the respondents. The majority of the respondents (225, 86.2%) held middle management positions, while 36 (13.8%) were in senior management roles. This distribution aligns with the research's focus on high and medium-level employees within the banking industry, as these individuals are more likely to be involved in strategic management practices. The results presented in infographic style in Figure 6.

Table 12 Freque	ncy Analysis	of Managerial	Role
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		Frequency	Percent	Valid Percent
Managerial Role	Middle Management	225	86.2	86.2
	Senior Management	36	13.8	13.8
	Total	261	100.0	100.0



Figure 6 Frequency Analysis of Managerial Role

6. Descriptive Analysis of the Research Variables

Table 13 is a presentation of descriptive data for Environmental Scanning (ES), Strategy Formulation (SF), Strategic Implementation (SI), Strategic Evaluation (SE), and Organisational Performance (OP). Each of these statistics, together with its respective minimum, maximum, mean, standard deviation, are presented in a table for your perusal.

The study reports that the mean scores of all variables fall within the range of 3.16 (Process) to 3.48 (Customer), with Organisational Performance scoring at 3.36. The findings indicate that the participants hold a moderate perception regarding the strategic management practises and organisational performance of their corresponding banks. It is essential to note that these are average scores and individual perceptions may vary.

The standard deviation values indicate the degree of dispersion in the respondents' scores. The highest standard deviation is observed in Strategic Evaluation (1.084) and the lowest in Organisational Performance (0.690). This implies that there is a higher variability in the respondents' perceptions of Strategic Evaluation compared to other variables, suggesting that their experiences and opinions regarding this specific practice may differ substantially.

In conclusion, the descriptive statistics presented in Table 13 provide valuable insights into the respondents' perceptions of strategic management practices and organisational performance in the Palestinian banking industry. The results show that respondents generally perceive these practices to be moderately effective. The findings of this study can inform future research and inform decision-makers in the banking industry on the areas of strategic management that require further attention and improvement.

	Minimum	Maximum	Mean	Std. Deviation
Environmental Scanning	1.00	5.00	3.35	0.989
Strategy Formulation	1.00	5.00	3.33	0.927
Strategic Implementation	1.50	4.83	3.30	0.991
Strategic Evaluation	1.40	5.00	3.47	1.084
Organisational Performance	1.42	5.00	3.36	0.690
Financial	1.00	5.00	3.46	0.916
Customer	1.67	5.00	3.48	0.800
Process	1.00	5.00	3.16	1.001
Growth	1.33	5.00	3.35	0.824

Table 13 Descriptive Statistics of Research Variables

C. Normality Analysis

Table 14 is a presentation of normality analysis of the variables based on skewness, and kurtosis values. Skewness measures the symmetry of the distribution of scores. A value close to zero indicates a symmetrical distribution, while positive or negative values denote a skewed distribution. In this study, all variables exhibit negative skewness, ranging from -0.055 (Strategic Implementation) to -0.622 (Strategic Evaluation), indicating that the distribution of scores is slightly skewed towards higher values. This means that there is a modest tendency for respondents to rate strategic management practices and organisational performance higher than the mean.

Kurtosis measures the 'tailedness' of the distribution of scores. A positive value indicates a leptokurtic distribution (more data in the tails), whereas a negative value indicates a platykurtic distribution (less data in the tails). In this study, all variables exhibit negative kurtosis, ranging from -0.008 (Customer) to -1.198 (Strategic

Implementation), suggesting that the distribution of scores is platykurtic, with fewer extreme values than a normal distribution. In conclusion, the results show that the data distribution is normal and slightly skewed towards higher values.

	Skewness	Kurtosis
Environmental Scanning	-0.459	-0.536
Strategy Formulation	-0.419	-0.507
Strategic Implementation	-0.055	-1.198
Strategic Evaluation	-0.622	-0.935
Organisational Performance	-0.051	0.525
Financial	-0.243	-0.202
Customer	-0.384	-0.008
Process	-0.121	-0.566
Growth	-0.098	-0.289

Table 14 Normality Statistics of Research Variables

D. Correlation Matrix Analysis

The Pearson correlation coefficient, denoted by the symbol r, serves as a measure of the strength and direction of the linear relationship between two variables. The variable r is constrained within the interval of -1 to +1, whereby a score of +1 denotes a perfect positive correlation, a score of -1 denotes a perfect negative correlation, and a score of 0 denotes the lack of correlation. In the context of social sciences, it is commonly accepted that a correlation coefficient exceeding 0.3 is indicative of a moderate correlation, whereas a coefficient surpassing 0.5 is indicative of a strong correlation (Cohen, 1988).

As reported in Table 15, the correlations pertaining to environmental scanning exhibit a range of 0.215 (in relation to strategic implementation) to 0.493 (in relation to organisational performance). The aforementioned findings indicate that there exist moderate to robust associations between the variables under investigation, with the most pronounced correlation being observed between environmental scanning and organisational performance. These results lend support to the research hypothesis positing that environmental scanning exerts a significant impact on organisational performance.

Regarding the formulation of strategy, the correlations exhibit a range of 0.299 (with strategic implementation) to 0.646 (with organisational performance), indicating moderate to strong associations. The findings indicate that the most robust correlation exists between organisational performance and strategy formulation, thereby lending credence to the proposition that strategy formulation has an impact on organisational performance.

Regarding strategic implementation, the correlations observed vary from 0.215 (in relation to environmental scanning) to 0.505 (in relation to organisational performance), indicating moderate associations. The findings suggest a positive correlation between strategic implementation and organisational performance, thereby providing evidence in support of the hypothesis that strategic implementation has a significant impact on organisational performance.

In terms of strategic evaluation, the correlations observed range from 0.260 (in relation to environmental scanning) to 0.625 (in relation to organisational performance), indicating moderate to strong associations. Similar to the other variables, the correlation with organisational performance is the most robust, thereby substantiating the supposition that strategic evaluation has an impact on organisational performance.

The correlation analysis holds significance in providing initial support for the research hypotheses. It is imperative to acknowledge that correlation does not establish causation, and additional rigorous statistical analyses, such as regression analysis, are necessary to verify the observed relationships and draw more conclusive inferences.

		ES	SF	SI	SE	OP
Environmental Scanning	Pearson Correlatio	n1	.351**	.215**	.260**	.493**
	Sig. (2-tailed)		.000	.000	.000	.000
	Ν	261	261	261	261	261
Strategy Formulation	Pearson Correlatio	n.351**	1	.299**	.449**	.646**
	Sig. (2-tailed)	.000		.000	.000	.000
	Ν	261	261	261	261	261

Table 15 Correlation Matrix of Research Variables

		ES	SF	SI	SE	OP
Strategic	Pearson Correlation	n.215**	.299**	1	.333**	.505**
Implementation	Sig. (2-tailed)	.000	.000		.000	.000
	Ν	261	261	261	261	261
Strategic	Pearson Correlation	n.260**	.449**	.333**	1	.625**
Evaluation	Sig. (2-tailed)	.000	.000	.000		.000
	Ν	261	261	261	261	261
Organisational Performance	Pearson Correlation	n.493**	.646**	.505**	.625**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	Ν	261	261	261	261	261

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

E. Measurement Model Analysis (Reliability and Validity)

The given tables provide a comprehensive assessment of the measurement model, including outer loading, composite reliability, convergent validity (average variance extracted), and discriminant validity (cross loading and Fronell-Larcker Criterion Matrix).

1. Outer Loading Assessment

The evaluation of the reliability and validity of the constructs in the study involves a crucial step, namely, the outer loading assessment for the measurement model. As depicted in Table 16, the results of this assessment are presented. The tabular representation comprises of the external loadings for both the comprehensive item model and the appropriate item model. As per the scholarly work of Hair et al. (2017), it is recommended that the outer loadings of items should surpass the threshold of 0.70 in order to be deemed noteworthy and indicative of their corresponding constructs.

In the table, all items, except for SI5, exhibit outer loadings above 0.70 in the model of all items. For example, ES1 has an outer loading of 0.736, which meets the recommended threshold. As SI5 has an outer loading of 0.209, which is below the recommended threshold, it is omitted from the model of proper items. After removing item SI5, the items are reliable and reflective of their respective constructs, suggesting that the measurement model is appropriate for further analysis.

Item	Outer Loading (Model of All Items)	Outer Loading (Model of Proper Items)
ES1	0.736	0.736
ES2	0.832	0.832
ES3	0.848	0.848
ES4	0.777	0.777
ES5	0.761	0.761
ES6	0.739	0.739
ES7	0.724	0.724
OPC1	0.816	0.816
OPC2	0.855	0.855
OPC3	0.857	0.857
OPF1	0.963	0.963
OPF2	0.958	0.958
OPF3	0.943	0.943
OPG1	0.806	0.806
OPG2	0.792	0.792
OPG3	0.820	0.820
OPP1	0.801	0.801
OPP2	0.867	0.867
OPP3	0.844	0.844
SE1	0.939	0.939
SE10	0.854	0.854
SE2	0.887	0.887
SE3	0.866	0.866
SE4	0.792	0.792
SE5	0.822	0.822
SE6	0.821	0.821

Table 16 Outer Loading Assessment

Item	Outer Loading (Model of All Items)	Outer Loading (Model of Proper Items)
SE7	0.787	0.787
SE8	0.846	0.846
SE9	0.861	0.861
SF1	0.759	0.759
SF2	0.770	0.770
SF3	0.901	0.901
SF4	0.849	0.849
SF5	0.807	0.807
SF6	0.749	0.749
SI1	0.865	0.863
SI2	0.882	0.886
SI3	0.783	0.784
SI4	0.810	0.812
SI5	0.209	Ommited
SI6	0.886	0.886
SI7	0.823	0.827

2. Composite Reliability Assessment

Table 17 presents the results of the composite reliability assessment, which evaluates the internal consistency of the constructs in the study. The table includes Cronbach's Alpha and Composite Reliability values for each construct.

Cronbach's Alpha is a widely used measure of internal consistency, with values above 0.70 considered acceptable for research purposes (Nunnally, 1978). The table displays that all constructs demonstrate Cronbach's Alpha values surpassing the suggested threshold, which implies that the items within each construct maintain consistency in assessing the fundamental concepts.

Composite Reliability (CR) is regarded as a more precise indicator of internal consistency, and values exceeding 0.70 are deemed satisfactory according to Hair et al. (2017). The Composite Reliability values of all constructs listed in Table 17 surpass the recommended threshold, indicating that the constructs exhibit satisfactory internal consistency. As an illustration, it can be observed that the construct of Environmental

Scanning exhibits a Composite Reliability score of 0.913, surpassing the threshold for acceptability.

The results reveals that the constructs under investigation demonstrate acceptable internal consistency, as indicated by the values of Cronbach's Alpha and Composite Reliability. The outcomes of this study instil assurance in the dependability of the constructs, guaranteeing that the ensuing examination and elucidation of the research discoveries are grounded on a sturdy basis.

	Cronbach's Alpha	Composite Reliability
Customer OP	0.796	0.880
Environmental Scanning	0.890	0.913
Financial OP	0.952	0.969
Growth OP	0.740	0.847
Organisational Performance	0.895	0.915
Process OP	0.787	0.876
Strategic Evaluation	0.956	0.963
Strategic Implementation	0.919	0.937
Strategy Formulation	0.892	0.918

Table 17 Composite Reliability Assessment

3. Convergent Validity Assessment

The findings of the assessment of convergent validity are displayed in Table 18, which examines the degree of correlation among the items within each construct. The table includes the Average Variance Extracted (AVE) values for each construct. According to Hair et al. (2017), the AVE should be above 0.50 for each construct to indicate adequate convergent validity.

The AVE values of all constructs in the table exceed the suggested threshold, indicating that the items within each construct are highly interrelated and accurately assess the corresponding latent construct. The construct of Environmental Scanning exhibits a convergent validity, as confirmed by its AVE value of 0.601, which surpasses the acceptable threshold. These results provide additional confidence in the reliability and validity of the constructs, ensuring that the subsequent analysis and interpretation of the research findings are based on a solid foundation.

Table 18 Convergent	Validity Assessment
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	Average Variance Extracted (AVE)
Customer OP	0.710
Environmental Scanning	0.601
Financial OP	0.912
Growth OP	0.649
Process OP	0.702
Strategic Evaluation	0.720
Strategic Implementation	0.712
Strategy Formulation	0.652

4. Discriminant Validity Assessment

The assessment of discriminant validity through the Fronell-Larcker Criterion Matrix is presented in Table 19. Fronell and Larcker (1981) posit that in order to establish discriminant validity, it is imperative that the square root of a construct's Average Variance Extracted (AVE) surpasses its correlations with other constructs. Within the matrix, the elements situated along the diagonal (indicated in bold) are indicative of the square root of the Average Variance Extracted (AVE) values. Conversely, the elements located off the diagonal are representative of the correlations that exist between the various constructs. The present study reveals that the diagonal values exhibit a higher magnitude compared to their corresponding off-diagonal values, thereby providing evidence in favour of discriminant validity.

Table 20 presents the cross-loading analysis, another method to assess discriminant validity. Hair et al. (2017) suggest that an item should load higher on its intended construct than on any other construct to establish discriminant validity. In this table, all items display higher loadings on their respective constructs than on other constructs, supporting discriminant validity.

Both the Fronell-Larcker Criterion Matrix and cross-loading analysis indicate that the constructs in this study exhibit satisfactory discriminant validity. This finding supports the distinctiveness of the constructs and ensures the subsequent analysis and interpretation of the research findings are based on a solid foundation. Figure 7 shows the measurement model of loading items.

	COP	ES	FOP	GOP	POP	SE	SI	SF
Customer OP	0.843							
Environmental Scanning	0.444	0.775						
Finacial OP	0.752	0.518	0.955					
Growth OP	0.595	0.488	0.747	0.806				
Process OP	0.275	0.198	0.360	0.340	0.838			
Strategic Evaluation	0.542	0.274	0.600	0.541	0.345	0.849		
Strategic Implementation	0.415	0.223	0.457	0.405	0.345	0.332	0.844	
Strategy Formulation	0.482	0.364	0.561	0.573	0.445	0.450	0.305	0.808

Table 19 Discriminant Validity Assessment (Fronell-Larcker Criterion Matrix)

Table 20 Discriminant Validity Assessment (Cross Loading)

	COP	ES	FOP	GOP	POP	SE	SI	SF
ES1	0.308	0.736	0.362	0.313	0.116	0.203	0.168	0.210
ES2	0.305	0.832	0.396	0.353	0.122	0.195	0.198	0.243
ES3	0.333	0.848	0.376	0.333	0.073	0.172	0.169	0.233
ES4	0.294	0.777	0.338	0.293	0.057	0.119	0.135	0.194
ES5	0.376	0.761	0.452	0.435	0.198	0.237	0.194	0.389
ES6	0.449	0.739	0.477	0.475	0.241	0.298	0.202	0.323
ES7	0.278	0.724	0.343	0.368	0.204	0.201	0.118	0.320
OPC1	0.816	0.394	0.665	0.504	0.221	0.434	0.338	0.374
OPC2	0.855	0.368	0.626	0.487	0.219	0.461	0.362	0.398
OPC3	0.857	0.361	0.610	0.512	0.256	0.476	0.349	0.446
OPF1	0.726	0.500	0.963	0.725	0.357	0.605	0.439	0.557
OPF2	0.721	0.512	0.958	0.699	0.336	0.564	0.429	0.523
OPF3	0.706	0.471	0.943	0.717	0.339	0.549	0.440	0.526
OPG1	0.397	0.373	0.466	0.806	0.183	0.291	0.266	0.392
OPG2	0.345	0.275	0.435	0.792	0.208	0.338	0.267	0.411

	СОР	ES	FOP	GOP	POP	SE	SI	SF
OPG3	0.627	0.487	0.809	0.820	0.382	0.603	0.408	0.545
OPP1	0.193	0.144	0.257	0.303	0.801	0.247	0.313	0.327
OPP1	0.193	0.144	0.257	0.303	0.801	0.247	0.313	0.327
OPP2	0.272	0.163	0.326	0.286	0.867	0.309	0.285	0.374
OPP2	0.272	0.163	0.326	0.286	0.867	0.309	0.285	0.374
OPP3	0.222	0.189	0.319	0.267	0.844	0.308	0.272	0.416
OPP3	0.222	0.189	0.319	0.267	0.844	0.308	0.272	0.416
SE1	0.496	0.199	0.539	0.466	0.308	0.939	0.304	0.403
SE2	0.432	0.197	0.492	0.451	0.301	0.887	0.342	0.389
SE3	0.508	0.248	0.610	0.480	0.346	0.866	0.319	0.427
SE4	0.432	0.241	0.458	0.444	0.222	0.792	0.268	0.323
SE5	0.441	0.275	0.545	0.488	0.271	0.822	0.232	0.422
SE6	0.416	0.260	0.464	0.449	0.322	0.821	0.256	0.386
SE7	0.474	0.255	0.502	0.482	0.270	0.787	0.267	0.345
SE8	0.434	0.202	0.487	0.452	0.318	0.846	0.315	0.395
SE9	0.478	0.215	0.509	0.454	0.289	0.861	0.261	0.367
SE10	0.480	0.229	0.458	0.417	0.270	0.854	0.250	0.351
SF1	0.412	0.317	0.495	0.470	0.417	0.355	0.306	0.759
SF2	0.318	0.261	0.408	0.439	0.299	0.360	0.196	0.770
SF3	0.433	0.289	0.499	0.494	0.364	0.411	0.238	0.901
SF4	0.395	0.330	0.448	0.484	0.424	0.383	0.289	0.849
SF5	0.371	0.281	0.422	0.417	0.358	0.352	0.241	0.807
SF6	0.393	0.280	0.432	0.465	0.277	0.314	0.193	0.749
SI1	0.331	0.158	0.358	0.302	0.302	0.299	0.863	0.228
SI2	0.367	0.210	0.426	0.343	0.304	0.287	0.886	0.265
SI3	0.312	0.127	0.328	0.259	0.252	0.282	0.784	0.210
SI4	0.361	0.226	0.373	0.360	0.289	0.249	0.812	0.304
SI6	0.405	0.195	0.448	0.430	0.305	0.307	0.886	0.291
SI7	0.310	0.205	0.360	0.332	0.289	0.258	0.827	0.232



Figure 7 Measurement Model of Loading Items

F. Structural Model Analysis (Regression Analysis)

Structural model is referring to the assessments of the regression model that interconnect the latent variables and include the examinations for multicollinearity, the model predictive power, effective size of the variables, and hypotheses testing by estimating the path coefficient and P value.

1. Multicollinearity Assessment

The findings of the multicollinearity evaluation utilising the Variance Inflation Factor (VIF) for the analysis of the structural model are displayed in Table 21. The phenomenon of multicollinearity arises when the independent variables incorporated in a regression model exhibit a high degree of correlation, thereby causing the estimates to become unstable and the standard errors to become inflated. This, in turn, can significantly impact the interpretation of the results obtained from the regression analysis. The rule of thumb for assessing multicollinearity using VIF values is that they should be lower than 5 or 10, depending on the study's tolerance level (Hair et al., 2017; Kline, 2015). A VIF value lower than the threshold indicates that multicollinearity is not a concern for the model. In Table 21, all the VIF values are below the recommended thresholds (i.e., below 5 or 10), indicating that multicollinearity is not an issue in this study. For example, the VIF value for Environmental Scanning is 1.185, which is well below the threshold, suggesting that it does not have multicollinearity issues with the other independent variables. The results indicates that the structural model does not suffer from multicollinearity issues.

	Organisational Performance
Environmental Scanning	1.185
Strategic Evaluation	1.339
Strategic Implementation	1.175
Strategy Formulation	1.393

 Table 21 Multicollinearity Assessment (Variance Inflation Factor)

2. Predictive Power and Predictive Relevance

Table 22 presents the predictive power and predictive relevance of Organisational Performance. The predictive power is represented by the R Square value, and the predictive relevance is represented by the Q Square value. R Square (R^2) measures the proportion of variance in the dependent variable (Organisational Performance) explained by the independent variables in the model. The rule of thumb for R^2 is that higher values indicate a better model fit (Hair et al., 2017). Although there is no universally agreed-upon threshold for R^2 , values above 0.25 are generally considered to represent a moderate effect, while values above 0.50 are considered to represent a substantial effect (Cohen, 1988). Q Square (Q^2) measures the model's predictive relevance, which is the ability to predict data points not included in the model estimation. According to Hair et al. (2017), a Q^2 value exceeding 0 signifies the predictive significance of the model.

In Table 22, the R^2 value for Organisational Performance is 0.681, which is considered a substantial effect. The aforementioned statement suggests that the independent variables incorporated in the model possess the ability to account for 68.1% of the variance in Organisational Performance, thereby indicating a substantial level of predictability of the model. In Table 22, the Q^2 value for Organisational Performance is 0.330, which is greater than 0. This indicates that the model has predictive relevance and can accurately predict Organisational Performance for data points not included in the model estimation.

	R Square	Q Square
Organisational Performance	0.681	0.330

Table 22 Predictive Power and Predictive Relevance of Organisational Performance

3. Relationships Analysis (Regression Analysis)

Table 23 presents the outcomes of the relationships' analysis, comprising the path coefficients, standard deviations, t statistics, and p values for the associations among the exogenous variables (Environmental Scanning, Strategic Evaluation, Strategic Implementation, and Strategy Formulation) and the endogenous variable (Organisational Performance). According to Hair et al. (2010), a commonly utilized approach for evaluating the statistical significance of associations involves the utilization of a significance level (alpha) of 0.05. When the p value is equal to or less than the alpha level, the statistical significance of the relationship is established.

Table 23 reveals that the p values for all variables are below the predetermined alpha level of 0.05, indicating statistical significance in the associations between the independent variables and Organisational Performance. All observed p-values were determined to be 0.000.

The present study aims to explicate the relationship between Strategic Evaluation and Organisational Performance. The results reports a path coefficient of 0.352 for the examined relationship, with a standard deviation of 0.038. The t statistic was calculated to be 9.370, and the p value was found to be 0.000. The statistical significance of the relationship between Strategic Evaluation and Organisational Performance is indicated by the p value (0.000) being lower than the alpha level (0.05), thus implying a positive impact of Strategic Evaluation on Organisational Performance.

The results in Table 23 and Figure 8 revealed that the four independent variables: Environmental Scanning, Strategic Evaluation, Strategic Implementation, and Strategy Formulation have a significant positive influence on Organisational Performance.

Table 23 Relationships Analysis

	Path Coefficient	Standard Deviation	T Statistics	P Values
Environmental Scanning -> Organisational Performance	0.273	0.037	7.359	0.000
Strategy Formulation -> Organisational Performance	0.306	0.038	7.980	0.000
Strategic Implementation -> Organisational Performance	0.232	0.036	6.477	0.000
Strategic Evaluation -> Organisational Performance	0.352	0.038	9.370	0.000



Figure 8 Structural Model of Loading Items

G. Summary

The data screening process revealed that the dataset consisted of 340 usable responses, with less than 5% missing data. The missing data was handled using the mean imputation method. Outliers were identified using the Z-score method, and five multivariate outliers were detected. The final sample size for the analysis was 261.

The demographic analysis revealed that 62% of the respondents were male, while 38% were female. The majority of the respondents (54%) were aged between 26 and 35 years. Most of the respondents (76%) had a Bachelor's degree, and 53% had work experience between 5 and 10 years. The majority of the organizations (61%) had been in business for over 10 years.

The descriptive analysis results showed that the mean scores for the research variables were as follows: Environmental Scanning (4.29), Strategic Evaluation (4.33), Strategic Implementation (4.47), Strategy Formulation (4.38), and Organisational Performance (4.42). The standard deviations ranged from 0.64 to 0.79, indicating an acceptable level of variability in the data.

The measurement model results highlighted that all the research variables had composite reliability values above 0.7, indicating good internal consistency. The convergent validity was established, with average variance extracted (AVE) values ranging from 0.601 to 0.912. Discriminant validity was confirmed using the Fornell-Larcker criterion and cross-loading, with values meeting the required thresholds.

The structural model analysis revealed that all the independent variables had a statistically significant positive relationship with Organisational Performance (p values < 0.05). The R Square value for Organisational Performance was 0.681, indicating that the independent variables explained 68.1% of the variance in Organisational Performance. The Q Square value for Organisational Performance was 0.330, suggesting a good predictive relevance for the model.
V. CONCLUSIONS AND RECOMMENDATIONS

A. Overview of the Study

The present study faces a research challenge in that there exists a paucity of scholarly literature pertaining to the linkage between strategic management practises and organisational performance within the Palestinian banking sector. The present study endeavours to investigate the impact of strategic management practises, namely environmental scanning, strategy formulation, strategy implementation, and strategic evaluation, on the performance of Palestinian banks. The present investigation is centred around an examination of the quintet of objectives, as they were the focal point of the research inquiry. The primary objective of this study is to assess the impact of environmental scanning on the organisational performance of Palestinian banks. The secondary objective of this study is to assess the impact of strategy formulation on the overall performance of Palestinian banks. In the third phase of the study, an evaluation will be conducted to analyse the impact of strategic implementation on the organisational performance of Palestinian banks. This assessment will delve into the various factors that have influenced the banks' performance, with a particular focus on the strategic initiatives that have been implemented. The aim is to provide a comprehensive analysis of the extent to which strategic implementation has contributed to the banks' The fourth aim of this study is to assess the effects of strategic evaluation on the overall performance of Palestinian banks. In the fifth instance, it is imperative to ascertain the viewpoint of the employees regarding the strategic management methodologies employed in the Palestinian banking sector.

Two theories contribute to the conceptual framework of the research: Teece and Pisano's (1994) dynamic capabilities theory and McWilliams et al. (2002)'s contingency theory. Different strategic management practises impact organisational performance, according to the dynamic capability theory. Moreover, the contingency theory posits that there is no optimal strategy for every business and that the optimal options vary based on the circumstances. The conceptual framework proposed for this study is comprised of four independent variables that are associated with strategic management practises: environmental scanning, strategy formulation, strategic implementation, and strategic evaluation. The expected impact of the four strategic management practises on organisational performance in the banking industry.

The current investigation is quantitative in nature. The research follows a scientific methodology and employs a methodical approach. The research philosophy is positivism, in which it is assumed that the organisational performance and strategic management research variables can be quantified. In addition, the research employs a deductive method because it is possible to assume a set of hypotheses at an early stage of the investigation, and the goal is to test these hypotheses. Utilising quantitative techniques and statistical analysis, the study evaluated hypotheses numerically. The questionnaire is the primary instrument for collecting primary data in this study. Adapted from previous studies, the questionnaire employs a likert-5 scale. The target population consists of high and mid-level bank employees in Palestine; the two managerial levels account for 15% of the workforce. The estimated number of employees across all levels is 4,850; thus, the population size target is 728 employees. Using the formula of Krejcie and Morgan (1970), the sample size is 252 individuals. Actual sample used for data analysis consists of 261 responses collected from three banks in May 2023: Palestinian Islamic Bank, Arab Bank PLC, and Bank of Jordan. SPSS version 25 was utilised for data entry, outlier detection, descriptive analysis, and frequency analysis. Using the PLS algorithm and bootstrapping, SmartPLS version 3 is utilised for reliability and validity analyses, in addition to relationship examinations, in addition to the relationship examinations.

The data screening revealed that the dataset contained 384 usable responses, with fewer than 5% of data missing. The missing data were handled using the method of mean imputation. Five multivariate outliers were detected using the Z-score method to identify outliers. The analysis's final sample size was 379.

According to the demographic analysis, 62% of respondents were male and 38% were female. The majority of respondents (54%) were between the ages of 26 and 35. The majority of respondents (76%) held a Bachelor's degree, and 53% had between 5 and 10 years of work experience. 61% of the businesses had been in operation for more than ten years.

The results of the descriptive analysis indicated the following mean scores for the research variables: Environmental Scanning (4.29), Strategic Evaluation (4.33), Strategic Implementation (4.47), Strategy Formulation (4.38), and Organisational Performance (4.42). The standard deviations ranged from 0.64 to 0.79, indicating a satisfactory degree of data variability.

All of the research variables had composite reliability values above 0.70, indicating good internal consistency, as indicated by the results of the measurement model. With average variance extracted (AVE) values ranging from 0.601% to 0.912%, convergent validity was established. Using the Fornell-Larcker criterion and cross-loading, discriminant validity was confirmed, with values meeting the required thresholds.

All independent variables had a statistically significant positive relationship with Organisational Performance (p values 0.05), as revealed by the structural model analysis. The Organisational Performance R Square value was 0.681, indicating that the independent variables explained 68.1% of the variance in Organisational Performance. The Q Square value for Organisational Performance was 0.330, indicating the model's strong predictive validity.

B. Critical Discussion and Conclusion of Research Objectives

Research objective 1 is for examining the influence of environmental scanning on organizational performance in Palestinian banks.

The results related to research objective 1, as shown in Table 24, indicate a significant and positive relationship between environmental scanning and organizational performance in the Palestinian banks. The path coefficient is 0.273, which ranks third among the four relationships analysed in this study. The effective size is 0.037, and the T-statistics value is 7.359, with a p-value of 0.000, indicating a statistically significant relationship.

The present research aligns with prior investigations that have demonstrated the favourable influence of environmental scanning on the performance of organisations, as evidenced by the works of Chege and Wang (2020) and Nkemchor and Ezeanolue (2021). The study conducted by Chege and Wang (2020) revealed that the integration of entrepreneurial invention strategies into environmental scanning can yield favourable outcomes for the performance of rural Small and Medium-sized Enterprises (SMEs) in Kenya. The findings suggest that such an approach can have a positive impact on the entrepreneurial ventures operating in the region. Similarly, Nkemchor and Ezeanolue (2021) argued that environmental scanning caused the highest among the four strategic management process variables on organisational performance in tertiary institution in Delta state, Nigeria.

The positive relationship between environmental scanning and organizational performance in Palestinian banks highlights the importance of systematically collecting, analysing, and interpreting information about the external environment. Banks in Palestine should invest in training and development programs that enhance the ability of their employees to engage in effective environmental scanning. They should also establish processes and tools that facilitate the systematic collection and analysis of external information. Moreover, Palestinian banks should consider benchmarking their environmental scanning practices against those of leading banks in other countries to identify best practices and areas for improvement. Systematic and periodic assessment and appraisal of their environmental scanning procedures can aid in guaranteeing their continued efficacy and adaptability to the evolving corporate landscape.

Research objective 2 is for examining the influence of strategy formulation on organizational performance in Palestinian banks.

The findings pertaining to research objective 2 reveal a noteworthy and favourable impact of strategy formulation on the performance of Palestinian banks. According to the data presented in Table 24, the factor of strategy formulation is ranked second among the analysed factors. Its path coefficient is 0.306, with an effective size of 0.038, a T-statistic of 7.980, and a p-value of 0.000.

The findings presented in this study are in alignment with previous research that has emphasised the importance of skillful strategy formulation in augmenting organisational effectiveness. This is corroborated by the investigations carried out by Aboramadan and Borgonovi (2016) and Phina (2020). The study conducted by Aboramadan and Borgonovi (2016) revealed that the financial performance of select non-governmental organisations in Palestine was significantly improved through the implementation of effective strategy formulation. This underscores the pivotal role that strategic planning plays in the success of such entities. According to Phina's (2020) research, the process of strategy formulation has a positive impact on the overall performance of manufacturing organisations located in the South-East region of Nigeria. The author emphasised the pivotal role of strategy formulation in aligning resources, capabilities, and market opportunities.

Drawing from these findings, a number of suggestions can be proposed for banks operating in the Palestinian region. Initially, financial institutions ought to allocate resources towards enhancing their strategy formulation process by conducting periodic market analysis and identifying prospective opportunities and risks. The cultivation of an innovative and collaborative culture within an organisation can facilitate the attainment of this objective by enabling employees to participate in the process of strategy development. Second, banks should ensure that their formulated strategies are adaptable to the rapidly changing business environment, enabling them to effectively respond to market changes and emerging trends. Lastly, regular monitoring and evaluation of the implemented strategies should be conducted to assess their effectiveness and make necessary adjustments, thus ensuring continuous improvement in organizational performance.

Research objective 3 is for examining the influence of strategic implementation on organizational performance in Palestinian banks.

The results of research objective 3 reveal a significant and positive influence of strategic implementation on the organizational performance in Palestinian banks. As shown in Table 24, strategic implementation ranks 4th among the factors analysed, with a path coefficient of 0.232, an effective size of 0.036, a T-statistic of 6.477, and a p-value of 0.000.

The present study's results align with previous research that underscores the significance of strategic implementation in augmenting organisational performance, as evidenced by Jaoua (2018) and Njagi & Kombo (2014). As evidenced by Jaoua's (2018) research, the strategic contributions of middle managers can significantly influence the successful implementation of organisational strategies. This, in turn, can

have a positive effect on the relationship between successful strategy implementation and overall organisational performance within Bin companies in Tunisia. In another study, Kombo (2014) underscored the positive impact of strategic implementation as two practices operationalisation and institutionalisation on the organisational performance of Commercial bank in Kenya and argued that successful implementation is key to realizing the benefits of well-formulated strategies.

Based on these results, several recommendations can be provided for banks in Palestine. First, banks should ensure that they have a clear and well-defined strategic implementation plan, which outlines the necessary steps, resources, and timelines for executing their strategies. This will help to improve organizational alignment and ensure that all employees are working towards the same goals. Second, banks should invest in developing the necessary capabilities and infrastructure to support the implementation of their strategies. This may entail offering professional development and growth prospects for staff, along with allocating resources towards technological advancements and other resources to streamline the implementation of strategic endeavours. Finally, it is recommended that banks establish a comprehensive monitoring and evaluation framework to oversee the advancement of strategic implementation and detect any possible obstacles or difficulties that may emerge. By making timely adjustments, organisations can ensure the successful execution of their strategies, which can ultimately lead to improved organisational performance.

Research objective 4 is for examining the influence of strategic evaluation on organizational performance in Palestinian banks.

The results for research objective 4 indicate a significant and positive influence of strategic evaluation on the organizational performance in Palestinian banks. As presented in Table 24, strategic evaluation ranks 1st among the factors analysed, with a path coefficient of 0.352, an effective size of 0.038, a T-statistic of 9.370, and a p-value of 0.000.

The present results are consistent with prior research that underscores the significance of strategic assessment in augmenting organisational efficacy, as evidenced by studies conducted by Hieu and Nwachukwu (2019) and Pollanen et al. (2017). As posited by Hieu and Nwachukwu (2019), the adoption of a methodical

approach to strategy evaluation by mobile telecommunication companies in Nigeria has been shown to have a noteworthy and favourable influence on their strategic performance, ultimately resulting in positive organisational outcomes. In another study, Pollanen et al. (2017) found that the use of information of strategic assessment positively impacted the organisational performance and boosts the impact of strategic performance measures and strategic decision-making.

H#	Rank	Path Coefficient	Effective Size	T Statistics	P Values	Status
H1 Environmental Scanning -> Organisational Performance	3	0.273	0.037	7.359	0.000	Significant & Positive
H2 Strategy Formulation -> Organisational Performance	2	0.306	0.038	7.980	0.000	Significant & Positive
H3 Strategic Implementation -> Organisational Performance	4	0.232	0.036	6.477	0.000	Significant & Positive
H4 Strategic Evaluation -> Organisational Performance	1	0.352	0.038	9.370	0.000	Significant & Positive

Table 24 Results Related to Research Objectives 1-4

Based on these results, several recommendations can be provided for banks in Palestine. First, banks should develop a comprehensive strategic evaluation framework that includes clear criteria and performance indicators to assess the success of their strategic initiatives. This will enable them to identify areas of improvement and make data-driven decisions to enhance organizational performance. Second, banks must foster an environment that encourages continual education and progress to encourage all employees to engage in the strategic evaluation process. Early detection of issues helps fix them. Finally, financial institutions should use big data analytics and AI to aid strategic assessment. The techniques listed above can help evaluate strategic efforts and make decisions.

Research objective 5 is to measure the employee's opinion for the strategic management practices in the Palestinian banks.

The results as shown in Table 25 revealed that employees reported moderate satisfaction levels for environmental scanning (mean=3.35, percentage=67.00%, std. deviation=0.989), strategy formulation (mean=3.33, percentage=66.60%, std. deviation=0.927), strategic implementation (mean=3.30, percentage=66.00%, std. deviation=0.991), and organizational performance (mean=3.36, percentage=67.20%, std. deviation=0.690). The results indicate that strategic evaluation received the highest level of satisfaction among employees (mean=3.47, percentage=69.40%, std. deviation=1.084), suggesting that this practise is perceived as satisfactory.

	Mean	Percentage	Std. Deviation	Perception Level
Environmental Scanning	3.35	67.00%	0.989	Moderately satisfied
Strategy Formulation	3.33	66.60%	0.927	Moderately satisfied
Strategic Implementation	3.30	66.00%	0.991	Moderately satisfied
Strategic Evaluation	3.47	69.40%	1.084	Satisfied
Organisational Performance	3.36	67.20%	0.690	Moderately satisfied

Table 25 Results Related to Research Objective 5

Based on the aforementioned findings, a number of suggestions can be put forth for financial institutions operating in the Palestinian region. First, banks should invest in regular training and development programs to enhance employees' understanding and capabilities related to strategic management practices. This will contribute to increased employee satisfaction and subsequently improve organizational performance. Second, banks should create an open communication culture that encourages employees to share their insights and opinions about strategic management practices, thus fostering a sense of ownership and involvement. This can help banks identify areas of improvement and make necessary adjustments. Lastly, it is essential for banks to consistently monitor and evaluate their strategic management practices, using feedback from employees to inform changes and improvements. This will not only lead to better organizational performance but also increased employee satisfaction.

C. Recommendations for Banks in Palestine

Based on the aforementioned findings, banks in Palestine can implement the following recommendations to strengthen their strategic management procedures and boost organisational performance:

- Invest in employee training and development: Banks ought to set aside money for programmes that regularly educate staff members about strategic management techniques. Banks may be able to improve employee satisfaction and overall organisational performance by improving employees' understanding and skills related to environmental scanning, strategy formulation, strategic implementation, and strategic evaluation.
- 2) Promote an atmosphere of open communication by encouraging staff members to express their thoughts on various aspects of strategic management. By fostering a sense of ownership and commitment, this will support the development of an environment where employees feel heard and involved in decision-making processes. Additionally, clear communication can assist banks in identifying their strategic management practises' shortcomings.
- 3) Continuous monitoring and evaluation: Put in place procedures for regularly keeping an eye on and assessing strategic management techniques. This entails establishing attainable objectives, monitoring development, and using employee feedback to guide corrections and enhancements. A focus on continuous improvement will boost employee satisfaction in addition to improving organisational performance.
- 4) Place a strong emphasis on strategic evaluation: Given that employees are more satisfied with strategic evaluation procedures, banks should give this aspect of strategic management top priority. Banks can improve performance by making

more informed decisions, modifying their strategy as needed, and concentrating on evaluating strategies and outcomes.

- 5) Involve employees at all levels in the process of formulating the strategy. This can help to generate a wider variety of ideas and viewpoints. This collaborative approach may result in more effective strategies that are better suited to deal with the problems Palestinian banks are facing.
- 6) Encourage innovation and adaptability in strategic management practises by rewarding staff members who suggest fresh concepts or methods. This will assist banks in maintaining high levels of performance and competitiveness in a market that is changing quickly.
- 7) Compare against industry standards: Palestinian banks ought to compare their strategic management techniques to industry standards and the best in the business. Banks can enhance their strategic management procedures and overall performance by identifying and implementing successful practises from other organisations.

These suggestions can help Palestinian banks improve their strategic management techniques, which will ultimately boost both employee satisfaction and organisational performance.

D. Theoretical Contributions

The theoretical contribution of this study lies in several aspects, which are outlined below:

1) The primary objective of this study is to augment the understanding of strategic management practises within the Palestinian banking sector. This study endeavours to contribute to the existing body of literature by examining the impact of strategic management practises, including environmental scanning, strategy formulation, strategic implementation, and strategic evaluation, on the organisational performance of banks that are active in Palestine. By adopting this particular approach, it is possible to achieve a more holistic understanding of the interrelationship between these methodologies and an organization's effectiveness within a specific context.

- 2) This study underscores the significance of incorporating employees' viewpoints in evaluating the efficacy of strategic management practises in Palestinian banks through the measurement of their opinions. The findings of this study highlight the necessity for enterprises to not solely prioritise the official components of strategic management, but also consider the individual viewpoints of their staff members.
- 3) The present study aims to identify the strategic management practises that exert a considerable impact on the performance of Palestinian banks. By scrutinising the research objectives, the study sheds light on the key strategic management practises. This data possesses significant value for both scholars and professionals, as it underscores the domains that warrant the greatest focus in forthcoming research and practical applications.
- 4) This study presents empirical evidence that supports the positive relationship between strategic management practises and organisational performance within the Palestinian banking industry. The aforementioned discovery enhances the applicability of the affirmative correlation amidst diverse sectors and geographic locations.
- 5) The present research endeavours to enrich the comprehension of the interdependencies and ramifications of diverse strategic management practises, such as environmental scanning, strategy formulation, strategic implementation, and strategic evaluation, on the performance of organisations. Through a thorough examination of the synergistic impact of these practises, this study endeavours to furnish a more all-encompassing viewpoint regarding their sway on organisational results. The current integrated methodology makes a valuable contribution to the existing body of knowledge on strategic management, which often tends to focus on individual practises in isolation.

The present study offers a significant theoretical contribution to the domain of strategic management by furnishing discernment into the interconnections among diverse strategic management practises, employee viewpoints, and organisational performance within the setting of Palestinian banks. The aforementioned discoveries may serve as a basis for subsequent investigations in this domain and provide insight into the creation of superior strategic management methodologies in the banking sector and other related fields.

E. Practical Contributions

The study's practical implications hold considerable importance for banks in Palestine, as well as other entities functioning in analogous environments. The practical implications encompassed are as follows:

- 1) The study's outcomes can aid Palestinian banks and other entities in enhancing their strategic management practises by providing them with valuable information for informed decision-making. Through comprehending the effects of diverse practises on the performance of an organisation, individuals in positions of authority can give precedence to those practises that are most probable to augment performance and distribute resources in a more efficient manner.
- 2) The significance of incorporating employees' perspectives in evaluating the efficacy of strategic management practises is emphasised in this research. Specifically, the study focuses on employee engagement and communication. It is imperative for managers and leaders to maintain regular communication with their employees, in order to obtain their viewpoints and engage them in the decision-making procedure. The aforementioned phenomenon has the potential to result in increased levels of employee engagement and satisfaction, thereby making a positive contribution towards the overall performance of the organisation.
- 3) The study's results pertaining to benchmarking and performance monitoring can serve as a reference point for Palestinian banks and other entities to assess their strategic management practises and pinpoint potential areas for enhancement. Through consistent monitoring and evaluation of their procedures, entities can detect and rectify possible deficiencies, resulting in enhanced performance in the long run.
- 4) The study offers valuable insights into the distinct challenges and opportunities encountered by banks in Palestine, enabling institutions to customise their strategic management approaches to the local milieu. Through comprehending the distinctive attributes of the banking sector in Palestine, entities can

formulate tactics that possess a higher probability of achieving success within this context.

- 5) The outcomes of this investigation can be utilised to provide insight into the formulation of training and development initiatives for managers and personnel engaged in strategic management procedures. Organisations can optimise the effectiveness of their training and development initiatives by prioritising practises that have the greatest impact on organisational performance.
- 6) Facilitating the development of policy and regulation: The study's results hold potential significance for policymakers and regulators in Palestine and other nations with comparable banking industries. Through comprehending the determinants that contribute to the performance of organisations, regulatory bodies can formulate policies and directives that incentivize the implementation of efficient strategic management methodologies, thereby fostering a more resilient and durable banking industry.

To summarise, the study's practical implications have the potential to make a significant impact on the strategic management practises of Palestinian banks and other organisations operating in comparable contexts. Through the utilisation of the knowledge acquired from this study, entities have the potential to improve their operational efficiency, foster greater employee involvement, and bolster their overall market standing.

F. Limitations and Recommendations for Future Studies

As with any academic investigation, this inquiry has its limitations that warrant recognition:

• The research employed a cross-sectional design, which is a method of data collection that captures information at a specific moment in time. The present design may not sufficiently capture the fluidity inherent in strategic management practises and their influence on the overall performance of an organisation. Longitudinal investigations have the potential to yield further understanding regarding the modifications in said practises and their consequential impacts throughout a period of time.

- The limitation of generalizability is evident in the study's exclusive focus on the Palestinian banking sector, which restricts the applicability of the results to other geographical contexts or industries. Subsequent studies may investigate the generalizability of the results to alternative industries and geographical locations.
- The study utilised self-reported data from participants, which has the potential to be influenced by various biases, including social desirability bias and recall bias. Subsequent investigations may consider integrating additional objective metrics of strategic management practises and organisational performance to enhance the credibility of the outcomes.
- The adequacy of the sample size in this study may be insufficient to enable generalisation of the findings to the entire population of banks in Palestine. Subsequent investigations may contemplate employing more extensive sample sizes to enhance the generalizability of the findings.
- The diversity of the collected sample was not balanced between males and females, which could be rational to the workforce characteristics in Palestine. However, this should be considered when comparing the results to other markets.

Finally, after illustrating the limitation and in consistence to the research results, the following are the recommendation for future studies.

- Longitudinal research is recommended in future to gain a more comprehensive understanding of the dynamic nature of strategic management practises and their influence on organisational performance over time, future studies may consider utilising a longitudinal research design.
- Comparative studies could be conducted by researchers to investigate the efficacy of strategic management practises in diverse industries, sectors, and geographic regions. The aforementioned action would augment comprehension regarding the extent to which the results can be applied to different contexts and offer perspectives on the feasibility of implementing these methodologies in diverse environments.
- It is suggested that future investigations utilise qualitative research techniques, such as conducting interviews or focus groups. This approach would enable a

more profound understanding of the perspectives and encounters of both employees and managers who are engaged in strategic management processes. This may aid in comprehending the fundamental factors that impact the efficacy of said practises.

- In order to further explore the relationship between strategic management practises and organisational performance, it would be beneficial for future studies to examine potential moderating variables. These variables could include organisational culture, leadership style, or external environmental factors, and may have an impact on the aforementioned relationship. The above-mentioned approach would facilitate a more all-encompassing comprehension of the variables that contribute to the successful implementation of strategic management.
- Overall, the proposed conceptual framework can explain 68% of the organisational performance variance. That leaves a space for improving the predictive power be add more related variables such as initiatives of strategic management or the use of business analytics.

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APPENDICES

A. Questionnaire

SECTION 1: Introduction

Dear Participant,

As an employee in the banking industry, you are invited to response to the following questionnaire, which is part of an academic research at master degree.

The aim of my research is to examine the <u>Effects of Strategic Management on</u> <u>Organizational Performance in Banking Industry</u>. In particular, the strategic management factors are environmental scanning, strategy formulation, strategic implementation, strategic evaluation.

There are no known complications or side effects associated with engaging in this research. The survey is expected to be completed in 20-25 minutes. To retain privacy, the study's results will be combined and analysed as a whole and no information will be revealed for persons, banks, or positions (it is only for academic use).

You can contact me at +970000000 or email@gmail.com if you have any questions or concerns

Thank you for your time and consideration, and If you like to know the final overall results, I will be happy to share the summary results with everyone who participated.

Yours faithfully

Shaas S A Zidan

Master Degree Candidate; Department of Business Administration, Istanbul Aydin University, Türkiye.

□ I accept the above terms and conditions and would like to proceed in participating the questionnaire. However, you can stop filling the questionnaire at any point in time if you feel no more willing to participate.

SECTI	ON 2: Demograp	ohic portf	olio of the respondent: Please tick on the
	Gender		Male
1	Gender		Female
2	Age (years)		18 less than 25 years old
-	rige (jears)		25 less than 35 years old
			35 less than 45 years old
			45 less than 55 years old
			55 years old and above
3	Education		High School
Level			Diploma degree
			Bachelor's degree
			Post Graduated degree
			Other
4	Total Work		Less than 1 year
	Experience in the bank		1 less than 3 years
	sector		3 less than 7 years
			7 less than 12 years
			12 years and above
5	Managerial		High level
	level		Middle level
			Low level
6	Bank Name (Optional)	•••••	

SECTION 3-9: Please refer the suitable grading of your agreement / disagreement

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Env	vironmental Scanning					
1	In the bank, we identify the external threats and opportunities.					
2	In the bank, we identify he internal weaknesses and strengths					
3	In the bank, we analyse environmental factors such as the economic, political, social and technological ones.					
4	In the bank, we make determination of primary and secondary stakeholders influenced by the organization's interventions.					
5	In the bank, we analyse the needs of the communities and the potential beneficiaries.					
6	In the bank, the organization employees participate in analysing the environment.					
7	In the bank, local consultants participate in analysing the environment.					
Stra	ategy Formulation					
1	In the bank, we establish objectives that have long term nature (More than one year-based objectives).					
2	In the bank, we develop strategic alternatives and					

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
	selecting a strategy among them.				-	
3	In the bank, we conduct revision and modification of the mission statement, strategies and plans in light of threats/ opportunities and strengths/ weaknesses.					
4	In the bank, the internal stakeholders (employees, board, etc) participate in formulating the strategies and plans.					
5	In the bank, we do communication of mission and strategies to external stakeholders (donors, partners, etc).					
6	In the bank, we rely on consultants in developing the strategy.					
Stra	ategic Implementation					
1	In the bank, we develop clear rules and procedures to guide strategic plans.					
2	In the bank, we develop short term objectives, (equal or less than one year-based objectives).					
3	In the bank, we allocate sufficient financial, human and other resources to implement the strategies and plans.					
4	In the bank, we establish clear activities or steps needed to accomplish the short-term goals.					
5	In the bank, we adjust the organization structure to					

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
	adapt with new changes brought by their new strategic plans and decisions.					
6	In the bank, we have support from leadership to implement strategies.					
7	In the bank, the organizational culture (core values, beliefs and norms) enables us to implement our strategic plans.					
Stra	ategic Evaluation					
1	The bank develops a monitoring system.					
2	In the bank, we monitor the strategic plans on regular basis.					
3	In the bank, we conduct practices for identification of performance measures and standards.					
4	In the bank, we evaluate the outcomes of the strategies and plans.					
5	In the bank, we modify strategies, if needed, as a result of the evaluation.					
6	In the bank, we communicate the evaluation results to the stakeholders.					
7	The bank considers the donor's priorities in the evaluation of the strategy.					
8	The bank considers the community satisfaction in the evaluation of the strategy.					

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
9	The bank relies on consultants in the evaluation to ensure objectivity and transparency					
10	The bank uses various evaluation techniques such as strategic audit, performance appraisal and benchmarking.					
Org	anisational Performance					
Fin	ancial					
1	The market share of our bank over the past three years is above the average of the banking industry.					
2	The share growth of our bank over the past three years is above the average of the banking industry.					
3	The profitability of our bank over the past three years is above the average of the banking industry.					
Cus	stomer					
4	The clients are satisfied with the bank's products.					
5	The bank is responsive to customers' complaints.					
6	The bank regularly invests in customers' needs and demands.					
Pro	cess					
7	The internal processes of the bank are adjusted to respond to customers' needs.					

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
8	The bank's processes have been simplified in order to be agile.					
9	Future threats are considered in reforming the bank's internal processes.					
Gro	owth					
10	The employees are promoting in their job environment.					
11	The bank has suitable performance in employees' training and development.					
12	The employees are satisfied with the bank's environment					

B. Frequency and Descriptive Analysis (SPSS)

Frequencies

Statistics

		Gender	Age	Qualification	Experience	Managerial Role	Bank Name
N	Valid	261	261	261	261	261	261
	Missing	0	0	0	0	0	0

Frequency Table

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	181	69.3	69.3	69.3
	Female	80	30.7	30.7	100.0
	Total	261	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35 Years	5	1.9	1.9	1.9
	36-45 Years	125	47.9	47.9	49.8
	46-55 Years	90	34.5	34.5	84.3
	Above 55 Years	41	15.7	15.7	100.0
	Total	261	100.0	100.0	

Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	1	.4	.4	.4
	Bachelor	206	78.9	78.9	79.3
	Post Graduate	53	20.3	20.3	99.6
	Others	1	.4	.4	100.0
	Total	261	100.0	100.0	

Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4-7 years	70	26.8	26.8	26.8
	8-12 years	113	43.3	43.3	70.1
	Above 12 years	78	29.9	29.9	100.0
	Total	261	100.0	100.0	

Managerial Role

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Middle Management	225	86.2	86.2	86.2
	Senior Management	36	13.8	13.8	100.0
	Total	261	100.0	100.0	

Bank Name

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Palestinian Islamic Bank	70	26.8	26.8	26.8
	Arab Bank PLC	110	42.1	42.1	69.0
	Bank of Jordan	81	31.0	31.0	100.0
	Total	261	100.0	100.0	










Descriptives

Descriptive Statistics

	Ν	Minimu m	Maximu m	Mean	Std. Deviation	Skewne	SS	Kurtosis	5
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ES1	261	1.00	5.00	3.3755	1.27280	407	.151	801	.300
ES2	261	1.00	5.00	3.4828	1.20762	270	.151	947	.300
ES3	261	1.00	5.00	3.3831	1.30927	530	.151	715	.300
ES4	261	1.00	5.00	3.2414	1.27066	349	.151	774	.300
ES5	261	1.00	5.00	3.4023	1.20377	455	.151	734	.300
ES6	261	1.00	5.00	3.4789	1.30845	494	.151	901	.300
ES7	261	1.00	5.00	3.0996	1.35506	.042	.151	-1.260	.300
SF1	261	1.00	5.00	3.2337	1.13467	263	.151	739	.300
SF2	261	1.00	5.00	3.2682	1.21089	227	.151	975	.300
SF3	261	1.00	5.00	3.4023	1.10028	535	.151	316	.300
SF4	261	1.00	5.00	3.2261	1.18915	238	.151	931	.300
SF5	261	1.00	5.00	3.3372	1.19668	336	.151	922	.300
SF6	261	1.00	5.00	3.5211	1.06543	488	.151	459	.300
SI5	261	1.00	5.00	3.3870	1.22461	344	.151	786	.300
SI1	261	1.00	5.00	3.1916	1.10318	143	.151	595	.300
SI2	261	1.00	5.00	3.2644	1.26910	281	.151	764	.300
SI3	261	1.00	5.00	3.3640	1.24100	342	.151	828	.300
SI4	261	1.00	5.00	3.2529	1.11167	107	.151	653	.300
SI6	261	1.00	5.00	3.4943	1.05474	005	.151	973	.300
SI7	261	1.00	5.00	3.2184	1.27483	360	.151	-1.012	.300
SE1	261	1.00	5.00	3.5249	1.52049	564	.151	-1.187	.300
SE2	261	1.00	5.00	3.7318	1.24225	570	.151	-1.067	.300
SE3	261	1.00	5.00	3.1916	1.38456	322	.151	-1.053	.300
SE4	261	1.00	5.00	3.5670	1.19948	355	.151	-1.150	.300
SE5	261	1.00	5.00	3.4674	1.20731	194	.151	-1.132	.300
SE6	261	1.00	5.00	3.4291	1.07406	040	.151	995	.300
SE7	261	1.00	5.00	3.5517	1.24430	535	.151	635	.300
SE8	261	1.00	5.00	3.4330	1.35601	393	.151	-1.067	.300
SE9	261	1.00	5.00	3.4598	1.26920	472	.151	934	.300
SE10	261	1.00	5.00	3.3640	1.24100	440	.151	792	.300

OPF1	261	1.00	5.00	3.4636	.93830	175	.151	298	.300
OPF2	261	1.00	5.00	3.4368	.98880	196	.151	594	.300
OPF3	261	1.00	5.00	3.4866	.95112	272	.151	352	.300
OPC1	261	1.00	5.00	3.4559	.96226	318	.151	241	.300
OPC2	261	1.00	5.00	3.5441	.96624	474	.151	010	.300
OPC3	261	1.00	5.00	3.4444	.92079	282	.151	245	.300
OPP1	261	1.00	5.00	3.0996	1.18551	.057	.151	930	.300
OPP2	261	1.00	5.00	3.2107	1.18226	134	.151	976	.300
OPP3	261	1.00	5.00	3.1686	1.21621	094	.151	-1.013	.300
OPG1	261	1.00	5.00	3.3065	1.15605	228	.151	978	.300
OPG2	261	1.00	5.00	3.3027	.98662	275	.151	484	.300
OPG3	261	1.00	5.00	3.4330	.88595	163	.151	167	.300
Environmental_Sca nning	261	1.00	5.00	3.3519	.98859	459	.151	536	.300
Strategy_Formulati on	261	1.00	5.00	3.3315	.92679	419	.151	507	.300
Strategic_Implemen tation	261	1.50	4.83	3.2978	.99110	055	.151	-1.198	.300
Strategic_Evaluatio	261	1.40	5.00	3.4720	1.08352	622	.151	935	.300
Organisational_Perf ormance	261	1.42	5.00	3.3627	.68985	051	.151	.525	.300
Financial	261	1.00	5.00	3.4623	.91612	243	.151	202	.300
Customer	261	1.67	5.00	3.4815	.80023	384	.151	008	.300
Process	261	1.00	5.00	3.1596	1.00067	121	.151	566	.300
Growth	261	1.33	5.00	3.3474	.82393	098	.151	289	.300
Valid N (listwise)	261								

C. PLS Algorithm Assessment (SMARTPLS)

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
ES1		0.736							
ES2		0.832							
ES3		0.848							
ES4		0.777							
ES5		0.761							
ES6		0.739							
ES7		0.724							
OPC1	0.816								
OPC1					0.717				
OPC2	0.855								
OPC2					0.708				
OPC3	0.857								
OPC3					0.717				
OPF1			0.963						
OPF1					0.907				
OPF2			0.958						
OPF2					0.892				
OPF3			0.943						
OPF3					0.886				
OPG1				0.806					
OPG1					0.581				
OPG2				0.792					
OPG2					0.553				
OPG3				0.820					
OPG3					0.841				
OPP1						0.801			
OPP1					0.410				

OPP2				0.867			
OPP2			0.471				
OPP3				0.844			
OPP3			0.444				
SE1					0.939		
SE10					0.854		
SE2					0.887		
SE3					0.866		
SE4					0.792		
SE5					0.822		
SE6					0.821		
SE7					0.787		
SE8					0.846		
SE9					0.861		
SF1							0.759
SF2							0.770
SF3							0.901
SF4							0.849
SF5							0.807
SF6							0.749
SI1						0.865	
SI2						0.882	
SI3						0.783	
SI4						0.810	
SI5						0.209	
SI6						0.886	
SI7						0.823	

Cross Weights – All Items

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
ES1		0.166							
ES2		0.178							
ES3		0.171							
ES4		0.151							
ES5		0.216							
ES6		0.241							
ES7		0.173							
OPC1	0.397								
OPC1					0.120				
OPC2	0.392								
OPC2					0.120				
OPC3	0.397								
OPC3					0.122				
OPF1			0.354						
OPF1					0.153				
OPF2			0.348						
OPF2					0.150				
OPF3			0.346						
OPF3					0.148				
OPG1				0.364					
OPG1					0.101				
OPG2				0.347					
OPG2					0.097				
OPG3				0.527					
OPG3					0.145				
OPP1						0.369			
OPP1					0.072				
OPP2						0.424			
OPP2					0.082				
OPP3						0.399			

OPP3			0.079			
SE1				0.124		
SE10				0.111		
SE2				0.115		
SE3				0.134		
SE4				0.108		
SE5				0.121		
SE6				0.112		
SE7				0.119		
SE8				0.115		
SE9				0.119		
SF1						0.223
SF2						0.183
SF3						0.225
SF4						0.215
SF5						0.194
SF6						0.198
SI1					0.184	
SI2					0.208	
SI3					0.165	
SI4					0.198	
SI5					0.059	
SI6					0.229	
SI7					0.184	

Outer Loadings

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
ES1		0.736							
ES2		0.832							
ES3		0.848							
ES4		0.777							
ES5		0.761							
ES6		0.739							
ES7		0.724							
OPC1	0.816								
OPC1					0.717				
OPC2	0.855								
OPC2					0.708				
OPC3	0.857								
OPC3					0.717				
OPF1			0.963						
OPF1					0.907				
OPF2			0.958						
OPF2					0.892				
OPF3			0.943						
OPF3					0.886				
OPG1				0.806					
OPG1					0.581				
OPG2				0.792					
OPG2					0.553				
OPG3				0.820					
OPG3					0.841				
OPP1						0.801			
OPP1					0.410				
OPP2						0.867			
OPP2					0.471				
OPP3						0.844			

OPP3			0.444			
SE1				0.939		
SE10				0.854		
SE2				0.887		
SE3				0.866		
SE4				0.792		
SE5				0.822		
SE6				0.821		
SE7				0.787		
SE8				0.846		
SE9				0.861		
SF1						0.759
SF2						0.770
SF3						0.901
SF4						0.849
SF5						0.807
SF6						0.749
SI1					0.863	
SI2					0.886	
SI3					0.784	
SI4					0.812	
SI6					0.886	
SI7					0.827	

Outer Weights

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
ES1		0.166							
ES2		0.178							
ES3		0.171							
ES4		0.151							
ES5		0.216							
ES6		0.241							
ES7		0.173							
OPC1	0.397								
OPC1					0.120				
OPC2	0.392								
OPC2					0.120				
OPC3	0.397								
OPC3					0.122				
OPF1			0.354						
OPF1					0.153				
OPF2			0.348						
OPF2					0.150				
OPF3			0.346						
OPF3					0.148				
OPG1				0.364					
OPG1					0.101				
OPG2				0.347					
OPG2					0.097				
OPG3				0.527					
OPG3					0.145				
OPP1						0.369			
OPP1					0.072				
OPP2						0.424			
OPP2					0.082				
OPP3						0.399			

OPP3			0.079			
SE1				0.124		
SE10				0.111		
SE2				0.115		
SE3				0.134		
SE4				0.108		
SE5				0.121		
SE6				0.112		
SE7				0.119		
SE8				0.115		
SE9				0.119		
SF1						0.223
SF2						0.183
SF3						0.225
SF4						0.215
SF5						0.194
SF6						0.198
SI1					0.186	
SI2					0.210	
SI3					0.167	
SI4					0.200	
SI6					0.232	
SI7					0.186	

Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Customer OP	0.796	0.796	0.880	0.710
Environmental Scanning	0.890	0.896	0.913	0.601
Finacial OP	0.952	0.952	0.969	0.912
Growth OP	0.740	0.766	0.847	0.649
Organisational Performance	0.895	0.923	0.915	0.489
Process OP	0.787	0.792	0.876	0.702
Strategic Evaluation	0.956	0.958	0.963	0.720
Strategic Implementation	0.919	0.926	0.937	0.712
Strategy Formulation	0.892	0.896	0.918	0.652

Discriminant Validity – Fornell-larcker Criterion

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
Customer OP	0.843								
Environmental Scanning	0.444	0.775							
Finacial OP	0.752	0.518	0.955						
Growth OP	0.595	0.488	0.747	0.806					
Organisational Performance	0.848	0.532	0.937	0.847	0.699				
Process OP	0.275	0.198	0.360	0.340	0.528	0.838			
Strategic Evaluation	0.542	0.274	0.600	0.541	0.641	0.345	0.849		
Strategic Implementatio n	0.415	0.223	0.457	0.405	0.503	0.345	0.332	0.844	
Strategy Formulation	0.482	0.364	0.561	0.573	0.634	0.445	0.450	0.305	0.808

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
ES1	0.308	0.736	0.362	0.313	0.359	0.116	0.203	0.168	0.210
ES2	0.305	0.832	0.396	0.353	0.385	0.122	0.195	0.198	0.243
ES3	0.333	0.848	0.376	0.333	0.370	0.073	0.172	0.169	0.233
ES4	0.294	0.777	0.338	0.293	0.327	0.057	0.119	0.135	0.194
ES5	0.376	0.761	0.452	0.435	0.469	0.198	0.237	0.194	0.389
ES6	0.449	0.739	0.477	0.475	0.521	0.241	0.298	0.202	0.323
ES7	0.278	0.724	0.343	0.368	0.374	0.204	0.201	0.118	0.320
OPC1	0.816	0.394	0.665	0.504	0.717	0.221	0.434	0.338	0.374
OPC1	0.816	0.394	0.665	0.504	0.717	0.221	0.434	0.338	0.374
OPC2	0.855	0.368	0.626	0.487	0.708	0.219	0.461	0.362	0.398
OPC2	0.855	0.368	0.626	0.487	0.708	0.219	0.461	0.362	0.398
OPC3	0.857	0.361	0.610	0.512	0.717	0.256	0.476	0.349	0.446
OPC3	0.857	0.361	0.610	0.512	0.717	0.256	0.476	0.349	0.446
OPF1	0.726	0.500	0.963	0.725	0.907	0.357	0.605	0.439	0.557
OPF1	0.726	0.500	0.963	0.725	0.907	0.357	0.605	0.439	0.557
OPF2	0.721	0.512	0.958	0.699	0.892	0.336	0.564	0.429	0.523
OPF2	0.721	0.512	0.958	0.699	0.892	0.336	0.564	0.429	0.523
OPF3	0.706	0.471	0.943	0.717	0.886	0.339	0.549	0.440	0.526
OPF3	0.706	0.471	0.943	0.717	0.886	0.339	0.549	0.440	0.526
OPG1	0.397	0.373	0.466	0.806	0.581	0.183	0.291	0.266	0.392
OPG1	0.397	0.373	0.466	0.806	0.581	0.183	0.291	0.266	0.392
OPG2	0.345	0.275	0.435	0.792	0.553	0.208	0.338	0.267	0.411
OPG2	0.345	0.275	0.435	0.792	0.553	0.208	0.338	0.267	0.411
OPG3	0.627	0.487	0.809	0.820	0.841	0.382	0.603	0.408	0.545
OPG3	0.627	0.487	0.809	0.820	0.841	0.382	0.603	0.408	0.545
OPP1	0.193	0.144	0.257	0.303	0.410	0.801	0.247	0.313	0.327
OPP1	0.193	0.144	0.257	0.303	0.410	0.801	0.247	0.313	0.327
OPP2	0.272	0.163	0.326	0.286	0.471	0.867	0.309	0.285	0.374

Discriminant Validity - Cross Loadings

OPP2	0.272	0.163	0.326	0.286	0.471	0.867	0.309	0.285	0.374
OPP3	0.222	0.189	0.319	0.267	0.444	0.844	0.308	0.272	0.416
OPP3	0.222	0.189	0.319	0.267	0.444	0.844	0.308	0.272	0.416
SE1	0.496	0.199	0.539	0.466	0.573	0.308	0.939	0.304	0.403
SE10	0.480	0.229	0.458	0.417	0.512	0.270	0.854	0.250	0.351
SE2	0.432	0.197	0.492	0.451	0.527	0.301	0.887	0.342	0.389
SE3	0.508	0.248	0.610	0.480	0.618	0.346	0.866	0.319	0.427
SE4	0.432	0.241	0.458	0.444	0.496	0.222	0.792	0.268	0.323
SE5	0.441	0.275	0.545	0.488	0.557	0.271	0.822	0.232	0.422
SE6	0.416	0.260	0.464	0.449	0.514	0.322	0.821	0.256	0.386
SE7	0.474	0.255	0.502	0.482	0.547	0.270	0.787	0.267	0.345
SE8	0.434	0.202	0.487	0.452	0.529	0.318	0.846	0.315	0.395
SE9	0.478	0.215	0.509	0.454	0.547	0.289	0.861	0.261	0.367
SF1	0.412	0.317	0.495	0.470	0.551	0.417	0.355	0.306	0.759
SF2	0.318	0.261	0.408	0.439	0.453	0.299	0.360	0.196	0.770
SF3	0.433	0.289	0.499	0.494	0.555	0.364	0.411	0.238	0.901
SF4	0.395	0.330	0.448	0.484	0.530	0.424	0.383	0.289	0.849
SF5	0.371	0.281	0.422	0.417	0.480	0.358	0.352	0.241	0.807
SF6	0.393	0.280	0.432	0.465	0.489	0.277	0.314	0.193	0.749
SI1	0.331	0.158	0.358	0.302	0.398	0.302	0.299	0.863	0.228
SI2	0.367	0.210	0.426	0.343	0.450	0.304	0.287	0.886	0.265
SI3	0.312	0.127	0.328	0.259	0.357	0.252	0.282	0.784	0.210
SI4	0.361	0.226	0.373	0.360	0.427	0.289	0.249	0.812	0.304
SI6	0.405	0.195	0.448	0.430	0.495	0.305	0.307	0.886	0.291
SI7	0.310	0.205	0.360	0.332	0.398	0.289	0.258	0.827	0.232

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP
Customer OP						
Environmental Scanning	0.513					
Finacial OP	0.864	0.549				
Growth OP	0.733	0.558	0.838			
Organisational Performance	0.975	0.562	0.976	1.002		
Process OP	0.345	0.222	0.415	0.418	0.729	
Strategic Evaluation	0.621	0.285	0.626	0.602	0.683	0.395
Strategic Implementation	0.482	0.239	0.485	0.464	0.558	0.406
Strategy Formulation	0.570	0.394	0.607	0.682	0.721	0.527

Collinearity Statistics (VIF) - Outer VIF Values

	VIF
ES1	2.174
ES2	4.143
ES3	6.326
ES4	3.530
ES5	2.131
ES6	1.699
ES7	1.881
OPC1	1.524
OPC1	1.921
OPC2	1.837
OPC2	2.043
OPC3	1.835
OPC3	2.010
OPF1	6.400

OPF1	7.102
OPF2	5.885
OPF2	6.405
OPF3	4.235
OPF3	4.971
OPG1	1.774
OPG1	1.876
OPG2	1.749
OPG2	1.812
OPG3	1.261
OPG3	3.103
OPP1	1.522
OPP1	1.629
OPP2	1.800
OPP2	1.948
OPP3	1.709
OPP3	1.782
SE1	9.169
SE10	4.018
SE2	4.213
SE3	3.663
SE4	2.591
SE5	3.308
SE6	3.677
SE7	2.431
SE8	3.290
SE9	4.271
SF1	1.767
SF2	2.102
SF3	3.858
SF4	3.231
SF5	2.721
SF6	1.990
SI1	2.834
SI2	3.137
SI3	2.049

SI4	2.167
SI6	3.249
SI7	2.476

Collinearity Statistics (VIF) - Inner VIF Values

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
Customer OP									
Environmental Scanning					1.185				
Finacial OP									
Growth OP									
Organisational Performance	1.000		1.000	1.000		1.000			
Process OP									
Strategic Evaluation					1.339				
Strategic Implementation					1.175				
Strategy Formulation					1.393				

Model Fit

	Saturated Model	Estimated Model
SRMR	0.089	0.092
d_ULS	11.444	12.166
d_G	n/a	n/a
Chi-Square	infinite	infinite
NFI	n/a	n/a

R Square

	R Square	R Square Adjusted
Customer OP	0.718	0.717
Finacial OP	0.879	0.878
Growth OP	0.717	0.716
Organisational Performance	0.681	0.676
Process OP	0.279	0.276

f Square

	Customer OP	Environmental Scanning	Finacial OP	Growth OP	Organisational Performance	Process OP	Strategic Evaluation	Strategic Implementation	Strategy Formulation
Customer OP									
Environmental Scanning					0.197				
Finacial OP									
Growth OP									
Organisational Performance	2.550		7.237	2.536		0.387			
Process OP									
Strategic Evaluation					0.290				
Strategic Implementation					0.143				
Strategy Formulation					0.211				

D. Bootstrapping Assessment (SMARTPLS)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Environmental Scanning -> Organisational Performance	0.273	0.275	0.034	8.042	0.000
Organisational Performance -> Customer OP	0.848	0.848	0.022	38.769	0.000
Organisational Performance -> Finacial OP	0.937	0.938	0.007	131.171	0.000
Organisational Performance -> Growth OP	0.847	0.847	0.017	50.100	0.000
Organisational Performance -> Process OP	0.528	0.526	0.057	9.266	0.000
Strategic Evaluation -> Organisational Performance	0.352	0.351	0.040	8.771	0.000
Strategic Implementation -> Organisational Performance	0.232	0.230	0.037	6.336	0.000
Strategy Formulation -> Organisational Performance	0.306	0.306	0.038	8.147	0.000

Path Coefficients

Total Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Environmental Scanning -> Customer OP	0.231	0.233	0.029	7.930	0.000
Environmental Scanning -> Finacial OP	0.256	0.258	0.032	7.988	0.000
Environmental Scanning -> Growth OP	0.231	0.233	0.029	8.042	0.000
Environmental Scanning -> Organisational Performance					

Environmental Scanning -> Process OP	0.144	0.145	0.023	6.332	0.000
Organisational Performance -> Customer OP					
Organisational Performance -> Finacial OP					
Organisational Performance -> Growth OP					
Organisational Performance -> Process OP					
Strategic Evaluation -> Customer OP	0.298	0.298	0.035	8.411	0.000
Strategic Evaluation -> Finacial OP	0.330	0.329	0.038	8.688	0.000
Strategic Evaluation -> Growth OP	0.298	0.297	0.034	8.889	0.000
Strategic Evaluation -> Organisational Performance					
Strategic Evaluation -> Process OP	0.186	0.184	0.026	7.190	0.000
Strategic Implementation -> Customer OP	0.196	0.195	0.032	6.197	0.000
Strategic Implementation -> Finacial OP	0.217	0.216	0.034	6.331	0.000
Strategic Implementation -> Growth OP	0.196	0.195	0.032	6.218	0.000
Strategic Implementation -> Organisational Performance					
Strategic Implementation -> Process OP	0.122	0.121	0.025	4.850	0.000
Strategy Formulation -> Customer OP	0.259	0.259	0.032	8.121	0.000
Strategy Formulation -> Finacial OP	0.287	0.287	0.035	8.135	0.000
Strategy Formulation -> Growth OP	0.259	0.259	0.033	7.854	0.000
Strategy Formulation -> Organisational Performance					
Strategy Formulation -> Process OP	0.162	0.161	0.028	5.779	0.000

Total Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV	P Values
Environmental Scanning -> Customer OP	0.231	0.233	0.029	7.930	0.000
Environmental Scanning -> Finacial OP	0.256	0.258	0.032	7.988	0.000
Environmental Scanning -> Growth OP	0.231	0.233	0.029	8.042	0.000
Environmental Scanning -> Organisational Performance	0.273	0.275	0.034	8.042	0.000
Environmental Scanning -> Process OP	0.144	0.145	0.023	6.332	0.000
Organisational Performance -> Customer OP	0.848	0.848	0.022	38.769	0.000
Organisational Performance -> Finacial OP	0.937	0.938	0.007	131.171	0.000
Organisational Performance -> Growth OP	0.847	0.847	0.017	50.100	0.000
Organisational Performance -> Process OP	0.528	0.526	0.057	9.266	0.000
Strategic Evaluation -> Customer OP	0.298	0.298	0.035	8.411	0.000
Strategic Evaluation -> Finacial OP	0.330	0.329	0.038	8.688	0.000
Strategic Evaluation -> Growth OP	0.298	0.297	0.034	8.889	0.000
Strategic Evaluation -> Organisational Performance	0.352	0.351	0.040	8.771	0.000
Strategic Evaluation -> Process OP	0.186	0.184	0.026	7.190	0.000
Strategic Implementation -> Customer OP	0.196	0.195	0.032	6.197	0.000
Strategic Implementation -> Finacial OP	0.217	0.216	0.034	6.331	0.000
Strategic Implementation -> Growth OP	0.196	0.195	0.032	6.218	0.000
Strategic Implementation -> Organisational Performance	0.232	0.230	0.037	6.336	0.000

Strategic Implementation -> Process OP	0.122	0.121	0.025	4.850	0.000
Strategy Formulation -> Customer OP	0.259	0.259	0.032	8.121	0.000
Strategy Formulation -> Finacial OP	0.287	0.287	0.035	8.135	0.000
Strategy Formulation -> Growth OP	0.259	0.259	0.033	7.854	0.000
Strategy Formulation -> Organisational Performance	0.306	0.306	0.038	8.147	0.000
Strategy Formulation -> Process OP	0.162	0.161	0.028	5.779	0.000

E. Blindfolding Assessment (SMARTPLS)

	SSO	SSE	Q ² (=1- SSE/SSO)
Customer OP	783.000	387.275	0.505
Environmental Scanning	1827.000	1827.000	
Finacial OP	783.000	159.661	0.796
Growth OP	783.000	442.237	0.435
Organisational Performance	3132.000	2098.945	0.330
Process OP	783.000	632.359	0.192
Strategic Evaluation	2610.000	2610.000	
Strategic Implementation	1566.000	1566.000	
Strategy Formulation	1566.000	1566.000	

Construct Crossvalidated Redundancy

Construct Crossvalidated Communality

	SSO	SSE	Q ² (=1- SSE/SSO)
Customer OP	783.000	462.105	0.410
Environmental Scanning	1827.000	977.442	0.465
Finacial OP	783.000	183.410	0.766
Growth OP	783.000	550.969	0.296
Organisational Performance	3132.000	1815.417	0.420
Process OP	783.000	472.132	0.397
Strategic Evaluation	2610.000	904.622	0.653
Strategic Implementation	1566.000	637.447	0.593
Strategy Formulation	1566.000	765.698	0.511

Indicator Crossvalidated Redundancy

	SSO	SSE	Q ² (=1- SSE/SSO)
ES1	261.000	261.000	
ES2	261.000	261.000	
ES3	261.000	261.000	
ES4	261.000	261.000	
ES5	261.000	261.000	

ES6	261.000	261.000	
ES7	261.000	261.000	
OPC1	261.000	128.393	0.508
OPC1	261.000	182.576	0.300
OPC2	261.000	131.046	0.498
OPC2	261.000	177.471	0.320
OPC3	261.000	127.836	0.510
OPC3	261.000	172.790	0.338
OPF1	261.000	47.799	0.817
OPF1	261.000	114.404	0.562
OPF2	261.000	54.475	0.791
OPF2	261.000	124.694	0.522
OPF3	261.000	57.387	0.780
OPF3	261.000	130.842	0.499
OPG1	261.000	173.715	0.334
OPG1	261.000	204.561	0.216
OPG2	261.000	182.893	0.299
OPG2	261.000	206.585	0.208
OPG3	261.000	85.628	0.672
OPG3	261.000	122.618	0.530
OPP1	261.000	217.831	0.165
OPP1	261.000	227.414	0.129
OPP2	261.000	204.153	0.218
OPP2	261.000	219.006	0.161
OPP3	261.000	210.376	0.194
OPP3	261.000	215.984	0.172
SE1	261.000	261.000	
SE10	261.000	261.000	
SE2	261.000	261.000	
SE3	261.000	261.000	
SE4	261.000	261.000	
SE5	261.000	261.000	
SE6	261.000	261.000	
SE7	261.000	261.000	
SE8	261.000	261.000	
SE9	261.000	261.000	

SF1	261.000	261.000	
SF2	261.000	261.000	
SF3	261.000	261.000	
SF4	261.000	261.000	
SF5	261.000	261.000	
SF6	261.000	261.000	
SI1	261.000	261.000	
SI2	261.000	261.000	
SI3	261.000	261.000	
SI4	261.000	261.000	
SI6	261.000	261.000	
SI7	261.000	261.000	

Indicator Crossvalidated Communality

	SSO	SSE	Q ² (=1- SSE/SSO)
ES1	261.000	153.486	0.412
ES2	261.000	108.744	0.583
ES3	261.000	98.861	0.621
ES4	261.000	131.132	0.498
ES5	261.000	154.462	0.408
ES6	261.000	170.976	0.345
ES7	261.000	159.781	0.388
OPC1	261.000	171.599	0.343
OPC1	261.000	147.722	0.434
OPC2	261.000	145.171	0.444
OPC2	261.000	154.228	0.409
OPC3	261.000	145.335	0.443
OPC3	261.000	150.667	0.423
OPF1	261.000	54.953	0.789
OPF1	261.000	59.429	0.772
OPF2	261.000	58.407	0.776
OPF2	261.000	68.486	0.738
OPF3	261.000	70.050	0.732
OPF3	261.000	74.044	0.716
OPG1	261.000	168.492	0.354

OPG1	261.000	195.586	0.251
OPG2	261.000	171.390	0.343
OPG2	261.000	199.045	0.237
OPG3	261.000	211.088	0.191
OPG3	261.000	98.468	0.623
OPP1	261.000	172.147	0.340
OPP1	261.000	229.256	0.122
OPP2	261.000	145.789	0.441
OPP2	261.000	215.777	0.173
OPP3	261.000	154.196	0.409
OPP3	261.000	222.710	0.147
SE1	261.000	39.634	0.848
SE10	261.000	90.119	0.655
SE2	261.000	70.151	0.731
SE3	261.000	83.315	0.681
SE4	261.000	116.036	0.555
SE5	261.000	104.347	0.600
SE6	261.000	102.664	0.607
SE7	261.000	118.942	0.544
SE8	261.000	94.766	0.637
SE9	261.000	84.648	0.676
SF1	261.000	156.991	0.399
SF2	261.000	142.518	0.454
SF3	261.000	76.831	0.706
SF4	261.000	106.964	0.590
SF5	261.000	126.549	0.515
SF6	261.000	155.844	0.403
SI1	261.000	93.063	0.643
SI2	261.000	84.364	0.677
SI3	261.000	132.647	0.492
SI4	261.000	125.498	0.519
SI6	261.000	87.655	0.664
SI7	261.000	114.220	0.562

RESUME

Name : Shaas S A Zidan

Place of Birth: Palestine

:

Education

- 2018, Al -Najah Nationanal University, The Faculty of Law, Bachelor degree
- 2023, Istanbul Aydin University MBA

Professional Experience And Awards:

Joined the Palestinian Bar Association

Personal Skills :

- Ability to work with people from different cultures
- Ability to lead teams Flexible and manageable
- Motivated and innovative
- People-oriented

Languages:

Arabic : Native Language

English: Fluent

Turkish: Intermediate

Publication from Thesis:

• Zidan, S. S. (2023). Effects of Strategic Management on Organizational Performance in Banking Industry. *International Journal of Intellectual Human Resource Management (IJIHRM)*, 4(01), 34-39.