

**The Effect of Organizational Culture on Institutional Excellence through the Mediating Role of Strategic Thinking**  
(An empirical Study on the Palestinian Universities in the Gaza-Strip)

أثر الثقافة التنظيمية على التميز المؤسسي من خلال الدور الوسيط للتفكير الاستراتيجي  
(دراسة تطبيقية على الجامعات الفلسطينية في قطاع غزة)

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**Abstract:**

*This study aims to analyze and explain the role of organizational culture on the institutional excellence through the mediating role of strategic thinking. Cross sectional data was collected using simple random sample from the employees holding supervisory positions at the Palestinian universities in the Gaza-Strip. The structure equation model (SEM) is designed to explain the studied variables, the findings and analysis shows high level of relative weight for the studied variables and found indirect effect between; the independent variable "Organizational Culture" and the dependent variable "Institutional Excellence". Some important recommendations and some suggestions further studies in the line of this study.*

**Key Words:** Organizational Culture, Strategic Thinking, Institutional excellence, Palestinian Universities.

**المخلص:**

هدفت هذه الدراسة إلى تحليل وشرح دور الثقافة التنظيمية في التميز المؤسسي من خلال الدور الوسيط للتفكير الاستراتيجي، تم جمع بيانات مقطعية من الجامعات الفلسطينية في قطاع غزة، وهم من مواقع إشرافيه وذلك باستخدام العينة العشوائية البسيطة، وتم تصميم نموذج المعادلة الهيكلية

SEM، وأظهر التحليل مستوى نسبي عالٍ للمتغيرات المدروسة، أيضا هناك تأثيرًا غير مباشر في النموذج الدراسة بين المتغيرات المستقل "الثقافة التنظيمية" والتابع "التميز المؤسسي"، كما تم تقديم واقتراح بعض التوصيات الهامة ودرات مستقبلية.

**الكلمات المفتاحية:** الثقافة التنظيمية، التفكير الاستراتيجي، التميز المؤسسي، الجامعات الفلسطينية.

## 1. Introduction

In the 21st century, universities seek to improve their performance and achieve superiority in the light of market needs and social prospective especially in a rapidly changing environment like Palestine. What is required is to constantly search for the best approaches to maintain such levels of quality that leads to institutional excellence (Porter & Tanner, 2004:17). The adaption of strategic management in many areas has been able to increase the efficiency of institutions that plays an effective role in their success. The culture of university as an organizational culture, which comprised of typical institutional factors is recognized as a central component of the way organizations operate. Organizational culture considered as its biggest weakness or strength and this reflect various aspect, which can influence excellence of any institutions. Therefore, the organizational culture leads the strategic decisions and hence it should be considered when reviewing the internal factors. As an internal factor, culture forms the foundation of strategic choices, affects the elements of the organizational climate and strategic relationships. If the organization is able to formulate and implement strategies to take advantage of its strengths, in that case, management can be easily implemented and would be able to perform any changes very fast. In such cases, organizational culture may oppose the new strategies, which will lead to confusion. Considering the importance of higher education sector, seems to have essential needs to adopt strategic thinking skills at different organizational levels. So far, few studies have investigated the effect of organizational culture on strategic thinking and organizational excellence in universities. Thus, the need for further studies is essential for scientific development in the field.

### **1.1. Research Problem**

The importance of the higher education industry is fundamental. As the educational institutions and the great role they play in the development of nations. Therefore, these educational institutions especially in Palestine tend to go all approaches to achieve excellence. Several of the previous studies highlighted the problem and its indicators. For example, a study of Badwan (2018) explained the institutional excellence in Palestinian universities in the Gaza-Strip, and showed the percentage of 68 % of the institutional excellence. The study of Al-Nafar (2016) founded a low percentage of culture availability of the appropriate total quality with an environment of excellence in the Palestinian universities in the Gaza-strip as following; Al-Azhar University - Gaza, with a relative rate of 64.6 %, 72.6 % in the Islamic University, and 69.4% at Al-Aqsa University. Also Sahmoud, (2013) founded a low percentage of achieving institutional excellence at Al-Aqsa University according to the European Excellence Model with the rate of 56.44 % . Therefore, in order to contribute to the achievement and enhance of excellence in the higher education industry, the researcher found the fundamental important of the organizational culture and strategic thinking as the important variable derived from the field of strategic management. Accordingly, the designed a structural equation model is to explore the effect of the organizational culture and the effect of strategic thinking as a mediating variable for achieving and enhancing institutional excellence in Palestinian universities. This leads to the following main question: What is the effect of the organizational culture on strategic thinking as a mediating variable for achieving and enhancing institutional excellence in the Palestinian universities in the Gaza-Strip.

### **1.2. Research Objectives**

The main objective: To identify the role of effect of organizational culture in achieving organizational excellence of the Palestinian

universities in the Gaza-Strip, through the mediating role of strategic thinking. The sub-objectives as the following:

1. Exploring the nature of the Palestinian education industry regarding the studied variables.
2. Identifying the level of the studied variables organizational culture, strategic thinking, and institutional excellence in the Palestinian universities in the Gaza-Strip.
3. Provide expedient recommendations to the administrations of the Palestinian universities regarding the field of study.

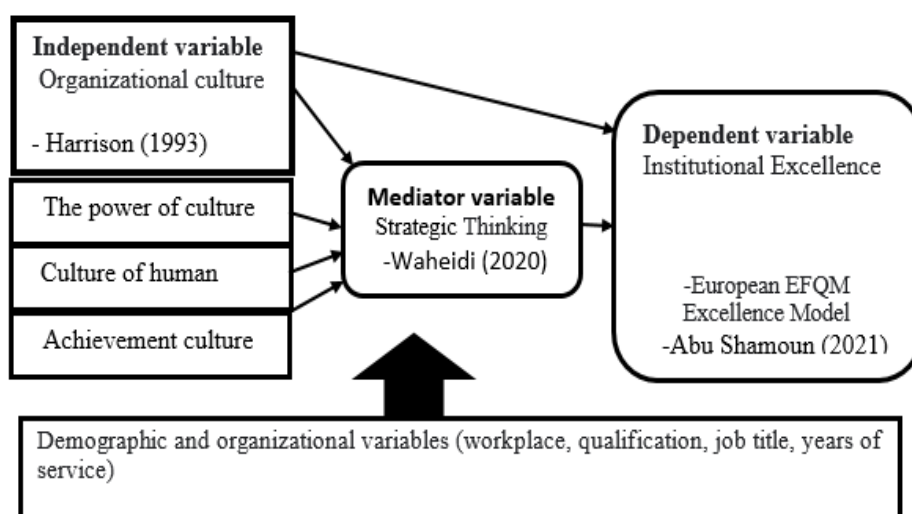


Chart (1): Research Model

Source: Author deliberation from previous studies

### 1.3. Hypothesis

The main hypothesis 1: There is a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) of organizational culture on the institutional excellence at the Palestinian universities in the Gaza-Strip. The sub-hypotheses as the following:

1. There is a direct statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of the culture of power on the institutional excellence.
2. There is a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of human sympathy on the institutional excellence.

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3. There is a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of achievement on the institutional excellence'

The main hypothesis 2: There is a statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) of organizational culture on the strategic thinking of workers in the Palestinian universities in the Gaza-Strip.

The main hypothesis 3: There is a statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of strategic thinking on the institutional excellence in the Palestinian universities in Gaza-Strip.

The main hypothesis 4: There is indirect statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) of organizational culture on organizational excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza-Strip. The sub-hypotheses as follows:

1. There is indirect statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of the culture of power on institutional excellence through strategic thinking as a mediating variable.
2. There is indirect statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of human empathy on institutional excellence through strategic thinking as a mediating variable.
3. There is indirect a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of achievement on institutional excellence through strategic thinking as a mediating variable.

#### 1.4. Significance of Study

This significance of the study derives from the specific topic that comprised from contemporary variables in strategic management designed in structural equation model; including organizational culture, strategic thinking, and institutional excellence. This topic still receiving great attention by those interested in this field, and it has a great impact on the progress and success of institutions, especially when supported by a mediator variable. In addition, the scientific importance of the study as it dealt with an important topic in the field of strategic management that, adds to international and Arabic libraries an applied research specialized in the field of promoting institutional excellence. There is also of practical importance

represented in the researcher's expectation that the results and its recommendations will contribute to achieving the desired qualitative leap in the Palestinian universities in achieving their institutional excellence.

## **2. Organizational Culture**

The organizational culture often used interchangeably in a form of other terms, including; corporate culture, workplace culture. This implies on university culture, since the organizational culture in any organizations whatever its type, became an important as all organizations made up of individuals, and these individuals made sense of and felt about them within the origination. According to Koopmann-Holm (2017) stated that, cultures within organizations shape various aspects of compassion as a managerial considerations. Culture also includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2004). Dargahi and others (2010) consider organizational culture as a set of values, beliefs, concepts, deductions, and thinking methods that individuals have the same features in them. Also a definition of Hofstede (1991, p55) cited by Zeqiri & Alija (2016), which defined culture within originations as "the collective programming of the mind which distinguishes the members of one group or category of people from another". Also, Hofstede (1997) developed six cultural dimensions including process-oriented versus results oriented; employee oriented versus job oriented; parochial versus professional; open system versus closed system, loose versus tight control, and normative versus pragmatic: This shows the effects of a society's culture on the values of its members, and how these values relate to behavior. However, Organizational culture includes the following dimensions, namely power of culture, achievement culture, and culture of human empathy (Harrison, 1993).

### **2.1. The Power of culture**

Power-oriented culture found in any types of organizations as the need for using power in order to exercise control and influence behavior of people, and this appears in both small and large originations (Brown, 1998). The term power-oriented culture defined based on the value of resources that organization have; Stokes (1992, p 14) emphasized that,

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“organizational culture that is based on inequality of access to resources”, another like Brown (1998) stated that "a power culture has a single source of power from which rays of influence spread throughout the organization" Brown (1998, p 66). Organizations like any university try to rule their environment by exercising absolute power to dominate and control the internal factors.

#### **2.2. Achievement culture**

This referred to as task or activities accomplishment within organization. Achievement culture related to the way of achieving goals. This defined by Harrison and Stokes as “the aligned culture which lines people up behind a common vision or purpose” Harrison and Stokes (1992, p 17). Other defined it based on experiences like Brown who stated that "a task culture is one in which power is somewhat diffuse, being based on expertise rather than position or charisma" Brown (1998, p 67). Brown considered the achievement culture from business aspect as comparative environment; emphasized that “in those environments where the market is competitive, product life spans are short and constant innovation is a necessity; this culture can be highly successful” (Brown 1998, p 69). Following this suggest, the main value of achievement culture is about how individuals can work together in order to achieve such organizational goals, and this is similar to team orientation as a characteristic of organizational culture.

#### **2.3. Culture of human empathy**

Empathy as a term is essential which plays an important role in one's social-emotional health and well-being with work place. This shows people at work place are motivated to understand and engage with the feelings and emotions of others (Torres and others 2016). Empathy and motivations depend on types of organizations. According to Davis (2018) empathy is perspective taking and empathetic concern, perspective taking consists of adopting the point of view of another person that should understand things from their perspective, while empathetic concern is related to sympathy that deals with emotional reaction of an individual who is attentive to others' experiences (Lebowitz, & Dovidio, 2015). Therefore, seeing another person's experiences from their own perspective should reduce the perceiver's egocentrism and increase their appreciation of the other's human

qualities. (Torres and others 2016, Koopmann-Holm, 2017, Davis, 2018).

### **3. Strategic Thinking**

The term strategic thinking involves several interchangeably terminologies that related to strategic management field such as strategic thinking, strategic decision-making and strategic planning (Mintzberg, 1994a). Recently the term strategic thinking becomes more important especially with the increasing rapidly changing environment that focus on the abilities of individuals as a root from which strategy develops specially in services organization like universities. Goldman defined strategic thinking as "a distinct capability in management purposed to unveil unique strategies with high innovation which can disrupt the principles of achieving competitive advantage to create potential futures with distinct different from the present" Goldman (2011, p. 75). Strategic thinking is viewed as an internal process within the organization, however all strategic undertaking in an organization is probably because of an external phenomenon eliciting an internally or castrated response (Adiema, 2020). Dionisio (2017) emphasized the strategic thinking as a way of solving strategic organizational challenges by combining both rational and convergent views through an innovative and dynamic thought processes. However, Liedtka (1998) introduced a model that explore the concept of strategic thinking as a particular way of thinking, with very specific and clearly identifiable characteristics. In this model, she described strategic thinking as requiring a systems perspective, thinking in time, intelligently opportunistic, being intent-focused. We discuss them in the below:

#### **3.1. Systems Perspective**

The first element of strategic thinking is a systems perspective. Based on a systemic attitude that has a mental model of complete system of value creation from beginning to end, within the chain reaching the best strategic choice (Liedtka, 1998). According to systems prospective, a system includes subsystems that have attributes and interact with each other in this implication (Weissenberger-Eibl, Almeida & Seus, 2019). Therefore, this become an important need for decision-making systems in which make things to learn quickly and adapt than to optimize systems which is cannot, since optimization is

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not possible without a systematic approach. (Weissenberger-Eibl, Almeida & Seus, 2019).

#### 3.2. Intent focused

The second element of strategic thinking is that is intent-focused. Strategic thinking is an intent driven process involving a sense of future orientation (Liedtka, 1998). This specifies the orientation and puts it on the spotlight of the organization. This focus allows the organization and individuals to spend all their energy in this direction. (Emran & Emamgholizadeh, 2015). The concept indicates that the strategic objective should be easily understood, thus, employees can work towards a précised goal that driven from a future vision (Majthab, 2018).

#### 3.3. Intelligent opportunism

The third element of strategic thinking is intelligent opportunism, this is concerned with openness to new experience and willing to learn new things which allows to take advantage of such strategies that better approachable when a rapidly changing environment. Dealing with such opportunities and take advantage of them is an important principle in strategic thinking (Emran & Emamgholizadeh, 2015). It is important that organizations consider the input from other organizational levels as lower level employees who may be instrumental in identifying alternative strategies that may be more appropriate for the environment (Mintzberg, 1999).

#### 3.4. Focus on thinking in time

The fourth element of strategic thinking focus on thinking in time. Strategic thinking is links the past, present and future while considering such variables affecting the intended decision (Emran & Emamgholizadeh, 2015). The strategy formulation is not solely driven by the future, but by the gap between the current reality and the intent for the future (Hamel & Prahalad, 1994).

### 4. Institutional Excellence

Institutional excellence is very important in strategic management in the higher education industry, identifying competitive advantages and creating new ones especially in the recent years where the number of universities has been increased (EFQM, 2019). According to (Abu

Shamoun, 2021), there are several factors that affecting the excellences of a higher education institution: results of systematic literature analysis method overview; firstly in terms of internal factors of higher education institution excellences including personnel, intellectual, material, financial, infrastructure resources. External factors of higher education institutional excellences that including changes in macro environment factors political factors (how government political decisions affect HEI), economical factors (how entrepreneurship is organized and affects development of HEI), social (cultural aspects, population, attitude to a career, level of education etc.) and technological factors (research and development, technological changes, innovations) (Matkó & Szűcs, 2012).

#### **4.1. European EFQM Excellence Model**

The European quality award based on a basic notion of the well-known total quality thought, which emanates from the activities of the European Foundation for Quality Management (Fonseca, Amaral, Oliveira, 2021). The European Model of Excellence known as a practical tool that helps institutions determine their position on the path of excellence by evaluating the existing situation to identify gaps and develop solutions to cover them (EFQM, 2019). This model arranges the criteria into two groups; the group of enablers focus on the factors that enable the organization to achieve. While the second group, which appears in the efficiency of the resources, means and mechanisms through which the results achieved. The model has identified a value for each element that reflects its relative importance in achieving excellence (Abu Shamoun, 2021).

#### **5. Previous Studies**

Previous studies developed different research models based on the views of Harrison, (1993) and Hofstede (1997), which linking organizational culture with such managerial outputs. Such as strategic thinking, as most organization embrace motivating culture which lead managers to be future oriented that consider such strategic options. Other studies link organizational culture to institutional excellence that similar to the previous argument, emphasize that, better institutional excellence result of such organizational culture though the effect of other elements within organizations such strategic thinking. Some studies like Fathy (2020) examined similar research

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model examining strategic intelligence as a mediating variable in the relationship between organizational immunity and institutional excellence in which they found positive relationship between the mentioned variables in the studied model.

Regarding the independent variable the **Organizational Culture**; some previous studies used organizational culture to examine its impact on strategic thinking in a multiple without mediation, for example, the study of Dhamid (2019) found positive effect of the organizational culture and strategic thinking at the Southern University. Some are international studies like the study of Alsnab & Alkahaly (2019) that found great the effect of organizational culture on institutional performance on Al-Nasser University in Yemen, the fact that the university has a strong organizational culture that helps in achieving institutional performance. Others used organizational culture to examine its impact on such variables such as; (knowledge management, quality of career, supporting knowledge management ...etc.); Hegazy (2015) found positive relationship of organizational culture patterns with knowledge management among faculty members of Palestinian universities in the Gaza-Strip. The study of Abu-Shamala (2018) also found positive effect of organizational culture on quality of career in the Ministry of Education in the Gaza-Strip.

Regarding the mediating variable the **Strategic Thinking**, strategic thinking identified as a major detractor of organizational performance in several studies across industries. Studies applied in the Palestinian context using the strategic thinking variable as an independent variable to examine its impact on different variables such as (security decision-making, managerial performance) as the followings: Waheidi and others (2020) an empirical study on the Wataniya mobile company, they found a positive effect of strategic thinking in enhancing competitive capabilities. Others are descriptive studies like the study of Al-Farra (2009) aimed to identify the level of strategic thinking of the major active NGOs in the governorates of Gaza of the senior management. Others are internationals such as Dehgahi et. al. (2015) found positive out puts of strategic thinking by identifying variables of strategic thinking and their role in improving the decision- making process for managers (case study: organization for the protection of consumers and producers).

The dependent variable of this study the **Institutional Excellence**, there are previous studies explored the institutional excellence from different prospective; for example Abu Shamoun (2021) designed structural equation model to explain the impact of organizational entrepreneurship on institutional excellence through abilities of performance intelligence as mediator variable in the Palestinian Universities in the Gaza-Strip. While other studies were multiple regression like Badwan (2018) found found positive effect by identify the relationship of regulatory genes with institutional excellence in Palestinian universities in the Gaza Strip. The study of Al-Nafar (2016) studied and explored the positive outcome of culture of quality to achieve excellence in Palestinian universities in the Gaza Strip.

### **5.1. Research Gap**

There is a lack of studies adopt the mediating role of such variables, while, the uniqueness of this study using designed structural equation model to study the effects of the organizational culture and its impact on institutional excellence through the strategic thinking as a mediator in the Palestinian universities. Thus, this study differs from previous studies in terms of studied variables, the goal and the field of context.

## **6. Empirical Study**

### **6.1. Methodology**

Descriptive and analytical approach adopted for this study as social since research requests this type of methodology. Cross sectional data collected using simple random sampling approach to reach the target population. The studied population consisted of several universities including (Al-azhar university-Gaza, Alaqsa University, and Gaza University), the questionnaire was used as a data collection tool.

### **6.2. Population**

The target population of the study is consist of supervisory positions working for the Palestinian universities in the Gaza-Strip including (Al-azhar university-Gaza, Alaqsa University, and Gaza University). The total number of those employees that have supervisory positions represented by (administrative positions, an academic with an administrative position) (400) employees. The researcher used the simple random sampling method through the Stephen-Thompson

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equation at a margin of error of 0.06, where the sample size was (160) and respondents number was (110) that give recovery rate of 68.8%.

### 6.3. Questionnaire

The questionnaire consists of two main sections; the first section covers the demographic data; (Work place, Position, Qualification, and years of service). The second section includes the main variables of the study that consisted of three variables. The first is the independent variable "organizational culture" including (the culture of power, the culture of human empathy, and the culture of achievement). The second variable is the he mediating "strategic thinking", which was measured from (12) paragraphs. The third is the dependent the variable "institutional excellence", which was measured from (18) paragraphs.

#### 6.3.1 Scale of items (Threshed-hold)

The questions of the questionnaire used a five-points Likert scale, asking respondents to rate the level of agreements that assigned of (1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly agree. The level of agreement will determine each item and each variable according to five levels as shown in the following table:

Table (1): Level of agreement about Items according to mean value of answers

Level of agreement	V. Low	Low	Medium	High	V. High
Mean	1 - 1.80	1.80 - 2.60	2.61 - 3.40	3.41 - 4.20	4.21 - 5.0
RII	20% - 36%	36% - 52%	52% - 68%	68% - 84%	84% - 100%

*Hint: RII= Relative Important Index.*

### 6.4. Validity

Table (2) regarding the internal consistency validity that shows the degree of saturation for all items of the study variables and their sub-variables. This shows that, no item less than the minimum permissible for their presence within the model (saturation degree = 0.3) based on Hair et. al. (2014) which confirmed that all saturation values must be greater than (0.3) and does not reach the correct one in order to be statistically acceptable. However, the results shows that the lowest degree of saturation for the first item and falls under the second dimension "Culture of Human Empathy" (saturation degree = 0.300).

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These values are acceptable and valid in estimating the Structural Equation Model in the study.

Table (2): Shows the results of the internal consistency (degree of saturation) for the dimensions of the study and its variables

Power-oriented culture				Culture of human empathy		Achievement culture	
Item	Factor loading	Item	Factor loading	Item	Factor loading	Item	Factor loading
Item 1	0.688	Item 6	0.682	Item 1	0.300	Item 1	0.590
Item 2	0.566	Item 7	0.793	Item 2	0.901	Item 2	0.608
Item 3	0.700	Item 8	0.337	Item 3	0.855	Item 3	0.809
Item 4	0.681	Item 9	0.419	Item 4	0.557	Item 4	0.620
Item 5	0.735						
Strategic Thinking							
Item 1	0.802	Item 5	0.862	Item 8	0.809	Item 11	0.780
Item 2	0.611	Item 6	0.844	Item 9	0.835	Item 12	0.655
Item 3	0.707	Item 7	0.822	Item 10	0.831		
Item 4	0.749						
Institutional Excellence							
Item 1	0.737	Item 6	0.764	Item 11	0.731	Item 16	0.734
Item 2	0.730	Item 7	0.805	Item 12	0.690	Item 17	0.714
Item 3	0.715	Item 8	0.761	Item 13	0.751	Item 18	0.665
Item 4	0.606	Item 9	0.780	Item 14	0.779		
Item 5	0.677	Item 10	0.581	Item 15	0.785		

**6.5. Reliability**

The reliability of scale based on the statistical indicator that assume the acceptance of the reliability coefficient is (0.600), which indicates the existence of an acceptable degree of stability (Taber, K. S, 2018). The values of the scale reached Alpha Cronbach coefficient index for the first independent variable "organizational culture" is 0.849, and for the mediating variable "strategic thinking" is 0.940 and for the third dependent variable "institutional excellence" is 0.945. While the Weighted Omega index for the independent variable is 0.841, for the mediating variable is 0.941, and for the dependent variable is 0.945. These results indicate a high degree of the reliability of the study measures.

Table (3): Results of reliability

Variables	Sub-Variables	Weighted Omega	Alpha Cronbach
▪	Power-oriented culture	0.807	0.806
▪	Culture of human empathy	0.675	0.605
▪	Achievement culture	0.602	0.600

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Organizational Culture	0.841	0.849
Strategic Thinking	0.941	0.940
Institutional Excellence	0.945	0.945

#### 6.6. Statistical Tools

The researcher used a set of descriptive and analytical statistical methods to test the study hypotheses, the statistical software was used the JASP (Version 0.14). The analysis of validity and reliability used the factor analysis through the degree of saturation, Alpha Cronbach's method and Weighted Omega, frequency tables, mean values, relative weight, standard deviation, and structural equation modeling. In addition to the PLS technique "partial least squares" was used to design and analyze the structural equation modeling "SEM" for interpreting the causation impacts of the studied variables, and answering stated hypotheses. The technique of PLS studies the structures relationships between the tested variables on the basis of hypothetical causative relationships models, as well as this method enables us to study the joint effects of a group of variables on one variable, or other groups,

#### 6.7. Statistical Description:

Statistical description of the study population according to the demographic data. The respondents was (110) respondents working in supervisory positions in the Palestinian universities in the Gaza-Strip, and table (4) shows the statistical description of the study sample:

Table (4): Statistical description for the demographic data (n = 110)

%	NO	Variables		%	NO	Variables	
31.8	35	Administrator	Position	40.9	45	Al-aqsa Uni	Work-Place
				35.5	39	Alazhar-Uni	
68.2	75	Academic with Administrator		8.2	9	Gaza Uni	
8.2	9	Less than 5	Length of Esperance	15.5	17	Palestine Uni	Qualification
16.4	18	5-10		46.4	51	PHD	
24.5	27	15-10		27.3	30	MSc	
50.9	56	More than 15		22.7	25	BSC	
				3.6	4	Diploma	

## 7. Findings and Analysis

### 7.1. Descriptive study

Table (5) shows the descriptive measures of the studied variables; the total degree of the organizational culture dimensions was (3.64 out of 5), with a relative weight of (72.8%), and it expresses a high level of agreement. The results showed that the first sub-variable “the culture of power” ranked as the first with mean value of (3.70 out of 5) with a relative weight (74%). The second sub-variable “the culture of human empathy” ranked as the last among other sub-variables of the organizational culture with mean value of (3.56 out of 5) and relative weight of (71.2%). The second variable "strategic thinking", where the mean value is (3.41 out of 5) with a relative weight of (68.2%), and the result indicates a high degree of agreement. For the third variable "institutional excellence", the mean value was (3.43 out of 5) with a relative weight of (68.60%), which indicates a high degree of agreement. While the results of a single-sample t-test about enhancing the level of agreement towards a positive, negative or average attitude, where the results indicated the presence of positive high agreement at a significance level less than 0.05 for all variables a at the mean value of (5).

Table (5): Results of the statistical analysis of the studied variables

Variables	Descriptive Analysis					
	Mean Value	Relative Weight	Standard Deviation	T-Test	Ranking	Level of Agreement
Power-oriented culture	3.70	74.0%	0.46	**15.99	1	<b>High</b>
Culture of human empathy	3.56	71.2%	0.55	**10.55	3	<b>High</b>
Achievement culture	3.59	71.8%	0.50	**12.45	2	<b>High</b>
Organizational Culture	3.64	72.8%	0.41	**16.29	---	<b>High</b>
Strategic Thinking	3.41	68.2%	0.71	**6.07	---	<b>High</b>
Institutional	3.43	68.6%	0.64	**6.98	---	<b>High</b>

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Note: \*\* Statistically significant at 0.01 level. (Where the significance level is less than 0.05, which indicates the significance of the dimension).

#### 7.2. Structural Model Analysis

The results of the structural model analysis to study the direct and indirect effects between the main variables of the study as in (Table 6).

Table (6): Shows the results of the direct and indirect impact of the structural model of the studied variable.

Variables effect	Direct Effect		Indirect Effect	
	Effect	Sig	Effect	Sig
Organizational Culture → Institutional Excellence	0.922	0.000	0.300	0.003
Organizational Culture → Strategic Thinking	0.973	0.000		
Strategic Thinking → Institutional Excellence	0.738	0.000		
Power-oriented Culture → Institutional Excellence	0.367	0.007	0.202	0.035
Human Empathy Culture → Institutional Excellence	0.146	0.246	0.091	0.300
Achievement Culture → Institutional Excellence	0.445	0.001	0.359	0.001

The coefficient of organizational culture explains 35.1% of the variance in institutional excellence, while strategic thinking explains 66.8% of the variance in institutional excellence), \* is statistically significant at the 0.05 level, \*\* is statistically significant at the 0.001 level.

7.3. Path plot

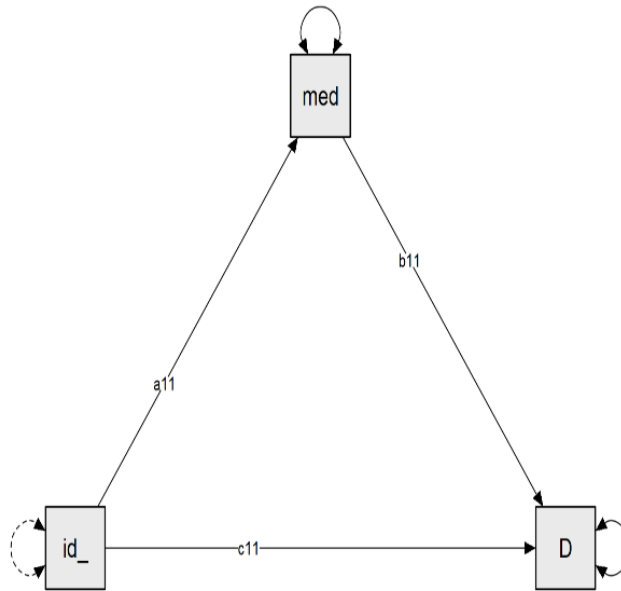


Chart (2): The overall structural equation model

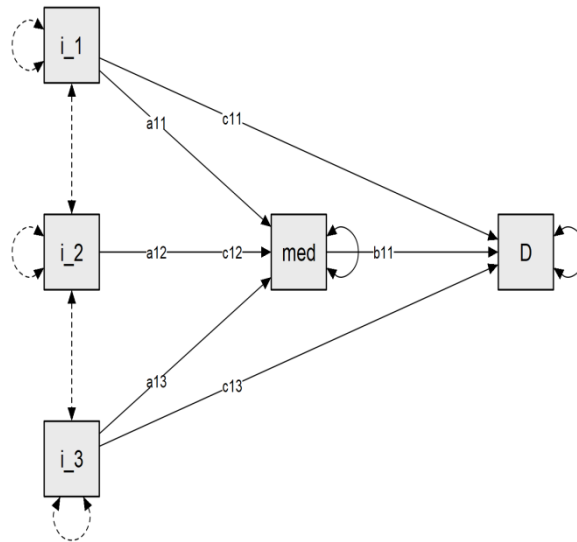


Chart (3): The detailed structural equation model

#### 7.4. Hypothesis Testing

The main hypothesis 1: There is a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) of organizational culture on the institutional excellence at the Palestinian universities in the Gaza-Strip." The results in table (5) shows that, the organizational culture affects the institutional excellence, where the effect value was (0.922) at significance level = 0.000 that is less than 0.05). Studies revealed positive outcomes of organizational culture as direct effects such as Dhamid (2019), and Hegazy (2015). These studies found positive effect of organizational culture on relationship on several outcomes of organizational practices such as knowledge management, organizational performance decision making. The sub-hypotheses as follows: The sub-hypothesis 1: There is a direct statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of the strength culture on the institutional excellence. The results as in table (5) shows that, the culture of power directly affects the institutional excellence in the Palestinian universities in Gaza-Strip, and the effect value was (0.367) at a significance level of 0.007 that is less than 0.05. This result is accepted, and consisted with Dhamid (2019). The sub-hypothesis 2: There is a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of human sympathy on the institutional excellence in the Palestinian universities in the Gaza-Strip. The result as in table (5) shows that, the culture of human empathy indirectly affect the institutional excellence at significance level = 0.246 that is greater than 0.05, accordingly, this hypothesis is rejected. The sub-hypothesis 3: There is a direct statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of achievement on the institutional excellence of workers in Palestinian universities in the Gaza-Strip. The results in the table (5) shows that, the culture of achievement directly affects the institutional excellence of workers in Palestinian universities in the Gaza-Strip, where the effect value was (0.445) at significance level = 0.001 that is less than 0.05.

The main hypothesis 2: There is a statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) of organizational culture on the strategic thinking of workers in the Palestinian universities in the Gaza-Strip. The results as in table (5) shows that, the organizational culture directly affects the strategic thinking in the Palestinian

universities in the Gaza-Strip, where the effect value was 0.973, at significance level 0.000 that is less than 0.05. This result accepted and consisted with several previous studies, for example on positive effect on strategic thinking Dhamid (2019, and other work practices outcomes such as knowledge management al., (2017), and Hegazy (015).

The main hypothesis 3: there is a statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of strategic thinking on the institutional excellence in the Palestinian universities in Gaza-Strip. The results as in table (5) shows that, the strategic thinking directly affects the institutional excellence in the Palestinian universities in the Gaza-Strip, where the effect value was 0.738, at a significance level 0.000 that is less than 0.05. This result is accepted and the positive effect of strategic thinking is consisted with previous studies in which found such outcomes.

The main hypothesis 4: There is a statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) of organizational culture on organizational excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza-Strip. The results as in table (5) shows that, the organizational culture indirectly affects institutional excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza-Strip, where the effect value was 0.300, with at significance level = 0.003 that is less than 0.05. This hypothesis is accepted and in consisted with the previous, due to the structural equation model. This result is consisted with the study of Fathy (2020) that found the positive relationship of strategic intelligence as a mediating variable in the relationship between organizational immunity and institutional excellence, while other previous studies worked on a simple regression model. Sub-hypotheses are as follows: The sub-hypothesis 1: There is indirect statistically significant effect at the significance level ( $0.05 \geq \alpha$ ) of the culture of power on institutional excellence through strategic thinking as a mediating variable for workers in the Palestinian universities in the Gaza-Strip. The results as in table (5) shows that the culture of power indirectly affects institutional excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza=Strip, and the effect value was 0.202 at significance level = 0.035 that is less than 0.05). This hypothesis is accepted and in consisted with the previous, due to the structural equation model while

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previous studies worked on a simple regression model such as studies Dhamid (2019), and Hegazy (2015). The sub-hypothesis 2: There is indirect statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of human empathy on institutional excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza-Strip. The results as in table (5) shows that, the culture of human empathy does not indirectly affect institutional excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza-Strip, and the value at significance level was 0.300 that is greater than 0.05. This result is rejected. The sub-hypothesis 3: There is indirect statistically significant effect at the level of significance ( $0.05 \geq \alpha$ ) for the culture of achievement on institutional excellence through strategic thinking as a mediating variable in the Palestinian universities in the Gaza-Strip. The results as in table (5) shows that, the culture of achievement indirectly affects institutional excellence through strategic thinking as a mediating variable for in the Palestinian universities in the Gaza-Strip, where the effect value was (0.359 at significance level 0.035 that is less than 0.05. This hypothesis is accepted and in consisted with the previous, due to the structural equation model while previous studies run a simple regression model such as the study of Hegazy (2015).

### **8. Discussion and Conclusion**

This study designed structural equation model for reaching the research objectives and answering the testing hypotheses. The researcher analyzed and explained the role of organizational culture on institutional through the role of strategic thinking as a mediator variable in the Palestinian universities in Gaza-strip. The result revealed direct effects of the studied variables that shows the important of organizational culture on strategic thinking also the important of the strategic thinking on institutional excellence. While the culture of human sympathy as a sub variable of organizational culture specially we consider the culture of universities in Palestine, which has indirect effect on organizational excellence. This replicate the significant of the particular culture of the higher education industry as to be in line with such institutional performance or excellence. The total value of the organizational culture goes through

the mediating effect of strategic thinking and this was in-consist with most previous studies as the previous studies considered a direct effect through regression analysis. However, the result was consisted with some study like Fathy (2020) that found the positive relationship of strategic intelligence as a mediating variable in the relationship between organizational immunity and institutional excellence. Thus, this reflect the contribution of this study by considering such variables in a structural equation model.

### **8.1. Recommendation**

Following the results of the study, the researcher reached to recommend the administration of universities to keep enhancing the organizational culture as it meets the changing environment. Also recommended to encourage scientific cooperation between Palestinian and international universities, providing means of exchange, and conducting research and this can be achieved through modern organizational culture.

### **8.2. Further Studies**

The researcher suggested several further studies for other researchers as the followings; (1) The role of moderating business environment for the Palestinian universities in the relationship between organizational culture and institutional excellence. (2) Conducting comparative study between Palestinian universities and international universities explaining the role of organizational culture and institutional excellence.

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