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Impact Of Strategic Management Practices on Organizational Performance: Empirical Studies of Selected Firms in Libya

Short Running title: Libyan Organizational Performance based on Strategic Management Practices

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Abstract

Purpose- The question of how a business organization makes and executes its organizational policies, programs, and action plans and how they follow through with their implementation remains of paramount significance to the organization. This study investigates the impacts of strategic client focus, strategic human capital, strategic management outcomes, and technology on organizational performance.

Material and Methods- Data collected from 408 employees of a selected organization in Tripoli, Libya, was used to verify the abovementioned relationships via PLS-SEM. A structured questionnaire was utilized to extract information from respondents using primary data. The data was evaluated using the probabilistic random sampling technique.

Findings- The results revealed that strategic client focus has a significant impact on the organization's performance. The impact of strategic human capital on organizational performance is essential. Strategic management outcomes and technology influence organizational performance.

Research Limitations- Results in this study are limited to the Libyan banks.

Practical Implications- The outcomes of this study have crucial practical implications for organizations in Libya. The study suggests that the company's management should seek to implement strategic management drivers and the other strategic management drivers assessed in this study.

Keywords: - Strategic Client Focus; Strategic Human Capital; Strategic Management Outcomes; Technology; Libyan Firms; Libyan banks

1. Introduction

Organizational strategic management has long been an essential topic among scholars and researchers. Strategic management is firmly rooted in the principles that underlie how business organizations effectively and efficiently manage their operations (David, 2011). A strategic management approach encompasses formulating, implementing, and evaluating organizational strategies (David, 2011). In today's rapidly changing business environment, the survival of a business organization depends on its competitiveness and how it effectively manages its business operations. From this standpoint, Ohazulike and Nkoli (2013) mentioned that the absence of an effective and efficient strategic organizational plan because of changing business organizations can result in organizational failure. Hence, the survival and optimal success of a business organization rest significantly on the ability of the business and employees to adapt and enhance its strategic management practices in general (Beer et al., 2005; Sulistiawan et al., 2022).

Strategic management is an ongoing development process that entails attempting to match or fit the business to its changing environment in the most advantageous way possible. Firms and organizations use strategies to accomplish their long-term aims. "A strategy is a cohesive, comprehensive, and integrated plan that links the firm's, business's, and organization's strategic advantages to environmental concerns." It is intended to ensure that the enterprise's primary objectives are met through proper planning and implementation by the organization (Thompson, 2018). The role and strategy of these organizations are to determine the general strategies that their firm will employ to achieve its goals. As a result, strategy selection is essential to studying and understanding strategic management techniques. Fragmented markets, greater competition, rapid technical advances, altering regulatory frameworks, targeted populations, and rising reliance on non-price competition characterized the business climate in the 1990s, forcing many organizations to rethink their competitive approach. Companies get a competitive advantage by coming up with new ways to provide higher quantity and value to their customers. Innovation is a critical source of competitive advantage that can happen along the value chain.

Strategic management practices consider human capital (HC) as an essential factor influencing organizational performance (Vecchio, 2003) and an organizational factor for public health (Rayan et al., 2021). Human capital refers to the ability, long-term experience, and valuable knowledge possessed by an employee, translating into economic and financial value for their organization (Snell & Dean, 1992). Mangi (2009) mentioned that HC is critical in promoting superior service and competitive advantage. Closely related to human capital is information and communication technology (ICT), a vital organizational resource that helps to facilitate modern, innovative ideas in the management of business enterprises.

Because the demands of a corporation could not possibly be met by policy-making and functional-area integration alone, the strategic management policy paradigm has become obsolete due to the increased business environment and rapid changes (Ilesanmi, 2011). Hence, Managers discover that strategic planning, which focuses on the environmental evaluation, internal capability analysis, and plan formulation, is insufficient for improved organizational performance as the business environment becomes volatile.

Consumer preferences, raw material supply disruptions, insurgencies, and even global economic recessions may force a company to make operational modifications to comply with market realities. Staff reduction, lighter inventory control, cost control, and reduction tactics are more viable solutions available to the company in such conditions. However, these are actions that are only effective in the short run.

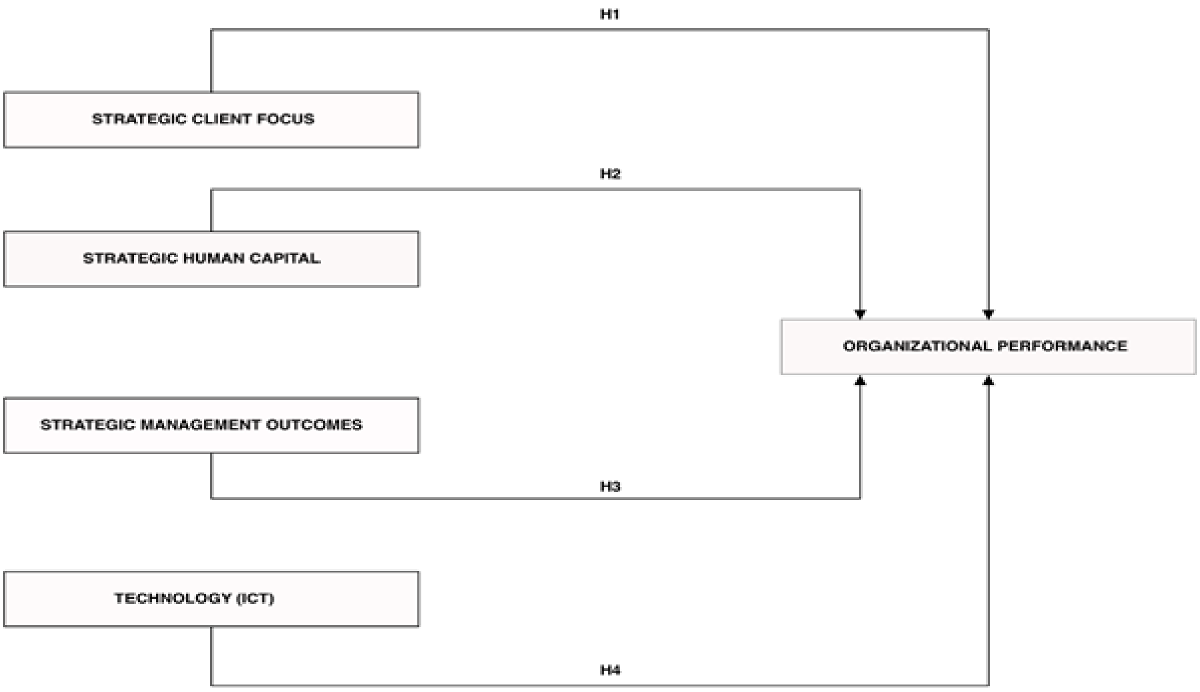

Figure 1. Research Model for strategic implementations

When the source of economic disruption is structural, the private sector must turn to a more fundamental solution in Libya (Ilesanmi, 2011). This is why most of the challenges facing Libya's private sector firms today are related to incorporating a strategic framework into operational activities, a framework that recognizes domestic resources, uses local technology, and assures the business community of operational and management practices. Fundamental challenges such as resource base, infrastructural constraints, a suitable level of technology, and raw material intake must all be addressed in the strategic framework. It is important to note that the strategic management approach has extensive research. However, its various dimensionalities and their impact on the effective and efficient performance of the organization remain unclear. In addition, research linking strategic management practices to organizational performance in the Libyan context is scarce. Thus, in advancing the existing literature, this study aims to see if strategic management methods impact organizational performance.; strategic client focuses on SCF, strategic human capital (SHC), strategic management outcome (SMC), and technology (ICT) in the Libyan context.

2. Theoretical Background and Hypotheses Development

2.1 Strategic Clientele Base

A customer base is a group of people willing to purchase a company's products or services. These are target markets that a company wants to reach to sell its product or services. In other words, it is the group of people who are potential buyers of a product or service. Companies and organizations need to compare their customer base with the market size. Market size is how much a particular industry or business has generated in one year (Waweru & Omwenga, 2015)

The terms Clientele base and customer base are used interchangeably. Specifically, a clientele base is a group of people who have shown an interest in a company's work. In contrast, the customer often receives a product. A clientele base is a group of people with whom the company or business has a relationship. A customer base is the group of people who buy products or services from the company. A clientele base can be individual customers, firms, or companies that outsource projects to the original company (Waweru & Omwenga, 2015)

Corporate organizations mainly implement this approach as part of their overall total quality management (TQM). It is a critical factor for business organizations that, when considered with other factors like continuous development, team spirit, and organizational commitment, contributes positively to organizational performance (Abdullah et al., 2008; Yu et al., 2013). Many empirical studies for various business organizations have confirmed the benefit of this approach (Chotekorakul & Nelson, 2013; Mojtahedzadeh & Arumugam, 2011). Thus, the goal of the strategic client focus is to attain ultimate customer satisfaction. It is also found to be positively correlated with corporate organization performance drivers, namely, corporate financial statements and satisfaction of staff (Anaza & Rutherford, 2012; Chotekorakul & Nelson, 2013)

2.2 Strategic Human Capital Development

Organizational human capital refers to an employee's ability, long-term experience, and valuable knowledge, which translates into economic and financial value for their organization. Thus, according to Snell and Dean (1992, an employee's knowledge and skillset create productivity that helps to stimulate positive performance in the business organization. Therefore, the investment by business organizations in developing valuable human capital serves as the veritable source of their organization's innovation (Bontis, 2001). Human capital is empirically positively related to organizational performance (Endri, 2012; Lepak & Snell, 1999; Snell & Dean, 1992). Therefore, because business organizations need to align their activities with their organization's goals, corporate strategies, and business metrics, they also need to ensure adequate development of their human capital stock. This is necessary to ensure that administrative staff adequately understands the goals and objectives of their company.

There has always been a significant relationship between Strategic Human Capital Development and organizational performance outcomes. A positive organizational climate can help with strategic human capital development. Thus, organizations should emphasize organizational climate to improve their human capital development, as doing so would help organizations achieve their goals and adequate development of their human capital stock, including performance objectives. Strategic human capital development methods, such as compensation and rewards, recruitment, and selective economic and financial value, are integrated with the organizational climate in the organization to create better and more successful business organization outcomes. As a result, both policymakers and companies should devise and implement better strategic human development methods that create a positive workplace atmosphere, acknowledgment, and appreciation in order to achieve better and more successful organizational performance outcomes (ALDamoe et al., 2013)

2.3 Strategic Management Outcomes

Strategic management elicits significantly positive interest amongst researchers and practitioners and has remained a highly researched management area. Authors generally advocate for business organizations to follow more effective and efficient strategic management practices because of the pivotal role they contribute to organizational performance. Evidence in some studies supports the pivotal role and contribution of strategic management for most industries on an aggregate scale. The evidence also shows that strategic management positively impacts economic growth in some countries.

According to a previous study in New Zealand on the diffusion of effective and efficient strategic management orientation, strategic management tools in an organization help spur positive organizational performance. Furthermore, a study on medium-scale manufacturing industries investigated the dynamic effect of an effective and efficient management approach on the organization's performance.

Olanipekun et al. (2015) asserted that strategic management is a must-have because it entails planning and formulating strategies to meet competition and assure long-term survival and growth. As a result, a competitive advantage will be built, allowing the organization to successfully surpass competitors and navigate the changing market. His research concluded that strategic management provides a strong competitive edge that allows it to outperform competitors in the sector and helps to improve organizational performance.

2.4 Strategic ICT Infrastructure

This is the result of technological growth and innovation in business organizations. This generally leads to developing an optimal business model necessary for achieving an organization's objectives. According to Epstein et al. (2004), developing ICT infrastructure in an organization significantly facilitates higher organizational performance. This results in growth in the organization's profit, sustainable business innovations, client satisfaction, and a positive, motivated organizational workforce. Thus, in their empirical study, Chairoel et al. (2015) find a significant positive nexus between a business organization's ICT infrastructure units performance. Strategic ICT infrastructure has a significant influence in moving the organizational workforce into online space with convenience and improves corporate profits and storage capacity for most businesses.

2.5 Strategic Client Focus and Organizational Performance

Customer focus is one of the most crucial factors in promoting organizational performance (Fuentes et al., 2006). Numerous studies have suggested that customer-related practices allow organizations to gather feedback regarding their products and services and modify their offerings following the feedback (Forza & Filippini, 1998). Such a customer-focused ideology has led to better performance (Ittner & Larcker, 2001). Samson and Terziovski (1999) reported that customer focus strategies are positively associated with operational performance. The strategic study by (Beckmann et al., 2021) reveals that organizational performance and client focus is at the heart of strategic management because so much strategic thinking revolves around defining and measuring performance and goes on to say that in order for most organizations to be successful, they must generate high returns and discover performance drivers from top to bottom.

Andrew (2009) defined financial success (profits, return on assets, return on investment, and so on); market performance (sales, market share, and so on); and shareholder return are three distinct aspects of corporate results (total shareholder return, economic value-added, etc.). Manufacturing firms' success is determined not only by their economic performance but also by how entrepreneurs and employees collaborate and carry out their actions and goals in a coordinated and coordinated manner. Ishaq and Danish (2014) asserted that customer focus refers to how well a company performs in its brand image, customer satisfaction, customer retention, and profitability. Internal processes are concerned with the effectiveness of the organization's systems, whereas innovativeness is concerned with the ease with which a company can adapt to changing situations. Most of these conclusions were suggestions that needed empirical validation. Therefore, in building and advancing the current body of knowledge, we posit that:

H1: Strategic customer service is positively related to organizational performance

2.6 Strategic Human Capital and Organizational Performance

Prior studies have suggested that human capital is one of the most critical factors for organizational performance (Tehseen & Ramayah, 2015). Similarly, Hall et al. (2013) reported that human capital has a significant and positive relationship with organizational performance. Consequently, the study argued that organizations with strategic human capital, such as an experienced, competent, valuable, and inimitable workforce, will perform better when compared to organizations that lack such strategic capital. Furthermore, numerous reports have reported that human capital investment is related to individual and organizational performance (Bontis & Fitz-enz, 2002). Phin (2020) argued that those surveys have proven that human capital (HC) is the company's most important asset. Strategic management of human capital on organizational performance is concerned with identifying and measuring knowledge stocks and controlling and harmonizing knowledge flow at each organizational level. Human capital, which includes organizational capital, consists of policies, procedures, and organizational processes that can be leveraged to improve the organization's capabilities. Organizational capitals enable the accumulation of knowledge embodied in humans and the organization's sharing and dissemination of information. Organizational capital serves as a strategic foundation for the flow of information in strategic human resource management. In contrast, human capital is a strategic mediator in the interaction between organizational capital and performance. In order to add to the existing literature, we hypothesize that:

H2: Strategic human capital is positively related to organizational performance

2.7 Strategic Management Outcomes and Organizational Performance

Strategic management relates to the decisions, analyses, and actions an organization undertakes intending to create a sustainable competitive advantage and employee health performance for better productivity in precision health. When top management establishes, implements, and maintains a quality policy that aligns with the goal, they promote organizational performance (Sherwin & Corpuz, 2021). In addition, when an organization develops a strategy that entails the understanding of all elements of the organization, this action will likely boost the organizational performance. However, strategic organizational management is a continuous process that requires feedback from the organizational internal environment development and analysis of the external environment to check whether the organization's strategic goals are being met or not (Sherwin & Corpuz, 2021). Strategic management, i.e., strategic thinking, planning, and strategy implementation on organizational performance as effective management practices for business growth. Previous research concluded that it has contributed to a better understanding of the relationship between variables presumed to influence the results of an organization and its performance. When such action is regularly taking place within an organization, it is reasonable to infer that strategic management outcomes may influence organizational performance. Thus, we hypothesize that:

H3: Strategic management outcomes are positively related to organizational performance.

2.8 Technology and Organizational Performance

Technology has been reported to help organizations gain market share and promote overall productivity (Cardona et al., 2013; Tran et al., 2014). Additionally, technology could facilitate the introduction of new products and services and be more customer-oriented, which is in order to enhance organizational performance (Hall et al., 2013; Koellinger, 2008). Brynjolfsson and Saunders (2009) mentioned that technology promotes performance and encourages innovation. Numerous studies have also suggested that technology enhances organizational performance through its use to enhance efficiency and innovation (Yu et al., 2013). Furthermore, technology has been proposed to significantly contribute to performance improvement and competitive edge maintenance (Koellinger, 2008). The use of technology, such illustration from earlier research concluded by Rayan et al. (2021), was designed to improve strategic management techniques on organizational performance and result in a reduction of people care in the context of employee health and safety and security. All actors received the new technologies well the concrete action system, and they no longer considered operating without the existing information systems (Kimani, 2015). The choice of top managers to invest in technology and knowledge acquisition may result from a deliberate and conscious strategic decision (Zollo & Singh, 2004). The researcher (Guest, 1987) presents excellent arguments to indicate that top managerial assistance is required to promote foreign technical know-how because technology and knowledge acquisition rely on manager support and communication, appreciation, and mutual dependence among employees.

This idea is shared by Rojas et al. (2014) established that managers needed to promote technical acquisition to underpin economic growth and development in their research of technology in organizational performance, a field where obtaining technology is highly challenging. This support, however, was not merely financial; it also required technological infrastructure, expertise, and people resources to establish a sustainable ecosystem (Rojas et al., 2014). As a result, top-level support for technology stimulates technical acquisition in various ways. The majority of the investigations described were conducted in a western setting. Based on the existing literature, we hypothesize that:

H4: Technology is positively related to organizational performance

3. Research Method

3.1 Sample and Procedure

The respondents of this study were a small sample of employees who worked in various organizations (such as telecommunications, restaurants, logistics, car dealerships, and construction companies) in Tripoli, Libya. All respondents were selected based on a probabilistic random sampling method. Respondents to this study were middle and senior management executives from the selected organizations. The human resource management of these organizations was contacted in advance to seek their permission and the consent of their staff, which will form the core data required from the respondents before the questionnaire distribution. The respondents were assured that their responses to the questionnaire would be treated with utmost discrete and purely for academic purposes. A cover letter was added to the questionnaires to explain the objectives of the study and assure the anonymity of the respondents. After three weeks of data collection, the researcher returned to the selected organizations in the **middle of February 2022** to collect completed questionnaires. A total of 702 questionnaires were distributed, and 408 responses were received, with a response rate of 58.12%, which was calculated by multiplying the questionnaire received by the total questionnaire administered and then divided by 100.

nh = (Nh/Ns) n, where nh represents each organization's sample size, Nh represents each organization's entire population, and Ns represents the sum of the study volume (3990). n is the sample size of the study population (408). For each stratum, the relative sample size was calculated according to the formula above.

3.2 Analysis and Results

For data analysis, the Statistical Package for Social Science (SPSS) software version 25.0 and SMART-PLS version 3.3.1 were used; SPSS 25.0 was utilized to evaluate demographic data, while SMART-PLS was used for construct validity and reliability, and PLS-SEM was used to test the study's hypotheses.

3.3 Common Method Bias

In accordance with (Podsakoff et al., 2003), Harmon's one factor was used to check if a single factor accounted for the majority of the overall variation of all the measurements. The resulting output revealed that the first factor only accounted for 31.19%, thus suggesting that method bias is not a serious concern in this study. Additionally, The Variance Inflation Factor (VIF) for each independent variable was used to assess for collinearity between and among the predictors. The numbers in Table 4 show that there are no difficulties with collinearity or multicollinearity because all of the VIF values are less than 3.0, thus indicating no multicollinearity clouded the results (Hair et al., 2017).

3.4 Measurement Model

Table 1 shows the results of the constructs' validity and reliability. All observed items in the research instrument that are linked to a latent concept are subjected to a psychometric test that includes both convergent and discriminant validity. The outer loadings, Average Variance Extracted (AVE), composite reliability, Cronbach's alpha, and rho A values are observed and examined when analyzing the convergent validity of questions to their constructs (Hair et al., 2017). All of the items had outer loadings greater than 0.5, and all of the constructs' composite reliability, Cronbach's alpha, and rho A had values greater than the 0.7 thresholds, indicating that the item-construct structure in our measurement model has convergent validity. Furthermore, the AVE with the lowest value is 0.823, which is higher than the 0.5 criteria.

Table 1. Validity assessments

Constructs and Indicators	Loadings (λ)	t-value	AVE	CR
Strategic Client Focus			0.855	0.947
SCF1	0.961	4.423		
SCF2	0.914	4.674		
SCF3	0.898	4.535		
Strategic Human Capital			0.890	0.970
SHC1	0.944	7.544		
SHC2	0.963	7.596		
SHC3	0.950	7.352		
SHC4	0.912	4.406		
Strategic Management Outcomes			0.888	0.969
SMO1	0.951	5.608		
SMO2	0.959	4.303		
SMO3	0.951	6.525		
SMO4	0.911	5.631		
Technology (ICT)			0.895	0.962
ICT1	0.973	8.101		
ICT2	0.929	7.472		
ICT3	0.935	8.626		

Note: 1) SCF= Strategic client focus, SHC= Strategic Human Capital, SMO= Strategic Management outcomes, ICT= Technology; OP=Organizational performance 2) CR=Composite Reliability, AVE= Average Variance Extracted, t-value>1.96

Table 2. Inter-construct correlations, convergent and discriminant validity

Construct	CA	M	SD	SCF	SHC	SMO	ICT	OP
SCF	0.946	3.089	1.491	**0.925**	*0.409*	*0.410*	*0.399*	*0.500*
SHC	0.969	3.133	1.545	0.689	**0.942**	*0.839*	*0.829*	*0.454*
SMO	0.970	3.977	1.513	0.684	0.399	**0.943**	*0.453*	*0.453*
ICT	0.962	3.942	1.490	0.565	0.500	0.454	**0.946**	*0.566*
OP	0.933	2.972	1.386	0.499	0.571	0.689	0.684	**0.907**

Notes: CA=Cronbach's Alpha, M=Mean, SD= Standard Deviation, Diagonal values in bold are the square root of AVE, *Italicized* values above the square root of AVE are Heterotrait-Monotrait (HTMT) ratios, values below diagonal are correlations

Table 3. Path analysis results

Hypotheses	***Model Fit Indices: SRMR = 0.024; NFI = 0.775***					
Direct Effects	***β values***	***t statistics***	***P values***	***f^2***	***R^2***	**Outcomes**
H1: Strategic Client Focus -> Organizational Performance	0.274	4.965***	0.000	0.335	0.603	Supported
H2: Strategic Human Capital -> Organizational Performance	0.194	2.635***	0.008	0.405	0.603	Supported
H3: Strategic Management Outcomes -> Organizational Performance	0.279	3.677***	0.000	0.092	0.603	Supported
H4: Technology (ICT) -> Organizational Performance	0.214	4.426***	0.000	0.078	0.603	Supported

3.5 Assessing the Structural Model

When evaluating the hypothesized association between the constructs, as shown in Table 4, the R^2values, the beta (*β*) coefficients, The effect sizes (f2), as well as related t-values generated through bootstrapping using 2,000 subsamples are being investigated as recommended by Hair et al., (2017). The direct impacts of the predictor variable on the outcome variables are investigated first. Strategic Client Focus (SCF) and Strategic Human Capital (SHC) were found to have a positive effect on organizational performance (= 0.274, p 0.05) and (= 0.194, p 0.05), respectively. Additionally, Strategic Management Outcomes (= 0.279, p 0.05) and Technology (= 0.214, p 0.05) had positive relationships and significant effects on organizational performance (OP), accounting for 60.3% (R-squared = 0.603) of its moderate predictive power.

However, in observing the beta coefficients, statistical significance (*P*-value), and variance explained (R^2), reporting the substantive significance (f2), also known as the effect size, to highlight the true magnitude of observed effects. The direct paths' effect sizes revealed that the SMO-OP and ICT-OP paths had small effect sizes. since the f^2 fell within the limit of 0.02–0.15, while the SCF-OP path showed a moderate effect (f^2= 0.335) and the SHC-OP path had a significant magnitude of large effect (f^2= 0.405).

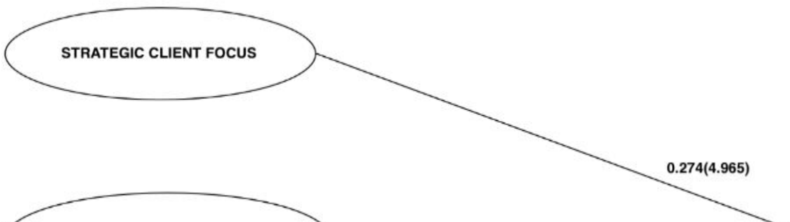

Figure 2. PLS Structure Path

Table 5. Collinearity Test

Construct	VIF
Strategic Client Focus	1.402
Strategic Human Capital	2.144
Strategic Management Outcomes	2.294
Technology (ICT)	1.479

4. Discussion

This study examined the impact of strategic client focus, strategic human capital, strategic management outcomes, and technology on organizational performance across different organizations in Libya. The findings revealed, first, that strategic client focus has a considerable impact on organizational performance. This result is consistent with the conclusions of Olanipekun et al. (2015), who mentioned the consistencies in this pattern of results may suggest that organizations engaging in customer orientation practices help organizations to promote their performance. Second, strategic human capital was found to be a determinant of organizational performance. This substantiates the conclusions of (Endri, 2012). The observation here is that it is important for organizations to understand the expectations of their employees in order to foster the desired performance. When the needs of the employees are taken care of, they tend to help their organizations achieve their goals. Third, strategic management outcomes were found to be a significant predictor of organizational performance. This result is in line with (Olanipekun et al., 2015; Phina, 2020) . This pattern of results could suggest that the managers should develop strategies that align with the short and long-term goals of the organization. This can be done by seeking information from stakeholders within organizations and implementing changes where necessary to improve organizational performance. Finally, technology was found to be a positive and significant predictor of organizational performance. This result aligns with prior research (Yu et al., 2013). The results confirm that technology is an important tool that promotes organizational performance.

6. Conclusion

The results of this study were based on the study's objectives, which showed that the driving forces behind strategic management had a major impact on the organization's performance in Libya. The results showed that strategic management practices and their driving force had significantly and positively influenced the performance of the organization. The findings of this study show that strategic management is a credible tool for improving the performance of manufacturing companies in Libya. Technology (ICT) implementation is currently receiving a lot of attention in the corporate world, especially in the manufacturing industry. This study shows the importance of technology on organizational performance; therefore, there is a need for manufacturing industries to invest in ICT, especially in the Libyan context.

The results of the study showed that a customer-focus strategy could be used by business leaders to promote organizational performance. Since the leader in every type of group activity, leadership is one of the most important aspects of success (Arokiasamy et al., 2022; Moslehpour et al., 2019). To pursue a customer-focus strategy, the customer must be at the heart of the business. Focusing on the customer can lead to faster sales than the competition (Simon et al., 2016). Thus, organizations should train and empower their employees to deliver high-quality products and services.

6.1 Theoretical Implication

The theoretical contributions of this current study are based on the evidence that strategic management outcomes, strategetic human capital, strategic client focus, and technology are important strategic management drivers of organizational performance in the context of the selected organizations in Libya. To the best of our knowledge, this is the first study that examined these important strategic management drives on organization performance, thus extending the strategic management literature in Libya. This was accomplished by examining the effects of strategic management outcomes, strategic human capital, strategic client focus, and technology on organizational performance and determining that the aforementioned drivers are important determinants of organizational performance.

6.2 Practical Implications

The outcomes of this study have crucial practical implications for organizations in Libya. The study suggests that the management of the company should seek to implement strategic management drivers in addition to the other strategic management drivers assessed in this study. This is because this study found that strategic management factors have a positive impact on the organizational performance of organizations in the context of the selected organizations in Libya, so the introduction of additional strategic management drivers will further improve their organizational performance.

Based on the results of this study, it is recommended that strategic management practices, because of their importance, require continuous and continuous monitoring, improvement, and adequate funding. As a result, organizations must have a well-thought-out strategic vision that is communicated to all personnel. All employees must be involved in the implementation of a strategic management process that prepares the organization for the future. It should be emphasized.

Organizations are encouraged to use IT tools and services more as it gives them a competitive advantage and improves customer service, has more self-service support, and automates all important processes for greater efficiency, reliability, and control in the firm. IT tools and services can improve the sales of their good and services through E-commerce, E-trading and etc. In line with the findings of this study, organizations should train their employees to relate with the customers more and resolve customers' complaints. Such practice has been shown by this study to be an important determinant of organizational performance.

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6.5 Limitation and Direction for Future Research

Despite the achievement of this current study, there are some limitations that future studies should be aware of. First, the sample was limited to the selected organizations in Libya. Hence generalizations about other countries and national cultures are needed in future studies. The industry in other developing countries differs from that of Libya. This may be due to legal and regulatory restrictions, as well as economic policies or structures, which vary from country to country. Therefore, this study can therefore be repeated in other developed and developing countries to compare country performance in order to better understand the impact of country-specific factors (country characteristics) on the governance and performance of an organization. Second, future studies could test whether organizational innovation mediates the relationship between strategic management outcomes, strategic human capital, strategic client focus and technology, and organizational performance. Finally, it is suggested that observable variables, especially those with strategic human capital, such as trust and factors associated with a high-performance work system, be incorporated into future research.

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