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MODERN STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE IN LIBYA

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الممارسات الإدارية الاستراتيجية الحديثة والأداء التنظيمي في ليبيا

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الملخّص

بحثت هذه الدراسة العلاقة بين نظريتين إداريتين معاصرتين، وهما نظرية الفوضى واستراتيجية المحيط الأزرق، وتأثيرهما على الأداء التنظيمي في سياق بيئة الأعمال الليبية. جُمعت البيانات باستخدام استبيانات مُعتمدة تتضمن بنودًا حول نظرية الفوضى (26 بندًا)، واستراتيجية المحيط الأزرق (10 بنود)، والأداء التنظيمي (11 بندًا)، وذلك من خلال عينة من 204 مشاركين من قطاعات مختلفة في طرابلس.

وقد ثبتت موثوقية المقاييس (الفوضى: $\alpha = 0.881$ ؛ المحيط الأزرق: $\alpha = 0.800$ ؛ الأداء: $\alpha = 0.873$) وأكدت تحليلات العوامل البنية البُعدية لكل مقياس، وفي تحليل الانحدار، فُسِّر 45% من التباين في الأداء.

($R^2 = 0.450$) كان بُعد التخطيط فقط من نظرية الفوضى له تأثير إيجابي على الأداء ($\beta = 0.199$ ، $p = 0.04$) بينما ارتبط بُعد القيادة سلبًا بالأداء ($\beta = -0.136$ ، $p = 0.006$). أما بالنسبة لاستراتيجية المحيط الأزرق، فقد كان لها تأثير إيجابي قوي ($\beta = 0.431$ ، $p < 0.001$) من ناحية أخرى، تبين بشكل غير متوقع أن استراتيجية المحيط الأحمر لا تؤثر على أداء المنظمة.

الكلمات المفتاحية: نظرية الفوضى؛ استراتيجية المحيط الأزرق؛ أداء المنظمة؛ الإدارة الاستراتيجية؛ ليبيا؛ الاقتصاد الناشئ.

Abstract

This research examined the relationship between two contemporary management theories, namely Chaos Theory and Blue Ocean Strategy, about the effect on organizational performance within the framework of the Libyan business setting. The data were collected using validated questionnaires containing items on Chaos Theory (26), Blue Ocean Strategy (10), and Organizational performance (11) among 204 subjects from different industries in Tripoli. The reliability of the scales was determined to be sufficient (Chaos: $\alpha = 0.881$; Blue Ocean: $\alpha = 0.800$; Performance: $\alpha = 0.873$). The factor analyses verified the dimensional structure for each scale. In the regression analysis, 45% of the variance in performance was accounted for ($R^2 = 0.450$). Only the planning dimension of the Chaos Theory had a positive impact on performance ($\beta = 0.199$, $p = 0.04$), while the leadership dimension negatively correlated with performance ($\beta = -0.136$, $p = 0.006$). As for Blue Ocean Strategy, it had a positive strong effect ($\beta = 0.431$, $p < 0.001$). On the other hand, the Red Ocean Strategy was unexpectedly found not to affect organizational performance.

Keywords: Chaos Theory; Blue Ocean Strategy; organizational performance; strategic management; Libya; emerging economy.

1. Introduction

In the current global business landscape, companies are under pressure to compete and perform well amid ever-changing technological, economic, and political environments. Conventional approaches to management, which emphasize predictability and control in stable environments, are increasingly under strain owing to the complexities and uncertainties of the business environment. As a result, contemporary practices of strategic management are being embraced in firms to attain sustainable competitive advantage and outstanding organizational performance (Alanazi & Abu Talib, 2025).

Strategic management has always been seen as a vital aspect for organizations to succeed. Numerous empirical studies from different countries have shown that strategic management processes play a key role in improving organizational performance by effectively utilizing resources, improving decision-making processes, fostering innovation, and enhancing competitiveness (Mwimah, 2023; Alanazi & Abu Talib, 2025). Other studies have found that organizational performance improves when strategic management, performance measurement systems, organizational governance, and knowledge management practices are integrated (Amhalhal et al., 2022; Tabash et al., 2023; AL-Gharaibeh et al., 2023). Leadership effectiveness, organizational learning, and strategic orientation have also been identified as drivers of organizational success (Herman & Khalaf, 2023; Mittal et al., 2024).

As the strategic management paradigm is undergoing development, two strategic frameworks are gaining prominence today: Chaos Theory and Blue Ocean Strategy. Firstly, based on the mathematics of nonlinearity and complexity science, chaos theory views organizations as complex and nonlinear entities in which even slight changes in the environment can have significant impacts. As such, while emphasizing planning as an important strategic tool, chaos theory encourages organizational adaptation by detecting environmental changes and dealing with problems accordingly. Alternatively, blue ocean strategy calls for creating uncontested markets through value innovation to compete without competing and thus stimulate demand.

The applicability of these methodologies is especially clear in environments that are highly uncertain and dynamic. The Libyan business environment is characterized by economic transition, political instability, and stiff international competition. Past research has shown that strategic management strategies can greatly improve organizational performance by fostering strategic alignment, effective resource use, and competitive advantage in Libyan organizations (Ramadan & Safavi, 2022). Strategic management has similarly been found to enhance organizational performance among Libyan telecommunication companies (Shawish & Masaud, 2026; Masaud, 2026). Strategic planning has also been shown to enhance institutional performance in Libyan institutions, such as the Ministry of Education (Al-Orafi & Abu Kaud, 2025; Tarek & El-Khashab, 2023; Al-Taher & Abdul-Salam, 2022).

Moreover, several empirical studies have established that certain organizational attributes have improved the influence of strategic management on organizational performance in Libya. Organizational commitment has been identified as an intervening variable between strategy implementation and organizational performance (Alghannai & Bon, 2015), whereas organizational climate enhances the effectiveness of human resource management (Al Damoe, 2014). Moreover, strategic human resource management, knowledge management, and organizational learning were found to play a critical role in enhancing organizational performance in Libyan organizations (AlDamoe et al., 2013; Omar Omran & Azam, 2020; Suwayd et al., 2024). Recently, strategic leadership, corporate sustainability, and management information systems were identified as key areas for enhancing organizational performance in the banking and oil industries in Libya (Shafter, M. E. A. 2018; Naja & Ahmad, 2024; Esharf Bderi & Mohammad, 2026).

While there has been increasing recognition of the need for strategic management in Libya, most studies to date have focused on traditional strategic planning and leadership, human

resource management, and knowledge management processes. Very little has been written about the impact that modern strategic concepts such as Chaos Theory and Blue Ocean Strategy can have on organizational performance. Furthermore, there have been very few studies evaluating how such theories affect organizational performance in a country like Libya, which represents a unique post-conflict scenario.

This research seeks to explore how the concepts of Chaos Theory and Blue Ocean Strategy affect organizational performance in Libyan organizations. The focus will be on whether organizational performance can be affected by concepts such as adaptive chaos management, Blue Ocean strategy, and Red Ocean competitive strategies. By analyzing data gathered from employees across diverse sectors in Tripoli, this research aims to contribute to the body of knowledge on strategic management practices.

2. Literature Review

Strategic management as a practice is becoming more important as an approach by which organizations attain competitiveness and enhance performance. In the current organizations, strategic management entails strategic planning, strategic implementation, leadership, strategic knowledge management, performance measurement, and strategic organizational learning. These components assist organizations to perform better (Alanazi & Abu Talib, 2025). There are few studies (Shafter, et al, 2020) showing that systematic strategic management approaches can contribute to increased efficiency and performance of organizations.

As for the Libyan case, there has been growing interest in strategic management because of various obstacles related to economic stability, public sector reforms, and organizational changes. Indeed, as Ramadan and Safavi (2022) claim, strategic management helps enhance organizational performance since it leads to improvements in decision making, resource allocation, and competitiveness. Consequently, it can be asserted that organizations, which have well-developed strategic goals and strategies, are more efficient compared to organizations that implement traditional management techniques. Moreover, the study conducted by Shawish and Masaud (2026) showed that there is a positive relationship between strategic management and organizational performance in the Libyan Post, Telecommunications, and Information Technology Holding Company.

The significance of implementing a strategy has also been emphasized within Libyan organizations. As per the findings of Alghannai & Bon (2015), organizational commitment was seen to act as a mediating factor in relation to the relationship between strategy implementation and organizational performance. In other words, strategy implementation demands organizational commitment to be efficient. On similar lines, Masaud (2026) opined that organizational entrepreneurship was a key mediating factor between strategic management practices and organizational performance.

A number of studies have considered the topic of strategic management in Libya's public sector. According to Al-Orafi and Abu Kaud (2025), strategic management increases the effectiveness of institutions working within the Ministry of Education in Libya because of proper allocation of resources and better accountability. Al-Taher and Abdul-Salam (2022) also emphasized that strategic planning was crucial to ensure an effective policy and administrative process in governmental institutions. In addition, Tarek and El-Khashab (2023) believed that strategic management improved the efficiency of public sector institutions because of better management processes and evidence-based decision-making. As for higher education institutions, Aboudaber (2023) focused on strategic planning frameworks for achieving high levels of academic performance.

Human resource management is another critical area within strategic management. According to AlDamoe et al. (2013), the application of strategic human resource management practices will positively impact organizational performance in Libya, hence high productivity and effectiveness of organizations. Additionally, Al Damoe (2014) pointed out that organizational

climate is a mediator between HRM practices and HRM outcomes in public organizations in Libya; thus, strategic human resource practices will affect performance under a positive organizational climate.

Moreover, knowledge management has become a vital strategic competency. Omar and Azam (2020) found that knowledge management strategies play an important role in determining the performance of organizations in the Libyan transportation sector. Similarly, Suwayd et al. (2024) found that knowledge management practices improve the performance of organizations operating in the Libyan public sector through knowledge sharing, innovation, and learning. The above studies validate the resource-based theory, which views knowledge as a resource that enables organizations to generate sustainable competitive advantage.

The strategic management literature in recent years has been enriched by studies on leadership, sustainability, and information systems. Naja and Ahmad (2024) found that strategic leadership styles positively impact financial performance in the Libyan oil and gas industry by ensuring strategic fit and engaging employees in activities. In a similar study, Esharf Bderi and Mohammad (2026) and Al-Mutaa et al., (2014) found that sustainability practices and management information systems positively impact business performance in Libyan banks when the organization has a strong organizational culture and a high-quality information system.

International literature has further supported the link between strategic management and performance. For instance, Mwimah (2023) found that strategic management practices significantly improve performance in Kenyan companies through efficient planning, implementation, and evaluation. Alanazi and Abu Talib's (2025) meta-analysis showed that strategic management practices improve strategic and organizational performance across industries and countries of operation. Tabash et al.'s (2023) investigation, AL-Gharaibeh et al.'s (2023), Herman and Khalaf's (2023) analysis, and Mittal et al.'s (2024) study revealed that strategic organizational practices, governance practices, leadership styles, and human capital development are essential factors in organizational performance.

Generally, the literature provides consistent evidence of the positive effects of modern strategic management practices on organizational performance, including strategic planning, implementation practices, leadership, HRM, KM, and innovation. Despite growing evidence from Libya, there is a clear need for more in-depth research on the effects of strategic management practices on organizational performance, given the limited focus on certain sectors or strategic aspects in previous work.

Although there is increasing evidence showing the positive effect of strategic management practices on organizational performance, previous studies conducted in Libya have been limited and sector-specific, focusing on different strategic aspects rather than providing an all-rounded analysis of modern strategic management practices (Alghannai & Bon, 2015; Al-Orafi & Abu Kaud, 2025; Ramadan & Safavi, 2022; Shawish & Masaud, 2026). Furthermore, contemporary strategic aspects, including knowledge management, strategic leadership, sustainability, and organizational capabilities, have not been studied together as part of an overall framework (Esharf Bderi & Mohammad, 2026; Naja & Ahmad, 2024; Omar & Azam, 2020; Suwayd et al., 2024). It is, therefore, the purpose of this study to assess the effect of modern strategic management practices on organizational performance among Libyan organizations through analyzing the collective effect of strategic planning, strategic management implementation, strategic leadership, and organizational capabilities on organizational performance.

3. Methodology

3.1 Research Design

A quantitative cross-sectional research design was adopted for this study. Data were collected through questionnaires, which were filled out by the employees of firms running their operations in Tripoli, Libya. Due to limited access in the post-conflict setting, a convenience

sample was selected, consisting of individuals with access to educational and professional networks.

3.2 Participants and Sampling

Of the surveys sent to respondents, 204 valid responses were collected, yielding a response rate of 68%. The sample consisted of employees working in different sectors in Libya: healthcare (32.4%), IT (17.2%), food and beverages (2.5%), textile sector (1.5%), automobile sector (0.5%) and others (45.6%). Regarding the scope of their organizations, 48% worked internationally (headquarters/offices overseas), 40.2% nationally in Libya, and 5.4% regionally within North Africa. The largest proportion of respondents were middle-level managers (78.4%). Moreover, there was equal representation of both sexes, with 55.9% men and 41.8% women (2.3% not stated).

3.3 Instruments

The measurement tool for Chaos Theory involved a 26-item questionnaire developed by Kazdal (2007) and later translated into Arabic and validated. Blue Ocean Strategy was measured using a questionnaire comprising 10 items adapted from Kumar and Gupta (2010). The 10 items distinguished between the Red Ocean Strategy orientation and the Blue Ocean Strategy orientation. On the other hand, organizational performance was measured using an 11-item scale obtained from various sources, including Antoncic & Hisrich (2001), Zahra et al. (2002), Chang et al. (2003), and Altındğ (2011).

3.4 Analytical Procedure

The dataset was analyzed using SPSS version 26. The validity of the constructs was tested using a principal component analysis with Varimax rotation. Reliability of the scales and sub-scales was analyzed using Cronbach's alpha. The relationships between the factors derived from factor analysis were investigated using Pearson correlation analysis. Hypotheses were analyzed using multiple regression models, with the dependent variable being the organization's performance and the independent variables being the extracted factors. Significance level $\alpha = 0.05$ was used for the test. Figure 1 shows the data collection procedure (Gündüz, 2012). Figure 2 shows the theoretical framework of this study.

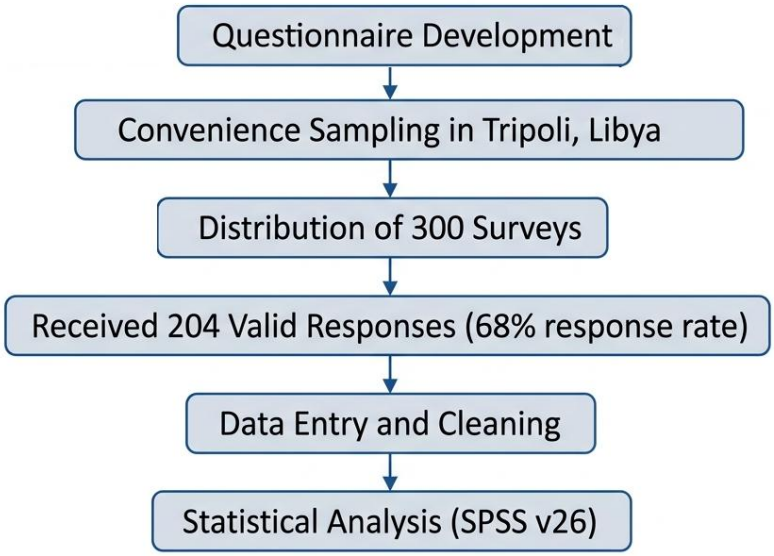

Figure 1: Data collection process flowchart

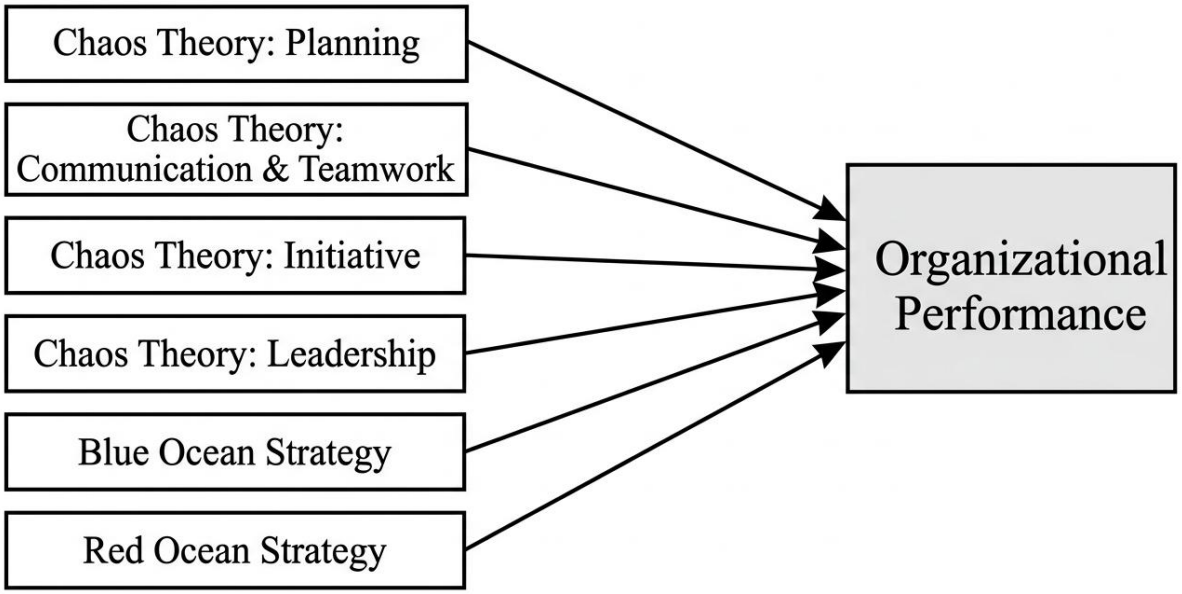

Figure 2: Theoretical research model

4. Results

4.1 Reliability and Validity

Cronbach's alpha for the entire set of 47 items (excluding demographic items) was 0.906, indicating very high internal consistency (Table 1). Per scale Cronbach's alpha scores were: Chaos Theory Scale (26 items) α=0.881; Blue Ocean Strategy Scale (9 items, excluding item 1 due to poor reliability score) α=0.800; and Organizational Performance Scale (11 items) α=0.873 (Table 2).

Table 1. Overall Reliability of the Combined Scale

Cronbach's a	Number of Items
0.906	47

Table 2. Reliability per Construct

Construct	Number of Items	Cronbach's Alpha
Chaos Theory	26	0.881
Blue Ocean Strategy	9	0.800
Organizational Performance	11	0.873

Factorability was established through the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and the Bartlett test of Sphericity for all three scales (see Table 3). For the Chaos theory, KMO was 0.931, while Bartlett's χ^2 was 4482.616 ($p< 0.001$). For the Blue Ocean Strategy scale, KMO was 0.727, while Bartlett's χ^2 was 781.316 ($p< 0.001$). For Organizational

Performance, KMO was 0.922, while Bartlett's χ^2 was 1760.998 ($p< 0.001$). All these values met the required threshold of 0.60, and the Bartlett tests were statistically significant, indicating that the correlation matrices are good candidates for factor analysis.

Table 3. KMO and Bartlett's Test Results

Scale	KMO Value	Bartlett's χ^2	df	p-value
Chaos Theory	0.931	4482.616	210	<0.001
Blue Ocean Strategy	0.727	781.316	36	<0.001
Organizational Performance	0.922	1760.998	55	<0.001

Factor analysis of Chaos Theory yielded four factors that accounted for considerable variance. They are listed below according to the name, number of items used, and factor loadings (0.525 to 0.791 for Planning; 0.536 to 0.815 for Communication and Teamwork; 0.637 to 0.704 for Initiative; -0.567 to -0.839 for Leadership). As can be seen, the Leadership factor had negative loadings, suggesting that the leadership problems measured by the questions ("leadership problems exist in our company") loaded together. Items of the Blue Ocean Theory loaded on two separate factors: Red Ocean Strategy (factor loadings 0.541 to 0.736; four items) and Blue Ocean Strategy (factor loadings 0.319 to 0.703). Organizational performance items were grouped into a single factor (ten items, excluding Item 6 due to cross-loadings), with factor loadings ranging from 0.654 to 0.870.
Figure 3 presents a flowchart outlining the analysis process. Figure 4 shows the measurement model with finalized factors.

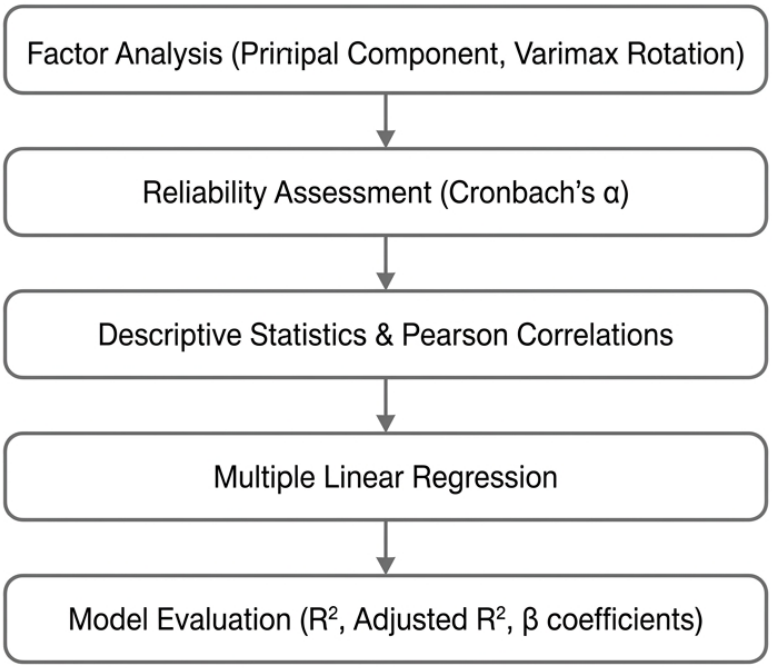

Figure 3: Methodology flow chart

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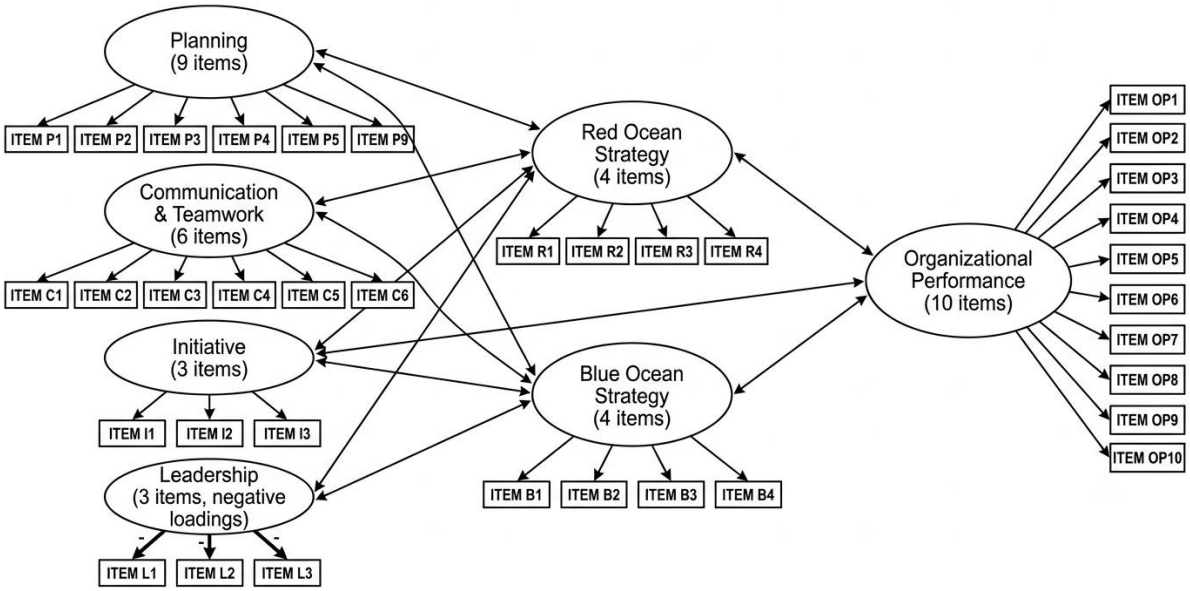

Figure 4: Theoretical model with confirmed factor structure

4.2 Descriptive Statistics and Correlations

Mean scores on the 7-point scale ranged from moderate to high across all factors. **Table 4** presents the Pearson correlation matrix among the six derived factors.

Table 4. Correlation Matrix Among Factors

Factor	1	2	3	4	5	6	7
1. Chaos Planning	1.000						
2. Chaos Communication	0.765**	1.000					
3. Chaos Initiative	0.647**	0.622**	1.000				
4. Chaos Leadership	-0.301**	-0.271**	-0.180**	1.000			
5. Red Ocean Strategy	0.538**	0.454**	0.388**	-0.137	1.000		
6. Blue Ocean Strategy	-0.013	-0.023	0.037	0.259**	0.265**	1.000	
7. Organizational Performance	0.546**	0.459**	0.436**	-0.306**	0.582**	0.036	1.000

****p < 0.01 (2-tailed). N = 204.**

The following correlations emerged from the results of the correlation analysis. Organizational performance was positively correlated with Chaos Planning (r = 0.546), Chaos Communication (r = 0.459), Chaos Initiative (r = 0.436), and Red Ocean Strategy (r = 0.582). However, organizational performance was negatively correlated with Chaos Leadership (r = -0.306). On the other hand, Blue Ocean Strategy was not significantly correlated with organizational performance (r = 0.036). The highly significant positive correlation between Red Ocean Strategy and organizational performance (r = 0.582) contradicted the research hypothesis.

4.3 Regression Analysis

Multiple linear regression analysis was conducted using Organizational Performance as the criterion and the six factors together as predictors. Table 5 below presents an overview of the multiple regression results.

Table 5. Regression Analysis Results (Dependent Variable: Organizational Performance)

Predictor	Unstandardized B	Std. Error	Standardized β	t	p-value
(Constant)	1.947	0.454		4.329	<0.001
Chaos Planning	0.199	0.096	0.180	2.067	0.040
Chaos Communication	0.004	0.088	0.004	0.047	0.962
Chaos Initiative	0.124	0.074	0.126	1.660	0.098
Chaos Leadership	-0.136	0.050	-0.187	-2.755	0.006
Red Ocean Strategy	-0.028	0.047	-0.035	-0.610	0.543
Blue Ocean Strategy	0.431	0.069	0.406	6.274	<0.001

R^2 = 0.450, Adjusted R^2 = 0.433, Standard Error of Estimate = 0.79

In total, the regression analysis accounted for 45.0% of the variance in organizational performance (Adjusted R^2 = 0.433). Only three out of the six predictors showed significant predictive ability at the 0.05 alpha level. Specifically, Chaos Planning had a significant positive effect on performance (β = 0.180, p = 0.040). Blue Ocean Strategy had a strong positive impact (β = 0.406, p < 0.001) and thus can be viewed as the strongest predictor in the model. Chaos Leadership had a significant negative effect on performance (β = -0.187, p = 0.006), suggesting that organizational leaders were perceived as problematic. Neither Chaos Communication nor Chaos Initiative predicted performance in a multivariate setting. Interestingly, Red Ocean Strategy, despite being positively correlated with performance, failed to produce an effect once other variables were taken into account. Figure 5 below illustrates the final research model with standardized path coefficients.

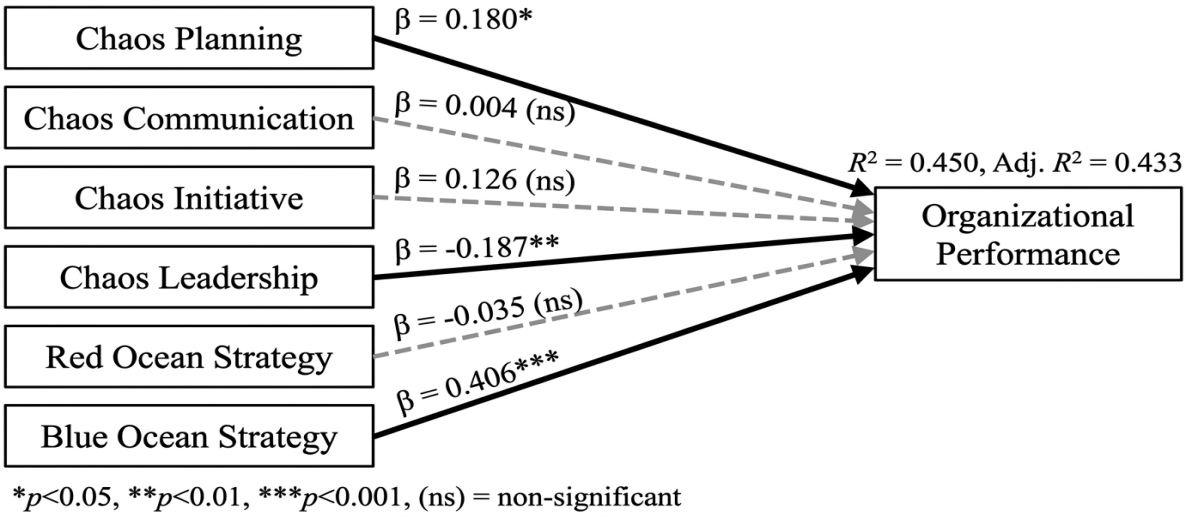

Figure 5: Final research model with standardized coefficients

5. Discussion

These results reveal several lessons for a better understanding of modern approaches to strategic management in the context of Libya's specific economy. First of all, Chaos Theory cannot be considered a uniform theory. Planning had a positive effect on organizational performance.

Given the operating environment in Libya, planning alternative scenarios, adopting systematic problem-solving approaches, and conducting environmental scanning appear to provide performance benefits for organizations in Libya. This result is consistent with research on the role of strategic management in influencing organizations' effectiveness and adaptive capacity (Alanazi & Abu Talib, 2025; Ramadan & Safavi, 2022). There is also relevant evidence from the experience of public organizations in Libya, showing that strategic planning is positively associated with institutional performance and governance (Al-Orafi & Abu Kaud, 2025; Al-Taher & Abdul-Salam, 2022). Finally, the positive impact of strategic management can also be seen in Kenya, where strategic management practices have been found to enhance organizational performance (Mwimah, 2023). Still, no effect was identified regarding communication, teamwork, or initiative. One reason might be that Libyan organizations still rely on a centralized decision-making approach.

A key element to consider when examining the negative coefficient for the leadership construct is that, because it consisted of negatively phrased questions about the presence of poor leadership, the positive values for this variable imply ineffective leadership. In other words, the negative association implies that poor leadership can hinder organizational performance. This conclusion aligns with previous findings indicating that strategic leadership is essential for organizational performance and success, especially in the Libyan oil and gas industry (Naja & Ahmad, 2024). These conclusions are further supported by the literature, which indicates that leadership helps implement strategic goals and foster organizational commitment, which, in turn, leads to better performance (Alghannai & Bon, 2015). Future research should focus on improving the indicators of Chaos Theory to better distinguish leadership adaptability from organizational dysfunction.

Moreover, Blue Ocean Strategy was found to be a significant positive determinant of organizational performance. This discovery contributes to the literature on strategic management by demonstrating that the concepts of value innovation and market creation can positively affect the performance of organizations in an emerging economy. This result is consistent with empirical findings that strategic management activities are positively related to organizational performance due to competitiveness and the effective use of resources (Ramadan & Safavi, 2022; Shawish & Masaud, 2026). At the same time, according to recent reviews, organizations that have adopted innovative strategies are more likely to succeed than their competitors in traditional markets (Alanazi & Abu Talib, 2025).

Finally, there was no negative impact on organizational performance from the use of the Red Ocean Strategy. While competition in current markets is commonly perceived as a deterrent to growth, the results imply that firms can remain competitive through effective strategies. Indeed, research has proven that organizational performance is determined not only by market position but also by internal factors such as capabilities, organizational structure, governance mechanisms, and performance management (Amhalhal et al., 2022; Tabash et al., 2023). Furthermore, capabilities in knowledge management and organizational learning could help improve organizational performance in highly competitive settings (Omar Omran & Azam, 2020; Suwayd et al., 2024).

Results also indicate the growing importance of organizational resources and innovations in strategic management. Prior research in Libya shows that HRM practices, organizational climate, and KM play an important role in organizational performance (Al Damoe, 2014;

AlDamoe et al., 2013; Suwayd et al., 2024). Besides, recent research indicates that sustainable efforts, information system quality, and organizational culture contribute to the performance of Libyan banks (Esharf Bderi & Mohammad, 2026). It is concluded that successful strategic management involves the integration of planning, leadership, innovation, and organizational learning.

Compared with past literature at the international level, the current results partially confirm strategic management theory while demonstrating context-specific differences. While strategic planning and innovation remain key factors affecting firm performance, the Libyan setting appears to moderate the efficiency of communication and participatory management strategies. In this way, the idea that strategic management strategies need to be locally tailored rather than internationally implemented is supported (Alanazi & Abu Talib, 2025; Ramadan & Safavi, 2022).

There are some limitations in the current research. First, the lack of causation due to the cross-sectional design and response bias from the use of subjective performance metrics could affect the accuracy of the results. In addition, the sample obtained through convenience sampling may be biased by the predominance of Libyan organizations in Tripoli. It is recommended to conduct studies based on longitudinal design, performance metrics, and other strategic management dimensions (Masaud, 2026; Esharf Bderi & Mohammad, 2026).

6. Conclusion

This paper sought to evaluate the impact of Chaos Theory and Blue Ocean Strategy on organizational performance in Libya. The results show that effective management of chaos, especially through contingency planning and decision-making, has a positive impact on organizational performance, whereas ineffective leadership adversely affects performance. The Blue Ocean Strategy proved the most significant predictor of performance, pointing to the need for value innovation and market creation. This is due to the need for organizations in the country to find their uncontested market spaces. Notably, there was no significant negative impact of the Red Ocean Strategy on performance.

The results indicate that Libyans' organizations require effective approaches such as strategic planning, innovation, and flexibility to develop their competitive advantage. Though finding new market opportunities is essential, maintaining a presence in existing markets is also essential for success. From the researcher's perspective, the results show the importance of developing better measures for Chaos Theory constructs, specifically, differentiating between adaptive leaders and organizational disorder. It would be necessary to conduct future research using longitudinal designs and objective criteria to validate these results. In conclusion, the paper provides insight into strategic management, demonstrating that innovation and strategic adaptability significantly influence organizational performance.

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