Driving Competitive Advantage through Strategic Orientation: Organizational Capabilities as a Mediator

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Abstract:

Introduction: In light of the increasing competition in the healthcare sector, particularly within the private hospital environment in the Republic of Yemen, this study was conducted to examine the role of strategic orientation in achieving competitive advantage through the mediation of organizational capabilities. Methods: A cross-sectional, quantitative study design was adopted using a descriptive analytical approach. Data were collected via a structured questionnaire distributed to a convenience sample of 354 individuals across various administrative levels in private hospitals (including hospital directors, deputy directors, heads of technical and administrative departments). Statistical analyses were conducted using SPSS, involving descriptive statistics and regression analysis. Results: The findings demonstrated that both strategic orientation and organizational capabilities significantly contribute to enhancing competitive advantage in private hospitals. A strong positive correlation was observed between the study variables, with organizational capabilities mediating the relationship between strategic orientation and competitive advantage. Conclusion: Strategic orientation indirectly influences competitive advantage through its impact on organizational capabilities. Strengthening these capabilities, especially in material and human resources, and enhancing responsiveness to patient needs are essential for sustaining a competitive edge.

Keywords: *Strategic orientation, competitive advantage, organizational capabilities, Yemeni private hospitals.*

1. Introduction:

Most organizations, including private healthcare organizations, strive to remain in the market and continue competing to achieve profits, thereby achieving stability, growth, and sustainability in the workplace. This is a natural goal for any marketdriven organization. With the increasing intensity of competition, it has become essential for organizations to seek competitive advantages that distinguish them from their competitors. In this context, competitive advantage has become a key factor in improving healthcare services and serves as an indicator of a healthcare organization's ability to survive and continue operating. The concept of competitive advantage has received significant notice at both local and international levels in recent years, as it is considered the core of an organization's performance. Consequently, efforts have been directed toward enhancing the quality of healthcare services and fulfilling customer needs to achieve this advantage (Assaf, 2020).

Competitive advantage holds great importance for organizations, as it serves as an effective tool for addressing market challenges and competition. Moreover, it is regarded as a benchmark for distinguishing successful organizations, which possess the ability to innovate models that are difficult to replicate, thereby enhancing their chances of gaining a larger market share and earning customer satisfaction(Al-Taie & Karmasha, 2010)

The need to adopt modern management techniques and methods has increased, enabling organizations to adapt to a changing and unstable environment. This contributes to maintaining their continuity, enhancing their growth, and achieving high levels of quality. Strategic orientation serves as a means to guide the operations of organizations, allowing for timely decision-making and promoting rational management to improve service quality and achieve citizen and customer satisfaction (Al-Bashir, 2018).

Moreover**,** strategic orientation is considered a vital element in achieving competitive advantage, as it helps in gathering information about the needs of target groups and the capabilities of competitors, utilizing this information to generate sustainable added value (Abu Karah, 2019)**.** A clear strategic orientation is fundamental to an organization's success, as it directs all its strategic decisions at various levels, from setting objectives to making decisions related to recruitment, technology, and work methods (Al-Jaafrah, 2018)**.**

Paying attention to strategic orientation helps accelerate decision-making and implementation**,** eliminates redundancy and conflicts, simplifies administrative procedures, and provides the necessary flexibility for management to make critical decisions (Abu Taha, 2012b). These capabilities lie in the ability to provide innovative services using the latest technologies that meet changing needs and ensure a prestigious position for the organization (Al-Tarawneh, 2019).

The health sector in the Republic of the Republic of Yemen is an essential part of the sustainable development process and represents a vital pillar in meeting society's needs. Developing this sector, especially private hospitals, which play a significant role in providing distinguished and competitive healthcare services, is crucial**.** This has become even more urgent amid ongoing calls for reforming this sector through the implementation of modern administrative methods**.**

Moreover, an evaluation by the General Administration of Private Medical Facilities, within the Ministry of Health and Population, disclosed that most of performance set criteria for assessing private hospitals were either only partially applied or completely ignored. This was particularly true for criteria related to leadership and management, strategic planning, service quality, integrated infrastructure, medical records management, training, and patient rights.

Furthermore, the World Health Organization World Health Organization (2023) report indicated that the health crisis in the Republic of Yemen has left more than two-thirds of the Yemeni population in urgent need of humanitarian assistance. The report confirmed that 46% of health facilities were either partially functioning or completely out of service and called for the necessity of strengthening the capacity of The Republic of Yemen's healthcare system.

Through the researcher's observations of the healthcare sector, it was noted that the quality of healthcare services is insufficient, costs are high, and hospitals are slow to respond to patients' needs, particularly in private hospitals throughout the Republic of Yemen.

Based on the foregoing, it is essential to focus on improving the healthcare sector in the Republic of Yemen, particularly private hospitals that require service enhancements. Achieving a competitive advantage is a crucial factor for the success of any organization, especially in the healthcare sector, which strives to remain in the market alongside its competitors and provide innovative services. It is well known that achieving a competitive advantage cannot be accomplished without transitioning from traditional management to modern administrative approaches, such as strategic orientation and organizational capabilities. Hospitals today face a range of challenges that require thoughtful strategies to stay ahead, and one of the ways they manage to do so is through adopting effective strategic orientations. This approach has emerged as a modern managerial tool that plays a vital role in boosting organizational performance. Essentially, it reflects the direction an organization chooses in order to define and pursue its strategic goals.

A number of previous studies, including those by Alammari, (2017) and Almawadyeh, (2020) have emphasized the strong influence of strategic orientation on achieving a competitive edge. These findings align with a growing body of research that views strategic direction not just as a planning tool, but as a driver of long-term success. Moreover, the dimensions of strategic orientation extend their influence to organizational capabilities as well. Research conducted by (Al-Bashir, 2018; Musa, 2018; Orlandi, 2016), illustrates how these capabilities such as the organization's ability to coordinate tasks and deliver consistent outcomes—are shaped and strengthened through strategic planning. These capabilities cover various areas, including management development, human resource efficiency, and technological advancement, all of which contribute to delivering high-quality services over time.Further supporting this, studies like those by (Abu Hadi, 2019) point out that strong organizational capabilities are among the most important elements that help organizations secure a sustainable competitive advantage . Importantly, (Al-Bashir, 2018) also highlighted that organizational capabilities serve as a crucial link between strategic orientation and competitive advantage. According to his findings, financial and human resources in particular play a central role in enhancing overall performance and ensuring customer satisfaction.

Despite the existence of studies that addressed the relationship between strategic orientation and competitive advantage, as well as the impact of strategic orientation on organizational capabilities, the researcher did not find a study that examined the impact of strategic orientation on achieving competitive advantage through organizational capabilities in the healthcare sector in the Republic of Yemen.

Consequently, it is evident that there is a knowledge research gap, which is the absence of a conceptual model that addresses the three study variables: strategic orientation, organizational capabilities, and competitive advantage. Additionally, there is an applied research gap represented in private hospitals in the Capital Secretariat, Sana’a.

Cognitive Model

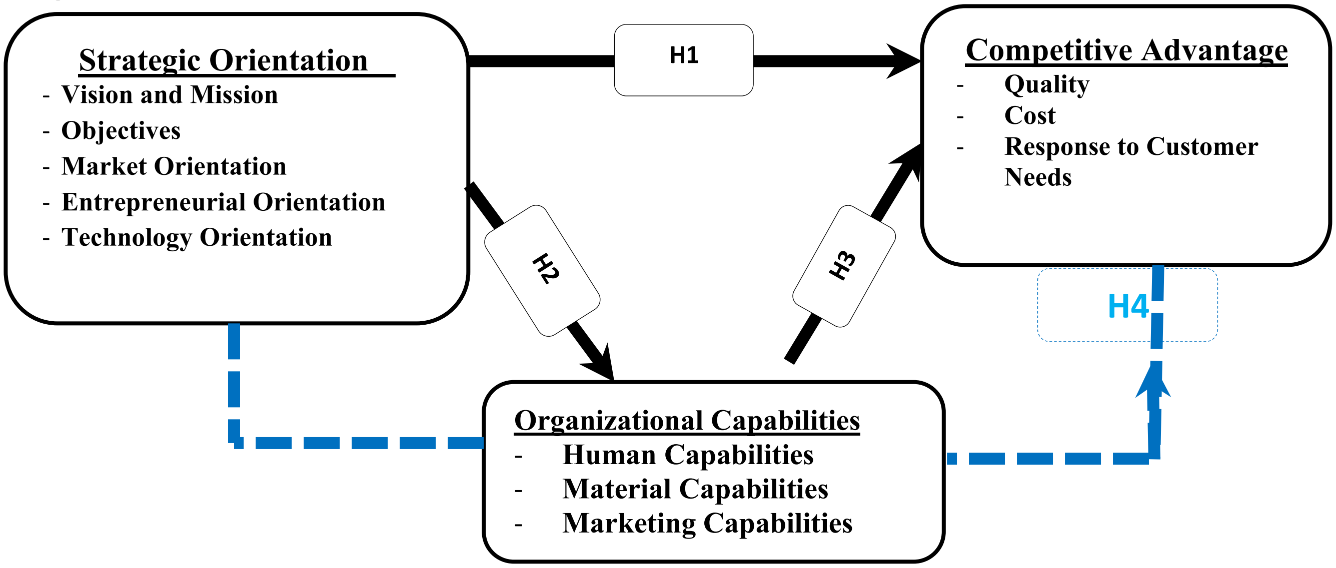

Figure 1. Cognitive Model of the Study

1.1. Hypotheses

H1: Strategic orientation—encompassing strategic vision, mission, objectives, market orientation, entrepreneurial orientation, and technology orientation—exerts a significant positive effect on competitive advantage.

H2: Strategic orientation—encompassing strategic vision, mission, objectives, market orientation, entrepreneurial orientation, and technology orientation—exerts a significant positive effect on organizational capabilities.

H3: Organizational capabilities—comprising human, material, and marketing capabilities—exert a significant positive effect on competitive advantage.

H4: Organizational capabilities and their sub-dimensions (human, material, and marketing capabilities) significantly mediate the relationship between strategic orientation and competitive advantage.

3. Method

3.1 Research Design

This study employs a quantitative research design to examine the relationships between Strategic Orientation (SO), Organizational Capabilities (OC), and Competitive Advantage (CA) within private hospitals in the Republic of Yemen. Data were collected via a cross-sectional survey from a sample of hospital managers and employees using structured questionnaires. This design enables the identification of relationships between variables through systematic data collection and subsequent statistical analysis.

3.2 Study Population and Setting

The study focused on personnel holding managerial, administrative, and operational positions within private hospitals in Sana'a, Yemen. Permission to access staff and distribute questionnaires was obtained from the directors of 15 private hospitals, ensuring full cooperation.

3.3 Study Sample

A purposive non-probability sampling approach was employed, whereby eligible participants were invited individually, and paper questionnaires were distributed directly. Out of 360 responses received, six were removed due to inconsistent or illogical answers (standard deviations exceeding ±2), resulting in 354 valid responses for analysis. The final sample represented a diverse mix of job levels, including managerial, technical, and specialized roles, providing a comprehensive overview of hospital staff.

3.4 Data Collection

The study utilized a questionnaire instrument as the primary data collection tool. This questionnaire was distributed to several private hospitals in the Republic of Yemen, targeting hospital managers, deputy managers, heads of technical departments, and heads of administrative departments. The questionnaire was designed based on previous studies. The independent variable, strategic orientation, and its dimensions were constructed based on relevant prior research, such as (Lynch, 2015; Ryan, 2017). The mediating variable, organizational capabilities, and its dimensions (human capabilities, material capabilities, and marketing capabilities) were developed based on previous relevant studies, including (Abu Zaid, 2015; Al-Rawashdeh, 2021; Wibisono, 2022). The dependent variable, competitive advantage, and its dimensions (quality, cost, and responsiveness to customer needs) were operationalized based on the theoretical foundations of competitive advantage and previous empirical studies, particularly those grounded in Porter's competitive advantage theory and the resource-based view of the firm (Abu Hadi, 2019; Teece et al., 1997).

As shown in Table 1, reliability analysis measured by Cronbach's alpha indicates strong internal consistency across all variables and dimensions, with values ranging from .799 to .917, all exceeding the acceptable threshold of .70. These results confirm the robustness and suitability of the measurement scale for the study's framework.

Table 1: Reliability Analysis Results

Variable	**Dimension**	**Cronbach's α**
Strategic Orientation (SO)	Strategic Vision	.883
	Mission	.860
	Objectives	.874
	Market Orientation	.851
	Entrepreneurial Orientation	.832
	Technological Orientation	.888
Competitive Advantage (CA)	Quality	.859
	Cost	.840
	Responsiveness to Customer Needs	.862
Organizational Capabilities (OC)	Human Capabilities	.824
	Material Capabilities	.799
	Marketing Capabilities	.917

3.5 Common Method Bias

Given that data were collected using a single questionnaire, the potential for Common Method Bias (CMB) was addressed through several strategies. Participants were assured of confidentiality and privacy to reduce social desirability bias. The questionnaire was carefully designed with clear, neutral questions, and items were randomized. Additionally, multi-item scales were used for each dimension, and Harman's single-factor test was conducted to ascertain whether a single factor dominated the variance. These measures collectively minimize bias and enhance the validity of the results.

3.6 Statistical Analysis

Data analysis was conducted using SPSS version 28. Descriptive statistics were employed to summarize the demographic characteristics of the sample and responses for each variable. Correlation analysis examined the relationships between SO, OC, and CA. Path analysis was utilized to evaluate the direct effects of the principal constructs and their respective sub-dimensions, while Hayes' PROCESS macro was employed to rigorously test the compound mediating structural paths. All statistical tests were conducted at a 0.05 significance level.

The results in Table 2 clearly demonstrate significant differences between the excluded and valid responses across all three variables, justifying the exclusion of these outliers to ensure the robustness and reliability of the study's findings.

Table 2. t-Test Comparing Excluded and Valid Responses

Variable	Group	n	Mean	SD	t	Sig.
SO	Excluded	6	1.9917	1.22013	-8.157	< .001
	Valid	354	4.0151	0.58920		
OC	Excluded	6	2.2825	0.62422	-6.776	< .001
	Valid	354	3.9628	0.60200		
CA	Excluded	6	1.8317	0.50167	-10.002	< .001
	Valid	354	4.1013	0.55182		

4. Results

4.1 Descriptive Statistics of Study Variables

The results in Table 3, indicate that all study variables and their dimensions

Table 3. Descriptive Statistics of Study Variables

Variable	Dimension	Mean	SD	Level
Strategic Orientation	Vision	4.065	0.727	High
	Mission	4.125	0.658	High
	Objectives	4.013	0.692	High
	Market Orientation	3.960	0.702	High
	Entrepreneurial Orientation	3.976	0.690	High
	Technology Orientation	3.949	0.674	High
	Overall SO	4.015	0.589	High
Organizational Capabilities	Human Capabilities	4.045	0.689	High
	Material Capabilities	4.143	0.516	High
	Marketing Capabilities	3.701	0.884	High
	Overall OC	3.963	0.602	High
Competitive Advantage	Quality	4.127	0.612	High
	Cost	4.024	0.651	High
	Responsiveness to Customer Needs	4.152	0.583	High
	Overall CA	4.101	0.552	High

Note: Level classification based on relative importance percentage (High ≥ 70%).

4.2 Hypothesis Testing

H1: The Effect of Strategic Orientation on Competitive Advantage

Table 4. Results of H1 – Main and Sub-Hypotheses

Path	β	SE	t	p	Decision
SO → CA	***0.820***	***0.021***	***39.685***	***< .001***	***Supported***
Vision → CA	0.031	0.056	0.561	0.575	Not Supported
Mission → CA	0.122	0.057	2.155	0.031	Supported
Objectives → CA	0.171	0.058	2.938	0.003	Supported
Market Orientation → CA	0.261	0.044	5.885	< .001	Supported
Entrepreneurial Orientation → CA	0.167	0.048	3.475	0.001	Supported
Technology Orientation → CA	0.205	0.058	3.553	< .001	Supported

The results in Table 4 demonstrate a strong and statistically significant positive effect of SO on CA ($\beta = 0.820$, $p < .001$), leading to rejection of H1. At the dimensional level, all dimensions except Vision ($p = .575$) showed significant positive effects, with Market Orientation ($\beta = 0.261$) being the most influential, followed by Technology Orientation ($\beta = 0.205$), Objectives ($\beta = 0.171$), and Entrepreneurial Orientation ($\beta = 0.167$). Mission showed the weakest significant effect ($\beta = 0.122$, $p = .031$).

H2: The Effect of Strategic Orientation on Organizational Capabilities

Table 5. Results of H2 – Main and Sub-Hypotheses

Path	β	SE	t	p	Decision
SO → OC	***0.810***	***0.023***	***35.045***	***< .001***	***Supported***
Vision → OC	0.212	0.052	4.085	< .001	Supported
Mission → OC	0.062	0.067	0.928	0.177	Not Supported
Objectives → OC	0.039	0.059	0.659	0.255	Not Supported
Market Orientation → OC	0.110	0.070	1.576	0.058	Not Supported
Entrepreneurial Orientation → OC	0.232	0.059	3.940	< .001	Supported
Technology Orientation → OC	0.297	0.052	5.700	< .001	Supported

The results in Table 5, SO significantly predicts OC ($\beta = 0.810$, $p < .001$), leading to rejection of H2. At the dimensional level, Vision ($\beta = 0.212$), Entrepreneurial Orientation ($\beta = 0.232$), and Technology Orientation ($\beta = 0.297$) showed significant positive effects. However, Mission ($p = .177$), Objectives ($p = .255$), and Market Orientation ($p = .058$) did not significantly influence OC.

H3: The Effect of Organizational Capabilities on Competitive Advantage

The results in Table 6, OC significantly predicts CA (β = 0.463, p < .001), supporting H3. All three dimensions of OC demonstrated significant positive effects, with Human Capabilities (β = 0.333) being the most influential, followed by Material Capabilities (β = 0.322) and Marketing Capabilities (β = 0.303).

Table 6. Results of H3 – Main and Sub-Hypotheses

Path	β	SE	t	p	Decision
OC → CA	***0.463***	***0.051***	***9.112***	***< .001***	***Supported***
Human Capabilities → CA	0.333	0.050	6.645	< .001	Supported
Material Capabilities → CA	0.322	0.043	7.415	< .001	Supported
Marketing Capabilities → CA	0.303	0.048	6.315	< .001	Supported

H4: The Mediating Role of Organizational Capabilities

The results in Table 7, the mediation analysis demonstrates that OC significantly mediates the relationship between SO and CA

Table 7. Results of H4 – Mediation Analysis

Indirect Path	β	SE	t	p	Decision
SO → OC → CA	***0.375***	***0.041***	***9.100***	***< .001***	***Supported***
SO → Human → CA	0.101	0.038	2.675	0.004	Supported
SO → Material → CA	0.143	0.026	5.485	< .001	Supported
SO → Marketing → CA	0.128	0.032	4.038	< .001	Supported

To provide a holistic overview of the structural model and the verified paths among the main constructs, Figure 2 illustrates the final path analysis results including the direct and indirect effects.

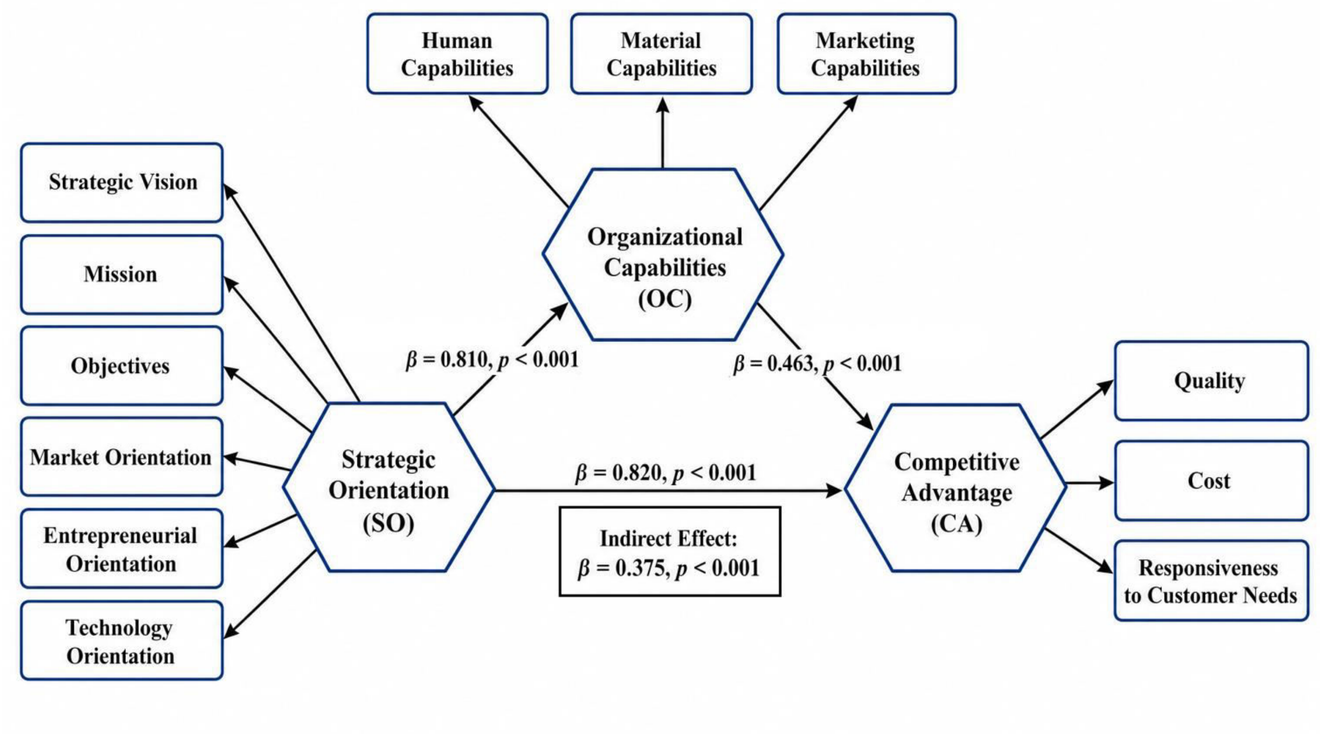

Figure 2. Structural Model with Path Coefficients

5.Discussion

The findings reveal that Yemeni private hospitals demonstrate high levels of strategic orientation (M = 4.015, 80.3%), organizational capabilities (M = 3.963, 79.3%), and competitive advantage (M = 4.101, 82.0%). This indicates that hospital administrators recognize strategic imperatives for organizational survival in a challenging environment. These results are noteworthy given Yemen's humanitarian crisis, where the (World Health Organization, 2023) reported that 46% of health facilities are partially functioning or out of service. The high evaluations suggest private hospitals actively cultivate strategic resources and capabilities to differentiate themselves despite systemic challenges, aligning with studies documenting comparable strategic awareness among healthcare organizations in resource-constrained settings (Alammari, 2017; Almawadyeh, 2020).

The direct relationship between strategic orientation and competitive advantage yielded a robust positive effect ($\beta = 0.820$, $p < .001$), confirming that hospitals with clear strategic direction achieve competitive superiority. This finding aligns with research demonstrating strategic orientation as a fundamental driver of organizational performance (Al-Hada & Zaid, 2026; Majeed et al., 2025). The strength of this relationship may reflect Yemen's volatile environment, where clear strategic direction becomes critical for navigating challenges and capitalizing on limited opportunities.(Al-Hada & Zaid, 2026) confirmed that strategic orientation has a statistically significant role in achieving competitive advantage among private universities in Sana'a, supporting this relationship's applicability in Yemen. Similarly, (Alammari, 2017) established a significant impact of strategic orientation on competitive advantage in Yemeni universities, reinforcing consistency across sectors.

Examining strategic orientation dimensions individually revealed nuanced patterns. Strategic vision did not directly impact competitive advantage ($\beta = 0.031$, $p = 0.575$), suggesting vision requires operationalization through concrete actions and capability development to generate competitive benefits. This is particularly relevant in Yemen, where resource constraints create gaps between aspirational vision and practical implementation. In contrast, mission ($\beta = 0.122$, $p = 0.031$) and strategic objectives ($\beta = 0.171$, $p = 0.003$) demonstrated significant positive impacts, confirming the importance of clear organizational purpose and measurable goals in directing effort toward competitive outcomes. Hospitals with clearly articulated missions and well-defined objectives better align activities, allocate resources effectively, and monitor progress to achieve competitive superiority (Al-Tarawneh, 2019).

Market orientation emerged as the most influential strategic dimension affecting competitive advantage ($\beta = 0.261$, $p < .001$), highlighting the critical importance of understanding patient needs, competitor strategies, and market trends. This aligns with (Majeed et al., 2025), who found that strategic orientation significantly influences organizational capabilities, including marketing capabilities, which have a significant positive relationship with firm competitive advantage. In Yemen's healthcare context, where patients face high costs and perceive inadequate quality, market orientation becomes crucial for hospitals seeking differentiation. Hospitals that actively gather market intelligence, respond to patient feedback, and adapt services to meet evolving needs build reputation, patient loyalty, and sustainable competitive advantage (Abu Hadi, 2019). Technology orientation ($\beta = 0.205$, $p < .001$) and entrepreneurial orientation ($\beta = 0.167$, $p = 0.001$) also demonstrated substantial positive effects, affirming the growing role of technological innovation and proactive initiative in healthcare competitiveness (Abu Hadi, 2019; Al-Taie & Karmasha, 2010).

The relationship between strategic orientation and organizational capabilities demonstrated a remarkably strong positive effect ($\beta = 0.810$, $p < .001$), suggesting strategic direction fundamentally shapes how hospitals develop and deploy organizational resources. This is consistent with the dynamic capabilities perspective, which posits that organizational capabilities are developed through strategic decision-making (Teece et al., 1997). Majeed et al., (2025) similarly found that strategic orientation significantly affects organizational capabilities, supporting this relationship's robustness across contexts. Analyzing strategic orientation dimensions, technology orientation ($\beta = 0.297$, $p < .001$), entrepreneurial orientation ($\beta = 0.232$, $p < .001$), and strategic vision ($\beta = 0.212$, $p < .001$) demonstrated the strongest effects on organizational capabilities. This suggests that an ambitious vision, entrepreneurial culture encouraging innovation, and strong focus on technology adoption are primary drivers of capability development. In contrast, mission ($p = 0.177$), objectives ($p = 0.255$), and market orientation ($p = 0.058$) showed no significant direct effects, possibly indicating these dimensions relate more to directing existing capabilities than building new ones, or that market orientation requires complementary conditions to effectively drive capability development in Yemen's unstable environment (Assaf, 2020).

The relationship between organizational capabilities and competitive advantage revealed a moderate positive effect ($\beta = 0.463$, $p < .001$), supporting the resource-based view that possessing and developing unique, valuable, and inimitable resources is foundational for achieving sustainable competitive advantage (Barney, 1991). Ngeche (2022) found remarkably consistent results among Kenyan private hospitals, where knowledge management, organizational innovation, social capital integration, and organizational agility significantly influenced sustainable competitive advantage, with knowledge management capabilities alone accounting for 64% of the variance. All three organizational capability dimensions demonstrated significant positive effects, with human capabilities ($\beta = 0.333$, $p < .001$) being most influential, followed by material capabilities ($\beta = 0.322$, $p < .001$) and marketing capabilities ($\beta = 0.303$, $p < .001$). The primacy of human capabilities underscores the critical importance of investing in human capital development, including staff training, recruitment, professional development, and retention, as healthcare is fundamentally people-centered where clinical and administrative personnel quality directly determines service quality and patient outcomes (Abu Hadi, 2019; Al-Bashir, 2018). The substantial effect of material capabilities reflects the importance of medical equipment, hospital infrastructure, and technology in enabling efficient service delivery, particularly in resource-scarce contexts where such resources create significant competitive differentiation. The significant effect of marketing capabilities confirms that hospital administrators must effectively communicate value propositions, build strong patient relationships, and manage reputation (Musa, 2018; Wibisono, 2022).

The mediating role of organizational capabilities in the relationship between strategic orientation and competitive advantage represents a particularly significant contribution ($\beta = 0.375$, $p < .001$). This addresses a gap in the literature, where researchers have noted limited empirical assessment of the mediating effects of organizational capabilities on the relationship between strategic orientation and sustainable competitive advantage (Al-Bashir, 2018; Majeed et al., 2025). The results demonstrate that strategic orientation affects competitive advantage not only directly but also indirectly through organizational capability development, confirming that effective strategic orientation requires translation into tangible capabilities to generate value and achieve competitive superiority. All three organizational capability dimensions served as significant mediators: human (β = 0.101, p = 0.004), material (β = 0.143, $p < .001$), and marketing (β = 0.128, $p < .001$). Majeed et al., (2025) similarly found that organizational capabilities mediate the relationship between strategic orientation and sustainable competitive advantage, supporting this finding's robustness across contexts. The stronger indirect effect through material capabilities may reflect Yemen's healthcare environment, where material resources are severely constrained and therefore have more pronounced impact when available. The partial mediation observed suggests other mechanisms beyond organizational capabilities may transmit strategic orientation effects to competitive advantage, offering avenues for future research to explore additional mediators such as organizational culture, leadership effectiveness, or innovation processes (Abu Taha, 2012a; Al-Jaafrah, 2018).

Practical implications are substantial. Hospital administrators should invest in developing and maintaining coherent strategic direction, regularly reviewing and updating vision, mission, objectives, and strategic orientation to ensure alignment with market conditions and patient needs. The particular importance of market orientation and technology orientation suggests hospitals should focus on understanding patient needs, fostering innovation, and adopting appropriate technologies. Critically, strategic orientation alone is insufficient; it must be translated into tangible organizational capabilities through investment in human capital development, infrastructure and technology, and marketing competencies. Policymakers should consider supporting capability development and strategic planning in private hospitals through technical assistance, quality standards, regulatory frameworks encouraging innovation and service quality, and support for technology adoption and workforce development. The significant differences in hospital competitiveness documented suggest a need for policy interventions addressing capability gaps and supporting strategic planning efforts across the private healthcare sector.

1. Conclusion:

This study confirms that strategic orientation and organizational capabilities are critical drivers of competitive advantage in Yemeni private hospitals. The findings demonstrate that hospitals with clear strategic direction—particularly in mission articulation and market responsiveness—achieve superior competitive performance.

Organizational capabilities, especially human and material resources, play a vital mediating role in translating strategic intent into tangible competitive outcomes. The results underscore the importance of investing in capability development and patient-centered strategies to enhance service quality and responsiveness. Given the challenging operating environment in Yemen, these insights offer practical guidance for hospital administrators and policymakers seeking to build sustainable competitive advantage and improve healthcare delivery despite resource constraints.

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Disclosure Statement
The authors declare that there are no conflicts of interest regarding the publication of this research. All data and materials used in this study are accurately reported, and no financial or personal relationships have influenced the results or interpretation of the study.

Author contribution
Al-Bahri developed the study concept, designed the methodology, collected and analyzed the data, and prepared the manuscript. Al-Ashwal provided supervision, offered critical feedback, and guided the research process. Both authors have reviewed and approved the final version of the manuscript.

Conflict of interest
The authors confirm that there are no conflicts of interest related to this study.

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List of Abbreviations

SO Strategic Orientation
CA Competitive Advantage
OC Organizational Capabilities

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