



RESEARCH PAPER

Influence of Strategic Leadership on Sustained Competitive Advantage through the moderating Role of Facilitation Learning Climate in the Telecom Sector of Pakistan

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ABSTRACT

This study is done to investigate the influence of strategic leadership on sustained competitive advantage through the moderating role of facilitation learning climate under the resource-based view theory. The target population for this study has been Telecom companies operating in Pakistan. The findings clearly demonstrated that the suggested theoretical model was accepted. The significance and direction of all hypotheses were established, making them all fully accepted. Finally, the limits and recommendations for further study have been examined. This study will provide significant statistical information and recommendations to future researchers to better understand the influence of strategic leadership on the sustainability of competitive advantage in organizations in the continuously changing market internationally and within the context of Pakistan.

KEYWORDS Strategic Leadership, Facilitation Learning Climate, Resource-Based View Theory, Sustained Competitive Advantage

Introduction

The need for effective and strategic management of resources and capabilities has grown increasingly pressing in the current business climate of uncertainty, information security, and resource scarcity. Strategic management research continues to place a high priority on understanding why some businesses do better than others (Fauzi, Harits, Danial, & Komariah, 2022). Digital entrepreneurship adaptive tactics of external environmental factors from a strategic management perspective. Despite an abundance of studies on many leadership philosophies, strategic leadership has surprisingly not received much attention (Samimi, Cortes, Anderson, & Herrmann, 2020). Rather than leadership, strategic management has been the subject of more and more research, especially with respect to sustained competitive advantage (Banmairuroy, Kritjaroen, & Homsombat, 2022). Many gaps that potentially act as catalysts for future study have been found after a rigorous evaluation of the body of existing material.

The theoretical foundation of this study is the Resource Based View (RBV) theory as an overarching theory of the proposed model. In the era when positioning school was dominant in management circles, the article of Jay Barney's 1991 article titled, 'Firm Resources and Sustained Competitive Advantage' was seen as a reaction based on the determination of strategic resources that an organization can use to achieve sustained competitive advantage (Chatterjee, Chaudhuri, Vrontis, & Thrassou, 2023).

The resource-based view (RBV) theorized that organizational resources might be of a variety of types and be retained by organizations indefinitely (Barney, 1991). Variable organizational resources and capabilities that are uncommon, precious, irreplaceable, and unique are what cause differences in organizational success (Chien, 2014; Barney, 1991;

Wernerfelt, 1995). However, corporations may only maintain a competitive advantage when their adopted methods are difficult for other firms to copy (Hsu & Pereira, 2008; Barney, 1991). Although organizational capabilities or competencies are the capacities of an organization to use the resources effectively and efficiently at hand to achieve the stated goals (Barney, 1991). As a result, these organizational resources and capabilities are required for strategic management techniques that would result in improved organizational performance (Newbert, 2007). According to this, a firm may only obtain a competitive edge if its adopted techniques are not used by its competitors at the same time (Newbert, 2007; Barney, 1991). Organizational culture can also be a source of competitive advantage, but only if it is unique, unusual, and highly appreciated (Barney, 1986). Organizations aiming for higher performance, according to Lee and Yu (2004), should have a distinctive culture that cannot be imitated by rivals. One of the prime reasons to study the effect of strategic leadership on the organizational outcome of sustained competitive advantage has been to assess, ascertain, and develop tools for improved organizational performance, especially in the context of resource-based view theory. The moderation effect of facilitation learning climate has been studied in increasing the effect of strategic decisions of leadership to enhance sustainability in the competitive advantage of an organization. The role of the facilitation learning climate as a moderator according to the present study by Tran and Pham (2019) positively moderates and shows enhanced capability building between strategic leadership and sustained competitive advantage.

Literature Review

Strategic Leadership

Strategic Leadership is a term that is widely used to refer to a leadership style, in a conceptual article it is found that the general concept of Strategic Leadership is related to the role and influence of individuals at the organizational level. (Samimi et al., 2022). Strategic leader motivation effectively directs the strategic decision process in the strategic leadership role, and these decisions have an impact on the performance of the firm (Purwanto, 2023). Strategic leaders represent the organization to third parties and aid in developing and managing connections with them. The use of behavior leadership behavior can have strategic benefits. Leaders can overcome crises with the help of their external relations. Strategic leaders have a specific responsibility for guiding their organizations toward the targeted competitive goals; as a result, leaders must possess fundamental skills in strategic orientation, strategy implementation, strategy alignment, and the development of organizational core competencies. It has also been investigated in empirical studies by connecting Capabilities and Strategic Leadership with conceptualizing two crucial elements, namely the growth of human capital and social capital, especially in the backdrop of the changing organizational scenarios (Mahdi & Almsafir, 2014).

Facilitation Learning Climate

Scholars usually use the terms “support of”, “facilitation of”, and “opportunity for” specific activities when discussing or operationalizing the factors that define organizational climate. (Kyndt, Dochy, Michielsen et al., 2009; Marsick & Watkins, 2003). Organizational support for professional development is crucial for employees' genuine learning (Marsick & Watkins, 2003). Measurements of organizational facilitation of learning may involve multiple items or whole scales. For instance, in the dimension of organizational support, (Tracey and Tews, 2005) learning climate measure had questions referring to perceived resources and learning opportunities. Additionally, the dimensions of the learning culture scale developed by Marsick and Watkins also include certain categories that address the facilitation of learning at work. A variety of factors regarding learning opportunities were also seen to be included in the work of Kyndt, Dochy, & Michielsen et al. (2009). As described earlier many efforts have been done to develop a facilitation learning climate to observe its

effects on organizational outcomes but this aspect has not been tapped fully in this domain (Cheng et al., 2013; Kyndt et al., 2009).

Sustained competitive Advantage

Competitive advantage has been defined as an organization's ability to gain, at least, the economic benefits achieved by other competitive organizations in the same business (Hili et al. 2017). Building on a resource-based model, Lado et al. (1992) evaluated competitive advantage as an exclusive competency by which an organization gains a competitive advantage over other competitors. The role of leadership in creating a vision and mission, cultivating influence through culture, enacting change, innovating, and learning in order to successfully accomplish organizational goals is the influence of leadership on competitive advantage. One of a leader's responsibilities is figuring out how to overcome obstacles such as internal and external environmental changes and adapt to those changes through various innovations in line with demands and needs to achieve the organization's vision, mission, and goals. change. This indicates that to gain a competitive advantage, executives must be able to manage change. (Hili et al, 2017). The leadership that is expressed in the function of a leader, developing processes, offering encouragement, enhancing the working environment, and bringing together disparate interests contributes significantly (Purwanto, 2023). The research findings demonstrate that strategic leadership strongly predicts that strategic planning and strategic thinking are considerably and favorably associated with a competitive advantage. Hunitie, (2018) evaluated the role of strategic leadership carried out in health services in Jordan. According to research, strategic leadership requires both strategic planning and strategic thinking since the strategy is produced through strategic thinking and operationalized through strategic planning. implement organizational change to meet competitive organizational objectives. According to (Abbasi, 2017), strategic leadership refers to top and middle managers' aptitudes and dispositions for embracing organizational change and communicating it to subordinates.

Material and Methods

Research Design and Data Collection

The selected area to carry out this study was the Punjab province of Pakistan where the telecom industry was chosen to prove the effect of strategic leadership in the organizational outcome of sustained competitive advantage. All significant organizations in the telecom sector were tapped for gathering data through questionnaires. The majority of data was collected from PTCL, Ufone, Jazz, Zong, Telenor and other companies currently operating in Pakistan. Questionnaires were sent to 274 managers and employees of the telecom sector of private and public organizations across Pakistan. Usable cross-sectional data collected through 238 questionnaires were used to run analyses. Data were collected from the top and middle-level managers and after the removal of missing data and treating unengaged responses, a total of 238 questionnaires were used for the analysis (N= 238). Both private and public sector telecom industries were engaged in this study for the purpose of comprehensiveness and in-depth study of organizational outcomes.

Theoretical Framework and Hypotheses

The resource-based view (RBV) theory has been used to provide theoretical rationality to this study. The resource-based view of an organization (RBV) has remained a prominent theoretical method in the strategic management field, that gives validity and reasoning to the connection between strategy, learning climate, and competitive advantage. In this study, sustainable competitive advantage is examined within the framework of the resource-based view (Barney 1991). Developing skills from resources that are valuable, scarce, unique, and non-substitutable is how businesses can gain a lasting competitive advantage, according to the resource-based view (Barney 1986; Barney & Wright 1998).

This is especially true for an organization's senior management. (Florea, Cheung, & Herndon, 2012). The relationship between strategic leadership (independent variable) and sustained competitive advantage (dependent variable) with the moderating role of facilitation learning climate (moderator) is demonstrated in the schematic diagram as follows.

Proposed Theoretical Model

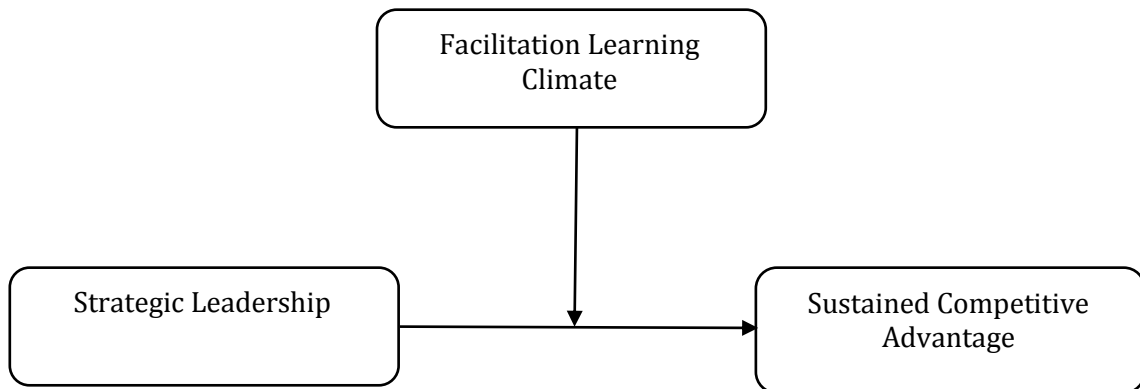


Figure 1: figure depicting (a) the direct effect of strategic leadership on sustained competitive advantage; (b) the moderating role of facilitation learning climate between strategic leadership and sustained competitive advantage.

The proposed Hypotheses for this study are:

H1: There is a positive effect of strategic leadership on sustained competitive advantage.

H2: Facilitation learning climate positively moderates the relationship between strategic leadership and sustained competitive advantage.

Results and Discussion

The impact of organizational change is an initiative function, based on the relationship between strategic leadership and sustained competitive advantage. The result shows that the impact of strategic leadership is significant in the sustained competitive advantage of an organization. In order to check the reliability of the proposed model, data were analyzed to check reliability. The Cronbach alpha value for strategic leadership was calculated at 0.94, for sustained competitive advantage at 0.91, and for facilitation learning climate to be at 0.86 showing the reliability of data

Table 1
Constructs

Sr. No.	Variable	Reliability/ Alpha	Mean	Standard Deviation
1	Strategic Leadership	0.94	5.4	0.75
2	Facilitation Learning Climate	0.91	5.2	0.62
3	Sustained Competitive Advantage	0.86	4.7	0.67

To perform data screening, SPSS Statistics 25 has been employed. Firstly, unengaged responses were removed, and missing values and screening phase outliers were checked and detected in the data. The values of skewness and kurtosis were seen to be within the acceptable range of 2 (Orcan, 2020; Mardia, 1974). Furthermore, dependability, bivariate correlations, mean, and standard deviations were checked for in the data. Researchers generally agree that the standard deviation should fall between +2 and -2, and the mean value should be within the center range. Thus, it has been stated that the mean and standard deviation is within a reasonable range.

Table 2
Mean, Standard Deviation, Correlations, and Reliabilities

Variable	Mean	S. D	1	2	3
STL	5.47	0.75	(0.94)		
OLC	4.61	0.70	.50**	(0.93)	
SCA	4.7	0.42	.30**	.33**	(0.85)

A simple regression analysis has been run to check the effect of strategic leadership in sustained competitive advantage. For this purpose, PROCESS v4.1 by Andrew F. Hayes has been used, the results are as under in table 3 which shows a positive and significant relationship between the independent variable and its dependent variable.

Table 3
Direct Effects of regression analysis.

Variable	R ²	β	S. E	P	LLCI	ULCI
H1: STL → SCA	0.092	0.30	0.02	.000	0.12	0.22

The 2nd proposed hypothesis suggested in this study, is a strong and positive moderating role of facilitation learning climate between strategic leadership (IV) and sustained competitive advantage (DV). Moderated regression analysis was performed to investigate the proposed hypothesis using PROCESS Macro v4.1 (Hayes 2022). (Shanock et al., 2010). For this analysis model, 7 in PROCESS has been used which is especially useful in creating interaction terms. To test multicollinearity, Tolerance statistics and VIF (Variance Inflation Factor) results were used in this study. IV and moderators were also mean centered as per AIKEN & West (1992). Also, bootstrapping technique with a 95% confidence interval was also employed as suggested by previous research (Stone & Hollenbeck, 1989). The results affirmed that the facilitation learning climate positively and significantly moderates the relationship between strategic leadership and sustained competitive advantage. ($\beta = .19$; $\Delta R^2 = .05$; $p < .01$). Thus, the proposed hypothesis 2 that the facilitation learning climate moderating the relationship between strategic leadership and sustained competitive advantage is positively and significantly accepted.

Table 4
Moderated Regression Analysis for Facilitation Learning Climate (FLC)

	B	SE	p	LLCI	ULCI
constant	6.2735	.5286	.0000	5.4485	6.7349
STL	-.3762	.1038	.0004	-.5713	-.1633
FLC	-.5972	.1272	.0000	-.7832	-.3586
STL × FLC	.1618	.0287	.0000	.1132	.2058
ΔR^2 due to interaction	.052				

The coefficient β quantifies the change of dependent variables with respect to independent variables either positively or negatively. According to the value of the β coefficient calculated, sustained competitive advantage (SCA) will increase with the increase of strategic leadership. Similarly, the facilitation learning climate significantly

moderated the relationship between strategic leadership and sustained competitive advantage.

Conclusion

Using the theoretical rationale of the resource-based view (RBV) paradigm, this study provides a convincing argument for the underlying mechanism between strategic leadership and organizational outcome. To comprehend the intricate underlying mechanisms, this study has also examined the moderating impact of facilitation learning climate on the relationship between strategic leadership and sustainable competitive advantage in a business. If organizations encourage the implementation of leadership programs and friendly policies, they will be successful in reducing turnover because leadership can be instrumental in improving organizational performance and competitive advantage and improving the attitude and behavior of employees and helping in increasing sustainability in the organization. This study has been a pioneer in analyzing strategic leadership with organizational outcomes, especially in the context of Pakistan and Asian management culture in general. Organizations need strategically sound leaders who can take decisions well in time to keep the pulsating market circumstances within the organization's resources and capabilities to create sustained competitive advantage.

Recommendations

Although every effort has been made to ensure that the analysis is understandable, the study's data came from the telecom industry, therefore its conclusions cannot be extrapolated to other industries like manufacturing. However, future studies may be able to do so. Moreover, gender inequalities in strategic leadership can be investigated, and these factors can be studied from the perspective of the individual as opposed to the organization. Researchers are urged to further this research through the perspective of such unprecedented catastrophes that have a worldwide impact since following the corona epidemic, standards, and organizational priorities have changed significantly. Future researchers may use the study's limitations as a springboard to increase, improve, and enlarge the future knowledge base in the management of an organization.

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