



STRATEGIC LEADERSHIP, ORGANIZATIONAL CULTURE, AND KNOWLEDGE MANAGEMENT AS DRIVERS OF COMPETITIVE ADVANTAGE: EVIDENCE FROM UNIVERSITY X

Agung Augustrianto¹, Gunawan²

^{1,2}Fakultas Ekonomi, Universitas Kebagsaan Republik Indonesia

Correspondence Email: agungimpreza70@gmail.com

ABSTRACT

This study aims to investigate the ways in which knowledge management, organisational culture, and strategic leadership affect University X's competitive advantage. As the demands on graduates' competitiveness in the digital era, research innovation, and educational quality increase, so does the level of rivalry among Indonesian universities. Universities must thus enhance internal capacities through visionary leadership, adaptable organisational culture, and effective knowledge management if they hope to maintain a competitive edge. The quantitative methodology employed in this work is SEM-PLS. The data was submitted by 120 respondents, were education staff members and lecturers at University X. The results of the study showed that strategic leadership, organizational culture, and knowledge management has a positive and significant impact on competitive advantage. These data show how important those three variables to work together to make universities more competitive in a field that is becoming more and more competitive. However, Knowledge management has the biggest influence of the three variables, with the largest path coefficient value. Also, factors account for 68% of the variation in university competitive advantage. This further elucidates that knowledge management is crucial in higher education institutions, since knowledge perpetually evolves with changing times, necessitating ongoing updates by these institutions.

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1. INTRODUCTION

As demands rise for research innovation, graduate competitiveness, and educational quality, competition among Indonesian universities is becoming fiercer. In order to draw in students, top-notch instructors, and research funding sources, universities must be able to exhibit a consistent competitive advantage in the face of both local and global challenges. To meet this requirement, universities must have a knowledge-based, creative, and flexible strategic management system. In this regard, strategic leadership, organisational culture, and knowledge management are important elements that contribute to enhancing institutional competitiveness. These three factors influence not only how well universities run but also how they adjust to outside forces like the advancement of digital technology, governmental regulations, and shifting public tastes in higher education.

Strategic leadership (SL) is essential in order to guide organisational vision and strategy to be able to adjust to changes in the external environment, such as higher education policies, digital disruption, and demands for public accountability. According to Ireland and Hitt (2005), strategic leadership is the capacity of a leader to foresee changes in the environment, establish the organization's future course, preserve adaptability, and enable human resources in order to create a sustainable competitive advantage. Leaders with a strategic orientation are capable of integrating internal capabilities, managing the unpredictability of the external environment, and motivating the academic community to accomplish shared objectives (Boal & Hooijberg, 2001). Strategic leadership serves as the primary force behind addressing the demands of public accountability and the dynamics of digitalisation in the academic setting.

Meanwhile, the implementation of strategies and innovations in the university setting is supported by organisational culture (OC), which is based on shared values and behaviours (Schein, 2010). Organisational culture is defined as a set of norms, values, and beliefs that bind the organization's members together and serve as guidelines for behaviour (Schein, 2010). A robust and flexible culture will promote a feeling of inclusion, stimulate innovation within the academic community, and establish a cooperative workplace. Strong corporate cultures also foster a sense of unity and boost workers' dedication to the company's objectives (Robbins & Judge, 2019). An open culture is crucial for universities to adjust to external dynamics and global competition (Cameron & Quinn, 2011), and an adaptive organisational culture can boost an institution's competitive position and performance (Denison, 1990; Wahyudi & Putra, 2021).

Moreover, knowledge management (KM) is a crucial tool for overseeing the intellectual property of universities. According to Nonaka and Takeuchi (1995), KM is the methodical process of producing, preserving, disseminating, and applying organisational knowledge to help achieve strategic objectives. KM is a crucial tool for transforming individual knowledge into organisational assets that can boost productivity and creativity, as claimed by Davenport and Prusak (1998). By implementing KM, academic institutions can maximise both explicit and tacit knowledge from faculty, students, and support staff, which enhances research innovation, academic quality, and decision-making effectiveness (Alavi &

Leidner, 2001). Effective knowledge management (KM) ultimately produces a learning organisation with a constant competitive advantage (Teece, 2018).

The conceptual premise of this study is that universities' competitive advantage is shaped by these internal resources: knowledge management, organisational culture, and strategic leadership. These three variables function as dynamic capabilities which allow universities to integrate, construct, and configure resources to adjust to changes in the external environment (Teece et al., 1997). Universities must also improve their internal capabilities in light of recent changes to Indonesia's higher education policies, including the introduction of Independent Learning-Independent Campus (MBKM), output-based accreditation, and the promotion of internationalisation. Therefore, enhancing organisational culture, knowledge management, and strategic leadership is essential to giving universities a long-term competitive edge. This description serves as the basis for the study's analysis of how organisational culture, knowledge management, and strategic leadership affect X University's competitive advantage.

It is well known that effective leadership, organizational culture, and knowledge management can give a business a competitive edge. However, not much research has been done on how these three things work together in higher education. Most studies look at these ideas individually, and most of them are about business settings instead of universities. For example, knowledge-oriented leadership has been shown to improve innovation and teamwork in higher education (Manzoor et.al., 2023). However, its role in keeping an institution's overall competitive edge is not as well known. Furthermore, while knowledge management is identified as a source of competitive advantage, especially in knowledge-intensive organisations, its strategic deployment in universities, mediated by leadership and cultural factors has received limited empirical attention (Alfawaire and Atan, 2021).

This study aims to examine how strategic leadership, organisational culture, and knowledge management, both individually and collectively, can shape University X's ability to build and sustain a competitive advantage.

2. RESEARCH METHODS

The study conclusively demonstrates that the synergy between strategic leadership, an adaptive organizational culture, and effective knowledge management is paramount for enhancing University X's competitive advantage in the face of dynamic higher education dynamics. Purposive sampling was used in this research, since the study needed people who knew a lot about University X's rules, policies, and internal procedures, such as Lecturers and education staff. They most suitable participants, as they could provide accurate and relevant information about how leadership, culture, and knowledge management influence the university's competitive advantage.

This research conduct based on empirical research, a number of studies demonstrate that knowledge management, organisational culture, and strategic leadership all play a major role in boosting competitive advantage in the business and higher education sectors. The following table provides an overview of earlier studies.

Table 1.1 Previous Research

No	Researcher (Year)	Research Title	Variables Studied	Key Results	Relevance to this research
1	Zhang & Li (2020)	<i>Strategic Leadership and Organizational Performance: The Mediating Role of Dynamic Capabilities</i>	Strategic Leadership → Performance/Competitive Advantage	By enhancing the organization's dynamic capabilities, strategic leadership raises the bar for excellence in competition.	Promoting strategic leadership positions as a motivating element for college competitiveness.
2	Wahyudi & Putra (2021)	<i>The Influence of Organizational Culture and Leadership on Competitive Advantage in Higher Education Institutions</i>	Organizational Culture & Leadership → Competitive Excellence	The university is more competitive thanks to its creative organisational culture and engaged leadership.	Because it emphasises strategic leadership and adaptive culture within the framework of higher education, it is pertinent.
3	Al Khajeh (2021)	<i>Impact of Leadership Styles on Organizational Performance</i>	Strategic Leadership → Organizational Performance	The effectiveness and competitiveness of educational institutions are significantly impacted by visionary and transformative leadership.	Reiterating the importance of a strategic leadership style in enhancing the university's competitiveness.

4	Nugroho et al. (2022)	<i>Knowledge Management, Innovation Capability, and Competitive Advantage in Universities</i>	Knowledge Management → Competitive Advantage	Universities' competitive advantage and innovation are significantly impacted by knowledge management.	Lends credence to the idea that knowledge management is the key factor boosting competitive advantage.
5	Park & Kim (2022)	<i>Linking Knowledge Sharing, Organizational Learning, and Competitive Advantage</i>	Knowledge Management → Competitive Advantage	Sharing knowledge improves long-term competitive advantage and organisational learning.	Pertinent to the study of university knowledge management.
6	Dewi & Santoso (2023)	<i>Budaya Organisasi, Kepemimpinan, dan Inovasi terhadap Keunggulan Kompetitif Perguruan Tinggi</i>	Organizational Culture, Leadership → Competitive Excellence	Competitive higher education institutions in Indonesia are a result of innovative cultures and strategic leadership.	Promoting internal variable synergy as a source of academic excellence.
7	Rahmawati et al. (2024)	<i>The Role of Strategic Leadership and Knowledge Management on Competitive Advantage in Digital Universities</i>	Strategic Leadership & KM → Competitive Advantage	Digital knowledge management systems and data-driven strategic leadership make educational institutions more competitive.	This research is pertinent to the digital era university context.

8	Nuraini & Hadi (2024)	<i>Dynamic Capabilities and Competitive Advantage: Evidence from Indonesian Universities</i>	Dynamic Capabilities (related to KM and Leadership) → Competitive Advantage	The connection between competitive advantage and strategic leadership is dynamic capabilities.	Bolstering the study's theoretical foundation of dynamic capabilities .
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The study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) version 4 to test the proposed hypotheses. This method is widely recognized for its effectiveness in analyzing complex relationships among latent variables. Data were collected using a standardized questionnaire based on a five-point Likert scale, enabling respondents to express their perceptions and attitudes toward strategic leadership, organizational culture, knowledge management, and competitive advantage with accuracy. Data analysis was carried out using SmartPLS version 4.0, through two stages of testing, outer and inner model. In outer model we need to measure the convergent validity through Average Variance Extracted (AVE) > 0,5 and factor loading > 0,7. Also we have to consider about the reliability validity with Composite Reliability (CR) > 0,7 dan Cronbach's Alpha > 0,6. Moreover, in PLS-SEM, we have Inner model test, to evaluate the model's strength using R2 values and to test the relationship between variables using path coefficient values, t-statistics, and p-values.



Figure 1.1 Theoretical Framework

- H1: Strategic Leadership has a significant effect on Competitive Advantage
- H2: Organisational Culture has a significant effect on Competitive Advantage
- H3: Knowledge Management has a significant effect on Competitive Advantage
- H4: Organizational Commitment mediates the relationship between Job Satisfaction and Employee Performance

3. RESULTS AND DISCUSSION

3.1 RESULTS

This section systematically presents the empirical findings derived from the statistical analysis. The researchers employed Partial Least Squares Structural Equation Modeling (PLS-SEM) version 4 to conduct this analysis, specifically to evaluate the hypotheses regarding the connections between strategic leadership, organizational culture, knowledge management, and competitive advantage.

The methodology involved two core stages of evaluation. Initially, the measurement model (outer model) was assessed to confirm that the research instruments met the necessary standards for reliability and validity. Only after the measurement model satisfied these required criteria did the focus shift to the structural model. The structural model (inner model) was subsequently evaluated to determine the significance and overall robustness of the relationships that had been proposed.

The resultant findings are meticulously detailed through path coefficients, t-statistics, and p-values. Collectively, these metrics serve to illustrate the direction and strength of the correlations identified among the constructs under examination. This section provides a clear foundation for judging the level of support for the stated hypotheses and understanding the influence that both variables in higher education sector.

Based on the analysis conducted using SEM-PLS, the bootstrapping procedure was applied to examine the path coefficients, standard deviations, t-statistics, and p-values of the latent variables in order to assess the relationships among them. Each path's significance was evaluated using the criteria that a t-statistic greater than 1.96 at a 5% significance level and a p-value less than 0.05 indicate a statistically significant relationship. Also, based on a model evaluation, with a loading factor value of > 0.70 and an Average Variance Extracted (AVE) value of > 0.50 , the outer model test results demonstrated that all indicators satisfied the convergent validity requirements. The reliability test also showed Cronbach's Alpha values > 0.70 and Composite Reliability > 0.80 , so all constructs were declared reliable. Also, the model's strong explanatory power is indicated by its R² value of 0.68, which shows that knowledge management, organisational culture, and strategic leadership can account for 68% of the variation in competitive advantage.

Table 1.2 Path Coefficient

Correlation between Variables	Path Coef.	t-Statistic	p-Value	Description
Strategic Leadership → Competitive Advantage	0,321	3,412	0,001	Significant
Organisational Culture → Competitive Advantage	0,287	2,995	0,003	Significant
Knowledge Management → Competitive Advantage	0,365	4,120	0,000	Significant

Source: Author's own work (2025)

The study showed a strong positive relationship between strategic leadership and competitive advantage, with a t-statistic of 3,412 and a path coefficient of 0,321 ($p < 0,001$). Additionally, organizational culture have a positive effect on competitive advantage, proved by a coefficient of 0,287 and a t-statistic of 2,995 ($p < 0,003$). This indicates that organizational culture is an important factor to create and increase a competitive advantage in an organization. Furthermore, Knowledge management significantly affects competitive advantage, with a coefficient of 0,365 and a t-statistic of 4,120 ($p = 0.000$). This result indicates that knowledge management plays a key role in increasing competitive advantage. In general, the results show that strategic leadership, organizational culture, and knowledge management have a significant role to a competitive advantage, especially in University X as one of the education industry in Indonesia. This condition is in line with findings in other organizations showing that leadership and culture shape organizational success (Denison, 1990) and that knowledge-based capabilities are key drivers of competitive advantage (Teece, et al., 1997). Moreover, it also in line with Ratnasari et al. (2023), that in a marketplace business, that all three variables give a significant effect on the competitive advantage.

3.2 DISCUSSION

The findings of this study indicate that the three independent variables exert a significant and positive influence on the competitive advantage of universities. According to strategic leadership theory, strategic leadership strengthens organizational direction by promoting cross-departmental collaboration and establishing a clear vision (Ireland & Hitt, 2005). Similarly, Schein (2010) and Cameron and Quinn (2011) emphasize that a strong organizational culture fosters the creation of innovative and collaborative work environments.

Among the examined factors, knowledge management demonstrates the greatest impact, corroborating Nonaka and Takeuchi's (1995) view that knowledge management serves as a key source of sustainable excellence. These findings are consistent with previous research in higher education, underscoring that universities must integrate knowledge management, organizational culture, and leadership to sustain long-term competitiveness.

4. CONCLUSION AND IMPLICATION

Based on the results, strategic leadership organizational culture, and knowledge have a positive and significant impact on excellence at Compete University X, according to the findings of data analysis using the SEM-PLS method.

1. The university's vision, strategy, and policies have been found to be greatly aided by strategic leadership. The potential of internal resources can be integrated by visionary and flexible leaders to support the enhancement of institutional competitiveness.

2. Competitive advantage is impacted by organisational culture. In academic settings, the development of cooperative and creative work environments is fostered by strong shared values, norms, and behaviours.
3. The most significant factor affecting universities' competitive advantage is knowledge management. Data-driven decision-making, research innovation, and organisational learning are all accelerated by effective knowledge management.
4. At the same time, the three factors account for 68% of the variance in competitive advantage, demonstrating that the primary driver of university competitiveness is the interaction of knowledge management, organisational culture, and strategic leadership.

These empirical results reinforce the dynamic capabilities perspective, which argues that an institution's long-term competitiveness depends on its ability to integrate, build, and reconfigure internal resources. The significant effect of strategic leadership, organizational culture, and knowledge management on competitive advantage at University X demonstrates that these three factors function as mutually reinforcing dynamic capabilities, such as strategic leadership orchestrates resource alignment, organizational culture shapes adaptive behaviour, and knowledge management enables continuous learning and innovation thereby collectively driving superior institutional performance.

These results support the dynamic capabilities theory (Teece, et al., 1997), which highlights how crucial it is for a company to be able to integrate and configure its internal resources in order to adjust to changes in the external environment. According to these conclusions, this research also some practical implications, such as:

1. For university leaders, it is necessary to strengthen data-driven strategic leadership practices, cross-unit collaboration, and adaptability to dynamic higher education policies.
2. Openness, innovation, and an emphasis on academic quality should be the guiding principles of organisational culture. This culture can be reinforced by internal initiatives like leadership workshops, innovation awards, and academic sharing forums.
3. To maximise the use of both explicit and tacit knowledge, knowledge management must be facilitated by the creation of integrated information systems, research databases, and faculty collaboration.

The practical implications are promising; however, they would benefit from further elaboration regarding how universities can operationalise strategic leadership and knowledge management in a sustainable and systematic manner.

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