The Impact of Strategic Leadership Practices on Organizational Ambidexterity: An Analytical Study of Workers in Iraqi Private Commercial Banks

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Abstract: *The study aims to know the impact of strategic leadership practices with its selected dimensions on organizational ambidexterity with its combined dimensions. Since the study is analytical and its place of application is the private banking sector, data was collected using a questionnaire directed to a sample of department and branch managers and division officials in private commercial banks. The study sample included (258) respondents from different job levels. After using statistical analysis programs (SPSS,24), the results of the analysis indicated the existence of a statistically significant relationship of influence and correlation for strategic leadership practices in terms of its dimensions in the dimensions of organizational ambidexterity. The study recommends paying more attention to enhancing the dimensions of organizational ambidexterity within the organization.*

Keywords: *Strategic leadership, organizational ambidexterity, Iraqi banks.*

1. INTRODUCTION:

Strategic leadership is seen as a set of actions that focus clearly on defining the long-term direction and strategic vision and communicating that vision to the parties with (relationship, loyalty, power) necessary to realize and achieve this vision and inspire others towards the direction intended to influence individuals and organizations through the organized use of strategic art. Strategic leadership is described as the ability to anticipate, envision, maintain flexibility and empower others to bring about strategic change. Some add to it strategic thinking and working with others to initiate changes that will create a vibrant future for the organization. Strategic leadership is considered an effective element in developing organizations, and its activity is focused on five axes: setting the direction, putting the strategy into effect, empowering employees, identifying effective elements, and developing the strategy. As for organizational ambidexterity research, it has grown rapidly since the beginning of the millennium, as the literature on organizational ambidexterity emerged to explain the logic of linking (aligning) between the elements of exploration and exploitation that occur simultaneously and the need for management to manage these competing tensions. Moon & Huh, 2011) defined ambidexterity as the organization's ability to achieve efficiency in light of adapting to environmental variables, while the study (Yan, M. et al, 2016) defined it as: the

ability to efficiently benefit from opportunities in the external environment and find solutions and innovations to meet the challenges of the external environment in the future.(Al-Faihan)

2. METHODOLOGY

First: the research problem

The great technological developments, the increase in global competition and the diversity of customer requirements have led to the emergence of a gap in the banking sector environment in developing countries, especially in our beloved country, Iraq. Hence, this problem emerged due to its great importance to the economic situation, based on the study variables by measuring the importance of strategic leadership and its impact on organizational ambidexterity, and its adoption of all positive practices and generating concepts that restore confidence to raise its capabilities to survive, prosper and grow. Its work represents the pinnacle of future challenges and overcomes the obstacles placed on its shoulders in reorganizing the work environment. This is what the senior leadership aspires to in order to maintain communication with the customer. This process is carried out by the largest international institutions. At the field level, to diagnose the research problem, it became clear through the researcher's field visits to a group of Iraqi banks and interviewing some administrative officials for the purpose of applying this process in the Iraqi banking environment in order to identify the main points of this problem. Thus, the problem of the study lies in answering the main question of this study: **(Is there an effect of functional integration as an intermediary variable between strategic leadership and organizational ambidexterity).**

Second: The importance of the study

1) Shedding light on strategic leadership practices in terms of concept, dimensions and measurement tools, and thus contributing to completing the theoretical framework of this pattern and rooting it, especially in light of the scarcity of Arabic writings in this field.

2) Revealing the nature of the complex and intertwined relationship between the study variables may contribute to enriching the knowledge base in the literature of human resources management in general and strategic leadership in particular.

3) Identifying the organizational prowess of the banks under study helps those in charge of those banks to introduce the required changes to improve them and achieve their goals in serving the organization.

Third: Research objectives.

The main objective of the study is to what extent the level of influence of strategic leadership increases in organizational ambidexterity, to reach the main objectives as follows:

1) Testing the relationships of influence of the study variables represented by strategic leadership and organizational ambidexterity.

2) Identifying strategic leadership practices in its dimensions (vision, human capital, organizational culture, ethical practices).

3) Identifying organizational ambidexterity practices in its two dimensions (exploration, exploitation).

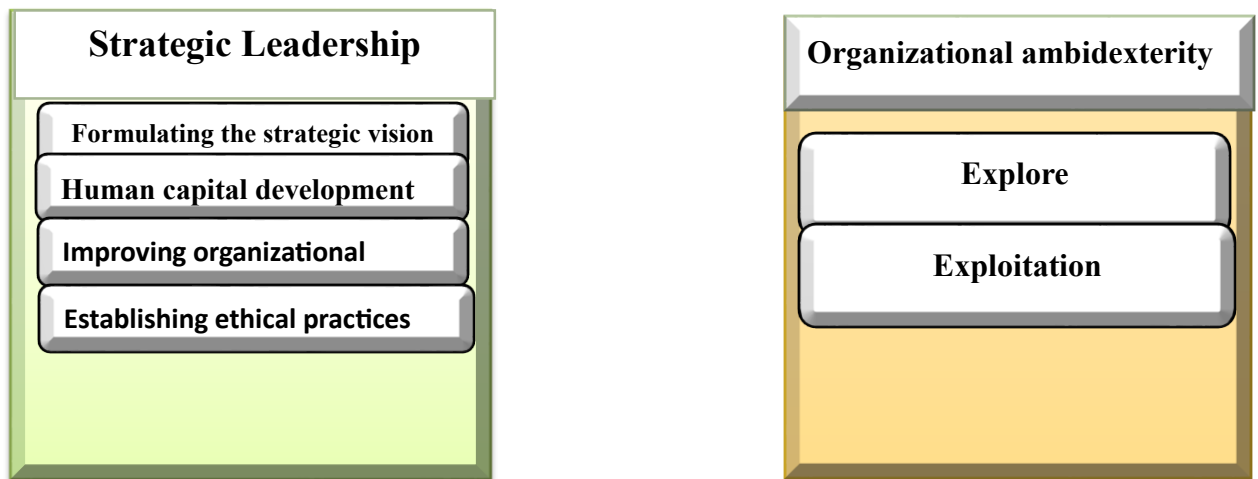**Fourth: the hypothetical scheme of the research.**

Strategic Leadership	Organizational ambidexterity
Formulating the strategic vision	Explore
Human capital development	Exploitation
Improving organizational	
Establishing ethical practices	

Figure (1) Hypothetical scheme of the research.

Fifth: Research hypotheses. The research deals with the following assumptions:

Hypotheses emerge from the questions raised, and through what was presented in previous studies and previous cognitive efforts, they were used in formulating and preparing hypotheses for the current research to link the variables, and in light of the general hypothetical model of the research, and accordingly, the hypotheses will be formulated within the research methodology in a statistical and agency expression as follows:

First main hypothesis: Strategic leadership practices have a positive and significant impact on achieving organizational ambidexterity. Two sub-hypotheses emerge from this hypothesis: The following sub-hypotheses are derived from it:

Sub-hypothesis 1: Strategic leadership practices positively affect exploitation. Sub-hypothesis 2: Strategic leadership practices positively affect exploration.

Sixth: Society and Sample

A research community was chosen that matches and harmonizes with what the researchers seek and aspire to achieve. The researchers chose private banks operating in the city of Baghdad exclusively, as they represent, in the current circumstances, the most suitable environment for testing the research hypotheses. Therefore, (300) samples were distributed and (285) questionnaires were retrieved and subjected to analysis.

3. THEORETICAL FRAMEWORK

First: First: Strategic Leadership

In light of the unprecedented development we are witnessing in the concepts of management science and the movement generated by the trend towards entrepreneurship, it must be said that the success of modern organizations depends largely on the administrative methods they adopt that keep pace with what is present in their environment. The strategic leadership method is the essence of the administrative process and one of the most important methods that researchers agree on its effectiveness and is one of the most important priorities for the success of the organization. (Star, 2011)

1- The concept of strategic leadership:

(Leadership) This concept has a historical root as it was mentioned in Greek, Egyptian, Chinese and Greek writings, and most researchers agree that the word leadership has Latin and Greek origins, as the word (Leadership) is derived from the verb to do or perform something, which means to move or lead.

Leadership has a major role in activating the role of organizational performance, and developing leadership skills aims to develop strategic leadership according to the requirements of the business environment, which contributes to motivating subordinates to exert more effort and work towards innovation and in response to senior leadership, for the purpose of achieving organizational success, noting that the definitions of leadership differ according to their visions, and researchers have differed in defining leadership, and J. Gibbon defined: "Leadership as the process of influencing the group with a specific situation in a specific period, and in a specific group of events, which motivates individuals to strive with a desire to achieve organizational goals, and give them experience and assistance in reaching common goals and satisfaction." He added that T.Haimann defines it as "the process by which the executive skillfully directs, guides and influences the selection and achievement of specific goals by mediating between the organization and individuals in a way that ensures maximum satisfaction."

Munson and others have provided the following definitions of leadership: (Jad El Rab, 2012)

- It is the creation and direction of moral power.

- The interpersonal relationship, which makes others obey because they want to and not because they are forced to ().

- According to Compell, it is the actions and behaviors that affect the available resources to create the desired opportunities.

- CONTER defines it as: the ability to influence people through communication to achieve a specific goal.

- Mary Parker Follett indicated that the concepts of leadership are to convince people to follow you and train them to work with you.

- John Evanson describes it as the process that leads to creativity in the work environment through the individuals doing that work.

After reviewing the various research opinions, the researchers believe that leadership is an ongoing process and is the result of the interaction between the personal traits that the leader possesses and between the situation and the subordinates. The leader's personality must appear and his behavior must be evident in his dealings with the situation or the subordinates.

Strategic leadership is the ability to influence others to promote long-term decision-making sustainability and continued compliance to maintain financial stability individually and as a team when working, and to influence ways that enhance competitive advantage. (Rowe, W. G,2001)

The researchers believe that the most important thing that distinguishes strategic leadership in its dealings with followers is that it is keen to develop and enhance their capabilities according to globally approved directives and programs to enhance their functional competencies. This is what makes followers more committed and attached to strategic leadership.

2- Strategic Leadership Goals:

The responsibility of effective strategic leadership requires it to draw up general policies for organizations and determine the goals to be achieved. This falls on the senior management of the organization, represented by the executive director, the senior management team in the organization, and the general managers. These strategic leaders are responsible for making major and essential decisions and setting goals. They are also responsible for formulating and implementing strategies.(Hitt, Michael. Iereland,)

With the multiple roles of administrative leadership in the organization, the objectives of strategic leadership can be summarized within four strategic axes, which are: (Tariq, 2006)

1) **Determining the current status of the organization:** This role requires the leader to be familiar with all the internal capabilities of the organization and its nature, and to extract the features that help in building future visions.

2) **Determining the future of the organization**: This includes the role of leadership in interpreting the meanings of environmental events (environmental complexity, competition, scarcity of resources, information) and analyzing those meanings and projecting them onto the axes of the future.

3) **Formulating strategic plans and requirements for their implementation:** This step is based on an accurate understanding of the organization's purposes and future goals and the changing circumstances surrounding it and the strict preparation to confront current and future events. Planning and preparing the requirements for implementation take longer.

4) **Evaluating and following up on strategic performance**: Its role includes the process of verifying the progress of planned matters according to their predetermined paths, and according to performance and evaluation standards, standing on the effectiveness of implementation.

3- Dimensions of strategic leadership:

The dimensions of strategic leadership were chosen in accordance with the research environment and research requirements. In order to simplify the concept and facilitate its application to the banking sectors, the following four dimensions were chosen from among a group of other dimensions:(T. Barnett, R. G. Long, L. E. Marler,2012) , (Jad El Rab, 2012) ,(R. Duane Ireland and Michael A. Hit)

1. **Formulating the strategic vision:**

This concept refers to setting and defining the long-term vision for the strategic purpose for which it exists. The long-term vision clarifies the organization's vision for 5-10 years into the future.

As a goal-oriented philosophy, this vision reflects the ideal mental image that the organization seeks to build in the future. The ideal long-term strategic direction consists of two parts: a core ideology and a tangible future. The core ideology motivates employees through the organization's heritage while the future encourages them.

The researchers believe that just as the senior management team must develop a clear vision for the organization, developing, expressing and communicating an exciting vision are critical tasks for the organization's strategic leadership, and for employees to participate in and commit to this future.

2. Developing human capital:

From a human capital perspective, employees are viewed as a capital resource that requires minimal investment.

Continuous and systematic work on knowledge productivity and knowledge workers enhances the organization's ability to perform successfully, and continuous investments in organizational institutions lead to a creative and well-educated workforce because a workforce capable of forming large groups is highly effective.

The researchers believe that human capital is an important part of increasing the organization's ability to develop and maintain organizational culture. Developing development programs for strategic leaders also contributes to building basic skills and values and a systematic or methodological view of the organization, as development programs qualify and give a general impression of determining the original values that support the organization's strategic vision and organizational cohesion.

3. Enhancing organizational culture: (George & Jones, 2009**)**

Organizational culture refers to a complex set of ideologies, symbols, and core values that are shared and influential in the way an organization operates.

Organizational culture provides the context in which strategies are formulated and implemented. Organizational culture is concerned with decisions, procedures, communication patterns, and communication networks.

The researchers believe that organizational culture can be a source of competitive advantage, and this enables the formation of the appropriate climate for the formulation and implementation of the organization's strategy. Therefore, adopting the formation of organizational culture is the central task.

4. Emphasis on ethical practices:

Ethical practices should form the framework for decision-making processes and be an integral part of the organizational culture. Ethical practices also act as a filter to purify and evaluate actions and practices.

The effectiveness of implementing organizational strategies improves when they are based on strong ethical foundations and in a culture that promotes ethical behavior. In the absence of such an ethical culture, employees and management may act opportunistically and exploit their positions to benefit themselves or to establish and ensure a certain ethical direction in the organization. Therefore, senior management must be an excellent ethical role model and they must also build the compliance and enforcement process around ethical behavior.

The researchers believe that the efficiency of implementing strategic operations increases when they are carried out within the framework of ethical practices, and ethical organizations encourage and enable individuals at all organizational levels to practice ethical rules.

Second: Organizational dexterity

The literature of organizational dexterity emerged to explain the logic of reconciliation between the elements of exploration and exploitation that occur simultaneously, and the need of the organization to manage those competing and contradictory tensions. For the first time, Duncan in 1976 presented a definition of dexterity in the organizational context, where organizations that have the ability and efficiency to manage and meet current business demands and needs and at the same time have the ability to adapt to current and future environmental changes were described as dexterous organizations.(Duncan, R. B. ,1976).

1- **The concept of organizational dexterity**: (_Patel , P. & Messersmith , J. & Lepak , D**)**

Organizational dexterity is most important in what is expressed as the extent of any institution's ability to manage complex and synonymous elements at the same time such as (exploitation with exploration, efficiency with effectiveness, and compatibility with adaptation), i.e. focusing on the compatibility between these different and conflicting components in order to achieve success and dexterity for the institution at the same time.

For the same meaning, another added that organizational dexterity is the organization's ability to use the opportunities available in the markets efficiently and effectively and work creatively by creating new ideas to meet market requirements and face challenges in future markets.

The researchers believe that organizational dexterity is the ability of organizations to exploit current opportunities without neglecting the search for future opportunities, i.e. developing the organization's capabilities to satisfy the needs of current customers and markets, searching for new opportunities and new customers, and entering new markets in order to improve current products and services in addition to introducing new products and processes.

2- The importance of organizational dexterity: (Gibson , ,2004).

Many studies have focused on researching organizational dexterity and have reached many results that confirm the importance of achieving organizational dexterity, as most studies agreed on many positive results as a result of the institution adopting organizational dexterity, and in this context, many of them are clear as follows:

1. Survival and continuity

2. Achieving sustainable competitive advantage

3. Seizing opportunities and reducing threats

4. Flexibility and strategic success

5. Reducing organizational collapse

6. Strengthening and building the reputation of the institution

7. Relative balance between exploration and exploitation

8. Achieving efficiency and effectiveness in performance

9. The pioneering orientation of the institution

10. Organizational agility / innovative and proactive performance / risk tolerance.

3- Dimensions of organizational ambidexterity:

The dimensions of organizational ambidexterity were embodied in two main dimensions that have been agreed upon by many studies and researches, based on the fact that organizational ambidexterity refers to the ability of the institution to simultaneously seek to exploit its current resources with the aim of creating value in the short term, along with its quest to discover new opportunities to ensure its survival and continuity in the long term.(Knight, E.& S.Cuganesan,2020).

A. Exploration

Exploration prowess can be defined as: the organization's vision based on the continuity of offering new services and products that qualify it to compete and continue in the market, meaning that the organization practices a series of steps that lead it to offer new products and services in the market>

The researchers believe that organizations in exploration activities must regularly evaluate their vision, encourage innovation, and be prepared to modify or change the strategies and services they provide. Exploration also requires supportive organizational and structural features and inspiring leadership for individuals to perform these tasks to the fullest.

B. Exploitation/Investment

Organizational ingenuity requires the optimal exploitation of resources, i.e. it requires the organization to possess the skills, expertise and capabilities that qualify it to optimally exploit all available opportunities in the environment, whether internal or external, which help it obtain competitive advantages. Among the opportunities that can be invested in are the presence of new technology that helps increase quality, reduce costs and provide a new market free of competitors, in addition to the possibility of introducing a new segment of beneficiaries and the possibility of diversifying the services provided.

Here, the researchers see that achieving organizational ambidexterity in institutions is based on three main dimensions represented in the form of a triangle whose main sides are exploration and exploitation, and then its base is strategic leadership. Whereas achieving organizational ambidexterity is based primarily on the availability of strategic leadership, which enables the institution to carry out exploitation and exploration at the same time, without which institutions cannot implement this complex strategy.

The third topic (the practical side)

First - Validity of the tool (construct validity)

Cronbach's Alpha coefficient was used to verify the internal consistency and consistency of the questionnaire items, as obtaining $(0.07 \leq Alpha)$ is considered appropriate in administrative sciences, while in our research, the number of paragraphs reached 27 paragraphs with a coefficient of 0.72, which indicates that the questionnaire has a good level of internal consistency and is suitable for use in this targeted concept in the research.(ability of,2011)

Testing the study hypotheses:

The first main hypothesis:

Strategic leadership practices (formulating the strategic vision, developing human capital, improving organizational culture, establishing ethical practices) have a positive and significant impact on achieving organizational ambidexterity (exploitation, exploration) in private Iraqi commercial banks.

Sub-hypothesis 1: The effect of strategic leadership practices on exploitation

Value-p	a test T	Standard deviation	Average	Variable
3.23	1.15	3.20	0.0015	The organization's management has a clear future vision
3.44	1.02	5.89	0.0000	The management is keen to develop a vision based on careful examination
3.57	1.04	7.51	0.0000	The organization's management sets a vision that expresses its own ambitions
3.24	1.16	3.20	0.0015	The organization's vision motivates employees to work independently

Interpretation:

❋ **The organization's management has a clear future vision:**

These results indicate that the presence of a clear management vision for the future positively and significantly affects the exploitation of organizational ambidexterity.

❋ **Management is keen to develop a vision based on close examination:**

These results show that developing a vision based on close examination has a strong positive and significant effect on the exploitation of organizational ambidexterity.

❋ **The organization's management sets a vision that expresses its own ambitions:**

These results mean that the expression of management's own ambitions has a very strong and significant positive effect on the exploitation of organizational dexterity.

❋ **The organization's vision motivates employees to work autonomously:** These results indicate that motivating employees to work autonomously has a positive and significant impact on the exploitation of organizational dexterity.

Sub-hypothesis 2: The effect of strategic leadership practices on exploration

Value-p	a test T	Standard deviation	Average	Variable
3.03	1.34	0.32	0.75	Encouraging senior management in the organization to spread the culture of acting freely
3.14	1.48	1.56	0.12	Rewards are directed when employees adhere to the organization's culture

Interpretation:

❋ **Encouraging top management in the organization to spread a culture of acting freely:**

These results indicate that encouraging a culture of acting freely does not significantly affect exploration in organizational ambidexterity.

❋ **Rewards are directed when employees are committed to the organization's culture:**

These results indicate that directing rewards to employees who are committed to the organization's culture does not significantly affect exploration in organizational ambidexterity.

4. CONCLUSIONS

1) The answers returned to the questionnaire varied, but they were greater and higher on the independent variable (strategic leadership) and its dimensions, which indicates the awareness of the examined sample of employees and workers in the Iraqi private banking sector of those dimensions that work to improve their organizational proficiency.

2) The results of the statistical analysis to describe the answers of the study sample members showed that the dependent variable (organizational proficiency) and its dimensions were also at a high level, which indicates that organizational proficiency is an administrative and organizational style and behavior that all employees in Iraqi private commercial banks must possess.

3) The results of the analysis concluded that there is a statistically significant influence relationship between the independent variable and its dimensions and the dependent variable and its dimensions.

5. RECOMMENDATIONS

1. Private bank departments must work to enhance internal communication and focus more on investing in developing human capital by providing training and development programs to enhance leadership skills, which contributes to enhancing employee vitality.

2. An organizational culture must be created if it is not available or enhanced if it exists through innovation, cooperation and initiative by encouraging employees to share ideas and participate in decision-making, in addition to working to establish ethical practices by establishing a clear code of conduct and enhancing transparency and accountability at all organizational levels.

3. The need to develop and implement a balanced control system that ensures monitoring performance and achieving goals while maintaining flexibility and innovation, in addition to recognizing the efforts made and sharing successes by employees and providing appropriate rewards and appreciation to enhance Motivation and Incentive.

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