In the pursuit of Competitive Advantage through Leadership: Role of Human Capital

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Abstract:

The major objective of the study is to investigate the role of human capital and leadership in competitive advantage. The data was collected using a close ended questionnaire. We applied partial least square structural equation modeling to analyze the relationships extracted from the literature review. The results, negating the conventional wisdom, showed an insignificant impact of strategic leadership on competitive advantage. Whereas the study's findings confirmed the indirect effect of strategic leadership on competitive advantage, through human capital. These findings construe the full mediating role of human capital in the association between strategic leadership and competitive advantage. The findings imply the use of strategic leadership for human capital development to further attain competitive advantage. The use of cross-sectional data is one of the major limitations of the study.

Keywords: human capital; strategic Leadership; Competitive Advantage; PLS-SEM

1. Introduction

Due to increasing competition among the organization globally, new and innovative methods are being adopted to ensure competitive advantages (Afiouni, 2007). Thus, customer satisfaction turns out to be a key of success to safeguard survival and competitiveness. Globalization is increasing competition between organizations. As a result, organizations become more attentive toward their customers. For this purpose, investments are being shared based on cost among the organization within the market (Bartlett & Ghoshal, 2000). "Individual Technocratic Entrepreneurs" are also managed in a better way than their competitor by the successful organization (Ojeda, Simpson, Koh, & Padmore, 2007). All types of organizations are involved in emerging competitive environments for gaining competitive advantages. Therefore, they need the veracious, honest and visionary type of leadership capabilities. Only effective leaders can create innovative environments, wisely identify challenges, and try to sustain high performance of the organization (Vardiman et al., 2006). However, different scholars define leadership by different ways. According to Propper and Lipshitz (1993) "leadership is an art of motivating people to act by non-coercive means". Likewise, Alas et al. (2007) "explain leadership by the way of leader behavior, traits, relationship pattern, influence over follower, follower perception, way to perform task, control over the organizational environment, and firm culture". Similarly, Vardiman et al. (2006) and Yulk (2006) posit "leadership is a process of influence toward the completion of goals".

On the other hand, Vardiman et al. (2006) explain that such type of leadership generally emphasizes the dyadic relationships between a follower and leader but does not focus on what settings need to be in place for an effective leader to emerge to be developed. Organizational

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performance and competitive advantages depend upon the selection and development of leadership (Amagoh, 2009). The word strategy emerged from Greek word "Strategos" which means a general in command of the army. The word strategy explains a roadmap/plan of certain activities. It is an ability used for rival to defeat, through which a systematic, unidirectional, unified, and comprehensive plan of system is defined. Therefore, strategic leadership can be defined as the capability/ability to influence others, take a routine decision for long organizational sustainability. They transform a critical situation into meaningful opportunities. They try to safeguard an organization's profit from risk with their comprehensive strategies and thinking. They understand market risk and emerging strategic processes. They control and monitor organizational performance as well as employee performance (Gupta, 2018). In the literature, the alignment of business strategy and organizational strategy recognized as a critical antecedent of organizational success (Chan, Sabherwal, & Thatcher, 2006; Chen, Sun, Helms, & Jih, 2008; Huerta, Thompson, Ford, & Ford, 2013; Yayla & Hu, 2012). Formulation of organizational strategy and business strategy, in favor of corporate success, is a big challenge for top management and leaders (Johnson & Lederer, 2010; Lee, Koo, & Nam, 2010; Yun, Choi, & Armstrong, 2018). However, theory related to strategic leadership explains that leadership and upper manager's demographics play a critical and significant role in formulating and implementing strategy. Effective implementation of strategy required sound knowledge, strong skills, and leadership styles of main decision-makers (Elenkov, Judge, & Wright, 2005). Despite lots of studies, it had established the substantial role of upper leadership in completing organizational goals and alignment of strategies, but, still, the research gap is excited in the study of strategic leadership competencies. This is because most of studies focus on management engagement, involvement/participation, and strategic knowledge (Kearns & Sabherwal, 2007). According to the theory of contingence, there is no preeminent rule through which organizations are lead because leader's efficiency is contingent and it depends upon the social, institutional and organizational context (Shao, 2019).

Human Capital (HC) has emerged as a new, innovative, and modern concept to understand business's competitive advantages in knowledge-intensive with the rapid growth in the global knowledge economy and rapidly changing in the business environment (Perrott, 2007; Kavida & Sivakoumar, 2010). Notwithstanding, the expanding knowledge in the field of human capitak is, nevertheless, more than a few absences in the past literature have to be addressed. We cannot ignore the importance of HC because most of the organizations, institutes and managers are researching this field. It had been claimed by the Organization for Economic Cooperation and Development (OECD), most of the organizations are investing in Research & Develop (R&D), employee training, computer and administrative system and customer relation (OECD, 2008). However, these investments are growing employee capability and help to gain competitive advantages. As per the Resource-Base view (RBV), a firm can achieve long-term competitive advantages by analyzing past and present firm performance, achieving organizational goals, and implementing successful strategies. For Wernerfelt (1984), competitive advantages and financial performance assets are vital for organizations. Both types of resources, intangible and tangible, are used as potential strategic assets. The importance of both resources is accounted in the field of strategic management, accounting, and economics. However, results showing positive correlation between organizational performance and strategic management (Canibano, Garcia, and Sanchez, 2000). The intangible asset is derived from the ability to keep the entire characteristic of strategic assets (Godfrey and Hill, 1995).

On the other hand, most of organizations do not consider intangible assets as strategic assets. While, human capital is generally measured as strategic assets within the organizations (Mouritsen, 1988). Giving to HC means that the valuable and specific knowledge that's belongs to the firm. For this purpose, new and innovative tactics are adopted by the organization. Competitive advantages may be derived from the economic, strategic, knowledge, and psychological side. Different theories were introduced in strategic management to gain competitive advantages; it said that the roots of these theories were derived from the three factors; economic, sociology, and psychology (Wang, 2014). The following theories, like transaction cost theory, agency theory, and resource-based theory, were derived from the economic root of discipline, while resource dependence theory and organization ecology were derived from the sociological roots (Wang, 2014). More, organizational behavior theory was derived from psychology. However, the central purposes of all thoughts are to gain competitive advantages.

1.2 Research Problem

It has been recognized that human capital is one of the essential source which helps to gain competitive advantages. Some researchers proclaimed that only those organizations can gain competitive advantages if and only if the organization has the ability to make constant innovations in the form of new business processes (Tidd, Bessant and Pavitt, 2005; Rodrigues, Pedro, and Carlos, 2010). Further, the organization's survival depends on its capabilities to learn and innovate, which are abstracted from the HC in the form of organizational intelligence, competencies, and customer satisfaction (Chahal, and Bakshi, 2015). Moreover, HC is considered a primary source that impacts competitive organizational advantages (Kavida, and Sivakoumar, 2009).

On the other hand, the role of strategic leadership cannot be ignored in 21st century. Social capital and Human capital are considered as major resources of an organization. Such resources cannot be derived without proper planning, direction, and strategy. Therefore, competitive organizational advantages cannot be gained without SL. So, it needs to develop a theoretical research framework of Organizational Resources, SL and Organizational Knowledge (Mahdi, & Almsafir, 2014). To be more specific, it has been observed that competitive advantages are only gained by those organizations which succeed in mobilizing strategies, intellectual assets in the form of knowledge, and technological skills. According to Resource-Based View (1984) and Knowledge-Based View (1991), there is no clear explanation of how competitive advantages can be gained (Mahdi, Nassar, & Almsafir, 2019). Therefore, if an organization has no strategy and intellectual assets, competitive advantages will be suffered (Ling, 2013). So, to gain the competitive advantages, organizations need to enhance leadership skills, and human capital. Therefore, it is needed to know how various factors affect the competitive organizational advantages. Further, how knowledge management impact on human capital and competitive advantages (Chahal, and Bakshi, 2015).

Against this backdrop, this study aims to examine the relationship between strategic leadership, human capital, and competitive advantage. The study has the following specific objectives:

- *to find the direct impact of Strategic Leadership on Competitive Advantages.*
- *to find the direct impact of Strategic Leadership on human capital*
- *to find the role of human capital between SL and Competitive Advantages.*

The study has some limitations. First, is this study composing different limitations. First, this study is being conducted only in the region of Karachi and Lahore. Second, this study covers only private sector not public organizations. Third, only few dimensions are selected for this study.

2. Literature Review

2.1 Strategic Leadership Capability (SL) and Competitive Advantage

Almost every organization is being faced central issue in strategic management is why some organizations perform better than others. However, some researchers argued, only those firms are performing better in which SL is being exercised (Ireland, Hitt, & Vaidyanath, 2002; Miller, 2002). Leaders at all levels of the company, firm, or organization should develop such type of abilities, indicating that SL may be exercised from lower management to top management level (Hitt, & Duane, 2002).

Strategic Leadership is a complex multidimensional competency with many shades and gradations that make it difficult (Sorcher, & Brant, 2002). There is no doubt creating strategic leadership qualities are complex and multi-shaded activity. Davies, (2004) identifies two types of strategic leadership abilities associated with strategic leaders i.e. abilities to undertake organizational activities and personal characteristics/individual abilities. Strategic leaders have the following organizational skills to develop strategic competencies, to be strategically oriented. This ability involves considering both long & short-term organizational futures and translating strategy into action. Strategic leaders convert strategy into action by converting into operational terms (Lin and McDonough (2011). Further, they investigated strategic leadership directly impacts on knowledge sharing culture.

Sadeli, (2015) examines three dimensions of leadership behaviors on employee engagement mediating by intangible organizational factors like organizational culture, perceived organizational support, and talent management practices. Sadeli, (2015) considered the behavioral leadership dimensions which were transformational, transactional, and interactional. This study showed that three leadership behavior have significant influence on three mediating variables such as organizational culture, perceived organizational support, and talent management practices. In addition, these mediating variables also influence on employee engagement. Competitive advantages/sustainable competitive advantages are related to firm/organization efforts in establishing and maintaining long- or short-term advantages. Short or long-term advantages ultimately reflect organizational performance. Therefore, organizations can achieve/ensure competitive advantages by giving preference to customer demand and product/services quality as compared to their competitors (Lev, 2017). Sustainable competitive advantages can only gain by an organization when it is in a position to implement value-creating/innovative strategies which cannot be copied or duplicated by its competitors (Delery, & Roumpi, 2017). Therefore, Leadership Strategies are required commitment, decision and action to achieve strategic competitiveness. Organizational Competitive Strategies are concerned with how an organization can gain competitive advantages by applying a distinctive approach (Kumar, & Pansari, 2016).

Proposition 1: Strategic leadership improve the competitive advantage of a firm

2.2 Role of Human Capital: Strategic Leadership and Competitive Advantage

The research on human capital can be traced back to the seminal work of Penrose (1958), Schultz (1961), and Becker (1962). These researchers highlighted knowledge skills and abilities as the major differentiator in productivity and income. Human capital can be considered an employee of the organization who provides skills and expertise to solve business problems. Therefore, the organization uses human capital to gain competitive advantages. Human capital knowledge, skills, and expertise cannot be listed in the balance sheet. Moreover, human capital knowledge is that knowledge that is present in the mind of an employee. It means organizations cannot save such type of knowledge. In other words, it can be said that human capital knowledge remains in the employee and cannot be kept on an organization when they go home (Halim, 2010). Halim (2010), further explain that human capital is what employee brings into the value adding processes and contains leadership style, professional competencies and employee motivation. In short, human capital is a precious asset for an organization which observed as how organization gain competitive advantages by using employee knowledge, expertise, learning and skills, creativity and education to create organizational value. Moreover, how organizations gain competitive advantages by using human capital (Chahal, et.al. 2015). Competitive advantages:

Proposition 2: Strategic Leadership develops human capital

Nthini, (2013) conducted research on the performance of commercial and financial corporations in Kenya. He explored the effect of strategic leadership practices on the performance of those organizations. He discussed different strategic leadership practices which affect organizational performance. He found that strategic leadership practices determine corporate strategic direction, balance organizational control, emphasize ethical practices, emphasizes effective organizational culture, effective management of resources, and effective control on corporate resource portfolio. Furthermore, he examined, these practices are highly correlated with net profit margin, employee turnover, return on investment, and customer satisfaction. Further, balanced strategic leadership practices give a better understanding of organizational performance, net profit, annual turnover, etc. According to Sotarauta (2016), a true leader has the following qualities: leading, teaching, influencing, and guiding.

Proposition 3: Human capital improve competitive advantage if a firm

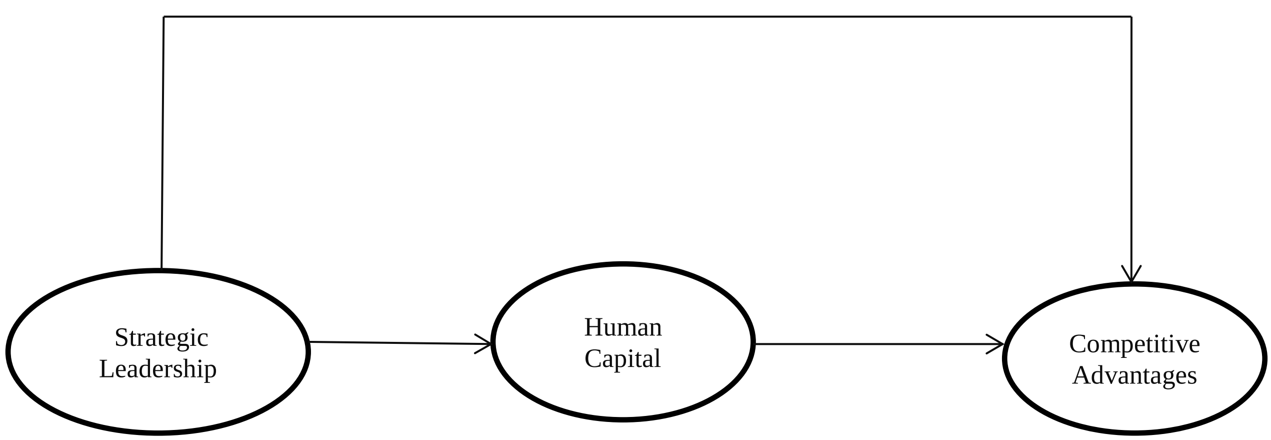

Figure 1: Conceptual Model

3. Methodology

3.1 Sampling Technique

A convenient sampling technique was used to conduct data from the respondent. Convenient sampling is a non-probability technique where the subject is selected b/c of its easy accessibility. So, in this study, we collect data by using convenient sampling.

3.2 Data collection techniques

The individual was selected as the unit of analysis for this study. Only organizational employee was selected as a respondent. Different techniques are used for the collection of data, such as interviews, surveys, observation, etc. This quantitative study approach is being used, so the survey method will be used to collect data from the banking sector by using different methods like internet, email, etc. Different questions will be adopted for selected variables. Five-point Likert scales were used to conduct a survey from the employee.

3.3 Data Analysis Technique

Quantitative techniques will be used to analyze the data. For data analysis, different techniques are used such as regression analysis, correlation, factor analysis etc. to verify results. However, in this study PLS used by using Structural Modeling Equation (SME) to verify results. Cronbach alpha used to measure the internal consistency and reliability between the items of the variables. Kurtosis and Skewness used to measure the validity and normality of the data.

4. Data Analysis

In this section we are going to explain results of our study. Results were obtained by using the software of SmartPLS and SPSS 21. Two different techniques, PLS Algorithm and Bootstrapping, were used for obtaining results. PLS Algorithm was used to identify quality criteria of the model and Bootstrapping to find standard error, t-value, and to test significance of path relationship between constructs. The descriptive statistic was obtained by using SPSS. Obtained results are mentioned below in detail. The estimated model contains various latent variables (Strategic Leadership, Human Capital, Competitive Advantages) which are connected by arrows.

Descriptive statistics calculate by using SPSS software. Table#1 shows the Descriptive Statistics of the indicator of construct that include total number of respondents (98), mean, Standard Deviation, Skewness, and Kurtosis.

Table#1

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
SL1	98	1	5	2.2959	0.9866	0.489	-0.18
SL2	98	1	5	2.3163	0.96961	0.639	0.022
SL3	98	1	5	2.551	1.0064	0.26	-0.353
SL4	98	1	5	2.602	0.93874	0.194	-0.305
SL5	98	1	5	2.2143	1.15097	0.811	-0.116

SL6	98	1	5	2.1633	0.95996	0.949	0.954
SL7	98	1	5	2.2551	1.13348	0.954	0.222
SL8	98	1	5	2.5408	1.07616	0.247	-0.706
SL9	98	1	5	2.1429	1.07454	1.083	0.584
SL10	98	1	5	2.2245	1.13547	1.011	0.478
HC1	98	1	5	2.4286	0.83728	0.984	0.871
HC2	98	1	5	2.2959	0.89913	0.678	0.154
HC3	98	1	4	2.3878	0.85714	0.257	-0.502
HC4	98	1	5	2.3265	0.96084	0.864	0.848
CA1	98	1	5	2.4184	0.96242	0.272	-0.551
CA2	98	1	5	2.5408	0.93244	0.268	-0.195
CA3	98	1	5	2.5612	0.90891	0.151	-0.432
CA4	98	1	5	2.5816	0.95165	0.127	-0.645

Reliability and Validity

For every researcher, the collection of data is a challenging and very tough process. Once the data is collected, in addressing the degree of measurement of error in data the reliability and validity of data is calculated by using different statistical techniques. For this purpose, Internal Reliability, Convergent Validity and Discriminant Validity are calculated. Below reliability and validity is described in detail.

Internal consistency reliability measures reliability between the items of constructs. Generally, internal consistency between the items is measured by Cronbach Alpha. As per standard value of Cronbach alpha should be lie 0.65 to 0.90. If Cronbach Alpha value is lie between the range of 0.65 to 0.90 then internal consistency between the items are considered as appropriate. As shown in the **table#2** value of Alpha is fall in the range of 0.65 and 0.90. Therefore, it is clearly indicating that there is no issue regarding internal consistency reliability between the items.Alternatively, internal consistency reliability can be measured by Composite reliability. Composite reliability also considered as alternative method of Cronbach's Alpha. Measurement criteria for Composite reliability are same as Cronbach's Alpha. The value of Composite reliability should be lying in the range of 0.65 to 0.90. In the **Table#2** indicating that values are falling in the range of 0.65 and 0.90 which means that there is no issue regarding internal consistency reliability.

Further, Convergent Validity is used to measure the degree to which two constructs are theoretically related or not. It is commonly used in sociology, and behavioral sciences. Convergent validity is established if two constructs correspond with one another. Convergent validity is measured by factor loading and also known as outer loading which is indicating in **Table#2.** As per rule, the value of factor loading for each indicator should be higher 0.708 (Hailr, 2012). In **Table#2** the value of factor loading for each indicator is higher than 0.70 which means that there is no issue regarding convergent validity.

Similarly, Average Variance Extracted (AVE) is a measure to assess convergent validity. AVE measures the level of variance captured by a construct versus the level due to measurement error. As per rule, if the values of AVE are above 0.708 that is considered as very good. If the values are higher than 0.50 that is consider as acceptable. **Table#2** indicating the values AVE for each construct which is higher than 0.50. Therefore, there is no concern regarding convergent validity in the collected data.

Table#2
Internal Consistency Reliability and Convergent Validity

Construct	Average Variance Extracted	Cornbach Alpha	Composite Reliability	Indicators	Factor Loading
SL	0.540	0.903	0.920	SL1	0.758
				SL2	0.765
				SL3	0.752
				SL4	0.650
				SL5	0.814
				SL6	0.806
				SL7	0.739
				SL8	0.477
				SL9	0.728
				SL10	0.795
Human Capital	0.521	0.689	0.812	HC1	0.772
				HC2	0.780
				HC3	0.603
				HC4	0.719
Competitive Advantages	0.586	0.764	0.849	CA1	0.741
				CA2	0.758
				CA3	0.747
				CA4	0.813

Discriminant Validity

Discriminant validity is used to identify how constructs are different from other constructs by empirical standards. Cross Loading is used for checking discriminant validity. As per rule, values of factor loading for each construct must be greater than the loading of other constructs. **Table#3** is showing the value of each construct. It shows that factor loading of associated construct is greater than other constructs. For example, the value of factor loading for SL1 is 0.758 which is greater than the factor loading of all other constructs. Similarly, the value of factor loading for associated construct is greater than the value of factor loading of all other constructs as shown in the **Table#3.**

Table 3: Cross Loadings

	SL	HC	CA
SL1	**0.758**	0.509	0.514
SL2	**0.765**	0.639	0.509
SL3	**0.752**	0.587	0.578

SL4	**0.650**	0.533	0.485
SL5	**0.814**	0.469	0.408
SL6	**0.806**	0.461	0.404
SL7	**0.739**	0.305	0.426
SL8	**0.477**	0.253	0.290
SL9	**0.728**	0.289	0.327
SL10	**0.795**	0.419	0.466
HC1	0.426	**0.772**	0.406
HC2	0.464	**0.780**	0.445
HC3	0.372	**0.603**	0.349
HC4	0.535	**0.705**	0.306
CA1	0.480	0.440	**0.741**
CA2	0.431	0.358	**0.758**
CA3	0.423	0.461	**0.747**
CA4	0.524	0.343	**0.813**

Another approach through which discriminant validity assess is Fornell-Larcker criteria. It compares the values of Square Root of Average Variance Extracted (AVE) with other latent variables. According to the rule, root square value of AVE must be greater than correlation with other latent variables. **Table#4 is** showing the comparison between the values of square root of AVE and correlation with other variables. According to **Table#4** diagonal values are showing that square root of AVE is greater than the corresponding correlation values. For example, square root of AVE of HC is 0.722 which is greater than the corresponding correlation value.

Table 4: Discriminant Validity (FL criteria)

	SL	**HC**	**CA**
SL	**0.73**		
HC	0.626	**0.72**	
CA	0.610	0.524	**0.76**

Multicollinearity Test

At high correlation between two indicators is referred as collinearity. Multicollinearity means that two or more indicators are defining about same construct. According to rule of thumb, if value of VIF is greater than 5 then there is multicollinearity. **Table#5** is showing the values of outer VIF which is less than 5. It means that there is no issue related to multicollinearity.

Table#5

Outer VIF

Constructs	**Tolerance**	**VIF**
SL1		2.712
SL2		2.431
SL3		2.327
SL4		2.162

SL5	2.983
SL6	2.734
SL7	2.752
SL8	1.616
SL9	3.044
SL10	2.654
HC1	1.475
HC2	1.426
HC3	1.161
HC4	1.316
CA1	1.343
CA2	1.533
CA3	1.482
CA4	1.675

Similarly, values of inner VIF should also less than the 5. **Table#6** is showing the values of Inner VIF which is less than 5. It means that there is no problem regarding multicollinearity between indicators.

	SL	**HC**	**CA**
SL	-	2.125	2.719
HC	-	-	2.027

Path Analysis:

In the previous section we have examined reliability and validity of data. In this section we try to estimate the relationship between constructs. This section describes that the significance of relationship between the constructs. To check significance relationship Bootstrapping technique was used. Bootstrapping calculate t-value and p-value. If p-value is less than 0.05 then relation considered as significance otherwise non-significance.

Detail results are shown in **Table#7** after running bootstrapping. The first proposition of the study modelling affect of SL on competitive advantage has not been supported by findings (0.13, p>0.10). Whereas the second and third propositions are supported by the findings showing a significant impact of strategic leadership on the development of human capital and also a significant impact of human capital on competitive advantage. It shows the indirect role of leadership in attaining the competitive advantage. Likewise, results confirm the full mediating role of human capital in the relationship between SL and competitive advantage.

Table#7

Path Analysis

		SD	**t-value**	**P value**	**Decision**
Strategic Leadership àCompetitive Advantage	0.13	0.142	0.915	0.362	Not Supported
Strategic Leadership àHuman Capital	0.328	0.103	3.182	0.002	Supported

Human Capital à Competitive Advantage	0.376	0.136	2.77	0.007	Supported

Coefficient of Determination (R-Square value)

Value of R-square shows that authenticity of model. There are no particular criteria for evaluating R-square. The Value of R-square lies in the range of 0-1. If the value of coefficient of determination falls within the range of 0.25 and 0.50 then model predicative power is week, if it is above 0.50 and below 0.75 then moderate, and if above 0.75 then substantial. Below Table#8 showing the value of R-square and adjusted R-square. Some values fall in the range of 0.25 and 0.50 which there is week predictive power of model. Few values are lie in the range of 0.50 and 0.75. It means that there is moderate predictive power of model.

Table#8

R-Square and Adjusted R-Square

Constructs	R Square	R Square Adjusted
SL	0.529	0.524
HC	0.465	0.454
CA	0.544	0.519

Effect of Size (f-square)

In statistics, f-square is used to measure effect of size. It is a quantitative measure which is used to measure the magnitude of particular phenomenon. Effect size measures the correlation between two variables. It measures the Standard Average effect in population across all level of Independent variable. If population means are equal then value of f-square is zero. If value of f-square is 0.10, 0.25, and 0.40 then effect size will be small, medium and large respectively. Table#9 is showing the value of f-square which shows small effect of size on independent variables.

	SL	HC	CA
SL	-	0.098	0.012
HC	-	-	0.001

Results of Hypothesis

Table#10 is showing the results of supposed hypothesis. These results are rejected on the basis of PLS statics. However, none of hypothesis is accepted.

Table#10

PLS Base Results Analysis

Sr. No.	Hypothesis	Remarks
1	SL contributes to the competitive advantages.	Not Supported
2	SL improves human capital	Supported

3	Human capital contributes to competitive advantage	Supported

5. Discussion

In this study, we try to identify the relationship between SL, Human capital (HC), and competitive advantage (CA). Further, this study has following limitations like data collection was limited, demographic limitation, and limited organizations were approached. However, SL was considered as an independent variable, while, human capital was considered as mediating variable, and competitive advantages supposed as dependent variables. Three dimensions were considered for SL to estimate results. In this study we assume that SL is based on organizational capabilities, operational capabilities, and individual capabilities. These constructs were assumed on the basis of past literature.

Strategic leadership is an act or ability to influence other. Strategic leaders always try to safeguard organizational competitive advantages by adopting new, innovative, and different strategies. They try to mitigate risk after key analyses. They are expert in designing strategies after analyzing market strength and operational capabilities. They try to align strategies according to organizational mission and vision. Past studies indicate that SL has significant effect on CA (Kearns & Sabherwal, 2007). According to contingence theory SL cannot be confined because leadership itself contingent with situation (Shao, 2019).

However, core purpose of every organization is to protect organizational goals, mission and vision. For this purpose, new and innovative techniques and methods are adopted to counter its competitor. In this study we try ensure CA by adopting three major variables SL, IC, and KM. we try to find its impact on CA. This study has certain limitations like this study is being conducted only in region of Karachi and Lahore. This study covers only private sector not public organizations. Only few dimensions are selected for this study. Further, it needs to analyze implementation of SL within the organizations and its impact on organizational performance.

6. Conclusion

In this study we try to explore relationship between SL, Human capital (HC) and Competitive Advantages (CA). The objective of this study is to find direct impact of Strategic Leadership on Competitive Advantages. Another objective of this research is to find the relationship between SL and mediating role of HC on Competitive Advantages. For finding relationship three constructs of SL was identified from the past studies which was Organizational capabilities, operational capabilities, and individual capabilities. Post-positivism philosophical technique was used to find the relationship between SL, HC and CA by using resource-based view (RBV), knowledge-based view (KBV), human capital theory, and market-based view theory. Sample size was 98 for this study. We try to explore direct impact of SL on CA and indirect impact of SL by using mediating role of HC on CA.

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