Strategic Leadership, Dynamic Capabilities, and Organizational Outcomes: Moderating Role of Organizational Learning Climate

(A Doctoral Dissertation PhD-Management Sciences)

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Strategic planning

Leadership

Organizational behavior

Organizational learning - management

" effectiveness

" change

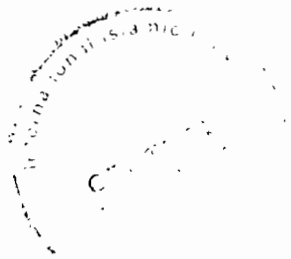
Corporate culture - management

Decision making - "

Dedication

To my son Muhammad Amin Iqbal and my husband Dr. Muhammad Iqbal whose prayers and inspiration made this research possible.

With Love and Affection



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DECLARATION

I, **Fatimah Qadir**, hereby declare that this dissertation is original and has never been presented in any other institution. I, moreover, declare that any secondary information used in this dissertation has been duly acknowledged.

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ABSTRACT

With ever-changing organizational scenarios, the importance of strategic leadership and the impact of its decisions on sustained competitive advantage, innovative performance, and organizational resilience have gained much importance. At an organizational level, Pakistan faces many challenges at social, economic, and management levels that are unique to this region. In an era of unprecedented change and complexity, many sustainable development goals are envisioned as efforts (Vision 2025) by the organizations in which leaders and employees, together can achieve growth and development under the umbrella of sustainability, innovation and growth of an organization This pioneering study has been done on strategic leadership and organizational outcomes, keeping in view Pakistan's third-world country economic struggles amid unique Asian socio-economic cultures. Dynamic capabilities of an organization are the mediating construct in the theory-driven model presented in this study whose theoretical integration is the resource-based view (RBV) theory. Organizational learning climate is moderating the effect between strategic leadership and dynamic capabilities. The basic assumption in this study is that strategically effective decisions taken by leaders have a positive and significant effect on organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience. These constructs have a significant causal relationship due to well-developed dynamic capabilities and the organizational learning climate effectively moderates these variables. The proposed model is tested through a longitudinal research design as variables have been tapped at time 1, time 2, and time 3. A total of 439 responses were used after the removal of all discrepancies and data was collected from all major cities of Pakistan. Responses were collected from senior and middle-level management of the Telecom sector through questionnaires using previously validated

scales by other renowned researchers. Reliability and convergent and discriminant validity were established through Confirmatory Factor Analyses (CFA). Cronbach's Alpha values and all Factor loadings were seen to be acceptable and within range. PROCESS Macro v4.1 by Hayes (Hayes, 2022) has been used to confirm proposed hypotheses through direct, total, indirect, and conditional indirect effects through the application of suitable regression models. Mediation, moderation, and moderated mediation analyses were also run, and the results gave a clear indication of acceptance of the proposed theoretical model. All hypotheses were proved to be significant and in the proposed direction, hence fully accepted. Lastly, theoretical, managerial, and methodological implications have been discussed alongside the limitations and suggestions for future research. This study will provide valuable statistical information and guidance to future researchers to improve management as per the rapidly changing market globally and within the context of Pakistan.

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List of Acronyms

STL	Strategic Leadership
SCA	Sustained Competitive Advantage
OIV	Innovative Performance
OR	Organizational Resilience
DC	Dynamic Capabilities
OLC	Organizational Learning Climate
CR	Composite Reliability
AVE	Average Variance Extracted
MSV	Maximum Shared Variance
CFA	Confirmatory Factor Analysis
RBV	Resource-based View

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Since the dawn of human life on earth, there has been a clear demarcation between leaders and followers. Being in a minority, leadership has always been a subject of interest (Samimi, Corts, Anderson & Herrmann, 2020). Useful distinction has always been seen between the idea of leadership as a personal quality and the idea of leadership as an organizational function. The first refers to a special combination of personal characteristics and abilities while the second refers to the distribution throughout an organization of decision-making powers with patterns of authority and organization. Good organizational leaders are people-oriented and goal-centered and will not only establish a vision for their companies but also implement strategic approaches toward carrying out that vision, motivating individuals along the way (Changar, Atan, 2021).

The notion of leadership in an organization is perceived not as a personal quality, but as an organizational function that aims to proceed toward its objectives despite all sorts of internal and external perturbations (Alessa, Sharif, Lodhi, & Mahmood., 2021). Post et al. (2002) stated that skilled leaders can guide their employees to perform effectively and to provide high output. According to Carey et al. (2012), **'Internally, a company is likely to suffer a crisis of morale, confidence, and productivity among employees, and similarly, stockholders may panic when**

a company is left riddles and worry about the safety and future of their investments' (Fremeth & Marcus, 2011). If there is a void of leadership in an organization, a domino effect can be seen internally as well as outside any organization which can have far-reaching effects. Many leadership styles have been under the scrutiny of scholars and researchers alike and from time-to-time different leadership styles like Authoritarian Leadership, Delegative or Participative Leadership and many other forms have emerged in significance and implication in organizations. (Ali, & Anwar, 2021). Much research has been done on transformational and transactional leadership as a viable option to increase competitive advantage and optimize organizational outcomes in an organization. (Ugwu, & Okore, 2020).

Compared to other organizational leadership parameters, strategic leadership refers to **a manager's potential to express a strategic vision for the organization**, or a part of the organization, and to motivate and persuade others to acquire that vision. Strategic leadership can also be defined as utilizing strategy in the management of employees. Strategic leadership is the aptitude to operate successfully and deliver extraordinary performance (Deeboonmee & Ariratana, 2014; Khan et al., 2014; Zaman et al., 2011).

Recent times have seen the emergence of strategic leadership as a sustainable approach to creating organizational goals established as benchmark for success in an organization. Strategic leadership can be defined as **'the leader's ability to predict and maintain flexibility and to empower others to create strategic change as necessary'** (Hitt et al., 2012; Voelpel et al., 2006). It is the capacity of a leader to successfully deliver optimum organizational performance. (Deeboonmee & Ariratana, 2014; Khan et al., 2014; Zaman et al., 2011). Before the emergence of strategic leadership, much emphasis has been laid on strategic management and although being a domain of strategic management, the major difference between the two is the platform used to achieve

organizational goals. strategic leadership has a much wider domain of resources and influence which can help in managing the ever-changing challenges of organizations operating in a rapid globalized atmosphere and creating more result-oriented practices within an organization. (Mahdi, Nassar, & Almsafir, 2021).

Although Strategic leadership involves expertise in both management of internal and external business functions and the processing of intricate information (Deeboonamee & Ariratana, 2014, Changar & Atan, 2021), this thesis aims at addressing organizational outcomes through the lens of strategic leadership as an effective strategic leader has a different domain to utilize skills and knowledge to cope with competition and respond quickly to opportunities. Day-to-day operations as well as long-term visionary planning requires suitable organizational procedures to develop sustained competitive advantage and organizational goals become more realistically achievable through the influence that strategic leader can implement through subordinates that can enable an organization's short-term goals and long-term success. (Ali, & Anwar, (2021).

According to Henry Mintzberg, creating an effective strategy can involve planning, plotting, responding to patterns, taking advantage of a position, or shaping the company's perspective. (Minzberg, H, 1979). Since the relationship between leaders and their followers is strategic in nature (Kuster et al., 2013), certain circumstances may result in followers exhibiting physical and emotional reactions in response to the behaviors of the leaders. Therefore, effective strategic leadership practices are one of the major contributors to cope such challenges in the companies' performance (Krupp & Howland, 2013), therefore keeping in view the rapidly growing challenges of the 21st century, it is necessary to explore effective strategic leadership role (Hitt et al. 2010) in sustained competitive advantage and resilience.

Sustained competitive advantage is an organization's efforts to balance social, economic, and environmental goals that have become a topic of interest in management research and practice in the last decades. (Hahn, Pinkse, Preuss, & Figge, 2015; Van der Byl & Slawinski, 2015), Based on an integrative perspective on the sustained competitive advantage the common assumption nowadays is that organizations can and should balance sustainable practices to attain their economic goals. (Yanli, Shun, & Weibao, 2020).) sustained competitive advantage, therefore, takes into consideration the environmental and social impacts in the conjugation of the financial objectives of an organization.

Therefore, sustained competitive advantage is closely related to the concepts of innovative performance (Carroll 1999; Dahlsrud 2008; European Commission 2011), and organizational resilience (Yu et. Al, 2018). Recent times have seen the amalgamation of strategic leadership and sustained competitive advantage in a visibly explicit fashion through the emergence of corporate sustained competitive advantage top management positions, also known as 'Chief Sustained competitive advantage Officers' alongside more traditional positions of CEOs and CFOs. (Strand, 2014; Rigby & Tager 2008; McNulty & Davis 2010; Balch 2011; Lubin & Etsy 2010). Many telecom companies around the globe are fast adopting the concept of "chief sustainability officers or chief sustained competitive advantage officers. One such example can be seen in Telenor where Cecilie Heuch, has been appointed as EVP and Chief People and Sustainability Officer at Telenor Group. Of the 46 TMT positions identified in 2010 as being associated with a corporate sustained competitive advantage, only 27 remain as of 2012. This is a removal of 41 % in just two years. Thus, the path of the Chief Sustained competitive advantage Officer appears to be unlike that of the CFO position in the future continuation. (Strand, 2013).

Similarly, strategic leadership has dual roles when managing innovative performance. In their bottom-up role, they inspire innovative results by facilitating ideas and encouraging creativity at an individual level and during teamwork. (Ramezan, 2013). In a top-down role, strategic leaders are the major influence and drive behind the realization of innovation objectives and strategies (Shankar et al., 2017).

Innovation is a multi-pronged approach mostly associated with technological advancements. The competitive market has gone global and innovative performance ensures better organizational outcomes as well as a better chance at survival in the tough, often unpredictable market economy. (Echevarría, 2008). A general approach states that **'innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations'** (Carpenter, 2002; Sun, Liu, & Ding, 2020). To complement this approach, Gurrutxaga (2011) explains innovation as the ability to create and innovate in face of often unprecedented social constraints, organizational necessities, and its relevance to different organizational scenarios.

Present times have seen some serious concerns about unpredictable factors in organizational management in times of crises and calamities. Natural catastrophes, economic unpredictability, shrinking global resources, terrorism, failure of equipment, pandemics and epidemics, and human miscalculations all pose serious threats to an organization's sustainability and performance. (Bhamra et al., 2011; Zolli & Healy, 2012).

One of the best tools for present times is the organizational resilience that can optimize processes, resources, and practices in an organization. It is a multi-level concept which depends on interaction between individuals and groups in organizations (Lengnick-Hall et al., 2011), wherein

organizational resilience is divided into cognitive dimensions, behavior dimensions, and context dimensions. Organizational resilience has been demarcated into three different levels of individual resilience, group resilience, and organizational resilience. Since individual resilience is at the core of an organization, employee resilience is the building block of organizational resilience. (Cunha et al., 2013) Strategic leadership needs to design organizational mechanisms that support individual and team adaptivity through use of dynamic capabilities to make an organization more resilient to internal and external upheavals.

While several studies have identified different mediators between strategic leadership and organizational outcomes of sustained competitive advantage, resilience, and innovative performance, many researchers have investigated the attribute, origination, process, influence, and contribution of dynamic capabilities (Barreto, 2010; Helfat & Peteraf, 2009; Loasby, 2010; Narayanan, Colwell, & Douglas, 2009; Prange & Verdier, 2011; Teece, 2007; Wang & Ahmed, 2007; Zahra et al., 2006; Zhou & Li, 2010; Zollo & Winter, 2002; Zott, 2003) and most scholars believe that dynamic capabilities have a positive influence on organizational outcomes and considered a catalyst of converting resources into better sustained competitive advantage, innovative performance and organizational resilience as suggested by Li & Liu (2014). Wu (2007) initially demonstrates that dynamic capabilities mediate between entrepreneurial resources and performance and organizational outcomes.

Previous studies have identified many moderators between strategic leadership and organizational outcomes, organizational learning climate is associated with job motivation, job satisfaction, positive working conditions, and the optimizing of training outcomes. Hence, a positive organizational learning climate can contribute to organizational performance, (Daniëls, Muyters, & Hondeghem, 2021). Organizational learning climate is the environment of participating in

collective situated practices and discourses that produce and simultaneously develop organizational knowledge structures (Popova-Nowak & Cseh, 2015). It is a learning process whereby individuals create, retain and transfer knowledge within an organization (Tortorella & Fogliatto, 2014). Organizational learning climate refers to the environment of interaction between employees individually as well as collectively at organizational and inter-organizational level and the periodic analysis of such exchanges. (Lundberg, 1995; Tsang, 1997; Örtenblad, 2002, 2004). It enables organizations to achieve their goals and its outcomes are rooted in the organization's structures, systems, and culture (Cummings & Worley, 2009). It also helps develop a culture of innovation, alertness, harmonization, and originality in organizations (Barrett, 1998). Yıldız, & Özcan, (2014) has pointed out an important research gap that the role of organizational learning climate as a moderator variable needs thorough mapping to use effective tactics of influence to change the climate of an organization in the desired direction of success probability.

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 innovation, sustained competitive advantage, and organizational resilience, by developing superior and dynamic capabilities. (Mahdi, Nassar & Almsafir, 2021). The dynamic capabilities' view is an extension of the resource-based view of an organization. The resource-based view theorizes that strategic leadership strategizes organizational outcomes through channeling acquired and deployed resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Whilst well suited to static environments, the resource-based view does not explain how organizations adjust their resource base to changing

environments and demands. Without an adjustment, competitive advantage may not be sustainable in dynamic environments. The dynamic capabilities view fills that gap (Teece et al., 1997; Helfat et al. 2007) define dynamic capabilities as **'the capacity of an organization to purposefully create, extend, or modify its resource base'.** Many dynamic capabilities scholars have examined the specific micro foundations or the **'processes that underlie dynamic capabilities'** (Schilke et al., 2018). Teece (2007) identifies three processes that encompass dynamic capabilities: sensing, seizing, and transforming. **Sensing** includes identifying and shaping new opportunities and incorporates the learning dimension. Related practices to sensing include scanning, creation (of opportunities), interpreting (the environment), investing in research, and accessing new information and knowledge (to create opportunities) (Teece, 2007). To seize the sensed opportunity, the organization pursues commercial activity, research, development, and innovation. The process of **Seizing** includes defining the business model and value proposition, determining business boundaries and complementary industries, designing, and implementing strategic decision-making processes, and building loyalty and commitment with customers and employees (Teece, 2007). **Transforming** refers to the **'ability to recombine and reconfigure assets and organizational structures'.** To bring attention to these intervening processes, Sirmon et al., (2011) integrated insights on strategic leadership, grounded in the RBV tradition (Sirmon, Hitt, & Ireland, 2007), with insights on, grounded in dynamic capabilities (Helfat et al., 2007). This thesis aims at extending the extant literature by examining the relationship of strategic leadership with organizational outcomes of sustained competitive advantage, innovative performance, and resilience with moderating role of organizational learning climate and mediating role of dynamic capabilities.

1.2 Gap Analysis

In the present business environment of turmoil, information insecurity and resource scarcity, efficient and strategic management of resources and capabilities has become ever more urgent. After careful review of existing literature, many gaps have been identified which can serve as propellants for future research. Building knowledge about why some organizations outperform others remains a central goal of strategic management research (Fauzi et al., 2022). Adaptive strategies of external environmental effects in digital entrepreneurship in the strategic management perspective. Despite a plethora of research on different types of leadership styles, strategic leadership has somehow remained at the sidelines (Samimi, Cortes, & Herrmann, 2020). Rather more and more research has been seen on strategic management rather than leadership.

To date, only some experimental studies have analyzed the direct and indirect association between strategic leadership, the external environment, organizational transformation, and results. Most strategic management research has been done either through the lens of transformational or transactional leadership styles (Changar, & Atan, 2021). According to Samimi, Cortes, Anderson, & Herrmann, (2020) existing literature is highly fragmented because of the wide variety of studied constructs (and measures) and organization-level outcomes, which makes it challenging to integrate findings and explanations and which causes contextual limitations. Common suggestions from these reviews are to reduce the fragmentation problem by using more encompassing constructs, performing large-scale studies to test multiple constructs simultaneously, developing and testing process models.

Dynamic capabilities are crucial in allowing firms to achieve such adaptive flexibility and make constant adjustments (Arend, 2014; Chen & Chang, 2013). Dynamic capabilities are considered

an extent of resource-based view (RBV) and in times when the resources availability is no longer without checks and balances, the need for strategic management becomes even more profound. Mostly the variables taken in previous studies have been researched for small and medium enterprises, but for top level leadership/management, there is a dearth of empirical research. Dynamic capability research has initially focused on organizations in industries and environments with rapid technological changes. Applying it to the Telecom sector in Pakistan could bring new insight on how these organizations formulate and implement strategies for better organizational outcomes that are sustainable and innovative.

Eikelenboom, & de Jong, (2019) in their meta-analysis believes that dynamic capabilities when studied with sustained competitive advantage offered unique data about the dynamic capabilities of SMEs but there is a shortage of research on large corporations in terms of dynamic capabilities especially when studied under the RBV theory. Moreover, most of the studies conducted are based on cross-sectional data whereas there is a dearth of research data on the long-term effects of dynamic capabilities using time-lagged and longitudinal data.

As far as sustained competitive advantage is concerned, the demarcations are often ambiguous, and technologies, beliefs, and institutional approaches to sustained competitive advantage are constantly changing (Banmairuroy, Kritjaroen, & Homsombat, 2022; O'Neil & Usbasaran, 2016). Researchers have argued that companies need to be flexible and adaptive through a process of continuous adaptive learning, change, improvement, and development to deal with the constantly changing environment around sustained competitive advantage (Arend, 2014).

As far as innovative performance is concerned, organizations that are not able to develop and sustain innovation in their performance are associated with weak performance in competitiveness and economic terms (Dean, Zhang, & Xiao, 2022 ; Capaldo etal., 2003). Therefore, innovation

capability needs to be enhanced to be competitive in the market (Wallin, Isaksson & Larson 2010) While studies on innovation are in abundance (e.g., Abernathy & Clark 1985; Lee & Chew-Ging 2007; Mohamed 1995; Stuart 2000), there is still little empirical evidence relating to how organizations improve their innovation performance. (Balan & Lindsay 2010; Romijn & Albaladejo 2002; Tang & Chi 2011).

Perhaps, one of the most distinguishable characteristics of a competent organization is organizational resilience. Organizational resilience is the viscosity with which an organization learns to battle with external and internal challenges (Marcucci, 2022). More and more publications were found in academic journals, but there are lots of unexplored avenues of resilience in management research. (Xiao, & Cao, 2017). The academic community is already aware of the urgency of strengthening resilience of an organization and has some development in this area. However, there is a lack of research on the measurement, the realization mechanism and the relationship with other organizational variables, the advanced discussions of the organization's resilience are developing at a sluggish pace. (Shaferi, Laksana, & Pinilih, 2022). (Linnenluecke, 2017) pointed out that the context of resilience, organizing for resilience, measuring resilience and multi-level and cross disciplinary work are the primary research opportunities in future. The other management research topics such as organizational culture, organizational structure, collective mind, social capital, psychological safety, supply chain and so on are relevant with organizational resilience. Once academia gets consensus on the concept, measurement, model, and mechanism of organizational resilience, lots of valuable problems can be studied.

Despite the importance of a strategically effective leader, studies have shown that the impact of strategic leadership on a company's performance depends on conditional constraints. Crossan et al. (1999) considers organizational learning as a dynamic and stated that organizational learning is

a dynamic and symbiotic process based on exploration and exploitation of resources (Meadows, 2022). It is a process that initiates from individual level to organizational level and then based on information collected, loop back from organization back to individual level. Bates and Khasawneh (2005) state that, **'There is considerable consensus today that a key competitive advantage for organizations lies in their ability to learn and be responsive to challenges from both internal and external environments'**. Thus, organizational learning climate is used to develop effective organizational skills in employees to build competitive advantage and enhanced learning climate (Cheng, Bai, & Hu, 2022). Organizational learning climate has two-pronged link with employees. On one side research indicates that employees' attitudes, behavior, and well-being is affected by organizational climate; (Carr et al., 2003; Schneider et al., 2013), at the same time, the climate itself could prove to be a trigger of organizational outcomes (Schein, 1990; Schneider et al., 1996)

Employees with different levels of temperament in the organization might hold different perceptions of the organization's learning climate. Future longitudinal research is needed to investigate the causal impact of the learning climate dimensions on turnover and employee well-being and organizational effectiveness (Bilal et al., 2020).

1.3 Research Problem

The corporate world is advancing inheriting strong competition and survival of firms has become a big challenge. This competitive business environment is now relying on strong strategic leadership for sustained organizational performance and competitive advantage. Moreover, innovativeness and being resilient are inevitable in the current competitive scenario. This study addresses how strategic leadership can play a major role in developing dynamic capabilities for the firms which are considered important resources for the organizations that further addresses challenges of being resilient organizations to deal with turbulent business environment, innovative

to outperform competitors and to be successful for the long term in terms of sustained competitive advantage. It is also important to examine how learning climate in the organization helps to develop dynamic capabilities and achievement of organizational outcomes.

1.4 Research Questions

Extant study has the following research questions:

1. How strategic leadership influences and improves organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience?
2. What is the impact of strategic leadership on dynamic capabilities of an organization?
3. How do dynamic capabilities affect and improve sustained competitive advantage, innovative performance, and organizational resilience?
4. How do dynamic capabilities mediate between strategic leadership and sustained competitive advantage, innovative performance, and organizational resilience?
5. How does organizational learning climate act as a moderator between strategic leadership and dynamic capabilities and the indirect effects?

These questions will provide the theoretical justification of the links to be explored in the study. The impact of strategic leadership on its organizational outcomes and how mediating role of dynamic capabilities affect these links. These questions will explore the moderating role of organizational learning climate existing as a liaison between previous literature of these variables

and the reason of creating new links to study how these variables impact organizational performance under strategic leadership.

1.5 Research Objectives

Research objectives of this thesis are as under:

1. To investigate the impact of strategic leadership on organizational outcomes (sustained competitive advantage, innovative performance, and organizational resilience).
2. To examine the impact of strategic leadership on dynamic capabilities.
3. To research the impact of dynamic capabilities on sustained competitive advantage, innovative performance, and organizational resilience.
4. To investigate the mediating role of dynamic capabilities between strategic leadership and organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience.
5. To explore the moderating effect of organizational learning climate between independent variable i.e., strategic leadership and mediator i.e., dynamic capabilities.
6. To examine the moderated mediation effect of learning climate between strategic leadership and organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience.

1.6 Research Significance

Despite great advancements, the present times are unlike any previous ones. With its competitive opportunities, threats and challenges, pandemic uncertainties and unpredicted and turbulent environments, organizations all over the world are facing unprecedented challenges to not only performance but to the very survival of many organizations. The rules and lessons that were taught as benchmarks of success have deviated from their path, leaving organizations with same set of resources, tangible, and intangible, but in unchartered territories. Although no organization can boast no effect strategy, and many organizations survived either due to governmental help or international aid, yet the burden to perform better has not been lessened. This is even more true in Pakistan where economic instability has left organizations, small and big alike, in a lurch of finding more effective ways to strengthen their competitive advantage in the market.

One of the major reasons to examine strategic leadership in this study is to make use of dynamic capabilities with available resources through adoption and adaption (RBV), and to investigate how sustained competitive advantage, innovative performance and organizational resilience can be enhanced and improved. One of the major factors, especially related to Pakistan is that organizational resilience can prove to be a barrier against sudden external changes for an organization if strategically planned by top leadership and middle management. It has been generalized that strategic leadership lacks in long-term vision, inappropriate human resource management, inappropriate policies, standards and procedures, ineffective system of monitoring and evaluation coupled with technological issues. This might have resulted in low performance of the organizations. Strategic leadership needs to develop and use assessment tools, criteria, standards, and policies to assess threats and opportunities through RBV. Emphasize should be put on to develop standards for measuring and controlling organizational outcomes through dynamic

capabilities along with developing policy and plans to combat and adjust in changing external environment. (Taj, Zulfiqar, & Nasir, 2020).

The link of dynamic capability of an organization with resources (RBV) and the way they are organized is dynamic in its essence as it increases with the increase in knowledge and experience of an organization. The organization needs to evolve this capacity over time with flexibility to create sustained competitive advantage and resilience and to perform more innovative in the market. From a theoretical and practical perspective RBV is a theory of how resources are utilized effectively. Having strategic advantage and possession of a resource, or mix of resources that are rare among competitors, is said to have a *comparative advantage.* This comparative advantage enables firms to produce marketing offerings that are either (a) perceived as having superior value or (b) can be produced at lower costs. Therefore, a comparative advantage in resources can lead to a competitive advantage in market position. This can be achieved through strategic planning of organizational outcomes with better utilization of resources as well as having a positive learning climate in the organization.

In the resource-based view, strategists select the strategy or competitive position that best exploits the internal resources and capabilities relative to external opportunities. Given that strategic resources represent a complex network of inter-related assets and capabilities, organizations can adopt many possible competitive positions. Although scholars debate the precise categories of competitive positions that are used, there is general agreement, within literature, that the resource-based view is much more flexible (Hooley et al. 1998).

RBV proposes the link between organization's strategies and resources and the outcomes of performance, attribution, sustained competitive advantage, and resilience. Also, how companies can effectively enhance innovative performances and build a constructive learning environment.

The present study complements valuable information to literature by proposing important mediating mechanisms of dynamic capabilities between strategic leadership and organizational outcomes by asserting that strategic leadership will induce constructive and performance enhanced outcomes in an organization through strategizing dynamic capabilities in an organization.

The extant study also examines the relationship between strategic relationships and dynamic capabilities in the light of RBV theory. The role of organizational learning climate as a moderator which according to the present study by Tran and Pham (2019) positively moderates and shows enhanced capability building between strategic leadership and dynamic capabilities

1.7 Organizational and Contextual Significance

The proposed model is helpful for leaders and managers of organizations to exploit the true potential of the resources at hand and the capabilities of their employees. How strategic decisions of leaders impact the short term as well as long term outcomes of an organization and the employees. There is always a certain distance between employees and their bosses. This valuable study helps in distinguishing between perception and reality amongst the two. This study is also helpful in gauging the response of employees as to how they respond to strategies developed. It is impossible to make a custom fit strategy for all the employees in an organization. But this study aims at making an optimum effort in this regard.

Contextually speaking, this study can serve as a significant contribution in highlighting the prospects of strategic leadership and its impact on organizational outcomes and in understanding its importance and implications thereof with respect to context of Pakistan. Like any other territory, Pakistan demonstrates socio-economic and cultural paradigm which is unique only to this region.

Since most of the notable literary work has been done in context to USA and western countries, it will be greatly beneficial to do the study in context to Pakistani scenario.

1.8 Variables of the study

1.8.1 Strategic Leadership

For the last 30 years or so, the field of strategic leadership has undergone many changes. Good business leaders have displayed the ability to identify and overcome obstacles that exist at a practical level. Distinct elements describe a leadership environment in three levels: complexity, time horizons and focus (see Guillot, 2003). **'Strategic leadership involves dealing with issues commonly addressed by top management team'** (Norzailan et al., 2016). It can also be defined that **'the goal of strategic leadership is to develop employees, which is characterized by values, ethics, innovation, and flexibility. This provides continuous change and development that leads to distinction and exclusivity at the local and global level'** (Abu Mostafa et al., 2021). At the direct level of leadership, communications focus exclusively on the internal audience in the organization as leaders familiarize themselves with the organizational climate and devise strategies as per the set of events and opportunities in their organization. (Guillot, 2003). Yet Strategic leadership According to Hooijberg, has been considered a less than central type of leadership and **'seemed like an old friend in which the field of management had lost interest'** (Boal, & Hooijberg, 2000). But the recent shift has been observed as away from the study of "supervisory" leadership (House & Aditya, 1997) and toward the study of strategic leadership. This study aims at providing the utility of strategy through leadership to enhance the outcomes of an organization through dynamic capabilities developed and augmented through a resource-based view (RBV) in an organization.

Strategic leadership is the aptitude to operate successfully and deliver extraordinary performance (Deeboonmee & Ariratana, 2014; Khan et al., 2014; Zaman et al., 2011). According to the resource-based theory (RBV) (Leiblein, 2011; Porter, 2005) organizations always gather specific abilities, resources, organizational habits, and proficiencies. Renko and Vignali, (2010) observed a difference between competitive advantage and sustained competitive advantage in relation to resources of organization and competitive advantage based on capabilities, since an organization's resources do not automatically guarantee its competitive advantage. Boal and Hooijberg (2001) point to the importance of managerial theories of leadership in explaining strategic leadership. Resources are seen as organization-specific properties that are hard to hand over because the assets may contain tacit knowledge as an organization's strategic leadership competency. Swann and Brocklehurst (2004) argued that the resource-based model emphases the subtleties of technological, marketing, organizational, good performance, and managerial novelty towards strategic leadership.

Leaders through strategic competitiveness would give companies an advantage to survive in an uncertain and turbulent era by formulating and executing their strategies successfully. If organizations focus more on product differentiation and integration of their people, they will perform well and yield above-average returns (Serfontein & Hough, 2011).

1.8.2 Sustained competitive advantage.

It was specified by (Besanko, Dranove, Shanley, and Schaefer, 2000) that an organization receives a competitive advantage in the marketplace when their rate of economic profit is higher than the typical rate of their competitors. Competitive advantage was defined by (Barney and Hesterly, 2009) as **'the ability for a firm to generate a higher amount of economic worth than the**

economic worth of their competitors'. According to Stevenson (2009), a firm's success in using the resources of their organization to meet the demands of their customers in comparison to their competitors is how you measure competitive advantage. In the slow growth and competitive markets, strategic senior managers put their primary focus on attaining a competitive advantage. This has become the characterization of numerous modern-day businesses and for the last 20 years, the main concern of practitioners and scholars has been the causes of competitive advantage (Barney, 1991, 1995; Barney, 2007; Cockburn, Henderson, & Stern, 2000; Grant, 1996a; Peteraf, 1993; Porter & Kramer, 2006; Prahalad & Hamel, 1990). Achieving sustained competitive advantages across sectors has been considered the most challenging task in the new century for organizations. With the fierce increase in global competition, achieving and sustaining competitive advantage gains more focus. Strategic leaders in an organization are the executives, managers and board directors who influence organizations to steer it forward towards sustained organizational outcomes. (Finkelstein et al. 2009). Traditionally, the central concept of strategic leadership is that a small group of people who occupy the positions at the top of an organization also known as the top management have a significant effect on organizational outcomes. As such, strategic leaders have long been considered a worthy unit of research analysis (Finkelstein and Hambrick 1990; Wiersema and Bantel 1992; Smith et al. 1994; Hambrick et al. 1996; Carpenter et al. 2004). Leadership researchers have traditionally focused attention on the demographics of the individuals who occupy the top slot positions, but new researchers have shifted the focus of their studies of strategic leadership and sustained competitive advantage that have come together in a conspicuously explicit fashion through the emergence of corporate sustained competitive advantage. **'The resource-based model of strategic management suggests that organization**

theory and organizational behavior may be a rich source of findings and theories concerning rare, non-imitable, and non-substitutable resources in firms' (Barney, 1991)

Top management positions are also often referred to as **'Chief Sustained competitive advantage Officers'** and comprise of approximately top 0.1% of top management, owing to tens of thousands of employees in an organization. (Gourji 2008; Just Good Business 2008; Rigby & Tager 2008; McNulty & Davis 2010; Balch 2011; Lubin & Etsy 2010). It was Selznick (1957) who first coined the term, **'distinctive competence',** which proved to be the cursor for competitive advantage. Later, Reed and DeFillippi (1990) described it as **'particular skills and resources a firm possesses, and the superior way in which they are used'.** Teece et al. (1997) explained competence of an organization as **'resources (complementary assets) as part of core competence'.** The first comprehensive formal study of sustained competitive advantage was by Strand (2013) who identifies 46 leadership positions of large Scandinavian and US corporations in which sustained competitive advantage was studied. Later, Institutional Framework for sustained competitive advantage was presented by Bertheussen, (2021). Combining strategy with innovation with the goal of attaining sustained competitive advantage in present times proved to be a further step in realization of organizational goals through competitive learning climate. (Ali, 2021)

1.8.3 Innovative Performance

Innovation is the introduction of a new concept, idea, service, process, or product to improve treatment, diagnosis, education, prevention, and research, aiming a long-term objective to improve quality, safety, results, efficiency, and costs (Omachonu & Einspruch, 2010).

Innovation greatly impacts survival, competitiveness, and growth of organizations, and the desired effect of innovation on customer satisfaction, employee productivity, service quality, market value, and share of the firm, as well as on customer retention. Innovation also has the potential to generate economic value for the organization, thereby increasing their profits and enhancing and improving their performance (Martınez-Perez et al., 2016). Schumpeter (1934) described innovation as 'the creation of new possibilities for additional value added, considering not only the typical product/process innovation of manufacturing but also market, organizational, and resource input innovation,' innovations are functions of 'creative destruction' (Schumpeter, 1934), which challenges market equilibriums and provides new opportunities of exploration and revitalization by existing and new organizations (Wikhamn et al., 2018). Innovation is defined as "the initiation, adoption and implementation of ideas or activities that are new to the adopting organization" (Nelson & Winter, 1977). Innovation can also be defined as the generation and creation of new knowledge and ideas to facilitate new business outcomes, aimed at strengthening business processes and internal structures, and developing competitive market products and services (Masa'deh et al., 2017). Specifically, innovation is a process that identifies opportunities for producing new services or products for an organization. Innovation is the adoption of new ideas and knowledge to develop and improve new products. The quality of innovation is used to maintain survival, growth, and a competitive position; therefore, knowledge resources are required to produce innovation to achieve superior performance (Subramaniam & Youndt, 2005). On the other hand, innovation is a new idea being achieved in a new product, process, or service, resulting in increased job opportunities as well as creating value for the innovative business organization (Cheng & Chen, 2013; Martınez-Perez et al., 2016). Afuah (1998) defined innovation as the generation of new knowledge into integrated products, processes, and services. Innovations are

viewed according to technological, logistic, and administrative/organizational characteristics. The organizational structure provides the internal configuration that includes communication flows and resources needed for innovation to happen. Thus, organizational capacity provides enterprises with the inputs required for innovation, which in turn can provide the organization with superior performance. For any organization, innovation is deemed as key in the attainment of sustained success and economic growth (Jia et al., 2018). Innovation is new knowledge that is integrated in products, processes, and services. In the context of organization, innovation comprises a technology, strategy, or practice of management employed for the first time, irrespective of whether it has been used before by the organizations or users, or as an important restructuring or improvement within a given process (Varadarajan, 2018). Furthermore, innovations are classified as incremental and radical (Afuah, 1998). Strategic leadership can play a pivotal role in developing innovative performance of an organization through resource-based view (RBV) with development of dynamic capabilities as tangible and intangible assets.

The rapid growth in the volume of research on innovation in organizations reflects the role of innovation and has a stronger effect in achieving sustained competitive advantage (Varadarajan, 2019) . RBV remains well established in existing product innovation literature (Freel & de Jong, 2009; Kumar & Sanchez Rodrigues, 2020). Innovative performance has been studied in the small and medium enterprise of emerging countries as it is a relatively newer concept in developing countries like Pakistan. (Abdul-Mohsin, Halim, & Ahmad, 2020). Also, the moderating effect of innovative performance has also been recently studied (Rehman et al., 2021), but innovative performance as an organizational outcome especially top management of organization has seen little attention of the researchers. Yi et al., (2021) in their meta-analysis have also studied the relationship between innovation and performance and how they are related to each other.

1.8.4 Organizational Resilience

Since the industrialization of the world economy and the resultant production of organizations, perhaps the most sought-after quality that a company seeks is organizational resilience. Time and again the turbulence in economic conditions and the ever-growing uncertainty refers to the perceived lack of information about key dimensions of the environment determining a company's performance, such as the unpredictability of the environment, the inability to predict the impacts of environmental change, and the consequences of a response choice. The geo-political scenario of the world is changing with a reducing time lapse and organizations that prove themselves to be resilient can save themselves from the traps of the attack of disruptive environment, why some organizations succeed while others failed? (Coutu, 2002; Hamel & Välikangas, 2003) presented the "Organizational Resilience" in Harvard Business Review. The term "resilience" comes from the Latin word ***'resilire'*** (which means to leap or jump back). In the academic community Resilience was first introduced in the field of ecology. (Holling, 1973) considered that Resilience determines the persistence of relationships within a system and is a measure of the ability of these systems to absorb changes of state variables, driving variables, and parameters, and persist. After then, resilience has been developed in many areas such as ecology (Walker et al. 2002), and engineering (Hollnagel et al., 2006), psychology Powley, 2009), organization management (Weick, 1993; Gilbert, Eyring, & Foster, 2012). At present, there has not been a uniform definition of organizational resilience (Linnenluecke, 2017). Scholars give the conception from the system point social, psychological point and strategic management point of view. (Sutcliffe & Vogus, 2003) argue that resilience is an organizational level phenomenon as the power of organizational units to resume, rebound, bounce back, or positively adjust untoward events. (Lengnick-Hall et al., 2011) defined organizational resilience as a firm's ability to effectively absorb, develop

situation-specific responses to, and ultimately engage in transformative activities to capitalize on disruptive surprises that potentially threaten organization survival.

Tavistock researchers Burns and Stalker in 1960s for the first time identified organic and mechanical aspects of the organization. Annarelli & Nonino (2016) think resilience is a capability to face disruptions and unexpected events in advance thanks to strategic awareness and a linked operational management of internal and external shocks. Mallak (1998) defined resilience as individual responses of employees on collective forum of organization of quick and efficient reaction with minimal amount of stress. On the other hand, Barasa, Mbau, & Gilson (2018) reviewed empirical literature of organizational resilience, its definition and means to nurture it in the organization. Similarly, Ruiz-Martin, López-Paredes, & Wainer, (2018) also explained the concept and parameters of resilience in organizations. Duchek, (2020). Also, conceptualized organizational resilience as a construct to capacity building in an organization. In recent research, Hillmann, & Guenther (2021) merged organizational resilience with management and its impact.

Organizational resilience is a concept which has been there in one form or the other but the pressures and uncertainties that organizations are facing in present times have increased its need manyfold. The research on resilience has experienced high reliability organization, positive organizational behavior, business model, and supply chain stages. This study aims at studying the effect of strategic leadership on organizational resilience which has traditionally been considered a topic of middle level managers but has seen a shift towards top level management owing to socio economic paradigm shifts.

1.8.5 Dynamic Capabilities

Resources are assets, both tangible and intangible, which act as means to the implementation of strategies in an organization. According to RBV, sustaining competitive advantages implies that resources are valuable, rare, and difficult to imitate, and usually have little or substitutes having an equivalent strategic value. However, many scholars have criticized RBV because the dynamics of the firm's environment renders the resources and value-generating capabilities obsolete, which makes transitory the source of competitive advantage. (Chumphong, Srimai, & Potipiroon, 2020). Dynamic capabilities (DC) are the answer to these critics, based on learning mechanisms, dynamic capacities serve to update firm's operational routines. Since its introduction in 1997, dynamic capabilities have become one of the most important theoretical aspects of strategic management research. (Wilden et al., 2016, & Schilke et al., 2018). Dynamic capabilities involve changes and can be hierarchical. Zahra et al. (2006) define dynamic capabilities as the ability to reconfigure the resources and routines of a company in an imagined way and considered appropriate by its main decision makers. According to these scholars, definitive solutions and routines are not created for the operations, but the capabilities that the managers have developed are successively reconfigured or reviewed, especially when the environment is dynamic and unpredictable. (Barreto, 2010) offers an integrating definition that, **'dynamic capability is the company's potential to solve problems systematically, based on its propensity to perceive opportunities and threats and to make timely and market-oriented decisions, and to change their resource base'.**

Dynamic capabilities are capabilities to **'integrate, build, and reconfigure internal and external competences to address rapidly changing environments,' (Teece et al., 1997).** Teece (2007, see also Teece, 2014) has divided dynamic capabilities into the dimensions of sensing, seizing,

and transforming capabilities. (Initially known as sensing capability, integration capability, and reconfiguration capability).

According to Kump et al., (2019), a gap exists in studying Dynamic Capabilities in relation to organizational outcomes as sensing could be extended by proactive market orientation, process innovation could be highlighted more in the operationalizations of the seizing subscale, and the aspect of transforming firm resources (e.g., through learning and development) could be included in the transforming subscale. (Lefebvre, Djaballah, & Chanavat 2020). This could add to a stepwise improvement of the ideas underlying Teece's (2007) model of sensing, seizing, and transforming.

1.8.6 Organizational Learning Climate

Organizational learning climate is the cumulative customs and ideals of an organization, that derives its core strength from the past of an organization to facilitate positive environmental learning in present so that there is learning, teamwork and creativity at individual level and, and knowledge distribution have collective meaning and value in future. (Torres-Coronas and Arias-Oliva, 2008,). Thus, organizational learning culture could directly or indirectly influence organizational outcomes. Organizational learning can be defined as **'the process of improving actions through better knowledge and understanding'** (Fiol & Lyles, 1985). Organizational learning climate can also be described as **'organizational learning has been recognized as a critical intervention to gain and maintain a sustainable competitive advantage for organizations in a business environment'** (Park & Kim, 2018; Guinot et al., 2016). Organizational learning climate is associated with positive influences on staff motivation and job satisfaction (Egan et al., 2004; Govaerts et al., 2011; Mikkelsen et al., 1999). Also, negative

employee outcomes, which accumulate to organizational outcomes, such as work stress, innovation and sustainability can be counteracted through effective organizational learning climate and can help in creating positive organizational outcomes to increase performance and competitive advantage as well as create resilience in the organization. (Egan et al., 2004; Ellström, 2001; Govaerts et al., 2011; Mikkelsen et al., 1998; Shoshani & Eldor, 2016). Also, attention needs to be paid to the organizational learning climate for optimizing sustained competitive advantage, innovative learning, and organizational resilience.

Organizational learning climate can be defined as the entire set of perceptions of work settings that helps or hinders work-related learning (Mikkelsen et al., 1998; Nixon, 1991). (Nikolova et al. ,2014) define organizational learning climate in more detail based on three sub-constructs as employees' perceptions of organizational policies and practices aiming to facilitate, reward and support employees' learning behavior. The first subconstruct, facilitating learning climate, describes the level to which the workplace supports, provides, and facilitates learning opportunities for their employees. The second sub-construct, appreciation-learning climate, refers to the degree in which the work environment rewards learning behavior. The last sub construct, error-avoidance learning climate, describes the extent to which a workplace focuses on avoiding mistakes. Organizational learning climate can be termed as an effort through provision of opportunities to turn learning into an integral part of organizational innovative performance and sustained competitive advantage as well as creating resilience in the organization (Marsick et al., 2009). More specific organizational learning climate is expressed as an organization's climate which encourages inquiry and listening, feedback, collaboration, out-of-the-box thinking, involving employees in the collective vision and strategic leadership that act as role models (Dam & Blom, 2006; Osborn, 2006). Much emphasis has been placed recently on organizational learning climate

as it is the binding force which enhances efforts and lessons of an organization and results in the competitive performance at individual and collective level in an organization. Mikkelsen & Grønhaug, (1999) measured organizational learning climate through a multi-dimensional construct in public sector employees. Similarly, Park & Kim (2018) explained how Fostering organizational learning can foster through knowledge sharing amongst the employees and leadership of organization. Pudjiarti, & Hutomo, (2020) also critically evaluated the role of organizational learning in improving innovative performance and organizational resilience in case of unexpected set of events that an organization may face. There has been little research on innovative performance and effective climate through strategic leadership. However, the same validation has been discussed by Gashema, (2021) through the lens of transformational leadership. Quratulain, Khan, Sabharwal, & Javed, (2021) researched the moderating effect of organizational climate on behaviors and perceptions in an organization.

1.9 Chapter Organization

This dissertation is detailed in a series of five chapters.

In chapter one, the study's objectives, justification, gap analysis, and overview are all included along with its theoretical, managerial, and contextual significance. Additionally, it shows the study's theoretical foundation and suggested model. This chapter serves as an introduction to the whole study.

The second chapter describes a detailed literature review. This section explains the resource-based view theory in detail and its theoretical explanation regarding the variables of this study. This section also reviews the literature on organizational outcomes as well as the direct, indirect, and conditional indirect effects of understudy variables in detail by first explaining the moderating role

of organizational learning climate and then the conditional indirect effect on the mediation process with hypotheses.

The study's methodology is thoroughly explained in the third chapter. Starting with the research design, population, and sample details, then moving on to the data-collecting technology and all the study's measurements. By describing confirmatory factor analyses in depth, discriminant and convergent validities are also mentioned. The control variables for each variable are provided in the chapter's concluding section.

The fourth chapter explains all the analysis findings, including correlation analysis and descriptive statistics. Using the process models from Hayes (2013), mediation analyses, moderation analyses, and conditional indirect analyses are given along with the testing of hypotheses.

The fifth chapter recapitulates the whole results and gives a detailed discussion of each result. Its also discusses theoretical, methodological as well as managerial implications. What are the strengths of this study as well as the limitations and future research avenues are also discussed in this chapter, followed by the conclusion of this research.

The last section contains references and appendices of tables, diagrams, and questionnaires.

1.10 Summary

This chapter gives an overview of all the variables used in the impact of strategic leadership on organizational outcomes in this study. Previous studies have observed certain gaps while researching these links which have been highlighted in this study. Moreover, what research questions have been seen to meet specific research objectives of this study has been elaborated as well. This chapter discusses the research significance of the proposed model and its contextual and

organizational significance under the proposed RBV theory. This chapter gives an overall introduction and an overview of this research study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter describes the literature review of the variables used in this study. Previous research has shown remarkable development of these variables regarding their effects on organizational outcomes. This study is anchored on the theoretical concept of resource-based view theory (RBV) which theoretically illustrates the impact of strategic leadership on organizational outcomes of sustained competitive advantage, organizational performance, and organizational resilience. The proposed theoretical model has been described in this chapter alongside the theoretical explanation of why resource-based theory is considered the best choice to study the chosen variables. Also, hypotheses drawn based on the proposed model are also explained in detail. These hypotheses will be analyzed on data collected in subsequent chapters of this research.

2.2 Strategic Leadership

You may trace the origins of strategy back to Ancient Greek thought. Ancient Greek "Stratos" and "ago," meaning "to dispatch, to direct, to transmit, convey, and to herd," respectively, gave rise to the idea (Burnes, 2004). Some people may define strategy as "making a difference," while others may define it as "management's game plan" (Haider & Tehseen, 2022). An extended plan is not the same thing as a strategy. All aspects of an organization can be influenced by the company's strategy. Many different aspects of leadership have been examined by scholars as far back as Plato and as late as 2014 (Barutçugil, 2014). Since the turn of the 20th century, leadership has been a

major focus of study in the discipline of management, and numerous scholars have laboured to develop a more nuanced understanding of the term (Dhammika, 2014). The ability to envision and foresee the future of opportunity while maintaining flexibility in an organization is the essence of strategic leadership. (Kjelin, 2009). They formulate future strategies with a firm outlook for environmental parameters and cope with unexpected and sudden circumstances through resources that are non-imitable, non-substitutable, and rare in an organization (Hambrick, 2011). They formulate the organization's objectives and stratagems, grow structures, procedures, resources, and core competencies in an organization, manage different departments, select appropriate management, train the next generation of leaders, groom them according to the needs and requirements of their respective organization, keeping in view existing and possibly available resources, keeping in view the cultural, ethical, and traditional norms of the organization, providing a negotiating link between the external factions of society and the organization. Strategic leadership must be able to perform with the limitations of time, uncertainty, complication, and excess of information requiring adaptableness, and taking important strategic decisions. (Shafique, Rafi, & Kalyar, 2021). Leaders are required to be direct, general, and strategic (Jacobs, 2006). Great leaders are judged as much by what they leave behind as by what they achieve during their tenure. (Cortes & Herrmann, 2021). A vibrant, vital organization that is fiercely competitive and driven to excel is, of course, an important legacy of a leader (Boal & Hooijberg, 2001). This means having in place a high-performing leadership team, a thinking organization, and managers and employees at all levels passionately committed to accomplishing tasks.

Different schools of thought have emerged on whether "strategic leadership" constitutes "real" leadership (Altnkurt, 2007) or otherwise. Strategic leadership, in contrast to more traditional styles of management, attracts the attention of C-suite executives and beyond (Vera & Crossan, 2004).

Davies, and Ellison (2006) disagree with Baron and Henderson's classification of strategic leadership as a subset of more general leadership styles like transformational and instructional leadership; they argue instead that strategic leadership is an essential quality in any effective leader. Some people use the term "strategic leader" to describe someone who is crucial in the accomplishment of a shared objective, the formation of cohesive teams, and the dissemination of exceptional individuals' abilities (Adair, 2004). Strategy is considered a plan to achieve the goals and objectives of an organization by setting realistic short-term and long-term goals through the provision of resources and taking the required actions as well (Chandler, 1962). That has a direct association with sustainability and innovation in an organization. Exhibition of these strategic leadership qualities is not seen very often in organizations Indicators show that less than ten percent of leaders display strategic skills, a tragically insufficient amount compared to the dynamic requirements of organizations nowadays. Strategic skills are needed in both times of peace and growth as seen in the second half of the last century and in unprecedented times when resources are scarce and unpredictable, like during the time of COVID-19, and the need for preservation and allocation of resources to ensure optimum utilization is even more required. Successful strategic leadership directs and influences in a way to ensure sustainable and continuous improvement in an organization having the least effect of hitchhiking of environmental influences. A strategic plan is only a design; an organization's real strategies lie in the choices that people make and the results it generates (Pauceanu et al., 2021). The resource-based view (RBV) theory proposes that organizations need to build a unique set of resources, capabilities, and competencies within the dynamic capability of the industries within which the organization competes. Therefore, an organization is perceived as a 'bundle of market activities and a bundle of resources' (Eisenhardt et al., 2010). Some researchers consider strategic leadership to be the connection between the

resources of an organization and its implementation within the organization and with outside industry as well as social capital and human capital (Hitt, et al., 2010). While others believe strategic leadership consists of leaders that can predict, foresee, and implement an organization to be successful and adapt and perform according to the changing circumstantial needs in an organization (Vera, & Crossan, 2004). Moreover, strategic leadership is also considered a mechanism to develop, enhance and empower the social and human resources, capabilities, and competencies to produce achievable success in real-time (Boal, 2007). Also, strategic leadership is considered as the leader's willingness for any potential opportunity as well as his or her capability to utilize the organization's vital resources to achieve better organizational outcomes such as sustained competitive advantage, innovation, and resilience. (Hirschi & Jones, 2008; Hitt, Ireland & Rowe, 2005). According to the latest strategic leadership and management literature, in the dynamic and competitive organizational environment prevalent in today's global societies, successful strategic leadership capabilities (SLCs) is considered an essential tool to reduce the external and internal challenges in an organization. (Hamid & Hussain, 2021). According to the resource-based view (RBV), Strategic leaders are required to think strategically and create value by using the resources which are either available or potential (Mahdi & Almsafir, 2004). Perhaps the most important duty of strategic leaders can be considered as the ability to create sustainability as a competitive advantage for an organization with innovation as its driving force and resilience to be the defense mechanism for an organization from external and internal environmental changes while keeping in view the resources that are rare, non-imitable and essential for the integral success of an organization (Mahdi & Nassar, 2021). Although the management of human and social capital is considered to be the cornerstone of strategic leadership, some researchers also believe that human capital and social capital are not reciprocally exclusive and can be viewed as both human

capital as well as social capital (McCallum & O'Connell, 2009). This is reflected in the fact that some leadership skills can be viewed as both human and social capital. Strategic leadership has a very vital role in the development of such capital and assets.

2.3 Sustained Competitive Advantage

In literary research on strategic management and leadership, competitive advantage has always been the milestone that organizations have searched for, and to create lasting results, sustained competitive advantage has been the dominant theme in strategic decisions in an organization (Chaharbaghi & Lynch 1999). To explain the determinants of sustained competitive advantage, the resource-based view has been the logical explanation of researchers like Barney (1991), as well as market-oriented concepts (Day 1994; De Wit & Meyer 2005). A competitive advantage is the ability of an organization to outperform its competitors by creating margins and generating value for the organizations. On the other hand, a sustained competitive advantage exists only when other firms are incapable of duplicating the benefits of a competitive advantage (Lippman & Rumelt, 1982).

04 criteria of resource for it to provide a sustained competitive advantage:

1) the resource must add positive value to the firm.

2) the resource must be unique or rare among current and potential competitors.

3) the resource must be imperfectly imitable; and

4) the resource cannot be substituted with another resource by competing firms

The latest research has recognized Resource based view (RBV) as a theoretical explanation of sustained competitive advantage due to the proven association between high profits and sustained

competitive advantage considering it **'cornerstone concept in strategic management'** (El Daly, 2020). Although not much research has been done previously on the concept of sustained competitive advantage having an ambiguous definition with merged sources with competitive advantage (Sigalas & Economou, 2013; Chaharbaghi & Lynch, 1999), the importance of this concept is gaining better stronghold, especially after the unpredictability created by Covid-19 in the market.

This study has utilized the assumption that there are four basic dimensions of sustained competitive advantage namely resources, capabilities, competencies, and core competencies that are considered as key indicators underlying mechanisms and are heterogenous within organizations (Barney, 1991). The major theoretical contribution to achieving competitive advantage by organizations has been the resource-based view (RBV). As sustained competitive advantage has become the principal objective of organizations, especially in strategic leadership decisions, this study aims at finding how RBV can help achieve sustained competitive advantage in an organization.

Sustained competitive advantage is unique as it is non-duplicable by other organizations (Bhandari et al., 2020; Barney, 1991). When an organization focuses on achieving proficiency and productivity, it develops VRIN (Valuable, Rare, Inimitable and Non-Substitutable). These attributes effectively evaluate an organization's efficiency against its competitors. The research-based view has been central in developing these resources to attain sustainable competitive advantage and much research has been done in this regard since then (Barney et al.,2021) that focuses on not only developing strategic resources but focusing a better approach to RBV, which despite a plethora of research done, still requires many aspects to be studied (Freeman et al., 2021). A formal modeling approach to RBV has been recommended at the Academy of Management

conference to improve the otherwise verbal model of RBV (Gueler & Schneider,2021). Such an approach has been recommended to address the lack of development of sustainability in competitive advantage by organizations. (Boysen et al.,2020).

If we analyze sustained competitive advantage through RBV, two assumptions can be seen. Firstly, there may be immobile resources that resultantly are heterogeneous. The RBV proposes that the availability of unique situations regarding valuable resources of production and distribution is crucial to the capacity of an organization to create sustained competitive advantage through valuable market positions (Conner 1991). This advantage is achieved in the organization from focusing on costly-to-copy aspects as sources of economic rent and therefore, as underlying motivators of innovative performance and sustained competitive advantage (Conner 1991). To attain the above normal returns or rents can be achieved through the strategic use of rare and non-imitable resources (Chaharbaghi and Lynch 1999). The resource-based view defines that resource differentiation may exist between different organizations; these resources are rare and non-imitable (Al Mahdi & Mussafar, 2021).

Small and medium-sized businesses (SMEs) are more likely to innovate and respond quickly to market demand than giant corporations, as well as to find and keep export clients and to sell their products internationally (Zhou and Li, 2010). This suggests that research skills could be complemented with RBV to enhance sustainability in competitive advantage (Yalcinkaya et al., 2007). Nonetheless, profit is especially important for small and medium-sized enterprises (Vorhies and Morgan, 2005). Exploitation capabilities are a subset of capabilities that focus on growth and improvement. An organization's sustained competitive advantage is vital to capitalize on its current product offering and market position to attain short-term success (Atuahene-Gima, 2005). Organizations with strong VRIN skills are better able to respond to the ever-changing demands of

the market and exploit opportunities as they occur (Dasgupta,2021). Gaining, integrating, and reorganizing resources to suit the ever-shifting demands of the market is a sure-fire approach to maintaining a sustained competitive edge (Teece et al., 1997). Exploration and exploitation, two forms of new knowledge, are essential to any organization's continued existence and growth since they allow for the discovery of previously undiscovered information and the development of previously untested ideas (Eisenhardt and Martin, 2000). To develop exploitative abilities to attain sustained competitive advantage, it is essential to improve upon existing paradigms (Spash & Hache,2021).

Because of this need for strategic flexibility and sustained competitive advantage, innovation is essential for businesses. Many scholarly studies have sought to categorize inventions based on their information acquisition, utilization, and recycling processes (Gonzalez, 2017; Lee et al., 2018).

RBV has had the most significant effect on the framework of sustained competitive advantage. Economic gains, which can be termed pure quantitative driver, is usually the primary focus of an organization (Fahy, 2000). But the quality and means of attaining such economic returns usually remain under-accounted for and are sometimes based on historical costs. (Chaharbaghi & Lynch, 1999).

Resource-based view renders the methods of obtaining and sustaining competitive advantage with attributes of value, obstructing duplication and non-appropriability (El Daly, 2020). This aspect has been discussed in previous literature on RBV in detail along with the resources necessary to build sustained competitive advantage (Fahy 2000). Peteraf has proposed that the restricted availability of resources increases their value and sustained competitive advantage can be obtained not only through the possession of these superior resources but the strategic deployment of these

resources in the market (Peteraf 1993). This study used four dimensions of sustained competitive advantage namely resources, capabilities, competencies, and core competencies to evaluate how they are affected by strategic leadership within the theoretical framework of RBV through a moderated mediation model.

2.4 Innovative Performance

The word 'innovative performance' refers to a company's outcomes in terms of the extent to which it releases new products, systems, processes, or gadgets onto the market. In that situation, the introduction of new products might be considered a measure of innovative performance (Rauter et al., 2019). Innovative performance is commonly defined as the successful implementation of new and latest concepts resulting from organizational processes where different resources are put together to create an innovation to achieve a competitive edge in the market (Dodgson, Gann & Phillips, 2014). For businesses to stand out in the market, they combine a variety of resources in a multi-stage process that results in better or new products, services, or processes (Baregheh, Rowley & Sambrook, 2009). Developed by Penrose (1959), the resource-based view (RBV) considered an organization to be the amalgam of physical and human resources and through the combination of such rare and core capabilities and resources into distinctive assets and skills, and innovation in performance, strategic advantage can be achieved by an organization (Iqbal et al., 2021; Barney, 1991). According to RBV, the scarcity and profitability of resources can make them more valuable, especially if they sustain over some extended period of time and since they are heterogeneously distributed in the organization, there is always a likelihood for these resources to sustain over time. Such internal resources, as RBV assumes, are better predictors of innovation within an organization (Herbane, 2010). According to RBV theory, when an organization adapts and uses

unique and rare resources that they own, they can create an innovative performance to achieve a competitive advantage within the market as it aids in identifying the resources present within an organization and connects them to the capabilities and competencies of the organization to produce performance innovation. The development of innovative performance can result in superior capabilities and resources for an organization to achieve long-term success in the market to maintain a competitive edge over its competitors (Valaei et al., 2021)

Although usually defined as the **'adoption of an internally generated or purchased device, system, policy, program, process, product, or service that is new to the adopting organization'** (Damanpour,1991), innovative performance, which is usually considered an array of internal resources, some researchers have also promoted the idea of open innovation where organizations can make use of external resources and ideas to further increase their capabilities (Chesbrough, 2003). In the case of open innovation, this multi-stage approach includes cooperation with external partners who stand in for sources of information that can support corporate innovation projects (Chesbrough, 2003; Gassmann et al., 2010). Such partnerships ultimately make sense if they are profitable and serve as catalysts for improved organizational innovative performance. Utterback (1978), originally gave this idea in organizations can exchange internal and external information to improve innovative performance as technical advancement especially in the field of IT can create more benefits when there is an exchange of information between the organizations (Danneels, 2002). Such exchange can also contribute to improving the organizational learning climate (moderator in this study) and create healthy competition to further enhance innovative performance.

Most research has mainly focused on two major topologies of innovative performance i.e., process innovation and product and services innovation (Prajogo & Sohal, 2001; Chen & Tsou, 2007;

Gobeli & Brown, 1994; Yamin et al., 1997). **Process innovation** is defined as variations in product or service distribution and/or growth processes as defined by method, functionality, administration, or other features (Chen and Tsou, 2007). On the other hand, **product and service innovation** includes the dimension of innovation performance as the technological and service-based changes in the products/service or product/service characteristics. It is also defined as **a new technology or combination of technologies introduced commercially to meet a user or a market needs'** (Utterback & Abernathy, 1975).

The economic dimension of innovative performance can be measured through revenue, customer satisfaction, and economic growth as well as market share profit maximization in an organization (Adams, Bessant & Phelps, 2006; Griffin & Page, 1993; Manion & Cherion, 2009). Although there is always a strong emphasis on the economic growth aspect of innovative performance, it does not account for other sustainable impacts such as environment and resource efficiency. Such aspects are gaining more and more important as they are considered an integral part of the growth of the organization and create sustainability in innovative performance as an output marker of the organization (Malesios, Moursellas, & Evangelinos, 2021). Innovative performance markers of products, services, and processes that consider environmental sustainability create the preservation and reuse of rare and non-imitable resources (RBV) (Hall & Vredenburg, 2003; Kemp & Pearson, 2007). Previous research has also focused on the sustainability aspect of innovative performance and this study has also employed innovative performance as an organizational outcome. (Ketata et al., 2015; Schöggl, Baumgartner & Hofer, 2014).

2.5 Organizational Resilience

Since resilience can be interpreted in a variety of ways, it has piqued the interest of academics in domains as disparate as ecology, metallurgy, psychology, and safety engineering. Although most scholars in the field of management have agreed on a single definition of resilience, the idea of resilience and its application in managerial research has roots in and has evolved across a wide range of disciplines over the course of the previous four decades. Beginning with Holling's (1973) definition, the proposed definitions below show how the concept of resilience has developed over time and across various research fields, including the natural sciences (primarily ecology and environment), the applied sciences (primarily engineering), the social sciences (primarily economics, with a focus on economic geography), strategic management, and operations management (Helfat and Peteraf, 2003).

Resilience is a term that originated in the hard sciences as an explanation for how well a system may bounce back from adverse conditions. Recovery capacities, recovery timelines, and recovery costs have been added to the original concept of resilience in the face of shocks and disasters over the years in the management literature (Vogus, & Sutcliffe, 2007). Organizational resilience, which has its roots in the concepts of ecological and engineering resilience, originally meant **'the ability to withstand and recover from traumatic events, shocks, or disasters that could cause damage to an organization or a system from within or without'.** Even though they're sometimes used interchangeably, resilience and robustness are distinct ideas where resilience is considered as the ability of a system to return to its original or improved state after experiencing an external stressor. When asked to define business resilience, researchers focus solely on recovery time, or how soon activities may be restarted following an interruption (Evenseth, Sydnes, & Gausdal, 2022). Organizational resilience is emphasized further by the idea that to recover from

disturbances or evolve into an improved new state while avoiding failure modes is resilience. The goal of organizational resilience analysis and management is to prevent the deterioration into unstable situations that ultimately lead to failure. Creating a resilient company should be a strategic endeavour that affects the way a corporation functions and that boosts competitiveness. In recent times, resilience has gained new interest in organizations with the buzzword 'Make your organization more resilient'. The concept of organizational resilience is very promising for organizations in times of turbulence and adverse uncertainties. This somewhat laid back and ambiguous concept has now gained a sliver of truth with the sudden advent of covid-19 which affected organizations on a global scale. Journals (Harvard Business Review, Strategy, and Business or New York Times) are packed with research on how to make organizations resilient (Clement and Rivera 2017; DesJardine et al. 2017; Limnios et al. 2014; Linnenluecke 2017; Williams et al. 2017). Over the last few years, the amount of research on resilience in business and management has increased manifold (Linnenluecke, 2017). Many researchers consider it a difficult process to measure as its success or failure can only be measured ex-post (Boin & Eeten, 2013), therefore, many researchers consider organizational resilience as capacity or capability (Duchek 2014; Williams et al. 2017) or a resource. Thus, it can theoretically be explained through the resource-based view (RBV) theory. Resilience in an organization is 'having a capability means having both ability and capacity, and it is only when a capacity for resilience is transformed into action in an organization that resilience becomes an organizational capability' (Richtnér & Löfsten, 2014).

Recently, this idea has been making its way into the pages of management periodicals. Less vulnerability increases resilience and lessens the impact of disruptions. Adding safeguards or making systems more adaptable have both been at the forefront of organizational strategy

(Mahmoudi, Abbasi, & Deng, 2022). In addition, successful companies are those who actively deal with new developments that could threaten the status quo in their sector (Efrat et al., 2018). Theoretically speaking, resilience is a response term in crisis and disaster management which is significant in high-reliability organizations and the ability to withstand shocks without any externally visible disintegration and collapse (Weick, 1993; Weick, Sutcliffe, & Obstfeld, 1999; Tierney, 2003; Paton & Johnson, 2001). Resilience in an organization is the resistance capacity to not only to accept the unfavorable change and the will to continue but the willingness to make effort to change the ambiguous change into favorable circumstances and an opportunity for success by being solution-oriented, innovative, and proactive (Casprini, Pucci, & Zanni, 2022).

The concept of resilience also started to be a major focus of discussion in not only in international organizations having a global presence but also in small and medium (SMEs), considering its importance, especially after the great economic depression of 2008 (Aleksic et al., 2013; Pal, Torstensson, & Mattila, 2014). Literature in general considers resilience as a positive attribute that every organization aims to achieve (Limnios et al., 2014). More recent literature is focused on the relationship of organizational resilience with other organizational variables to understand how resilience can impact and improve success (Lengnick-Hall, Beck, & Lengnick-Hall, 2011; Teixeira & Werther, 2013; Richter & Löfsten, 2014). Research has defined organizational resilience as having three dimensions i.e., cognitive, behavioral, and contextual (Lengnick, 2011). Many factors have a significant relationship with organizational resilience, and it is seen that enhancing resilience positively affects sustained competitive advantage and possesses not only proactive and reactive innovations but anticipatory innovations as well. Employees and customers have anticipatory buyer preferences and thus innovative performance is also enhanced (Budhwar et al., 2022).

In today's business environment, there is a certain hyper-competition, uncertainty, and obscurity. Alongside that there has been an increase in natural catastrophes and pandemics having global effects on the social, political, and economic development of the organizations. In the recent past, the sudden onset of Covid-19 has amplified the importance of resilience in organizations. Resilient organizations and their employees who can adapt positively (Mallak, 1998) and in time without stress, to move forward can have a better chance at a strategic advantage and competition in the market.

2.6 Dynamic capabilities

The origins of the dynamic capabilities can be traced back to Penrose and the RBV of the business (1959). Various schools of thought, such as the evolutionary theory of economic transformation (Nelson and Winter, 1982), Schumpeter's views on creative destruction, the behavioral characteristics of the business (Cyert and March 1963), and Williamson's (1975) views on markets and hierarchies, have all contributed to the ongoing discussion (Ambrosini and Bowman, 2009; Teece, 2007). This has led to a very detailed conceptual dispute. The growth of operational capabilities is said to be affected by dynamic capabilities, which are seen by some authors as a type of higher-order capability (Cepeda and Vera, 2007; Collis, 1994; Winter, 2003). It is common for them to require advanced knowledge and strenuous procedures (Eisenhardt and Martin, 2000). To this end, we define dynamic capability as the propensity for an organization to proactively build up, diversify, and adapt its resources and capabilities in response to external pressures (Eisenhardt and Martin, 2000; Helfat et al., 2007; Teece and Pisano, 1994; Winter, 2003). Dynamic capabilities refer to procedures or sets of procedures (Ambrosini & Bowman, 2009). According to Verona and Ravasi (2003) and Teece et al. They are alive and evolving over time, thus they are dynamic. Since the introduction of dynamic capabilities by Teece et al. as the capability of an organization to

'integrate, build, and reconfigure internal and external competencies to address rapidly changing environments, (Wilden et al., 2016, & Schilke et al., 2018) it has become one of the most important theoretical concepts that can utilize the existing set of resources with such efficiency to strategically create better and more efficient resources (Abu Rumman et al., 2021). Included in these constituent processes are the organizational and management ones that seek out change needs or opportunities and put them into action. But these processes have not been adequately conceptualized, although they are the backbone of dynamic capabilities in an organization (Helfat et al., 2007). Fundamental aspects arise within this concept, which can be classified into four dimensions:

1. The tendency to recognize opportunities and threats: the capability to evaluate and examine capabilities situations and changes in the environment.
2. Tendency to make decisions on time, taking strategic decisions adapting timely to the changes in the environment through reconfiguration and transformation without losing competitive edge before competitors.
3. Making decisions based on market-orientation is as important as making decisions on time, is that the content of major decisions be the way in which the organization will offer greater value based on effective and efficient business practices.
4. Tendency to shift the resource base is a common aspect that arises in the literature and includes the predisposition to create, extend, or reconfigure the resource base (Barreto 2010; Li and Liu, 2014).

Past research has also revealed a theoretical gap between research built on Teece et al.'s (1997) conceptualization and research that depends on Eisenhardt and Martin's (2000) parameters

(Peteraf, Di Stefano, & Verona, 2013) considering them as different perspectives of the same concept and three most important definitions Teece et al. (1997), Eisenhardt and Martin (2000), and Helfat et al. (2007) are built on one another and often complement each other (Peteraf etal., 2014). Compared to earlier belief, Peteraf also described dynamic capabilities to be a source of achieving sustainable competitive advantage, In-depth, the literature review shows that Eisenhardt and Martin did not give any generic capacities whereas Teece et al., gave the dimensions of sensing seizing and transforming in dynamic capabilities. That is why Teece's typology has been used in most of the previous empirical studies and this study has also employed Teece's typology to better explain dynamic capabilities and its association with strategic leadership and its effect on organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience (Bresciani et al., 2022). Out of two major categories of capabilities, ordinary capabilities create value in an organization (Teece, 2014; Winter, 2003; & Zahra et al., 2006), whereas dynamic capabilities develop, transform, and extend the capacity of ordinary capabilities. Moreover, dynamic capabilities originate from a resource-based view, combining both managerial and organizational processes (Di Stefano et al., 2010; 2014). Higher-order capabilities (capabilities in rapid and continuous product innovation) can implement and adapt lower-order capabilities, thus ensuring that dynamic capabilities can enable strategic revitalization through uninterrupted and consistent means in an organization.

Dynamic capabilities framework has been the subject of numerous theoretical debates (Arend and Bromiley, 2009; Ambrosini and Bowman, 2009; Easterby-Smith et al., 2009; Barreto, 2010; Di Stefano et al., 2014; Wilden et al., 2016). Considered as a must for attaining change and renewal, dynamic capabilities, according to Peteraf et al. (2013) showed a theoretical divide between a stream built on Teece et al.'s (1997) conceptualization and on Eisenhardt and Martin's (2000)

view. However, based on an in-depth theoretical analysis of the two approaches, Peteraf et al. (2013) can be combined under certain circumstances. Wilden et al. (2016) observed that these two camps have moved more closely together since 2012—which may be partly due to Peteraf et al.'s (2013) integrative perspective. Similarly, Schilke et al. (2018) also demonstrated that there is now considerable conceptual convergence in the field.

Earlier studies of dynamic capabilities were mostly conceptual while it is being researched empirically. No standard scale existed (Girod and Whittington, 2017; Stadler, Helfat, and Verona, 2013) till 2019 when Kump et al., (2019) first introduced a standard scale of dynamic capabilities with high reliability and validity and is a solid predictor of business and innovation performance. A 14-item scale developed by the author is used in this thesis for the purpose of empirical comparability of Dynamic Capabilities.

Some authors (Eisenhardt and Martin, 2000, for example) distinguish among various mechanisms that can pool or reorganize resources, or zero in on their acquisition and distribution. Two examples given are products and collaborations. The first argues that dynamic capabilities may be special and hard to replicate (Teece et al., 1997), while the second suggests that only the resource and capacity combinations that develop can be special (Eisenhardt and Martin, 2000).

Although the methods by which this causal relationship is established are not always agreed upon, it is generally believed that dynamic capabilities have a causal relationship to an organization's sustained competitive advantage and innovative performance (Eisenhardt and Martin, 2000; Helfat and Peteraf, 2003; Winter, 2003). (Ambrosini and Bowman, 2009). Newer research reveals that DCs' particular sets of assets and abilities they create in their charges have an indirect effect on performance, contrary to earlier beliefs (Teece and Pisano, 1994). (Helfat and Peteraf, 2003; Zollo

and Winter, 2002; Teece, 2018). Therefore, DCs consist of many processes, and these processes are likely all affected by a wide range of circumstances.

The dimensions that explain dynamic capabilities are sensing, seizing, and transforming. Teece describes three dimensions of dynamic capabilities that need alignment with an organization's strategy to improve organizational outcomes.

2.6.1 Sensing

Sensing means the capacity of an organization to monitor the environment and indicators of change through the collection and interpretation of information within and outside of an organization (Teece, 2007, 2014; see also Makkonen et al., 2014; Pavlou and Sawy, 2011). According to Teece, sensing refers to **'to create a conjecture or a hypothesis about the likely evolution of technologies, customer needs, and marketplace responses'** and **'involves scanning and monitoring internal and external technological developments and assessing customer needs, expressed and latent'** (Teece, 2007: 1323). According to some researchers, sensing not only focuses on the external environment of an organization but also has an internal aspect that senses new opportunities and development inside an organization (Babelytė-Labanauskė & Nedzinskas, 2017). **Sensing** is the organization's capacity to scan environment and its factors and filtration and analysis of that information to create responses of customers and markets. (Teece, 2007, 2014; see also Makkonen et al., 2014; Pavlou & Sawy, 2011). It encompasses many aspects such as **"identification, development, co-development and assessment of technological opportunities in relationship to customer needs.** (Teece, 2014: 332). Internal and external developments and threats are assessed for creation of responses and theoretical difference between external and internal sensing is reflected in further developments of cognitive micro-foundations of dynamic capabilities. Some scholars in the strategic management

field (e.g., Helfat and Peteraf, 2015) have focused on perception and attention (i.e., a rather external perspective), while others (e.g., Hodgkinson and Healey, 2011) have mainly looked at the need for reflection (i.e., a rather internal perspective). According to Kump et al, (2019), an organization with high sensing capacity can continuously and reliably acquire strategically relevant information from the environment, including market trends, best practices, and competitors' activities.

Within the context of strategic leadership, some scholars consider the external perspective of perception and attention (Helfat and Peteraf, 2015) whereas others have focused on the internal aspect of reflection and consideration. Teece et al., in their initial conceptualization, mainly focused on the external aspects have sensing which included identifying opportunities and predicting competitive risks, either formally (market research by the organization) or informally(self-motivation of employees) (Kim, Song, & Triche, 2015). Therefore, sensing can be an effective tool in gathering internal and external information on best practices and trends in the market to strategically improve the existing resources, to use them more effectively and efficiently.

2.6.2 Seizing

Seizing indicates the development and selection of business prospects that fit with the organization's environment and its strengths and weaknesses (Teece, 2007). This is the next dimension of dynamic capabilities where market trends and competitors' practices are successfully implemented, and future risks are minimized. Seizing refers to firstly selecting and then seizing opportunities that are best suited to the organization's existing infrastructure (Wamalwa, 2022). This is an effort to create the best possible balance between needs and opportunities and generate maximum value from it by successfully developing opportunities and eradicating risks (Murphy, & Wilson, 2022). Seizing is the link between external and internal information and affects strategic decision making especially related to future investments of the organizations, seizing is the next

step which uses knowledge gained through sensing and picking the best possible decision from a variety of strategic options available. Seizing is in alignment with strategic decisions taken by the top management (strategic leader), especially regarding investment choices. If the information gathered is of some value, seizing capability is high as strategic decisions can be made which adapt to the strengths and weaknesses of an organization and can turn into actual opportunities (Manzoor et al., 2021)

2.6.3 Transforming

Transforming is defined as **'enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's intangible and tangible assets.** Perhaps the most productive dimension of dynamic capability is the transformation of strategic decisions into new business products and processes through the implementation of business practices with innovation and modernization that include infrastructures, skilled workforce, finances, etc. (Eisenhardt, & Martin, 2000). Teece (2007) has defined transforming as the **'ability to recombine and to reconfigure assets and organizational structures as the enterprise grows, and as markets and technologies change'.** Transforming signifies collaborating, understanding, and implementing strategic decisions (Li & Liu, 2014; Noble, 1999). **Transforming** is the last step, according to Teece (2007) in developing dynamic capabilities and. includes **"enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's intangible and tangible assets",** such that path dependencies and stagnancy are avoided. (Lee, Narula, & Hillemann, 2021). It is a continuous process of renewal and reformation. Transforming is the process of decision making for new business models, product, and process innovations into practice by implementing the required structures and routines. (Magistretti, Pham, & Dell'Era, 2021). Therefore, delivering the infrastructure, making sure that employees have the necessary

proficiencies. It is the ability to adapt as the market requirements change with change in technological advancements. This coordination and execution also serve to conform to the existing assets and infrastructure of an organization. (Mikalef, Wetering, & Krogstie, 2020).

Transforming is the key that implementing decisions that would be otherwise theoretical responses and potential ideas. This renewal in an organization is fundamental in using the resources available to improve organizational outcomes through innovation and sustained competitive advantage while retaining organizational resilience. (Mansouri et al., 2022). Organizations having high transforming capacity steadily and frequently implement renewal decisions by allocating responsibilities and distributing resources through the possession of acquired information and knowledge. (Murschetz et al., 2020)

Through an application of Burgelman's internal ecology model of strategy-making, Raisch and Birkinshaw (2008) investigate ambidexterity studies within the framework of the field of strategic management (1991, 2002). Discovering new things and making money off them are two separate activities. Like exploitation, the induced strategic process seeks to make use of what's already known. The second is a self-directed plan of action, which may involve the development of exploration-related skills and information. Burgelman (1991) and other academics argue that a well-balanced organization strikes a good balance between discovery and exploitation. Strategic management and the idea of ambidexterity are at the heart of the company's dynamic capabilities. Several authors (He and Wong, 2004; O'Reilly and Tushman, 2008) have looked to the idea of dynamic capabilties to explain the trade-off between discovery and exploitation. Other academics have found connections between dynamic capabilities and ambidexterity while discussing meta-capabilities (Gibson & Birkinshaw, 2004) or meta-routines (Adler et al., 1999). **'the firm's ability**

to integrate, build, and reconfigure internal and external capacities to address rapidly changing surroundings', as defined by Teece, Pisano, and Shuen, is organizational responsiveness (Teece et al., 1997, p. 516). By using Teece's (2007) emphasis on **'orchestration processes'** including learning, reconfiguring, coordinating, and integrating, O'Reilly and Tushman (2008) provide a conceptual description of the connection between dynamic capabilities and ambidexterity. According to O'Reilly and Tushman (2008), the main distinguishing feature is ambidexterity, the simultaneous merging of exploration and exploitation.

The conceptualizations put out are congruent with current exploitation and exploration methods. As an example, the three-dimensional dynamic capabilities introduced by Teece et al., (1997) and Eisenhardt and Martin (2002) can be flattened into a two-dimensional space (2000). Coordination/integration and transformation/reconfiguration might be considered synonymous exploitation capacities because they share the goal of optimizing the organization's current resources and capabilities (Banerjee, Farooq, & Upadhyaya, 2018). Two, both the ability to venture forth and the acquisition of new knowledge revolve around the improvement and creation of new resources and capacities (i.e., the innovating and creating components of organizational learning). When it comes to learning, there are some key distinctions between exploration and exploitation. Exploratory learning is essential for skill development, but exploitative learning guarantees that resources are maximized and that you can respond quickly to changes in the market (Luo, 2000). Following the exploitation-exploration split, Shamsie et al. (2009) proposed a resource-based view theory that describes dynamic capabilities in terms of two complementary processes: replication and renewal (Zhan and Chen, 2013). To take advantage of new market opportunities, businesses can use DCs to build on their existing strengths while also branching out into unexplored areas of knowledge and realigning internal resources (O'Reilly and Tushman, 2008). In contrast to the

predictable and short-lived results of exploitation, the long-term effects of exploration are emphasized by March (1991). In other words, there is a large disparity between the success rates of exploitation-based businesses and those that actively seek and utilize new knowledge. Finding a balance between exploration and exploitation is crucial to a company's competitiveness (Gonzalez and Melo, 2018).

There has been a consensus in the literature that dynamic capabilities contribute significantly to competitive advantage and other organizational outcomes but its effect on sustained competitive advantage is rather an unexplored avenue in research. This is one of the reasons to take dynamic capabilities as a mediator with organizational outcomes, one of which is sustained competitive advantage (Helfat et al., 2007; Schilke et al., 2018; Wilden et al., 2016).

2.7 Organizational Learning Climate

Organizational learning means **'the process of improving actions through better knowledge and understanding'** (Fiol & Lyles, 1985). Organizational learning is essential for organizations to develop sustainability and evolve according to environmental challenges and uncertainties (Pomirleanu, Gustafson, & Townsend, 2022). Learning is a process that is primarily individual-based and influenced by behavioral cognition, yet at the organizational level, learning is much more complicated and challenging to analyze (Iqbal & Ahmad, 2021). There have been three different stages identified in organizational learning. First is **single loop learning** which involves simple learning and correction of any perceived errors. **Double-loop learning** can be identified as not only identifying and correcting errors but through the application of specific theoretical and empirical techniques. This also includes revisiting the existing rules and regulations to modify them as per the need arises (Jaaron, Pham, & Cogonon, 2021). The third stage is **Deutero-learning**

in which the organization not only uses the first two single and double-loop learning techniques but creates a continuous process as a future strategy through integration and improvement of the first two processes. Usually resultant of external stimuli, organizational learning is considered an adaptative process where organizations learn from experience, deliberate, and take strategic decisions to employ resultant actions. Organizational learning is based on theoretical foundations through which employees successfully achieve their goals as it is crucial for organizations working in unpredictable situations to act in response to unpredicted situations before their competitors (Garvin et al., 2008). Organizational learning climate can be referred to by many aspects as **'learning climate, culture and learning opportunities'** (Bartram et al., 1993; Bartlett, 2004; Billett, 2004). Culture and climate are two different yet intertwined concepts (Arnold et al., 2005; Bates & Khasawneh, 2005; Schneider, Ehrhart, & Macey, 2013) where the climate is the more obvious and direct presentation of the less tangible phenomenon of culture. Culture refers to employees who have a **'less conscious psychology of the workplace'** (Schneider et al., 1996), and believe in already established and well-worn values and principles in the organization. Climate, on the other hand, denotes the more concentrated, tangible, and observable set of ethics and beliefs at the workplace and can be defined as **'the shared perceptions of and meaning attached to the policies, practices, and procedures employees experience and the behaviors they observe getting rewarded and that are supported and expected'** (Schneider et al., 2013). In the work environment, organizational climate embodies the inherent and less obvious attributes of an organization that can foster employee learning (Hauer et al., 2012). The salient features of employee values that constitute organizational learning climate are employees' perceptions of organizational policies, and practices aimed at facilitating, rewarding, and supporting employee learning behavior (Schneider et al., 1996, 2013). The learning climate is a predictor of beneficial

outcomes, such as employees' learning intentions, good attitudes toward learning, and engagement in learning activities, according to prior studies (Armstrong-Stassen & Schlosser, 2008; Govaerts et al., 2011; Hauer et al., 2012). Additionally, studies show that performance and inventive behavior are strongly correlated with the learning environment (Sung & Choi, 2014). Additionally, it has been discovered that a supportive learning environment can reduce detrimental employee outcomes like intentions to leave and work stress while boosting beneficial outcomes like job satisfaction (Egan et al., 2004; Govaerts et al., 2011; Mikkelsen, Saksvik, & Ursin, 1998). For more than thirty years or so, studies of workplace learning have largely focused on predictors of employees' learning activities (Maurer & Tarulli, 1994), on defining typologies of workplace learning (Coetzer, 2007; Marsick, 2009), and on studying the effects of learning for organizations and employees (Van Ruysseveldt, Verboon, & Smulders, 2011). Less attention has been paid to the organizational conditions and practices that can stimulate or hamper employee learning at work (Eraut, 2004). Organizational learning climate has become more popular within organizational research (Eldor & Harpaz, 2016). Employees with different levels of temperament in the organization might hold different perceptions of the organization's learning climate. Future longitudinal research is needed to investigate the causal impact of the learning climate dimensions on turnover and employee well-being and organizational effectiveness (Bilal et al., 2020). To describe the organizational learning climate comprehensively, this study has used a three-dimensional study done previously by Nikolova et al., (2014). The three dimensions are categorized into facilitation learning climate, appreciation learning climate, and error avoidance climate. these three are three successive stages in attaining a conducive learning climate within the organization to improve and upgrade organizational outcomes and market gains through valued employee learning. These three attributes of learning climate have been seen to have a significant

positive impact on employee learning and behavior (e.g., Kyndt, Dochy, & Michielsen, 2009; Tracey & Tews, 2005).

2.7.1 Facilitation learning climate.

Organizational learning climate is often referred to as **'support of', 'facilitation of',** and **'opportunities for'** specific systems (Kyndt, Dochy, Michielsen, et al., 2009; Marsick & Watkins, 2003). Organizational support for learning professional knowledge at the organizational level also helps employees' actual learning as they gather valuable knowledge from peers and the professional learning climate (Marsick and Watkins, 2003). Despite its urgency and importance, not much research has been done on this aspect. Some efforts have been made earlier to develop scales to measure organizational learning climate, (Cheng et al., 2013; Kyndt et al., 2009;) yet this aspect of organizational learning climate has not been tapped fully to observe its effects on organizational outcomes.

2.7.2 Appreciation learning climate.

In an organization's provision of appreciation, whether material or non-material, organizations can create an improved learning climate by rewarding positive improvement in behavior (Saleh & Wang, 1993; Schneider et al., 2013).

Appreciation in learning climate refers to policies in management that aim to reward target behaviors. Previous research has also incorporated measures of climate learning and appreciation in different dimensions Tracey & Tews, 2005). Support of the organization in appreciation can prove to be vital in setting better examples for employees in the consent of learning and exhibiting certain behaviors. Such organizational and managerial support can create a more conducive climate and better organizational outcomes. **'Appreciation and stimulation'** are one such dimension developed as a non-material reward for the employees (Kyndt, Dochy, & Michielsen,

2009). Employees can also denote the level of organizational appreciation when learning newer adaptive behaviors as feedback for better assessment in future strategic decisions.

2.7.3 Error-avoidance climate

Given that learning **'by doing'** is one of the most popular learning methods at work (Carmeli et al., 2012), it is obvious that a learning environment should provide safety regarding how learning failures are handled in an organization (Edmondson, 1999; Schein, 1993). Many scholars have emphasized the significance of a climate that is forgiving of mistakes connected to learning (Marsick & Watkins, 2003; Van Dyck et al., 2005). Schein (1993) stressed that a work setting should provide an atmosphere of psychological safety to lessen people's concern about attempting something that could potentially end in failure while discussing the influence of organizational climate on learning at work. An organization where there is a culture of acknowledging and prioritizing error management rather than error avoidance helps employees learn and create a better learning climate (Van Dyck et al., 2005). This not only reduces employee anxiety but creates a healthy climate where trial and error can create better strategic decisions and help the organization have a leading position in the market (Zia et al., 2021)

2.8 Proposed Theoretical Model and Hypotheses Development

Figure 1: Proposed Theoretical Model

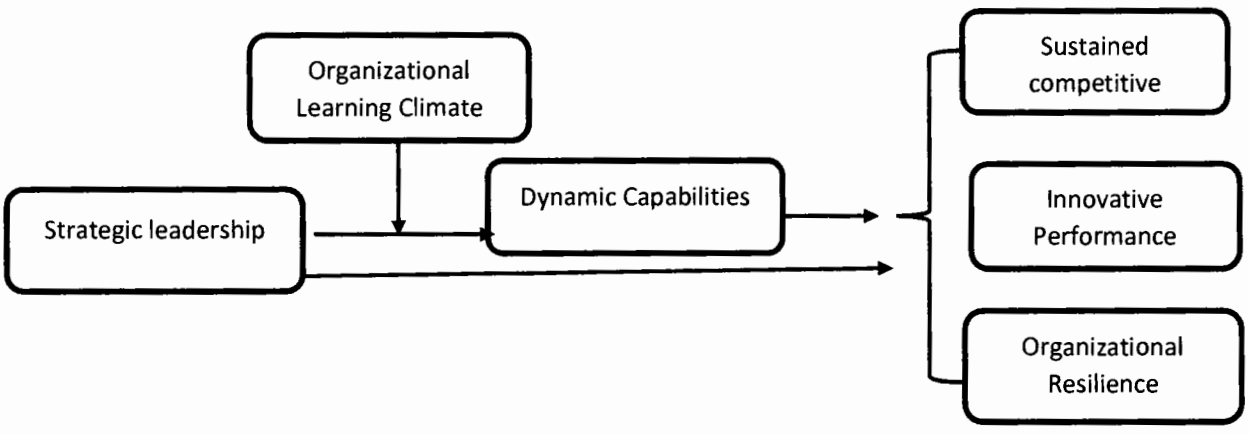


Figure 1: figure depicting (a) *the direct effects of strategic leadership on organizational outcomes (sustained competitive advantage, innovative performance, employee retention);* (b) *the mediating effect of dynamic capabilities between strategic leadership and employee outcomes; and* (c) *learning climate as moderator between strategic leadership and dynamic capabilities.*

2.9 Theoretical Foundations of Proposed Model

The year 2021 marks the completion of 30 years since the Resource-Based View (RBV) was presented and much research has been done on variables of management since then. Thirty years after its introduction, academic literature indicates that the RBV of the firm has reached maturity as a theory. Barney et al. (2011) saw different reasons for this. First, scholars have increasingly referred to the term resource-based theory instead of resource-based view. Secondly, many "spin-off perspectives "can be seen of RBV like knowledge-based view (Grant 1996), the natural-resource-based view (Hart 1995) and the dynamic capabilities (Teece et al. 1997). Resource-based view (RBV, nowadays referred to as resource-based theory, RBT) has affected nearly all disciplines of management and has occupied center stage theory in the domain of strategic

leadership (Allen and Wright, 2007). Therefore, RBV is considered as **'the guiding paradigm on which virtually all strategic HRM research is based'.** (Nyberg et al., 2014).

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 connection between resources, capabilities, and competitive advantage. Objectively speaking, the philosophy pertaining to this research is positivism. Positivist analysts consider the quantitative analysis through empirical data as the most accurate. This philosophy is all the more relevant to this research because of the rapidly topsy-turvy changing paradigms of organizational proceedings and outcomes. Benchmarks and time-tested rules are rapidly becoming obsolete. Central to RBV arguments is the position that organizations with the most valuable and unique resources gain a competitive advantage over other firms. The capabilities perspective of sensing, seizing, and transforming has evolved within the resource-based view (RBV). An organization is a bundle of resources which shape its competitive position. This approach explains that heterogeneity between business organizations stems from differing degrees and scope of control over valuable, rare, inimitable, and non-substitutable resources (VRIN). If all these requirements are met, then it becomes possible to achieve and sustain a competitive advantage (Barney, 1991; Barney et al., 2001). RBV postulates that the possession of VRIN resources by a firm leads to the emergence of isolating mechanisms that hamper other firms from performing at the same level (Lippman and Rumelt, 1982). Barney distinguishes three groups of VRIN resources: **physical capital** (physical technology, plant and equipment, geographic location, access to raw materials); **human capital** (training, experience, judgment, intelligence, relationships, and insights of the individual managers and workers in a firm); and **organizational capital** (a firm's formal reporting structure, formal and informal planning, controlling, coordinating systems, informal relationships among groups

within a firm and between a firm and those in its environment). Grant (1991) distinguishes between technological, financial, and reputational resources (Hofer and Schendel, 1978). Resources can also be classified as tangible (labor, land/raw materials, and stock of capital) and intangible (property rights, organizational capital, and experience) (Prahalad and Bettis, 1986). Intangible resources play a role in isolation mechanisms (imitation barriers) to a greater degree than do tangible ones (Rumelt, 1984). For that reason, the classical resource-based view regards them as a main source of competitive advantage. RBV is, however, also criticized for a perceived inability to explain sources of value creation and achieving competitive advantage and superior performance. Therefore, the best validity that can be observed is through empirical data against conceptual ideals. If those valuable and rare resources are also difficult to imitate and not compatible, the competitive advantage achieved can be sustained for a certain period (Barney, 1991; Kuratko, Ireland & Hornsby, 2001). Having these resources is a necessary but insufficient condition to achieve and sustain a competitive advantage. In fact, Barney and Arikan (2001) argued that there is a need for a better understanding of how resources create value. (Hitt, & Duane, 2002). In this study, sustained competitive advantage is analyzed in the context of the resource-based view (Barney 1991). According to the resource-based view, organizations can derive a sustainable competitive advantage by developing capabilities from resources that are valuable, rare, inimitable, and non-substitutable (Barney 1986; Barney and Wright 1998) through proper strategic measures especially the top management of an organization. (Florea, Cheung, & Herndon, 2012). The second aspect of organizational outcome discussed in this model is innovative performance. According to RBV theory, resources can be converted into innovative performance when knowledge-based dynamic capabilities act as a transformer. (Hsu and Wang, 2012), this also

solidifies the role of dynamic capabilities as a strong mediator which can affect the outcomes of an organization in a strongly positive way, thus enhancing the overall performance.

The importance of resilience for organizations facing crises and disasters is indisputable. Yet little is known about how organizations become resilient. (Jiang, Ritchie, & Verreynne, 2019) proposes that RBV provides a mechanism that enables an organization to respond to disruptive environmental changes through a process of routine transformation, resource allocation, and utilization and demonstrates how an organization's existing operational routines transform into new ones that are resilient to disruptive events, enabled by dynamic capabilities and Resource-based View (RBV) theory. (Potnuru, Sahoo, & Sharma, 2018), in their study had integrated the resource-based view (Wernerfelt, 1984) and organizational perspective of learning to create a strong theoretical foundation by exploring the effects of team building, employee empowerment and organizational learning culture on employee competencies. The study provided empirical validation of the moderating role of organizational learning culture towards the relationship of organizational practices and sustained competitive advantage. The above-mentioned theoretical justification has abundant proof of how RBV theory is the most appropriate tool to explain theoretically the above proposed model.

The formal introduction of resource-based view (RBV) by Jay Barney in Journal of Management (JOM) in 1991 is the cornerstone of research in strategic management to find out why some organizations are better at dynamic distribution of resources and capabilities (Armstrong & Shimizu, 2007; Nason & Wiklund, 2018). Following formative steps by Penrose (1959), Wernerfelt (1984), and others, Barney (1991) delineated RBV by defining the key attributes that make resources "strategic" (Chi, 1994) that is, valuable, rare, inimitable, and non-substitutable and highlighting their role in helping organizations achieve sustained competitive advantage,

resilience, and innovative performance. Given the difficulty of measuring these variables, most subsequent studies assessed these organizational outcomes on individual level instead of as organizational goals. Although Barney (1991) suggested organizations to "exploit" the strategic resources they have, yet there is lack of mechanism devising, and much of the empirical testing of RBV's claims examines possible direct links between strategic leadership and performance (Armstrong & Shimizu, 2007; Nason & Wiklund, 2018). Over a decade ago, a meta-analysis by Crook, Ketchen, Combs, and Todd (2008) quantified and supported this direct link yet concluded that "much work remains before theory can map out the many contingencies" and choices that shape the nature of relationship between strategic leadership and organizational outcomes. Indeed, as theorizing related to RBV evolved, the focus on the relationship between strategies of a leader to improve organizational outcomes has been scrutinized. In the review of critiques leveled against RBV, Kraaijenbrink, Spender, and Groen (2010) noted, '**The possession of strategic resources is not sufficient, and it is only by being able to deploy these that (organizational outcomes) can be attained**. The link of the dynamic capability of an organization with resources (RBV) and the way they are organized is dynamic in its essence as it increases with the increase in knowledge and experience of an organization. The organization needs to evolve this capacity over time with flexibility to create sustained competitive advantage and resilience and to perform more innovative in the market.

This study also aims at finding the moderating effect of organizational learning climate on the relationship between strategic leadership and dynamic capabilities under the Resource-Based View (RBV). With the unpredictability prevailing in present times for an organization, it is imperative that strategic decisions by the leadership must be taken keeping in view the capabilities and the resources either available at hand or the ones that can be generated (Monteiro, et al., 2019).

2.10 Strategic Leadership and Organizational Outcomes ((Sustained competitive advantage, Innovative Performance, and Organizational Resilience)

2.10.1 Strategic Leadership and Sustained Competitive Advantage

In recent years, interest in strategic leadership and its effects on sustained competitive advantage has been studied. Although research on strategic leadership is still in its nascent phase where the existing literature mainly focuses on strategic management rather than leadership, current studies have shown that strategic leaders. Strategic leaders can improve business sustained competitive advantage by creating innovative products and services. (Nwachukwu, C., & Vu, H. M. ,2020). Value creation in terms of economic, social, environmental and innovation performance ensures that an organization remains in the market for a long time and to achieve competitive advantage. Indeed, firms need strategic flexibility and strategic leadership to meet current and future business needs. (Boal, K. B., & Hooijberg, R., 2000). Adopting a flexible approach by strategic leadership can improve business sustained competitive advantage. Firms should adopt strategic flexibility as this directly impacts business sustained competitive advantage indicators (economic, social, environmental, innovation performance). (Shao, Z., 2019).

In the context of innovation performance, strategically flexible organizations with strategic leaders can deliver products and services that create optimum value for divergent stakeholders. It is important to exercise strategic leadership to develop strategic flexible organizations and enhance business sustained competitive advantage. To remain sustainable, businesses need strategic leaders that can assure the organization is agile and flexible to face change effectively. Consequently, the absence of strategic leadership could have negative implications for strategic objectives and business sustained competitive advantage. Therefore, in a turbulent environment, firms, especially

in the emerging market, need to continuously adjust their strategic orientation to better cope with these challenges. Analyzing the above-mentioned research, we have postulated that strategic leadership can have a positive relationship with sustained competitive advantage.

Hypothesis 1a: *Strategic leadership is directly and positively related to sustained competitive advantage.*

2.10.2 Strategic Leadership and Innovative Performance

In preserving competitiveness and sustaining competitive advantage in the cutthroat and turbulent business environment today, organizations are compelled to invest in creativity and innovation. For this reason, organizations also need to pay attention to the perception of their employees towards the leadership, practices, and policies of the organization which could boost or impede creativity and innovation in the organization. In this regard, employees become the enablers of creative and innovative outputs. Innovation and creativity are the core competencies in developing sustained competitive advantage. (Khalili, 2016). The leadership style exhibited by a manager is a primary element of success to any organization as the style of leadership can have a positive effect on productivity of employees and innovation in organization. (Li et al., 2018). A persuasive and effective leader appears to be the one with the capacity to design, establish, and commercialize the human and social capital (Makri and Scandura, 2010). In fact, strategic leaders could stimulate and exploit the talents residing within the organizations and universities for the purpose of nurturing creativity and innovation. (Alrowwad, Abualoush, & Masa'deh, 2020). Somehow, it is rare to find such leaders (attain high performance using better strategic styles of leadership) (Vargas, 2015). The innovation process of followers can be directly and indirectly impacted by their leaders via motivation and needs of higher level. These leaders indirectly make available a conducive

environment to enable the employees to exercise their creativity without worrying about negative outcomes (Makri & Scandura, 2010). This is because innovations have strong spill-over effects on other firms and these positive externalities may change the evaluation of innovative activity from a social point of view. (Czarnitzki, & Kraft, 2004). A successful strategic leader possesses the qualities of communication, creativity, determination, boosting changes, adaptability, initiative, innovation, and vision. It is important that leaders lead and adapt their approach to the followers so that they can achieve the set goals and the sought-after outcomes. The task entrusted to a strategic leader is to execute innovative performance practices in the organization (Kara et al., 2018). Based on that, this researcher has proposed the following hypothesis:

Hypothesis 1b: *Strategic leadership is directly and positively related with innovative performance,*

2.10.3 Strategic Leadership and Organizational Resilience

Organization resilience is divided into two components of planned and adaptive (Lee, Vargo, & Seville, 2013). Planned resilience in an organization is premeditated pre-disaster response whereas adaptive resilience is the ability that on organization develops post disaster based on strategy of leadership, assessment of resources and assets, internal organizational collaboration, and the ability to learn from past experiences while keeping wellbeing of employees as a major concern (Nilakant, Walker, Heugten, Baird, & De Vries, 2014). While previous studies suggest post-disaster recovery strategies have an impact on organizational performance (Corey & Deitch, 2011), the influence of organizational resilience on business performance has not been examined with the perspective of top management or strategic leadership. Specifically, post-disaster financial performance is influenced by many factors, including the extent of pre-disaster planning, strategic planning by the leaders or top management, firm size, and sector of operation (Kachali et al., 2012;

Nakanishi, Black, & Matsuo, 2014). Also, subjective measures of business performance are highly correlated with objective measures (Vij & Bedi, 2016). the study of Nilakant et al. (2014) strategic leadership has a positive influence through adaptive resilience for improving financial performance. We emphasize strong leadership with adaptive strategic practices, using knowledge in novel ways, the ability of employees to fill multiple roles, and the organization having sufficient resources to absorb unexpected change as critical to sustain financial performance. With a large proportion of micro-enterprises, the size of organization also influences financial performance. (Loonam et al., 2020). Thus, this researcher formulated the following hypothesis.

Hypothesis 1c: *Strategic leadership is directly and positively related with organizational resilience.*

2.11 Relationship of Strategic Leadership with Dynamic Capabilities

Strategic leadership is the process of building capabilities by top management of an organization, that allows a firm to create value for customers, shareholders, and society while operating in competitive markets (Nag, Hambrick & Chen 2006). The analysis of external and internal resources to maximize dynamic capabilities in an organization has direct influence on the objectives (Bracker 1980). The influence of a strategic leader can depend upon the size of an organization and the tendency to change the organization's business environment. Whereas Dynamic capabilities encompass many dimensions of dynamic capabilities of seizing, sensing, and transforming, yet they have distinct components of their own. (Qaiyum & Wang, 2018).The resource-based view (RBV) of the firm and the dynamic capabilities view (DC) have focused on two broad categories of organizational capabilities that are essential for optimum performance of the organization. Zero-order dynamic capabilities exploit an organization's present

resources and assets that are used in day-to-day operations (Winter, 2003) whereas higher-order dynamic capabilities optimize the organization's resource base through integration and amalgamation and reconfiguring competences (Eisenhardt & Martin, 2000; Teece et al., 1997). According to this explanation, we have postulated this hypothesis that since dynamic capabilities are higher order in nature and decisions of such nature are usually taken by the top management, which we can call leadership. Hence,

Hypothesis 2: *Strategic Leadership is positively related to dynamic capabilities.*

2.12 Relationship of Dynamic Capabilities with Sustained competitive advantage, Innovative Performance, and Organizational Resilience.

According to (Protogerou et al., 2011), there exists a positive relation between dynamic capabilities and sustained competitive advantage. Researchers have also started to explore the links between dynamic capabilities and sustained competitive advantage, including its environmental, social, and economic aspects. For example, (Marcus & Anderson, 2006) investigated how dynamic capabilities can lead to the acquisition of both business and social competencies. Furthermore, in a survey study, (Mousavi et al. ,2018) found a positive effect from sensing, seizing, and reconfiguring dynamic capabilities on innovations for sustained competitive advantage. The concept of dynamic capabilities has also been translated into a sustained competitive advantage context, referring to the organization's ability to address the rapidly evolving sustainable expectations of stakeholders by purposefully modifying functional capabilities for the simultaneous pursuit of economic, environmental, and social competences' (Wu et al., 2012). Several exploratory articles have indicated a positive relationship between these "sustained competitive advantage dynamic capabilities" and different sustained competitive advantage aspects in organizations. For example, through a survey study of 189 manufacturing companies,

(Dangelico et al., 2017) found a positive relationship between sustained competitive advantage dynamic capabilities, eco-design capabilities and green innovation capabilities. Therefore, we have formulated the following hypothesis.

Hypothesis 3a: *Dynamic capabilities are positively related to sustained competitive advantage.*

The term dynamic capabilities emphasize the key role of strategic management in appropriately adapting, integrating, and reconfiguring internal and external organizational skills, resources, and functional competences to match the requirements of a changing environment (Teece et al., 1997). In the era of knowledge economy emphasizing the importance of innovation, intangible assets are more critical than physical assets as well as the integration and reconfiguration of dynamic capabilities' internal and external organizational skills, knowledge, and competences to generate innovation. New types of learning, such as innovations, are products of a firm's dynamic capabilities to generate new applications from existing knowledge. By dynamic capabilities, (Kogut & Zander ,1992) mean the intersection of the capability of a firm to exploit its knowledge and the unexplored potential of the technology. Sher & Yang's (2005) empirical results indicate that dynamic capabilities are mostly positively related to innovative performance. The higher DC a firm has, the higher the ability of a firm to reconfigure and transfer existing knowledge into new knowledge. In establishing dynamic capabilities, organizational learning plays an important role. Through smooth interaction and communication, employees will learn and internalize knowledge from others. Learning is the process that assimilates existing information and past experiences to create solutions for future problems that an organization may encounter. (Cohen & Levinthal, 1990). Besides, repeated practice is an important learning mechanism for the development of DC. Employees get more accustomed to the procedures and become better equipped at developing

operative routines (Eisenhardt and Martin, 2000). Integrative procedures resulting in effective learning mechanisms can be used to transform resources and knowledge to more effective strategic use. Therefore, dynamic capabilities lead to better, faster, more effective, and more efficient innovative process, and to finding new opportunities in business operation more easily. In turn, companies with DC can yield better Innovative performance, which can lead to potentially long-term competitive advantage. Thus, we propose the following hypothesis:

Hypothesis 3b: *Dynamic capabilities are positively related to innovative performance.*

Dynamic capabilities research is part of an emerging field. It studies the activities of companies included in turbulent administrative environments. Empirical results suggest that these capabilities are related to organizational renewal and reconfiguration according to their environment conditions. Organizations need to be flexible and innovative when market and technological changes require quick decisions or when competition and market structures are difficult to predict. In other words, dynamic capabilities should be established at the core of the strategic management process, consisting of a set of specific and identifiable processes. The sustained competitive advantage of competitive advantage, especially in contexts of dynamic capabilities, demands approaches that consider the need for organizational resources reconfiguration (Eisenhardt & Martin 2000). The approach complements and goes beyond the classical view of competitiveness (Porter 1980), core competencies (Prahalad and Hamel 1990) and the organization's resources-based view (RBV) (Barney 1991). Dynamic capabilities concept is based on Gonza´lez et al. (2009) and Pavlou and El Sawy (2011), where dynamic capabilities are understood as the ability to adapt to rapid changes and unpredictable environments. As an organization is better equipped

in its adaptation through the skills of dynamic capabilities, therefore, organizational resilience becomes more profound in an organization. Thus, we propose the following hypothesis.

Hypothesis 3c: *Dynamic capabilities are positively related to organizational resilience.*

Mediation

2.13 Dynamic Capabilities acting as mediator between Strategic Leadership and employee outcomes (sustained competitive advantage, innovative performance, and organizational resilience)

The competitive advantage of an organization comes from its ability to utilize its dynamic capabilities with the help of strategic leadership to create values of better performance and sustained competitive advantage (Amit and Schoemaker, 1993). Martelo et al. (2013) shows that an organization's ability to create superior strategies and values depends on how its resources and capabilities are recombined. According to Jeng & Pak (2016), sustained competitive advantage encourages organizations to use existing assets and resources in a more uniform and optimum distribution to create new and better opportunities than their competitors. For Huang et al (2012), dynamic capabilities will allow firms to create new products and processes that enable them to respond to changing market conditions. Hsu and Wang (2012) argue that dynamic capabilities emerged as a complement to the RBV theory to explain the competitive advantage in rapidly changing environments. According to Teece et al. (1997), competitive advantage is the drive behind better development of dynamic capabilities whereas Lee et al. (2002), Zahra and George

(2002) and Li and Liu (2014) have viewed similar role of dynamic capabilities in sustained competitive advantage.

Prior research suggests that the dynamic context influences an organization's innovation adjustment and sustained competitive advantage by stimulating the experimentation and development of unique resources (Nandakumar et al., 2011). Despite competitors' access to the same external resources, dynamic capabilities provide the basis for a continuous search for the uniqueness that builds a strong orientation of sustained competitive advantage and resilience as well as innovative performance. (Fainshmidt et al., 2018). In short, as a higher-level competence, knowledge-based dynamic capability is created through strategic leadership and determines how it can be aligned and realigned to match the requirements of the organization. This leads to the following hypothesis.

Hypothesis 4a: ***Dynamic capabilities mediate the impact of strategic leadership on sustained competitive advantage.***

Hypothesis 4b: ***Dynamic capabilities mediate the impact of strategic leadership on innovative performance.***

Hypothesis 4c: ***Dynamic capabilities mediate the impact of strategic leadership on organizational resilience.***

Moderation

2.14 Moderating role of Learning climate between Strategic Leadership and Dynamic Capabilities

Organizational learning can be defined as, **'collaborative learning process of an individual'** (Song et al., 2009). Organization learning can also be defined as, **'the process in which new information and knowledge is applied with the aim of continuous improvement in performances and routines'** (Simon, 1991). On how to meet the objectives of performance, improvement in internal communication, engagement, cooperation along with the motivation and commitment can all be done by organizational learning by increasing the knowledge and decision making (Caemmerer & Wilson, 2010). A climate that stimulates the learning process has the capacity to create new skills and knowledge in the firm. These new skills and knowledge enable the firm to be innovative and adaptive, thereby increasing its performance and hence competitiveness (Ghavifekr et al., 2016).

In this study, organizational learning climate as a moderator is built as a moderator on RBV theory (Spence, 2002) and experiential learning theory (Kolb 1984). Based on the viewpoint of RBV theory, strategic leadership in organizations that cultivate learning culture would give indications to the employees that the management values and supports the exchange of knowledge learnt by them through efficient distribution of resources from their organizations (Bloor and Dawson, 1994; Spence, 2002). Such culture that facilitates knowledge-transfer and idea sharing would positively influence employee competencies. According to the RBV theory, resources have a certain value but the employment and deployment of these resources by an organization through efficient strategic measures is more important. To understand dynamic capabilities, the emphasis is on how and what type of these resources exists (Johnson et al., 2008).

Learning capacity must be embedded in the employees so that a firm can put new ideas into practice during the process of an innovation (Bouwen & Ve Fry, 1991). Exploration of new knowledge to make scientific enhancements in the existing market, to create new ideas/products

or to enter the new markets. New ideas, ability to discover new opportunities and creativity is strengthened by the process of learning that shows the presence of dynamic capabilities. The main reason why some firms are better than others is because the culture of learning is prevalent in the firm (Tran, 2008). Thus, the above discussion resulted in the following hypothesis:

Hypothesis 5: ***Organizational learning climate positively and significantly moderates between strategic leadership and dynamic capabilities.***

2.15 Conditional Indirect Effects through Moderated mediation

There is less agreement about what makes up a learning climate and how it should be measured, even though the results of such research all agree on the significance of a learning climate for organizational and employee outcomes. Although learning climate is typically thought of as a construct that focuses on the support, opportunities, and 'space' for learning provided by the organization (Marsick & Watkins, 2003; Tenblad, 2002), some researchers highlight the relevance of opportunities to develop, access information, and connect with others (Bartram et al., 1993), while others emphasize the importance of appreciation and stimulation (Kyndt, Dochy, Michielsen, & Moeyaert, 2009; Tracey & Tews, 2005). Looking at the current scales for the facilitation of learning reveals a similar lack of agreement. Previously, many researchers have developed scales to measure organizational learning climate within an organization, (Marsick & Watkins, 2003; Tracey & Tews, 2005) distinguishing between different dimensions of learning climate. Previous research has suggested that the organizational learning climate has played an important role in shaping organizational outcomes through the facilitation and sourcing of knowledge and ideas (Naqshbandi, & Tabche, 2018). As one of the first of its kind, this study aims

at measuring the indirect moderating effect of organizational learning climate between strategic leadership and organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience through dynamic capabilities. Therefore, this study has proposed the following hypotheses.

> **Hypothesis 6a:** *Organizational learning climate moderates the indirect effect between strategic leadership and sustained competitive advantage through dynamic capabilities in such a way that the conditional indirect effect will be stronger when the learning climate is high and vice versa.*
>
> **Hypothesis 6b:** *Organizational learning climate moderates the indirect effect between strategic leadership and innovative performance through dynamic capabilities in such a way that the conditional indirect effect will be stronger when the learning climate is high and vice versa.*
>
> **Hypothesis 6c:** *Organizational learning climate moderates the indirect effect between strategic leadership and organizational resilience through dynamic capabilities in such a way that the conditional indirect effect will be stronger when learning climate is high and vice versa.*

2.16 Summary

The major focus of this chapter is on the literature review of variables used in this study. All variables have been discussed in detail and further dimensions of dynamic capabilities, as well as organizational learning climate, have been discussed. The proposed theoretical model has been discussed with a theoretical foundation based on RBV theory. The relationship of strategic leadership with organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience has been described as well as the relationship between strategic leadership and mediating variable of dynamic capabilities as well as the moderating role of organizational learning climate between strategic leadership and dynamic capabilities. This

chapter serves as a sound base for research reasoning and the subsequent methodology adopted in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Chapter Overview

This chapter aims at describing the different steps taken in identifying parameters of quantitative research, identification of population, and sample size. The topics discussed under the heading of research methodology includes research design. This research design consists of population, sampling strategy, sample size, statistical techniques, statistical software incorporated and findings as well as limitations. How data was collected, and which means were used is also elaborated in this chapter. Different statistical techniques and software were used to analyze the quantitative data collected.

3.2 Research Design

Research design provides a roadmap to researchers to find out answer of a given question (McDaniel and Gates, 1999). A quantitative study comprises of collecting and analyzing variables to verify a research problem through statistical procedures (Creswell, 2014). As this study involves testing causal mechanisms of organizational outcomes, hypotheses testing is required where the influence of Strategic Leadership is studied on organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience through moderated mediation.

A research design is a set of methods and procedures used in collecting and analyzing measures of variables specified in a research problem. (Creswell, John W., 2014). Research design is the plan,

structure, and strategy of investigation conceived to obtain answers to the research questions. (Kerlinger, F. N., 1973).

This study aims at investigating the effects of strategic leadership on organizational outcomes by mediating role of the dynamic capabilities, and moderating role of organizational learning climate, it is a time-lagged study. This is quantitative research that used survey method for the quantification of responses.

_Positivism is aligned with the hypothetico-deductive model of science that build on verifying a priori hypotheses and experimentation by operationalizing variables and measures; results from hypothesis testing are used to inform and advance science. Studies aligned with positivism generally focus on identifying explanatory associations or causal relationships through quantitative approaches, where empirically based findings from large sample sizes are favored in this regard, generalizable inferences, replication of findings, and controlled experimentation have been principles guiding positivist science. This study has used the paradigm of positivism based on the selected population of the telecom sector in Pakistan. The main reason for this is that this industry is extensive in its outreach as an organization and supports the empirical deductive approach suitable to this research with reference to the Pakistani context. Scientific research, the systematic quest for knowledge, can be considered through different research paradigms that make assumptions about how the world operates. These research paradigms are the philosophies of science,[2] which guide the way science is conducted by shaping the following core elements: ontology (how reality is viewed), epistemology (how the nature of knowledge is conceived), axiology (the role and values of the research process), methodology (how the paradigm defines processes associated with conducting science), and rigor (the criteria used to justify the quality of research in the paradigm) (Park, Konge, & Artino, 2020).

Understanding paradigm-specific assumptions is important, as they provide deeper understanding of how research is operationalized and of components that promote legitimate problems, solutions, and criteria for evidence. Positivism is aligned with the *hypothetico-deductive model* of science. As such, identifying the structure and basis of positivism through the hypothetico-deductive method is a circular process that begins with theory from the literature to build testable *hypotheses*, design an experiment through *operationalizing* variables (i.e., identifying variables to manipulate and measure through group assignments), and conduct an empirical study based on *experimentation.* Ultimately, the findings from such a study are used to help inform *theory* and contribute to the literature, thereby completing the circular process. (Jastrzębski, 2022).

3.3 Population and Time

The target population for this study is from the telecom sector in major cities of Pakistan. With middle-level and top-level management as respondents. They may include Board Directors, senior managers, section heads and head of departments, etc., One of the reasons to diversify and expand population to all provinces of Pakistan is to have a better idea of how strategic leadership can affect organizational outcomes. A small area covered may not be able to precisely describe outcomes that can be diversified as well as that can be generalized. (Ahmed & Ahsan, 2011) With little differences owing to geo-economic and socio-political differences, how telecommunication sector operates at a strategically important middle level as strategic leaders to provide competitive advantage through organizational outcomes mentioned in the proposed model. Telecom Sector has been chosen due to the extensive spread of its infrastructure and leadership bifurcated in all the above-mentioned cities. Recent developments in the telecom industry have seen significant contributions to the economic scenario of Pakistan. Different cellular organizations are currently

functioning in the nation, and their subscriber bases are more than 200 million, up from 182 million the year before. The growth and development of telecommunication services are currently being vigorously pursued by both the public as well as private sectors. In addition to offering internet and broadband services, it also offers cellular telephone, card payphone, and, since Pakistan Telecommunication Company Limited (PTCL) was privatized, fixed-line telephone services, Pakistan's telecom sector has experienced significant growth in recent years because of expansion in e-commerce, which raised the demand for connectivity, particularly during and after the COVID-19 pandemic. This provided an opportunity to assist in building the industry's network and infrastructure, but practical difficulties like power outages, security, rising fuel prices, and high operating costs also persist for this industry which is a significant issue for management of the Telecom industry. The government has announced a 5G roadmap that calls for the testing of 5G technology and related services during FY21-22 considering the growth potential. Smartphones, which are the top-selling category across all significant e-commerce platforms, are in high demand because of this spike.

Telecom sector also has better equipped strategic leadership practices and this concept is neither alien to this sector not there is a dearth of previous experiences in case of unexpected situational outcomes. Moreover, the domain of strategic leadership has been best recognized and being developed in Telecom sector. One such example is the Telenor Academy's leadership Courses especially designed for senior leaders. (LEAP; CXO-1 level). As a developing country, most of senior management of organizations is concentrated in either the twin cities of Rawalpindi/Islamabad and Karachi or in the provincial capitals of Pakistan. This researcher aims to collect data from as many diverse cities of Pakistan as possible.

The target population of this research is the middle and senior-level managers of the Telecom Sector of Pakistan from more than 18 major cities of Pakistan. Managers of 32 Telecom sector companies have been contacted in filling out survey questionnaires. These companies include the mainstream large telecom companies, supplying companies of telecom sector, it supports companies, subsidiary financial companies of large telecom companies etc.

The aim of this researcher was to include as many diverse telecom companies in the survey as possible to have a diverse and comprehensive analysis of nearly most of the companies in telecom sector. Despite many difficulties of respondent's responses provision, most of the respondents provided questionnaires in roughly the same time. Some of the companies have been working remotely since Covid -19 like Zong, while other organizations like Jazz and Telenor have selected half-staff days where a smaller number of employees have been working. In all organizations the data have either been collected through personal visits for time lag 1 and then email correspondence for subsequent time lag questionnaires. Focal persons in organizations have helped in filling the data from employees of their respective organizations.

As one of first of its kind, the impact of strategic leadership is evaluated on organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience with the mediating effect of dynamic capabilities. This theory-driven model has also used moderating effect of organizational learning climate. The overarching theory applied in this study is the RBV theory proposed by Jay Barney (Barney, 1991). Primary data from independent sources have been collected and where self-reported instruments have been used to measure the constructs. In this time-lagged study, time-lagged data has been collected at three times with an approximate gap of three to four weeks, depending upon the response rate. Strategic Leadership (IV) and Organizational Learning Climate (moderator) have been collected at time 1, Dynamic

Capabilities (mediator) at time 2, and sustained competitive advantage, innovative performance, and organizational resilience at time 3. Questionnaires were distributed by this researcher personally using convenient sampling technique to different managers. A few major organizations like Zong have been working remotely since Covid-19 and thus those questionnaires were filled through Google Docs/Mail. Time lagged responses were matched using email ids as the primary key/identifier.

3.4 Sample and Data Collection Methods

The study requires a longitudinal design to examine the causal links proposed in the model but due to limitations of time and resources ,a time lag design has been adopted compared to cross-sectional design and to address common method bias. To determine the sample size statistically, Rule of Five has been used. Since the no. of items in the questionnaire was 80, (80 x 5 = 400) a total of 400 useable questionnaires were aimed to be received to reduce uncertainty (Dahlquist, 2016). At time 1, the questionnaires administered were 700, as they had demographic information of the respondents and independent variable Strategic Leadership and moderator Organizational Learning Climate. The total no. of questionnaires received back was 607. After a gap of 3 weeks, these 607 questionnaires were sent out to the managers at time 2, questionnaire consisting of Dynamic Capabilities was sent to the respondents. Out of those 607 questionnaires, 521 filled questionnaires were received. A gap of 3 to 4 weeks was given between time 2 and time 3. At time 3, questionnaires comprising all dependent variables i.e., Sustained Competitive Advantage, Innovative Performance, and Organizational Resilience were sent to the managers who were contacted several times with the request of filling of questionnaires. A total of 472 questionnaires were received from the respondents. After treating unengaged responses and missing values, a

total of 439 usable questionnaires were used in the data analysis, which makes up 62.7% of the final response rate.

The sample was taken from both private as well as public sector telecom companies. Executives and managers from the top and middle-level management were engaged. They included officials from departments of HR, marketing, finance, IT, etc. Out of all respondents, 74% were male and 26% were female employees. The qualification of respondents ranged between bachelors which was 30.5%, and masters and above that were 69.5 % of the sample population. As the telecom sector usually operates as large companies, 92% of the are large whereas 8% have been medium and small telecom companies. Similarly, the no. of employees belonging to companies having more than 500 employees was 96% of a total sample population.

The respondents' age representation has been such that 21.4% of respondents are aged between 26 to 30 years, 36% are between the age group of 31 to 35 years and approximately 32% are between 36 to 45 years of age, whereas 10% belong to the age of 45 years and above. As originally aimed, this study aimed at gathering data mainly from middle management, the no. of respondents belonging to middle management are 69% and top management employees are 31%. As sample papulation was aimed to be as diverse and comprehensive as possible within the framework of this study, the sample used can safely be generalizable. This research can be considered as generalizable in context to the telecom sector in Pakistan. Since telecom companies are operating at the local and national levels, they are globally connected and are working on the same organizational patterns following similar organizational goals and targets that need achievement through sustainability and innovation while keeping the organizational structure resilient. This study may not be generalizable for all service or product sectors but as far as the telecom sector is concerned, the results can not only be generalizable but effective for all organizations across the

globe to benefit from it. Moreover the no. of responses varies from 1 to 35 from one organization therefore it was ruled out that multilevel analysis is not required.

3.5 Measures

The scales used in this research have been adapted from recent studies. They are properly validated and established in numerous research studies. The scales were selected on the operational definition of their respective variables as they have been globally verified in different fields of studies under diverse socio-cultural workplaces, professional research, and paradigms. In research, it is considered to have established and standardized scales to reduce the likelihood of instrumentation threats (Coryn & Hobson, 2011). Variables used in this study have already been used and verified in the following studies.

Table 3. 1: Variables

Sr. No.	Variable Name	Items	Author's Name
1.	Strategic Leadership	19	Ahmed Aliyu Palladan, 2017
2.	Organizational Learning Climate	9	Irina Nikolova, Joris Van Ruysseveldt, Hans De Witte and Karen Van Dam, 2014
3.	Dynamic Capabilities	14	Barbara Kump, Alexander Engelmann, Alexander Kessler, and Christina Schweiger, 2019
4.	Sustained Competitive Advantage	16	Omar Rabeea Mahdi, Islam A. Nassara, and Mahmoud Khalid Almsafir,
5.	Innovative Performance	10	Ahmed Aliyu Palladan, 2017
6.	Organizational Resilience	12	Deniz Kantur and Arzu Iseri Say, 2015

Questionnaire was in English language and easily understandable by the respondents as the official language in Pakistan is English. Scales used in this study for each variable are as follows:

Table 3. 2: Constructs

Constructs

Sr. No.	Variable	No. of Items	Reliability/ Alpha	Mean	Standard Deviation
1	Strategic Leadership	19	0.94	5.4	0.75
2	Organizational Learning Climate	9	0.93	4.6	0.70
3	Dynamic Capabilities	14	0.77	5.6	0.49
4	Sustained Competitive Advantage	16	0.86	4.7	0.42
5	Innovative Performance	10	0.84	5.5	0.63
6	Organizational Resilience	12	0.82	4.6	0.48

3.6 Validity OF Measures

Validity tests are run to check how accurately the scale is representative of its respective latent variable by defining to which degree they are conceptually aligned (Hair et al., 2013). Convergent and discriminate validity tests are two accepted criteria to test the validity. Convergent validity can be measured by calculating average variance extracted (AVE) and through 'Factor Loadings'. AVE justifies the ability of observed items as to how well they rationalize the latent variable through finding maximum shared variance (MSV). Shared variance (latent constructs variance) can be obtained by squaring the correlations and then through average of this variance of observed variables, AVE is checked. Convergent validity is achieved upon meeting the convergent validity standards i.e., item factor loading is greater or equal to 0.5 AVE is greater or equal to 0.5 and CR

is greater and equal to 0.7. These validity tests are conducted to test the degree of relation between two measures of the same concept to one other and whether they are conceptually distinct or not (Mackenzie, Podsakoff & Podsakoff, 2012; Gaskin et al., 2016).

Whereas discriminate validity describes the observed variable's theoretical correlation to average variation and is known as Factor Loading (Schmidt, Coyle & Saari, 1977). Discriminant validity can further be tested through comparison of AVE values and SV values, if AVE is greater than the shared variance values, discriminant validity is established. Discriminant validity provides the extent to which a construct is distinct from other constructs by finding modification indices (Bagozzi, Yi, & Phillips, 1991), for which CFA is performed by factor loadings and through model fit.

Analyses were run to check convergent and discriminant validity and Composite Reliability (CR) of the data. Composite reliability of all variables was found to be greater than the acceptable range of 0.7 with values ranging as follows: strategic leadership (0.93), organizational learning climate (0.99), dynamic capabilities (0.88), sustained competitive advantage (0.90), innovative performance (0.81) and organizational resilience (0.86). Standard recommendations criteria (Hair et al., 2010) was used to ensure discriminant validity was established. According to the results, Maximum Shared Variance (MSV) was found to be less than Average Variance Extracted (AVE). Also, Average Variance Extracted (AVE) was seen to be less than Composite Reliability (CR).

Table 3. 3: Composite Reliability (CR), Maximum and Average Variance Extracted (AVE, MSV)

Variables	CR	AVE	MSV
STL	0.93	0.42	0.25
OLC	0.99	0.57	0.20
DC	0.88	0.46	0.39
SCA	0.90	0.41	0.23
OIV	0.81	0.42	0.15
OR	0.86	0.49	0.62

STL = strategic leadership, OLC = organizational learning climate, DC = dynamic capabilities, SCA = sustained competitive advantage, OIV = innovative performance, and OR = organizational resilience.

3.6.1 Strategic Leadership

The 19-item strategic leadership scale (Palladan, Ahmad Aliyu, 2017) was fully adopted to check the measurement of strategic leadership. Results of reliability of this scale in this study are stated at $\alpha = 0.94$ (refer Table 1) using 6-point Likert scale ranging from strongly disagree (1) to strongly agree (6). Example items includes *"My organization is satisfied when its employees meet an agreed standard"*; *"Employees in my organization have complete faith on their superiors"* and *"Senior management in my organization have appealing images about what its employees can do"*. To check validity, a full measurement model was run in AMOS, that reported that convergent validity with its own constructs and discriminant validity with other constructs, of strategic leadership is within acceptable range. Result of single factor CFA for discriminant validity have been reported at (0.64). Discriminant validity was also confirmed through individual Factor CFA

(X^2 =423.8; X^2/DF = 2.8; CFI = 0.92; NFI = 0.89; GFI = 0.90; AGFI = 0.88; RMR = 0.05 and RMSEA = 0.06) Whereas convergent validity's item loading range with AVE at 0.42 which is lesser than composite reliability CR at 0.93 thereby fulfilling criteria of convergent validity. (Hair et al., 1981)

3.6.2 Sustained Competitive Advantage

To measure Sustainable competitive advantage, the following scale consisting of 16 items and developed by Omar Mahdi (Mahdi, & Almsafir, 2014) has been used. The scale consists of four subscales of resources, capabilities, competencies, and core-competencies, each having four items. The items in the scale are, '*our resources are unique and rare among an organization's current and potential competitors (resources), 'our organization has capabilities are valuable and incapable of being rapidly developed elsewhere (capabilities), 'our competitive advantage is based on rare competencies not many competitors possess, (competencies), 'our competitive advantages are firmly embodied and attached in the core competencies and are inimitable and nobody can easily copy (core-competencies).* An existing 5-point Likert scale was used ranging from 1 (strongly disagree) to 5 (strongly agree). As a measure of reliability, the Cronbach's alpha's value was calculated at (0.86) (Table 1). To check validity, a full measurement model was run in AMOS, it is seen that dynamic capabilities' convergent validity with its own constructs and discriminant validity with other constructs is found within acceptable range. Result of single factor CFA for discriminant validity have been reported at (0.64). Discriminant validity was also confirmed through individual Factor CFA (X^2 = 255.4; X^2/DF = 2.6; CFI = 0.90; NFI = 0.86; GFI = 0.92; AGFI = 0.89; RMR = 0.02 and RMSEA = 0.06). Whereas convergent validity's item loading range with AVE at 0.41 which is lesser than composite reliability CR at 0.90 thereby fulfilling criteria of convergent validity.

3.6.3 Innovative Performance

The following 10-item innovative performance scale (Palladan, Ahmad Aliyu, 2017) was fully adopted for the measurement of Innovative Performance. Reliability of this scale in previous research was reported at ($\alpha = 0.84$) using 6-point Likert scale ranging from strongly disagree (1) to strongly agree (6). Example items include, *"My organization actively responds to the adoption of "new ways of doing things" from other similar institutions"*. And *"My organization constantly seeks unusual, novel solutions to problems via the use of 'innovative men' within the organization"*.

As a measure of reliability, the Cronbach's alpha's value was calculated at (0.84) (Table 1). To check validity, a full measurement model was run in AMOS, it is seen that dynamic capabilities' convergent validity with its own constructs and discriminant validity with other constructs is found within acceptable range. Result of single factor CFA for discriminant validity have been reported at (0.64). Discriminant validity was also confirmed through individual Factor CFA (X^2 =86.1; X^2/DF = 2.8; CFI = 0.95; NFI = 0.93; GFI = 0.96; AGFI = 0.93; RMR = 0.03 and RMSEA = 0.06). Whereas convergent validity's item loading range with AVE at 0.42 which is lesser than composite reliability CR at 0.81 thereby fulfilling criteria of convergent validity.

3.6.4 Organizational Resilience

A 12-item scale developed by Kantur & Say (2015) will be used to measure Organizational Resilience. A 5-point Likert response scale was used ranging from 1 (strongly disagree) to 5 (strongly agree). Sample items were *"My organization shows resistance to the end in order not to*

lose" and *"My organization does not give up and continues its path"*. The Cronbach Alpha was calculated at the value of (0.82) (Table 1). To check validity, a full measurement model was run in AMOS, it is seen that dynamic capabilities' convergent validity with its own constructs and discriminant validity with other constructs is found within acceptable range. Result of single factor CFA for discriminant validity have been reported at (0.62). Discriminant validity was also confirmed through individual Factor CFA (X^2 =130.4; X^2/DF = 2.6; CFI = 0.94; NFI = 0.90; GFI = 0.95; AGFI = 0.93; RMR = 0.02 and RMSEA = 0.06). Whereas convergent validity's item loading range with AVE at 0.49 which is lesser than composite reliability CR at 0.86 thereby fulfilling criteria of convergent validity.

3.6.5 Dynamic Capabilities

Dynamic capabilities are measured by the 14-item scale developed by Kump et al. (2019). The scale consists of three subscales containing of **sensing** having 5 items, **seizing** having 4 items and **transforming** having 5 items, making a total of 14 item scale. A 6-point Likert scale ranging from 'strongly disagree (1)'to 'strongly agree (6)'has been used. The sample item includes *'Our company always has an eye on our competitors' activities' (sensing)*, *'our company can turn new technological knowledge into process and product innovation (seizing)* and *'Decisions on planned changes are pursued consistently in our company (transforming)'*. To check reliability of the scale, reliability test was run and value of $\alpha = 0.77$ (Table 1)

To check validity, a full measurement model was run in AMOS, it is seen that dynamic capabilities' convergent validity with its own constructs and discriminant validity with other constructs is found within acceptable range. Result of single factor CFA for discriminant validity have been reported at (0.68). Discriminant validity was also confirmed through individual Factor

CFA (X^2 =136.9; X^2/DF = 2.6; CFI = 0.91; NFI = 0.86; GFI = 0.94; AGFI = 0.92; RMR = 0.04 and RMSEA = 0.06). Whereas convergent validity's item loading range with AVE at 0.46 which is lesser than composite reliability CR at 0.88 thereby fulfilling criteria of convergent validity (Fornell & Larcker, 1981; Hair et al., 1981)

3.6.6 Organizational Learning Climate

A 9-item scale was used to test the validity of the Organizational Learning Climate. In a previous research Organizational Learning Climate was studied through a three category, three-item scale was developed by Nikolova et al. (2014). referring to (facilitation learning climate), (appreciation learning climate) and error avoidance climate. The reliability and CFAs were performed. A 5-point Likert response scale was used ranging from 1 (strongly disagree) to 5 (strongly agree). Sample items were: *'My organization provides sufficient resources to develop my competencies' (facilitation learning climate)*, *'In my organization, employees who make effort to learn new things, earn appreciation and respect' (appreciation learning climate),* and *'In my organization, employees do not dare to discuss mistakes' (error-avoidance climate).* The reliability value was tested to be $\alpha = 0.93$ (Table 1). To check validity, a full measurement model was run in AMOS, that reported that convergent validity with its own constructs and discriminant validity with other constructs, of strategic leadership is within acceptable range. Result of single factor CFA for discriminant validity have been reported at (0.75). Discriminant validity was also confirmed through individual Factor CFA (X^2 =65.4; X^2/DF = 2.8; CFI = 0.98; NFI = 0.97; GFI = 0.96; AGFI = 0.94; RMR = 0.01 and RMSEA = 0.06). Whereas convergent validity's item loading range with

AVE at 0.57 which is lesser than composite reliability CR at 0.99 thereby fulfilling criteria of convergent validity (Fornell & Larcker, 1981; Hair et al., 1981

3.7 Statistical Techniques

To analyze descriptive analysis, software used for analyses is 'Statistical Package for the Social Science (SPSS) Inferential statistical techniques were used to analyze data. Moderation and mediation were performed through SPSS using PROCESS Macro v4.1, (Hayes, 2022) with help of 'bootstrapping method'. Confirmatory Factor analysis was performed using AMOS software.

3.8 Factor Analysis

To ensure reliability and validity of the scale, reliability analysis (Table 1) and CFAs are run. SEM full measurement model was run to check validity. All items were individually loaded to check factor loading which is within the acceptable range (Table 2).

Factor Loading

Table 3. 4: Factor Loading of Items.

No. of Items	Independent Variable	Moderator	Mediator	Dependent Variables		
	Strategic Leadership	Organizational Learning Climate	Dynamic Capabilities	Sustained Competitive Advantage	Innovative Performance	Organizational Resilience
1.	0.65	0.80	0.74	0.76	0.64	0.71
2.	0.68	0.81	0.48	0.67	0.72	0.68
3.	0.59	0.78	0.73	0.61	0.54	0.55
4.	0.61	0.73	0.55	0.46	0.48	0.52
5.	0.66	0.70	0.76	0.43	0.47	0.45
6.	0.64	0.75	0.40	0.63	0.46	0.51
7.	0.62	0.74	0.41	0.65	0.64	0.62
8.	0.64	0.75	0.49	0.54	0.41	0.62
9.	0.62	0.74	0.53	0.76	0.58	0.62
10.	0.57		0.58	0.54	0.74	0.69
11.	0.66		0.70	0.65		0.64
12.	0.61		0.75	0.68		0.56
13.	0.64		0.73	0.67		
14.	0.70			0.63		
15.	0.65			0.51		
16.	0.69					
17.	0.72					
18.	0.66					

19. 0.61

IV (independent variable) = STL; Moderator = OLC; Mediator = DC; DV (dependent variable) = SCA, OIV, OR.

3.9 Confirmatory Factor Analysis (CFA)

To measure the variables, three wave longitudinal data collection was used. The constructs were segregated for the purpose of avoiding the issue of reverse causality at three-time intervals. This was also done to ensure that mediating variable and dependent variables are not affected by independent variables through the problems of single shot research approach. To ensure that discriminant validity exists between the constructs, confirmatory factor analysis (CFA) was run. During analyses, 1 factor model with 2 factor and 3 factor models were run as well as full measurement model was run for all possible combinations related at that time (Anderson & Gerbing, 1988; 1992).

Initially CFA was performed for all six individual variables. This study also alims at performing second order CFA for sub constructs of some variables used in the analysis. It has been explained that **'2nd order CFA can be thought of explicitly representing the causal constructs that impact the first order factors. In other words, the first order factors act as indicators of the second order factors'** (Tiwari, 2021). Many researchers have tapped further dimensions of variables to better understand the impact of variables in research. To further test that the theorized variable also loads onto the sub-constructs of that variable, variables with further dimensions were tested as 2nd order CFA in this study. Sustained competitive advantage has four dimensions of resources, capabilities, competencies, and core-competencies. Similarly, dynamic capabilities have three dimensions of sensing, seizing, and transforming. Also, organizational learning climate

has the dimensions of facilitation learning climate, appreciation learning climate, and error avoidance climate. Although individual factor loading has been seen as acceptable and within range, results showed better loadings in 2nd order factor analysis. At time 1, CFA was run for independent variable i.e., strategic leadership and moderator organizational learning climate. At time 2, CFA was run for mediator i.e., dynamic capabilities and at time 3, CFA was run for three-factor model for three dependent variables which are sustained competitive advantage, innovative performance, and organizational resilience. (Bentler & Bonnet, 1980); Also, full factor CFA was run with all six variables as SEM full measurement model through PLS-SEM Modelling (Dhir, Dutta, & Ghosh, 2020).

Table 3. 5: CFA of individual variables

Confirmatory Factor Analysis for Individual Variables

	X^2	Df	X^2/Df	CFI	NFI	GFI	AGFI	RMR	RMSEA
Strategic Leadership ***(One factor model)***	423.8	150	2.8	0.92	0.89	0.90	0.88	0.05	0.06
Dynamic Capabilities ***(Single latent factor model)***	136.9	51	2.6	0.91	0.86	0.94	0.92	0.04	0.06
Dynamic Capabilities ***(2^{nd} order factor model)***	183.80	63	2.9	0.90	0.86	0.94	0.90	0.04	0.06
Organizational Learning Climate ***(Single latent factor model)***	65.4	23	2.8	0.98	0.97	0.96	0.94	0.01	0.06
Organizational Learning Climate ***(2^{nd} order factor model)***	47.37	21	2.2	0.99	0.98	0.97	0.95	0.01	0.05
Sustained competitive Advantage ***(One factor model)***	255.4	96	2.6	0.90	0.86	0.92	0.89	0.02	0.06
Sustained competitive Advantage ***(2^{nd} order factor model***	224.01	91	2.4	0.92	0.87	0.93	0.90	0.02	0.05
Innovative Performance ***(One factor model)***	86.1	30	2.8	0.95	0.93	0.96	0.93	0.03	0.06
Organizational Resilience ***(One factor model)***	130.4	50	2.6	0.94	0.90	0.95	0.93	0.02	0.06

3.10 Time-lagged Confirmatory Analysis

3.10.1 CFA for Independent Variable (Strategic Leadership) and Moderator (Organizational Learning Climate)

CFA test was conducted on both independent variables i.e., strategic leadership and moderator, i.e., organizational learning climate at time 1. Using the method of maximum likelihood, CFA was run for both single factor and two-factor models. The findings of two factor model exhibited better model fit than single factor model (see table 4). All results of both models showed significant factor loadings with the value greater than 0.30. The results are a further reinforcement of proposed hypothesis that strategic leadership and organizational learning climate are discriminant variables from one another.

Table 3. 6: Confirmatory Factor Analysis for IV and Moderator

TIME 1

Sr. no.	Measurement models	X^2	DF	X^2/ DF	Prob. Level	CFI	GFI	AGFI	RMR	RMSEA
1.	STL and OCL (2-Factor model)	**795.1**	**305**	**2.6**	**.000**	**0.92**	**0.88**	**0.85**	**0.03**	**0.06**
	STL and OCL (1-Factor Model)	1100.0	346	3.1	.000	0.90	0.84	0.82	0.02	0.07

3.10.2 CFA for Dependent Variables (Sustained Competitive Advantage (SCA), Innovative Performance (OIV) and Organizational Resilience (OR))

Three dependent variables i.e., sustained competitive advantage, innovative performance and organizational resilience were tapped at time 3. CFA tests were run to determine discriminant validity of the constructs. The DVs were tested through one factor, two factor and three factor models. Although all the results exhibited have shown significant loadings and a better model fit was seen, yet the three-factor model showed a superior model fit than single factor model as shown in the table below as CFA factor loadings of 3 factor model (X^2 =1684.2; X^2/DF = 2.6; CFI = 0.89; NFI = 0.89; GFI = 0.83; AGFI = 0.81; RMR = 0.04 and RMSEA = 0.06). (Table 5). All factor loading values obtained from the tests are also seen in the table below.

Table 3. 7: Confirmatory Factor Analysis for DVs (Strategic Leadership, Innovative Performance and Organizational Resilience)

TIME 3

Sr. no.	Measurement models	X^2	DF	X^2/ DF	Prob. Level	CFI	GFI	AGFI	RMR	RMSEA
1.	SCA and OIV (2-Factor model)	**811.1**	**288**	**2.8**	**.000**	**0.84**	**0.90**	**0.82**	**0.03**	**0.06**
	SCA and OIV (1-Factor Model	1285.5	293	4.3	.000	0.7	0.8	0.71	0.06	0.08
2.	SCA and OR (2-Factor Model)	**867.6**	**328**	**2.6**	**.000**	**0.87**	**0.91**	**0.88**	**0.03**	**0.06**
	SCA and OR (1-Factor Model)	1606.5	345	4.6	.000	0.64	0.75	0.74	0.05	0.09
3.	OIV and OR (2-Factor Model)	**491.6**	**200**	**2.4**	**.000**	**0.89**	**0.91**	**0.88**	**0.04**	**0.05**
	OIV and OR (1-Factor Model)	938.4	200	4.6	.000	0.73	0.80	0.73	0.07	0.09
4.	SCA, OIV and OR (3-Factor Model)	**1684.2**	**637**	**2.6**	**.000**	**0.89**	**0.83**	**0.81**	**0.04**	**0.06**
	SCA, OIV and OR (1-Factor Model)	3272.9	665	4.9	.000	0.52	0.67	0.62	0.06	0.09

3.11 CFA for Full Measurement Model

Using the procedure of maximum likelihood, confirmatory factor analysis (CFA)of independent variable of strategic leadership, dependent variables i.e., sustained competitive advantage, innovative performance, and organizational resilience with mediating variable named dynamic capabilities and moderating variable of organizational learning climate has been performed (Fig 3, Appendix 2). Six factor full measurement model and one factor measurement model tests have

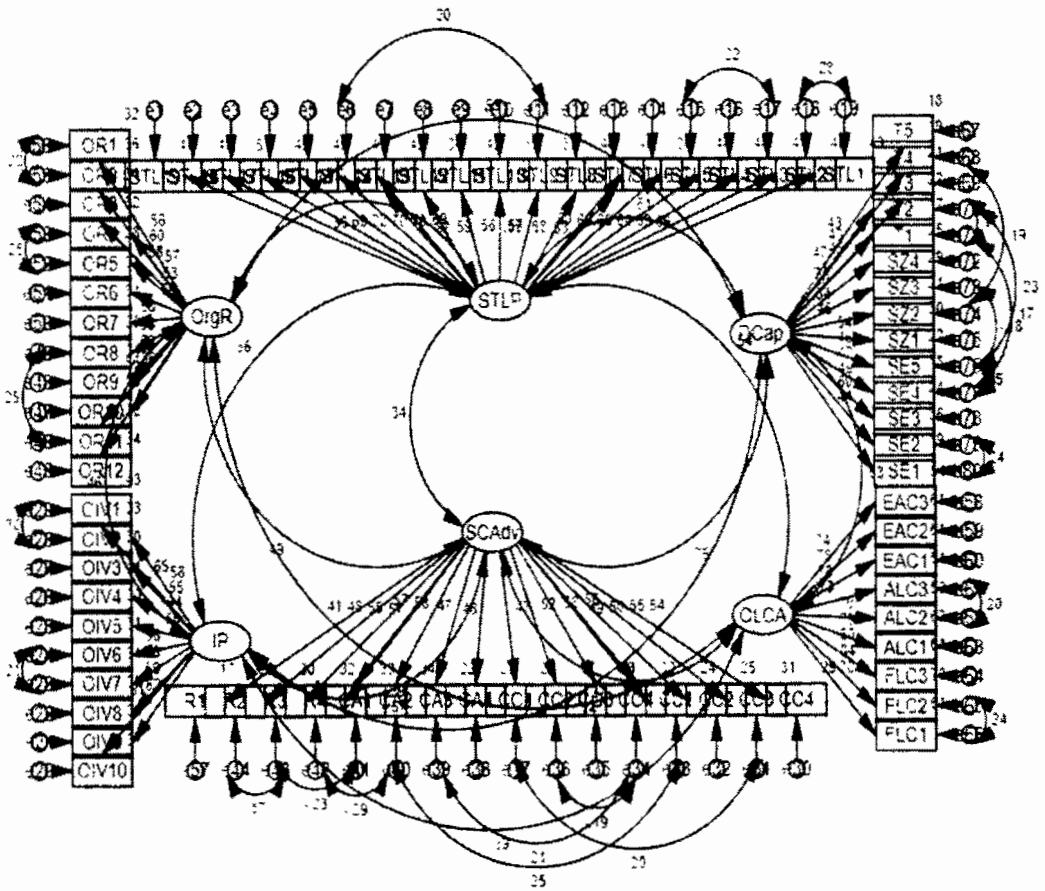
been run in this study. Confirmation of discriminant validity is further ensured with six factor measurement model showing a superior model fit model (X^2 =8027.6; X^2/DF = 2.6; CFI = 0.90; NFI = 0.91; GFI = 0.90; AGFI = 0.88; RMR = 0.04 and RMSEA = 0.06) compared to one factor full measurement model (model (X^2 =13427.6; X^2/DF = 4.3; CFI = 0.39; NFI = 0.49; GFI = 0.44; AGFI = 0.41; RMR = 0.08 and RMSEA = 0.08).

Table 3. 8: Full Measurement Model

FULL MEASUREMENT MODEL

Measurement models	X^2	DF	X^2/ DF	Prob. Level	CFI	GFI	AGFI	RMR	RMSEA
STL, OCL, DC, SCA, OIV and OR (6-Factor model)	**8027.6**	**3041**	**2.6**	**.000**	**0.90**	**0.90**	**0.88**	**0.04**	**0.06**
STL, OCL, DC, SCA, OIV and OR (1-Factor model)	13427.6	3080	4.3	.000	0.39	0.44	0.41	0.08	0.08

Figure 2: 6-Factor full measurement model



3.12 Control Variables

During recent research the implication of demographic variables are found to be significantly affecting the results of dependent variables in quantitative research of behavioral sciences. (Alonazi, 2018; Harris, James & Boonthanon, 2005). Judge at al., (1995) give the guideline for the selection of suitable controls of this study. Demographic variables of this study were used as part of the questionnaire in collecting data at all three-time lags from the respondents to check the

significance of control variables. During the analyses, gender and age were controlled for corresponding outcomes One way ANOVA was run and results confirmed that age has significant relationship with sustained competitive advantage ($F= 4.21$; $p < .001$) and gender was seen to have significance with innovative performance as it is found to be ($F= 11.92$; $p < .001$) which confirmed the significant variability for gender. In the guideline of Becker (2005) accordingly, only those control variables which are found to be significant are selected to be controlled while conducting analysis of the study.

3.13 Chapter Summary

This chapter discusses statistical techniques and methodology used for testing hypotheses proposed in this study. Using "Rule of 5" as data collection method to reduce uncertainty, the research design, population, samples and sampling techniques, and data collection methods are discussed in this chapter. Data analysis techniques are also examined in detail in this chapter. The data was collected in three-time lags with independent variable and moderator at time 1, mediator at time 2 and dependent variables at time3, with break-up of variables measured and the procedures used during these time-lags. Reliability tests were done as well as convergent and discriminant validity tests were run to confirm validity and reliability of the data. Confirmatory factor analyses (CFA) were run to confirm discriminant validity which resulted in superior model fit.

CHAPTER 4

RESULTS

4.1 Chapter Overview

This chapter examines results attained from analyses run on data collected through questionnaires. Data was screened for normality purposes. All the hypotheses are given as per the theory driven model proposed in this study. Moreover, in this chapter regression analysis has been run using SEM in AMOS and PROCESS by Hayes, with discussion on using bootstrapping technique (Bolin, 2014; Preacher & Hayes, 2004). Moderation, mediation, and moderated mediation results have been discussed in this chapter. At the end the model is evaluated through the results of hypotheses.

4.2 Summary of Hypotheses

Hypothesis 1a: *Strategic leadership is directly and positively related to sustained competitive advantage.*

Hypothesis 1b: *Strategic leadership is directly and positively related to innovative performance.*

Hypothesis 1c: *Strategic leadership is directly and positively related to organizational resilience.*

Hypothesis 2: *Strategic Leadership is positively related to dynamic capabilities.*

Hypothesis 3a: *Dynamic capabilities are positively related to sustained competitive advantage.*

Hypothesis 3b: *Dynamic capabilities are positively related to innovative performance.*

Hypothesis 3c: *Dynamic capabilities are positively related to organizational resilience.*

Hypothesis 4a: *Dynamic capabilities mediate the impact of strategic leadership on sustained competitive advantage.*

Hypothesis 4b: *Dynamic capabilities mediate the impact of strategic leadership on innovative performance.*

Hypothesis 4c: *Dynamic capabilities mediate the impact of strategic leadership on organizational resilience.*

Hypothesis 5: *Organizational learning climate positively and strongly moderates strategic leadership and dynamic capabilities.*

Hypothesis 6a: *Organizational learning climate moderates the indirect effect between strategic leadership and sustained competitive advantage through dynamic capabilities in such a way that the conditional indirect effect will be stronger when the learning climate is high and vice versa.*

Hypothesis 6b: *Organizational learning climate moderates the indirect effect between strategic leadership and innovative performance through dynamic capabilities in such a way that the conditional indirect effect will be stronger when the learning climate is high and vice versa.*

Hypothesis 6c: *Organizational learning climate moderates the indirect effect between strategic leadership and organizational resilience through dynamic capabilities in such a way that the conditional indirect effect will be stronger when learning climate is high and vice versa.*

4.3 Data Screening, Frequency Analysis and Descriptive Statistics

In this study, we have used SPSS Statistics 25 for data screening purposes. Firstly, twenty-seven unengaged responses were removed. Then during analysis of variables, missing values and screening phase outliers were checked and detected in the data. Moreover, the data was screened for skewness and kurtosis to check the normality of data. It was seen that values of skewness and

kurtosis remained within the range of 2, thus ensuring the normal distribution of data (0rcan, 2020; Mardia, 1974). The data was also screened for mean, standard deviations, bivariate correlations, and reliability. The standard range considered acceptable by researchers for mean value is within central range and for standard deviation is between the range of + and - 2. Therefore, the mean and standard deviation has been reported within acceptable range i.e., for **Strategic Leadership (Mean = 5.47; SD = 0.75); Organizational Learning Climate (Mean = 4.61; SD = 0.70); Dynamic Capabilities (Mean = 5.62; SD = 0.49); Sustained Competitive Advantage (Mean = 4.7; SD = 0.42); Innovative Performance (Mean = 5.57; SD = 0.63)** and **Organizational Resilience (Mean = 4.6; SD = 0.48).** (See Table 4.1)

Table 4. 1: Mean, Standard Deviation, Correlations and Reliabilities

Variable	Mean	S. D	1	2	3	4	5	6
STL	5.47	0.75	**(0.94)**					
OLC	4.61	0.70	.50**	**(0.93)**				
DC	5.62	0.49	.52**	.45**	**(0.77)**			
SCA	4.7	0.42	.30**	.33**	.63**	**(0.85)**		
OIV	5.57	0.63	.30**	.34**	.59**	.48**	**(0.84)**	
OR	4.6	0.48	.20**	.26**	.44**	.42**	.39**	**(0.81)**

N=439; STL = strategic leadership (IV); OCL = organizational learning climate (moderator); dynamic capabilities (mediator); SCA = sustained competitive advantage, OIV = innovative performance, OR = organizational resilience (dependent variables).

*Correlation is significant at 0.01 level (2-tailed).
**Correlation is significant at 0.05 level (2-tailed).

To rule out the issue of multicollinearity in data, the Variance Inflation Factor (VIF) and tolerance test have been done in SPSS. If the value of Tolerance is below 1 and the value of VIF is below 10, multicollinearity can be ruled out. All the values given in the table below have shown

Tolerance to be below 1 and the value of VIF to be below 10. Therefore, the variables used in this research can safely be seen to have low correlation.

Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	STL	.639	1.565
	OLC	.698	1.433
	DC	.674	1.484

a. Dependent Variable: SCA

Coefficients

Model			
		Tolerance	VIF
1	(Constant)		
	STL	.639	1.565
	OLC	.698	1.433
	DC	.674	1.484

a. Dependent Variable: OIV

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	STL	.639	1.565
	OLC	.698	1.433
	DC	.674	1.484

a. Dependent Variable: OR

4.4 Correlation Analysis

The bivariate correlation analysis was run to confirm correlation among variables of the study. Using inferential statistics, the relationship between variables has been checked. For this purpose, Pearson's correlation was run to achieve coefficient that describes the level of relationship and

direction as well. The acceptable range is between +1 and -1 whereas positive sign gives the positive relationship between the variables and negative sign tells the inverse or negative relationship between variables and a zero denotes no relationship amongst variable (Cooper & Schindler, 2005). To find out correlation, SPSS version 25 was used, and the results are displayed in table 4.1. The results show a significant (2-tailed) correlation between variables with confidence interval ranging of $p < 0.05$; $p < 0.01$ and $p < 0.001$.

4.5 Regression Analysis

The research model proposed in this study comprises of a moderated mediation model comprising of direct mediation and moderation links as hypothesized previously. As we have one independent variable i.e., strategic leadership, linear regression analysis is used to find out direct and indirect effects between independent and dependent variables. For direct effect analyses, PROCESS macro by HAYES has been used for each outcome variable separately. Similarly, to check the indirect effects of mediation and moderated mediation links, PROCESS v4.1 by Andrew F. Hayes has been used as per the hypotheses proposed in this study. The results of analysis for direct effects on outcome variables has been given in the table 4.3. Hypothesis 1(a), 1(b), and 1(c) calculates a positive relationship of strategic leadership with dependent variables of

Table 4. 2: Direct Effects of regression analysis on outcome variables.

Variable	R^2	β	S. E	P	LLCI	ULCI
H1(a): STL ⟶ SCA	0.092	0.30	0.02	.000	0.12	0.22
H1(b): STL ⟶ OIV	0.095	0.30	0.03	.000	0.18	0.33
H1(c): STL ⟶ OR	0.040	0.20	0.03	.000	0.07	0.18
H 2: STL ⟶ DC	0.276	0.52	0.02	.000	0.28	0.39
H3(a): DC ⟶ SCA	0.399	0.63	0.03	.000	0.48	0.61
H3(b): DC ⟶ OIV	0.358	0.59	0.05	.000	0.67	0.87
H3(c): DC ⟶ OR	0.196	0.44	0.04	.000	0.35	0.52

STL = strategic leadership (IV); OCL = organizational learning climate (moderator); dynamic capabilities (mediator); SCA = sustained competitive advantage, OIV = innovative performance, OR = organizational resilience (dependent variables).

4.6 Mediation Analysis

To test the indirect effects of relationship between strategic leadership and sustained competitive advantage, innovative performance, and organizational resilience, with mediating significance of dynamic capabilities, PROCESS Macro by Hayes (Preacher & Hayes, 2008) is employed in which bootstrapping method with 5,000 resamples was used. Hypotheses 4(a), 4(b), and 4(c) suggest a significant and positive mediating relationship between these variables. The bootstrapping method is used to prevent non-normal sampling distributions during mediation analyses (Mackinnon, Lockwood & Williams, 2004). During this study model 4 is chosen to investigate direct, indirect, and total effects including estimates of path coefficients and bias correction (bootstrapping confidence intervals).

4.6.1 Bootstrap for indirect effects of Strategic Leadership on Sustained Competitive Advantage through Dynamic Capabilities

The relationship in hypothesis 4(a) proposes a significant relationship between strategic leadership and sustained competitive advantage with the mediating effect of dynamic capabilities. The results predict the mediation suggested in hypothesis to be true and significant with strategic leadership having effect of 27% on dynamic capabilities **(R^2 = .27; β = 0.34; p = .000)** as well as dynamic capabilities having significant and positive outcome of 40% on sustained competitive advantage **(R^2 = .40; β =0.56; p = .000).** The direct effect of strategic leadership on sustained competitive advantage also shows significant with 9% effect and resulted in the proposed direction **(R2 = .09; β = 0.17; p = .000).** Bootstrap results with 5000 bootstrap sample and 95% confidence interval also showed significant indirect effect of strategic leadership on sustained competitive advantage through dynamic capabilities as there is no zero between **LLCI (.12)and ULCI (.29).**

Table 4. 3: REGRESSION RESULTS: DIRECT AND INDIRECT EFFECTS

Mediation of dynamic capabilities in relationship between strategic leadership and sustained competitive advantage.

	Direct and Total Effects				
	B	**R^2**	**S.E**	**T**	**P**
STL → DC	0.34	0.27	0.02	12.9	.000
DC → SCA	0.56	0.40	0.03	14.9	.000
STL → SCA	0.17	0.09	0.02	6.66	.000

Bootstrap Results for Indirect Effects of STL on SCA through DC
(Bias Corrected Confidence Interval)

Effect	Boot S.E	LL 95% CI	LL 95% CI	P
0.19	0.04	0.12	0.29	.000

N=439.Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; UL = upper limit. STL = strategic leadership, DC = dynamic capabilities, SCA = sustained competitive advantage.

4.6.2 Bootstrap for indirect effects of Strategic Leadership on Innovative Performance through Dynamic Capabilities

For indirect effects of strategic leadership on innovative performance in an organization through mediating role of dynamic capabilities, this study suggested in hypothesis 4(b) that there is a strong indirect positive effect of strategic leadership on dynamic capabilities and a positive and strong relationship between dynamic capabilities and innovative performance. There is seen 27% effect of strategic leadership on dynamic capabilities and 35% effect of dynamic capabilities on innovative performance The direct effect of strategic leadership on innovative performance is also seen to be positive and significant with 9% effect observed the results obtained through PROCESS

Macro also suggest the hypothesis to be true between strategic leadership and dynamic capabilities **(β = 0.34; p = .000)** and between dynamic capabilities and innovative performance **(β = .78 ; p = .000).** Also, the direct effect of strategic leadership on innovative performance is seen to be significant and in the proposed direction **(β = .25, p = .000).** Samples used for bootstrapping method is 5000 with 95% confidence interval. The results showed a significant positive indirect effect of strategic leadership on innovative performance through dynamic capabilities with no zero value in between **(LLCI = .17 ; ULCI = .39).**

Table 4. 4: REGRESSION RESULTS: DIRECT AND INDIRECT EFFECTS

Mediation of dynamic capabilities in relationship between strategic leadership and innovative performance.

	Direct and Total Effects				
	β	**R^2**	**S.E**	**t**	**P**
STL → DC	**0.34**	**0.27**	**0.02**	**12.9**	**.000**
DC → OIV	**0.78**	**0.35**	**0.05**	**13.35**	**.000**
STL → OIV	**0.25**	**0.09**	**0.03**	**6.76**	**.000**

Bootstrap Results for Indirect Effects of STL on OIV through DC
(Bias Corrected Confidence Interval)

Effect	Boot S.E	LL 95% CI	LL 95% CI	P
0.26	0.05	0.17	0.39	.000

N=439. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; UL = upper limit. STL = strategic leadership, DC = dynamic capabilities, OIV = innovative performance.

4.6.3 Bootstrap for indirect effects of Strategic Leadership on Organizational Resilience through Dynamic Capabilities

For indirect effects of strategic leadership on organizational resilience in an organization through mediating role of dynamic capabilities, this study suggested in hypothesis 4(c) that there is a strong indirect positive effect of strategic leadership on dynamic capabilities and a positive and strong relationship between dynamic capabilities and organizational resilience. There is seen 27% effect of strategic leadership on dynamic capabilities and 19% effect of dynamic capabilities on organizational resilience. The direct effect of strategic leadership on outcome variable of organizational resilience is also seen to be positive and significant with 4% effect observed the results obtained through PROCESS Macro also suggest the hypothesis to be true between strategic leadership and dynamic capabilities **(β = 0.34; p = .000)** and between dynamic capabilities and organizational resilience **(β = .46 ; p = .000).** Also, the direct effect of strategic leadership on organizational resilience is seen to be significant and in the proposed direction **(β = .12, p = .000).** Samples used for bootstrapping method is 5000 with 95% confidence interval. The results showed a significant positive indirect effect of strategic leadership on organizational resilience through dynamic capabilities with no zero value in between **(LLCI = .10 ; ULCI = .23).**

Table 4. 5: REGRESSION RESULTS: DIRECT AND INDIRECT EFFECTS

Mediation of dynamic capabilities in relationship between strategic leadership and organizational resilience.

	Direct and Total Effects				
	B	**R^2**	**S.E**	**t**	**P**
STL → DC	**0.34**	**0.27**	**0.02**	**12.9**	.000
DC → OR	**0.46**	**0.19**	**0.05**	**9.22**	.000
STL → OR	**0.12**	**0.04**	**0.03**	**4.27**	.000

Bootstrap Results for Indirect Effects of STL on OR through DC
(Bias Corrected Confidence Interval)

Effect	Boot S.E	LL 95% CI	LL 95% CI	P
0.15	0.03	0.10	0.23	.000

N=439. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; UL = upper limit. STL = strategic leadership, DC = dynamic capabilities, OR = organizational resilience.

4.7 Moderation Analysis

The proposed hypothesis 5 suggests in this study, a strong and positive moderating role of organizational learning climate between strategic leadership (IV) and dynamic capabilities (mediator). Moderated regression analysis was performed to investigate the proposed hypothesis using PROCESS Macro v4.1 (Hayes 2022). The slope test was also performed through display of +1 and -1 SD low and high values from mean. Interaction plots have been plotted to have a better understanding of relationship between the suggested variables. (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 statistic 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 95% confidence interval was also employed as suggested by previous research (Stone & Hollenbeck, 1989).

4.7.1 Results of Moderating role of Organizational Learning Climate between Strategic Leadership and Dynamic Capabilities.

Hypothesis 5 has proposed in this study that organizational learning climate has a moderating effect between strategic leadership (IV) and Dynamic Capabilities (mediator). The results affirmed that organizational learning climate positively and significantly moderate the relationship between strategic leadership and dynamic capabilities. **($\beta = .16$; $\Delta R^2 = .05$;$p < .01$)**. The slope test also confirmed the significant relationship between the variables with its interaction terms (Fig 4.2). Association between strategic leadership and dynamic capabilities will be stronger in case of a better organizational learning climate and vice versa. Thus, the proposed hypothesis 5 that the organizational learning climate moderating the relationship between strategic leadership and dynamic capabilities is fully accepted.

Table 4. 6: Moderated Regression Analysis for Organizational Learning Climate (OLC)

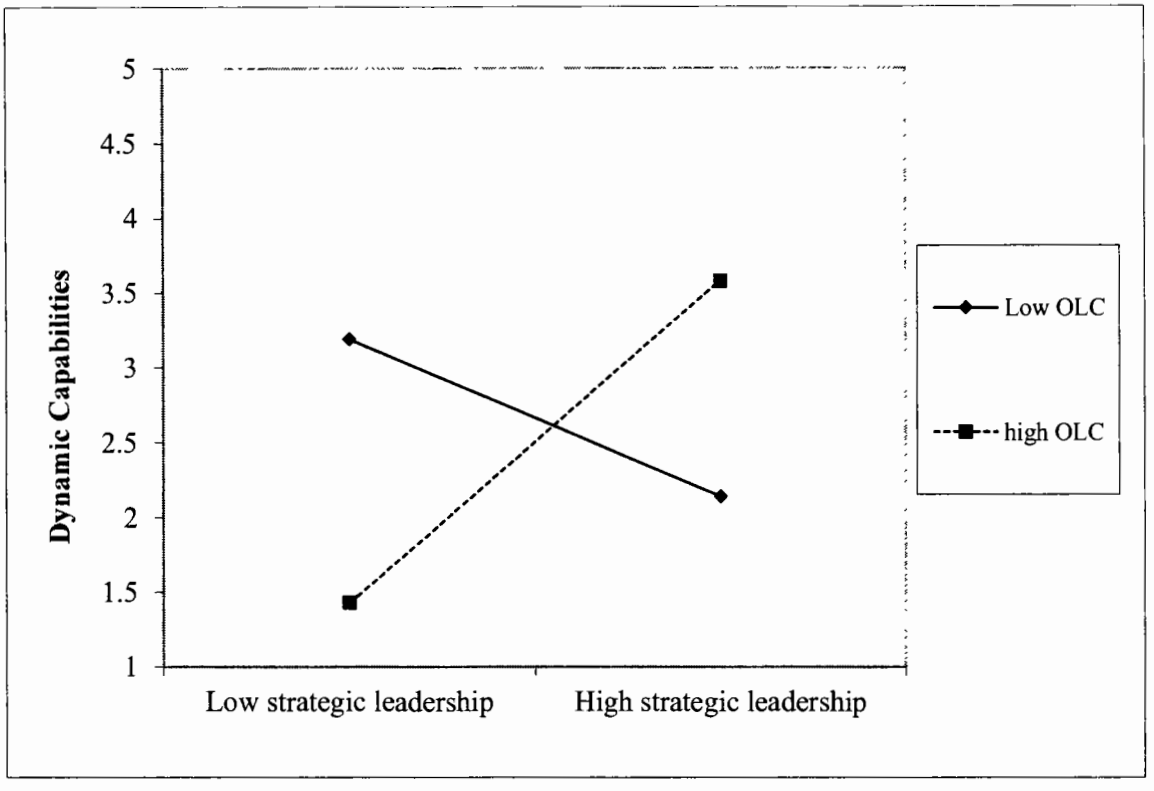
Dynamic Capabilities (DC)					
	B	**SE**	**p**	**LLCI**	**ULCI**
constant	6.4657	.5176	.0000	5.4485	7.4829
STL	-.3673	.1038	.0004	-.5713	-.1633
OLC	-.6164	.1311	.0000	-.8741	-.3586
STL × OLC	.1565	.0251	.0000	.1072	.2058
ΔR^2 due to interaction	.054				

Slope Test

Moderator: OLC

OLC	**Effect**	**SE**	**T**	**p**	**LLCI**	**ULCI**
4.3333	.3108	.0295	10.5300	.000	.2528	.3689
4.8889	.3978	.0362	10.9931	.000	.3267	.4689
5.0000	.4152	.0380	10.9275	.000	.3405	.4899

Figure 3: Slope Test



4.8 Moderated Mediation Analysis

Moderated mediation analysis has been tested in this study using PROCESS macro v4.1 by Andrew Hayes (April 2022). Conditional effects and conditional indirect effects have been tested by using model 7 in which bootstrapping technique having sample size of 5000 has been used. Both moderator and mediator were entered in the PROCESS to check the conditional indirect effects of moderating variable. These effects were measured at SD mean with values at -1 and +1. For every dependent variable moderated mediation analysis is run separately for sustained competitive advantage, innovative performance, and organizational resilience. There is a growing

trend of performing moderated mediation analyses in latest research due to its ability to perform contingent and indirect effects of variables in relation to each other (Awan et al, 2022).

4.8.1 Conditional Indirect Effect of Strategic Leadership on sustained competitive advantage through dynamic capabilities across different levels of organizational learning climate

The first moderated mediation analysis tested in this study is the indirect effect of strategic leadership on outcome variable of sustained competitive advantage. Hypothesis 6(a) proposed there is a positive relationship between strategic leadership and sustained competitive advantage. With effective strategic leadership, there will be seen a positive and strong effect on sustained competitive advantage of an organization through dynamic capabilities and vice versa. $\beta = .08$; LLCI@ 95% = .0137; ULCI@95% = .1612). This highly significant relationship shows that hypothesis 6(a) is fully accepted. Leaders having strategic leadership qualities have a significant conditional indirect effect on sustained competitive advantage on employees having dynamic capabilities due to better organizational learning climate.

Table 4. 7: Moderated-Mediation (Indirect effects) of Organizational Learning Climate

Conditional indirect effects of OLC between strategic leadership and sustained competitive advantage through dynamic capabilities				
OLC	**Indirect Effects**	**Boot S.E**	**BootLLCI@95%**	**BootULCI@95%**
3.9000	.1379	.0442	.0731	.2465
4.6069	.2007	.0495	.1320	.3254
5.3139	.2635	.0658	.1687	.4309

Index of Moderated mediation				
	Index	**Boot S.E**	**BootLLCI@95%**	**BootULCI@95%**
OLC	.0888	.0371	.0137	.1612

N = 439; Bootstrap = 5000; S.E = Standard Error.

4.8.2 Conditional Indirect Effect of Strategic Leadership on Innovative Performance through Dynamic Capabilities across different levels of Organizational Learning Climate

Hypothesis 6(b) suggested that there is a significant indirect effect of strategic leadership on innovative performance through dynamic capabilities with high organizational learning climate and vice versa. For this moderated mediation analysis in PROCESS Macro is run in this study of strategic leadership on the outcome variable of innovative performance. Past studies have also seen a significant relationship of leadership with innovative performance through moderated mediation (Song, Ma, & Yu, 2019). . There was seen an indirect effect of 35.77% on innovative performance with **p** valued at .0000 which is significant since it is more than .0001. ($p = .0000$; $\beta = .12$; LLCI@ 95% = .0103; ULCI@95% = .2278). This highly significant relationship shows that the hypothesis 6(b) is fully supported with the impact of strategic leadership having a strong indirect conditional

impact on innovative performance through dynamic capabilities in the presence of a conducive organizational learning climate.

Table 4. 8: Moderated-Mediation (Indirect effects) of Organizational Learning Climate

Conditional indirect effects of OLC between strategic leadership and Innovative Performance through dynamic capabilities				
OLC	**Indirect Effects**	**Boot S.E**	**BootLLCI@95%**	**BootULCI@95%**
3.9000	.1897	.0598	.1041	.3357
4.6069	.2761	.0687	.1830	.4474
5.3139	.3625	.0931	.2281	.5953

Index of Moderated mediation				
	Index	**Boot S.E**	**BootLLCI@95%**	**BootULCI@95%**
OLC	.1222	.0531	.0103	.2278

N = 439; Bootstrap = 5000; S.E = Standard Error.

4.8.3 Conditional Indirect Effect of Strategic Leadership on Organizational Resilience through Dynamic Capabilities across different levels of Organizational Learning Climate

It is suggested in hypothesis 6(c) that there is a significant indirect conditional effect of strategic leadership on outcome variable of organizational resilience where organizational learning climate will moderate the relationship through mediating effect of dynamic capabilities. The moderated mediation tested on model 7 in PROCESS Macro v4.1 (Hayes 2022) suggests that strategic leadership can have a positive and significant indirect conditional impact on organizational resilience through dynamic capabilities when organizational learning climate has a high moderating effect and vice versa. Latest research has also suggested that leadership is an essential parameter in predicting employee resilience, especially through partial moderated mediation (Mao

et al., 2022). The analysis run in this study also supports the hypothesis that strategic leadership indirectly and conditionally influences organizational resilience with a 19.70% effect and has a strong significance with **p** valued at .0000 suggesting that hypothesis 6(c) is fully approved. (p = .0000; β = .03; LLCI@ 95% = .0078; ULCI@95% = .1335).

Table 4. 9: Moderated-Mediation (Indirect effects) of Organizational Learning Climate

Conditional Indirect Effects of OLC between strategic leadership and Organizational Resilience through dynamic capabilities				
OLC	**Indirect Effects**	**Boot S.E**	**BootLLCI@95%**	**BootULCI@95%**
3.9000	.1124	.0353	.0595	.1985
4.6069	.1636	.0397	.1060	.2614
5.3139	.2148	.0536	.1345	.3465

Index of Moderated mediation				
	Index	**Boot S.E**	**BootLLCI@95%**	**BootULCI@95%**
OLC	.0724	.0313	.0078	.1335

N = 439; Bootstrap = 5000; S.E = Standard Error.

4.9 Chapter Summary

This chapter describes the results of analyses run to prove the hypotheses proposed in this study. Results of data screening and descriptive analysis show normality of data achieved which was necessary to run the analysis. Correlation analysis showed a significant relationship between the variables. Confirmatory factor analysis CFA results confirmed scales to be reliable and valid. To prove the proposed hypotheses, regression analysis was done through PROCESS Macro v4.1 by Hayes which consisted of mediation, moderation, and moderated mediation. All results obtained through tests confirmed the significance and direction of the proposed hypotheses. The results of

direct effect of strategic leadership (IV) on organizational outcome variables and its direct effect on dynamic capabilities (mediator), as well as the mediator's effect on sustained competitive advantage, innovative performance, and organizational resilience (DVs), all confirmed the proposed hypotheses. Results of moderation and slope test also confirmed the interaction term in both the cases of strategic leadership and organizational learning climate as well as organizational learning climate and dynamic capabilities to be significant and in the proposed direction, thus confirming the moderation hypothesis.

4.10 Summary of hypotheses

Sr. No.	Hypothesis no.	Hypothesis	Supported/Not Supported
1.	H1(a)	STL → SCA	Supported
2.	H1 (b)	STL → OIV	Supported
3.	H1 (c)	STL → OR	Supported
4.	H2	STL → DC	Supported
5.	H3 (a)	DC → SCA	Supported
6.	H3 (b)	DC → OIV	Supported
7.	H3 (c)	DC → OR	Supported
8.	H4 (a)	STL → DC(mediator) → SCA	Supported
9.	H4 (b)	STL → DC(mediator) → OIV	Supported
10.	H4 (c)	STL → DC(mediator) → OR	Supported
11.	H5	STL → OLC(moderator) → DC	Supported
12.	H6 (a)	STL → OLC → DC → SCA	Supported
13.	H6 (b)	STL → OLC → DC → OIV	Supported
14.	H6 (c)	STL → OLC → DC → OR	Supported

CHAPTER 5

DISCUSSION

5.1 Major Findings Overview

This chapter discussed important and relevant findings of analyses conducted in this study. Strengths and weaknesses encountered during this study are also discussed alongside the theoretical, managerial, and methodological implications within the context of Pakistan and considering global market implications. Also, limitations with future research directions to extend and enrich this study based on the theory-driven model proposed herein is also discussed. A total of 14 hypotheses were proposed out of which 07 pertained to direct effects whereas the other 07 proposed indirect effects. All showed significant and positive relationships and thus accepted fully. RBV theory showed a significant relationship with all outcome and mediating variables as per postulated earlier.

5.2 Direct Effects Results via PROCESS

5.2.1 Strategic Leadership and Employee Outcomes

Results have shown a significant and positive relationship between strategic leadership with outcome variables of sustained competitive advantage, innovative performance, and organizational resilience. Analyses were run in PROCESS Macro v4.1 by Hayes (Hayes, 2022) which showed full support for the hypotheses that strategic leadership has a strong impact and is significantly associated with all three outcome variables. This shows that organizations working under strategic leadership not only gain sustained competitive advantage in the market over their competitors but also show improved innovative performance. Moreover, in times of uncertainty

and disaster, organizations under a strategic leader will avoid collapse and adapt to use the circumstances to create favorable successes. These results support previous research done on strategic leadership and outcome variables (Alkheyi et al., 2020; Mahdi, & Almsafir, 2014; Supriyadi, 2013; Ho, Lam & Law, 2022).

5.2.2 Strategic Leadership and Dynamic Capabilities

as suggested in Hypothesis 2, strategic leadership is positively and significantly related to dynamic capabilities. The analysis done through PROCESS Macro using Pearson correlation (two-tailed) also revealed this hypothesis is fully supported by positive and significant association between strategic leadership and dynamic capabilities. This represents that in presence of a strong and capable strategic leadership, all the dimensions of dynamic capabilities i.e., resources, capabilities, competencies, and core competencies are better utilized in the organization to produce a sustainable competitive edge in the market. These results are consistent with the previous findings (Asif, 2020; Teece, 2014; Pablo et al., 2007).

5.2.3 Dynamic Capabilities and Employee Outcomes

As postulated in hypotheses H3(a), (b), and (c) dynamic capabilities also showed a positive and significant relationship with employee outcomes. Results from PROCESS by Hayes demonstrated that dynamic capabilities have a positive effect on sustained competitive advantage, innovative performance, and organizational resilience. Therefore, these hypotheses are fully supported through this analysis. This is in configuration with the previous research done to prove these links (Vanpoucke, Vereecke, & Wetzels, 2014; Wu, Lin, & Hsu, 2007; Kurtz, & Varvakis, 2016). As theorized through RBV theory, dynamic capabilities can play a positive and meaningful role to improve sustained competitive advantage in an organization, build better and technologically

advanced innovative performance as well as create organizational resilience in times of chaos and uncertainty.

5.3 Mediation Analyses Results

Hypotheses 4(a), (b), and (c) hypothesized that the relationship between strategic leadership and employee outcomes i.e., sustained competitive advantage, innovative performance, and organizational resilience is mediated by dynamic capabilities. Mediation analysis showed that these links between strategic leadership and all three employee outcomes are fully mediated by dynamic capabilities. Therefore hypotheses 4(a), (b), and (c) are all fully supported and accepted. This is an affirmation of previous research done to find mediation between these variables. Dynamic capabilities have a positive and significant mediating role between strategic leadership and sustained competitive advantage, innovative performance, and organizational resilience in such a way that the statistical correlation is higher between strategic leadership and all tested employee outcomes of this study (Ferreira, Cardim, & Branco, 2018; Aminu & Mahmood, 2015)

5.4 Moderation Analyses Results

As this study employs one moderator of organizational learning climate (OLC), hypothesis 5 suggests that organizational learning climate moderates the relationship between strategic leadership (IV) and dynamic capabilities (moderator). This study examined the organizational learning climate's interactive effect between strategic leadership (STL) and dynamic capabilities with PROCESS Macro. Model 1 was used for this analysis. Hayes PROCESS helps researchers enter variables without creating and entering separate interaction terms. Moreover, the researcher is exempted to create centered mean values as well as they are created automatically when running

the analysis. Results reveal that OLC significantly moderates the relationship between strategic leadership and dynamic capabilities as the interaction term (strategic leadership × organizational learning climate) was seen as significant i.e., $\beta = .16$; $\Delta R^2 = .05$;$p < .01$. Slope test was also seen to be significant at both low as well as high levels of organizational learning climate i.e., $\beta = .39$;$p < .05$; $\beta = .036$; $p < .05$ respectively. The positive relationship was seen as more robust at a higher organizational learning climate in the proposed direction as hypothesized in hypothesis 5. Thus, the underlying mechanism in hypothesis 5 is seen to be fully accepted and supported.

5.5 Conditional Indirect Effects of Moderated mediation

Finally, through hypotheses H6(a), (b), and (c), the moderated mediation model was tested for each outcome variable. Mediation links were analyzed through moderation of the organizational learning climate. Results suggested that OLC as a moderator significantly affected the mediation link. The overall moderated mediation model was fully supported through analyses and all three conditional indirect hypotheses were accepted and supported in the proposed direction. The results theoretically proved that an organizational learning climate at a high level can create a strong mediation to achieve better organizational outcomes. A strong and conducive organizational learning climate can positively affect strategic decisions taken by the leaders in the organization to have strong and lasting sustained competitive advantage, technologically advanced innovative performance, and a robust and resilient organization in face of adversities.

5.6 Theoretical and Practical Implications

The last few decades have seen a rapid rise in the phenomenon of strategic leadership when it was separated from strategic management. Previous research has mainly either focused on the 'process' of strategic decisions, rather than the leadership or has studied the leader-follower paradigm with

a major focus on lower-level management, rather than the strategic leader (Yammarino & Dubinsky, 1992; Wang et al., 2012). The introduction of Resource-based view theory in early 1990s, as opposed to position theory put the limelight back on strategic leadership as the theory postulates that **'sustainable competitive advantage derives from developing superior capabilities and resources'** which are rare, non-imitable and within the organization (Barney, 1991). Researchers like (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993; Hitt et al., 2016) have presented pioneer work that has identified how RBV affects relationship between strategic leadership and outcomes in the organization. The major reason for using RBV as the theoretical justification in this study is that it offers a convincing structure for incorporating divergent resources to explain their collaborative as well as differential effects on sustained competitive advantage, innovative performance, and organizational resilience. Plentiful empirical RBV-based studies have been conducted to understand and assess various operational, and strategic tools, and to establish their significance in creating competitive advantage analytically and logically. There have been some critics (Saeed et al. 2012; Barua, Konana et al. 2016) who consider the relationship of strategic leadership to have less data available, compared to strategic management.

Despite a plethora of research available on the selected variables, (Hambrick, & Wowak, 2021), in their recent study mentioned that there still is a need to better understand the concept of strategic leadership, especially under the umbrella of RBV theory. This study attempted to comprehend and investigate the causal mechanism between strategic leadership and organizational outcomes through a moderated mediation model.

This extant study has been conducted on organizational variables in which the effect of strategic leadership has been studied on organizational outcomes. The overarching theory employed in this study is the resource-based view (RBV) theory. There is not much research available in the literary

avenues about the effect of strategic leadership on employee outcomes through the theoretical lens of RBV theory. This study has successfully extended RBV theory through the incorporation of organizational outcomes that are most relevant in today's geopolitical and socio-economic scenario. The research approach used in this study provides the foundation that gives theoretical explanation of how within an organization, the resources available can determine strategic decisions and relate them to organizational outcomes by relating the capabilities that the organization possesses. Under the viewpoint of RBV theory, this study aims to improve the existing literature by proposing mediating mechanism between strategic leadership and dynamic capabilities as to how this mediating effect works in the organization. Similarly, this study adds the moderating effect on relationship between strategic leadership, dynamic capabilities and organizational outcomes which gives a comprehensive understanding of resource-based view theory in leadership and organizational outcomes.

The results found during this study can be applied in practice within the telecom sector as managers can identify how they apply strategic leadership practices to create a sustained competitive advantage through innovative performance, especially during uncertain times. The results can also be used in real-time scenarios by the organizations as a tool to handle future strategic decisions and evaluate how the organizational outcomes can be attained and maintained. Organizations within other industries can use the research conducted and implicate similar leadership approaches to conduct business to create desirable organizational outcomes. This research will prove instrumental in providing the effect of strategic leadership integrated into organizational perspective and provide guidelines keeping in view the unique socio-economic and cultural paradigms in Pakistan.

5.7 Methodological Implications

This study has employed time-lagged data collection to reduce common method bias. Responses were taken at three different times with strategic leadership and organizational learning climate at time 1, dynamic capabilities at time 2, and sustained competitive advantage, innovative performance, and organizational resilience at time 3. Questionnaires were self-administered and self-reported and responses at different times were three to four weeks apart. For generalization, employees from different organizations belonging to different cities in Pakistan have been taken. This study has addressed the methodological gaps and problems that researchers faced in previous studies of strategic leadership and organizational outcomes under RBV theory. The data collected is based on employees and managers from multiple organizations with diversified career backgrounds and experiences thereby providing a better generalization of RBV theory.

5.8 Managerial Implications

From managerial and supervisory point of view, this research is extremely significant as it gives rare insight into how within an organization, strategic leadership effects organizational outcomes of sustained competitive advantage, innovative performance, and organizational resilience. At managerial level, organizations can enhance strategic decisions through dynamic capabilities to improve sustained competitive advantage and create innovation. Management needs to be resilient to outside market upheavals and use them as an opportunity to remain afloat during intense market competition. Managers can use the latest technologically advanced innovations to improve organizational markers and create a learning climate which can be facilitating and adapting through mistakes to avoid single loop and double loop effects. This study can prove very beneficial for management in Pakistani companies as it contains analysis directly linked to the variables most effective in managerial workings. This study can provide multiple recommendations for top and

middle management by suggesting how organizational outcomes can be made an integral part of organizational culture. The employees having better knowledge and technology-seeking behavior can help achieve better sustainability and resilience to compete in the often tough and unpredictable market trends.

At present, the most difficult job at managerial level is to create sustainable advantage and keep an organization and its employees resilient. For this purpose, innovative practices can help management a great deal in achieving the desired results.

5.9 Strengths of Study

The presence of many strengths theoretically and methodologically makes this study a unique contribution in literary avenues of management. Firstly, this study has been conducted on time-lagged design, compared to cross-sectional design, which, according to previous research, is considered a better option for research based on causal effects design to effectively reduce common method bias. Secondly, the variables like strategic leadership, dynamic capabilities and especially sustained competitive advantage has been strong explanatory indicators of resource-based view (RBV) theory in primarily western context and a plethora of research is available in this perspective (Freeman, Dmytriyev, & Phillips, 2021). This study is first of its kind with respect to Pakistani business and management context. Moreover, this research has its spread nationwide by considering nearly all major telecom companies and its auxiliary subsidiaries from major cities of all provinces in Pakistan. In addition to that, much of the previous research of these organizational outcomes has been done through the lens of strategic management. This study is novel in the way that it has been done to see moderated and mediated effects of strategic leadership on

organizational outcomes through theoretical explanation of RBV theory, giving an eastern perspective to the researched links. Lastly, the scales/instruments takin in this study to measure all constructs (independent, dependent, mediating, and moderating) are validated by previous research and reliability of these constructs have been established to be within accepted range, as well as convergent and discriminant validity was also established. As a pioneer nationwide research, this study will provide valuable information and analysis for researchers and organizations alike, especially in the backdrop of changed organizational perspectives post Covid-19 scenario.

5.10 Limitations and Future Research

Despite its diversity and comprehensiveness, like any other research, this study also has some limitations. Firstly, some major companies like Zong had been 'working from home' and the data was collected on email through contact with focal persons at Zong headquarters. Secondly, this study has employed a time-lagged data design where strategic leadership (IV) and organizational learning climate (moderator) were tapped at time 1, dynamic capabilities (mediator) were measured at time 2, and sustained competitive advantage, innovative performance, and organizational resilience (DVs) were tapped at time 3. These lags cannot be called full-time lag design. Future researchers would be encouraged to use full-time lag design by tapping all the variables at all time lags. Thirdly, data for this study has been taken from telecom sector and although maximum effort has been done to ensure the comprehensibility of this analysis, yet these findings cannot be generalized to other areas like manufacturing etc., therefore future research may be able to generalize findings in their research. Moreover, gender differences in strategic leadership can also be explored and these variables can be researched as employee-centric compared to the perspective of organization. Previous standards and focuses of organizations have shifted greatly after corona pandemic, thus researchers are encouraged to further this research

through the lens of such unprecedented incidents that have global impact. The limitations of this study can be avenues for future researchers to expand, enhance and enrich future knowledge bank of management sciences.

5.11 Conclusion

This study is a comprehensive analysis of organizational variables and gives plausible justification to the underlying mechanism between strategic leadership and organizational outcomes by theoretical justification of resource-based view (RBV) theory. This study has also studied the moderating effect of organizational learning climate between strategic leadership and dynamic capabilities in an organization. The mediating role of dynamic capabilities is also analyzed in this study as well as the conditional indirect effects has been studied to understand the complex underlying mechanisms. The results supported the overall moderated mediation model with supported direct, indirect, and conditional indirect effects. There is growing evidence that both qualitative and quantitative research in strategic leadership is in its early stage. Although much research has been done on strategic leadership but most of it has been employee centric. The Telecom sector is one of the fastest-growing sectors in Pakistan. After the survey results it has been concluded that leadership that is strategically focused is said to have an independent and transactional leadership behavior toward employees that promote employee performance. Strategic leadership is crucial in organizations, especially those related to the telecom sector. Strategic leadership is a new concept in Pakistan but in foreign countries, it is quite established and discussed. The function of the strategic leaders in relation to employee creativity and performance was discussed. This study also explains the different strategic leadership dimensions in relation to organizational outcomes of sustained competitive

advantage, innovative performance in organizations, and organizational resilience. These dimensions of strategic leadership can be used wholly as a topic for future research, especially for organizations based on customer services. Further detailed research can be done on these dimensions by aligning them with the creativity and performance of employees. The study can also encourage organizations towards improving their performance and motivating them to achieve their goals. Also, there is a need to identify those factors that can contribute positively to the relationship between strategic leadership and organizational outcomes.

This study has been a pioneer in analyzing strategic leadership with organizational outcomes especially with 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. With newer technology changing with the speed of light, innovatively performing practices within an organization can help achieve sustained competitive advantage against the competitors of that organization. Only through a facilitating climate where knowledge acquisition is facilitated, and error learning is preferred than error avoidance can groom employees who can successfully help in creating better gains for the organization. The most important aspect of dynamic capabilities is to sense the circumstances, seize the opportunity and to transform it into favorable gains for the organization. One of the most relevant aspects of this research is organizational resilience. In the wake of pandemic, owing to weak socio-economic conditions of organizations in Pakistan, the sudden upheaval created a certain chaos in the globally and its ripple effects were seen in Pakistan too. This study is especially in relevance to Vision2025 Pakistan- One nation, one vision; out of its 7 pillars of Pakistan vision, 04 are in congruence with this research.

Pillar 1: Putting people first: Development of social and human capital (RBV integration through VRIN; human and social capital)

Pillar 2: Achieving sustained, indigenous, and inclusive growth.

Pillar 6: Developing a competitive knowledge economy through value addition (Sustained competitive advantage, innovative performance)

Pillar 7: Modernizing transportation infrastructure and greater regional connectivity (Dynamic Capabilities development – regional dynamism) high-speed connectivity; integrated economic hubs.

This research can prove very valuable in assessing and realizing goals of Vision2025 Pakistan, thus helping in achieving the goal of progress and prosperity in Pakistan. Similarly, only those organizations who were strategically resilient were able to float through whereas those who did not put much emphasis on internal and external obscurities and uncertainties suffered badly and some even went out of business. This study will be a valuable theoretical and empirical addition to management literature and will prove to be a roadmap for future researchers to find the relationship of strategic leadership with the perspective of organizational and employee outcomes.

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Appendix (A)

Figures

Figure 4: Single Factor CFA

Strategic Leadership (STL)

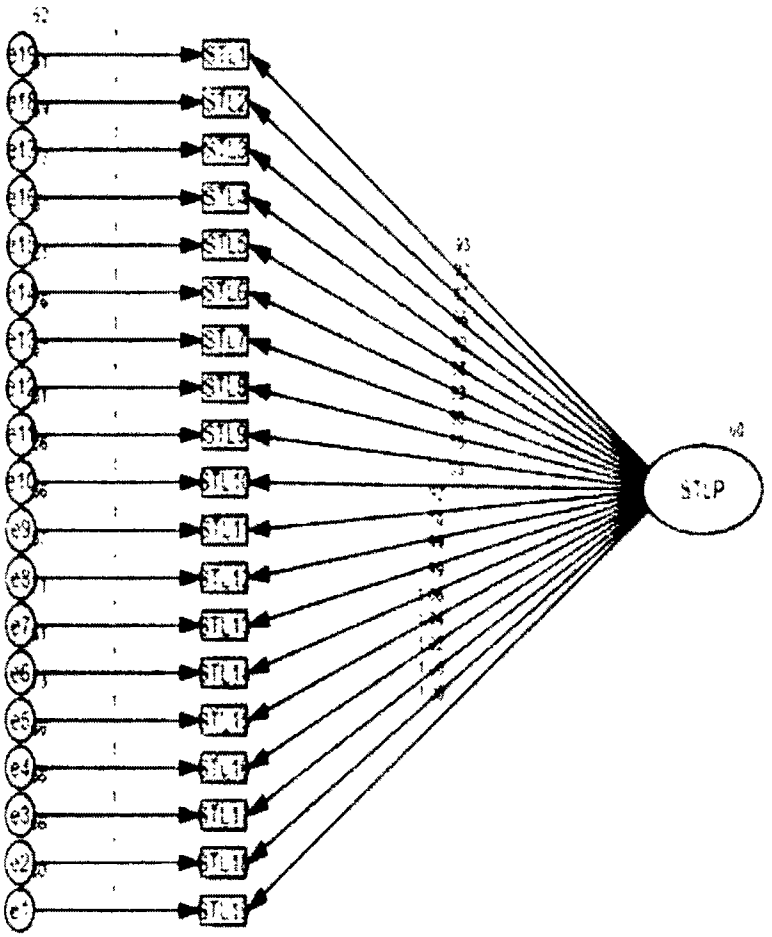


Figure 5: Single Factor CFA

Sustained Competitive Advantage (SCA).

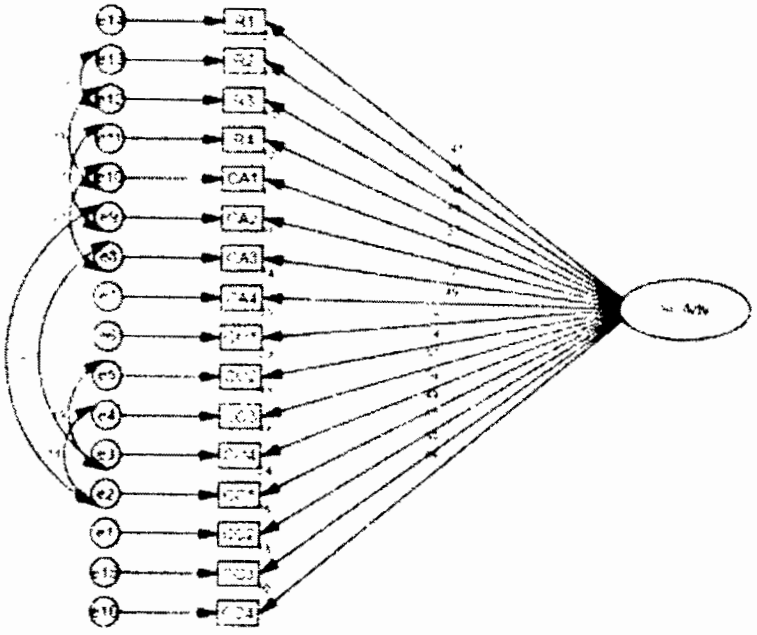


Figure 6: Single Factor CFA

Innovative Performance (OIV).

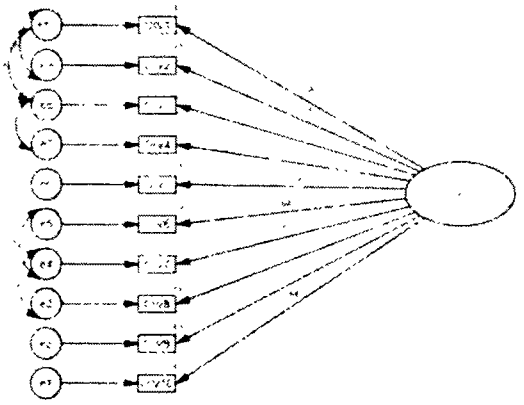


Figure 7: Single Factor CFA

Organizational Resilience (OR).

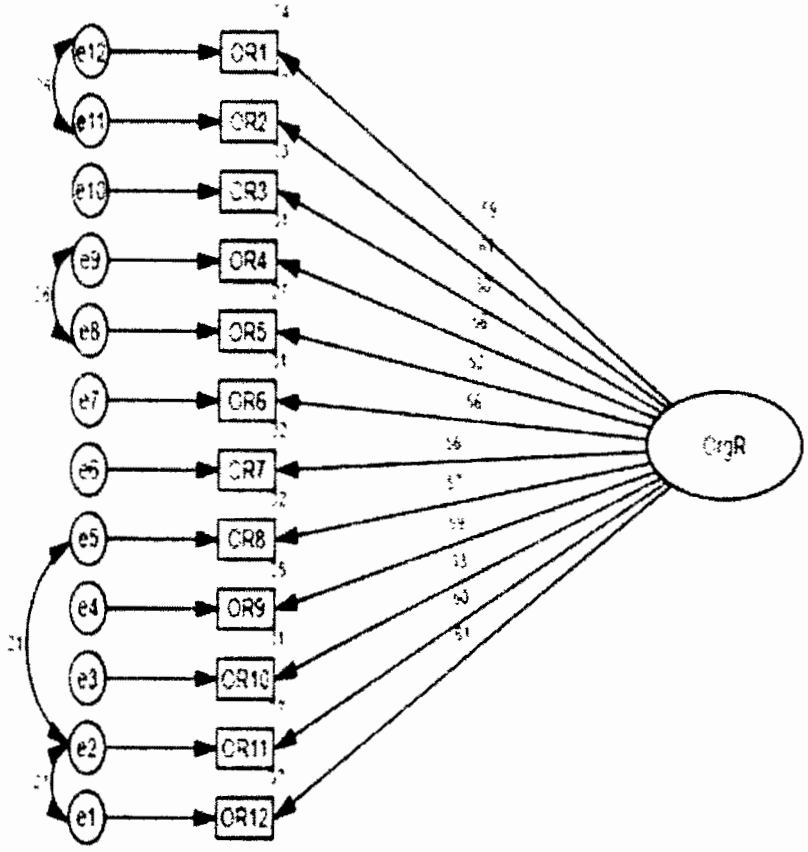


Figure 8: Single Factor CFA

Dynamic Capabilities (DC).

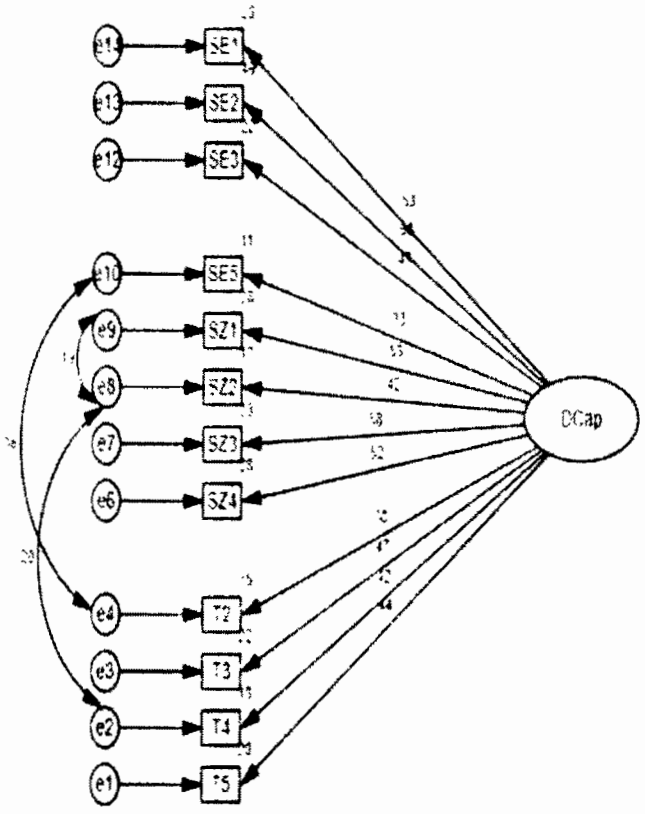


Figure 9: Single Factor CFA

Organizational Learning Climate (OLC).

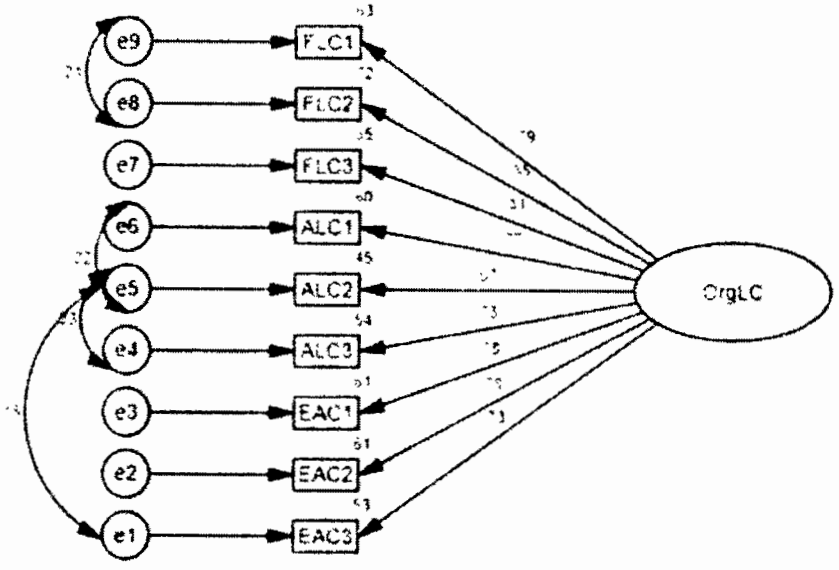


Figure 10: 2nd order CFA Organizational Learning Climate (Moderator) (OLCA)

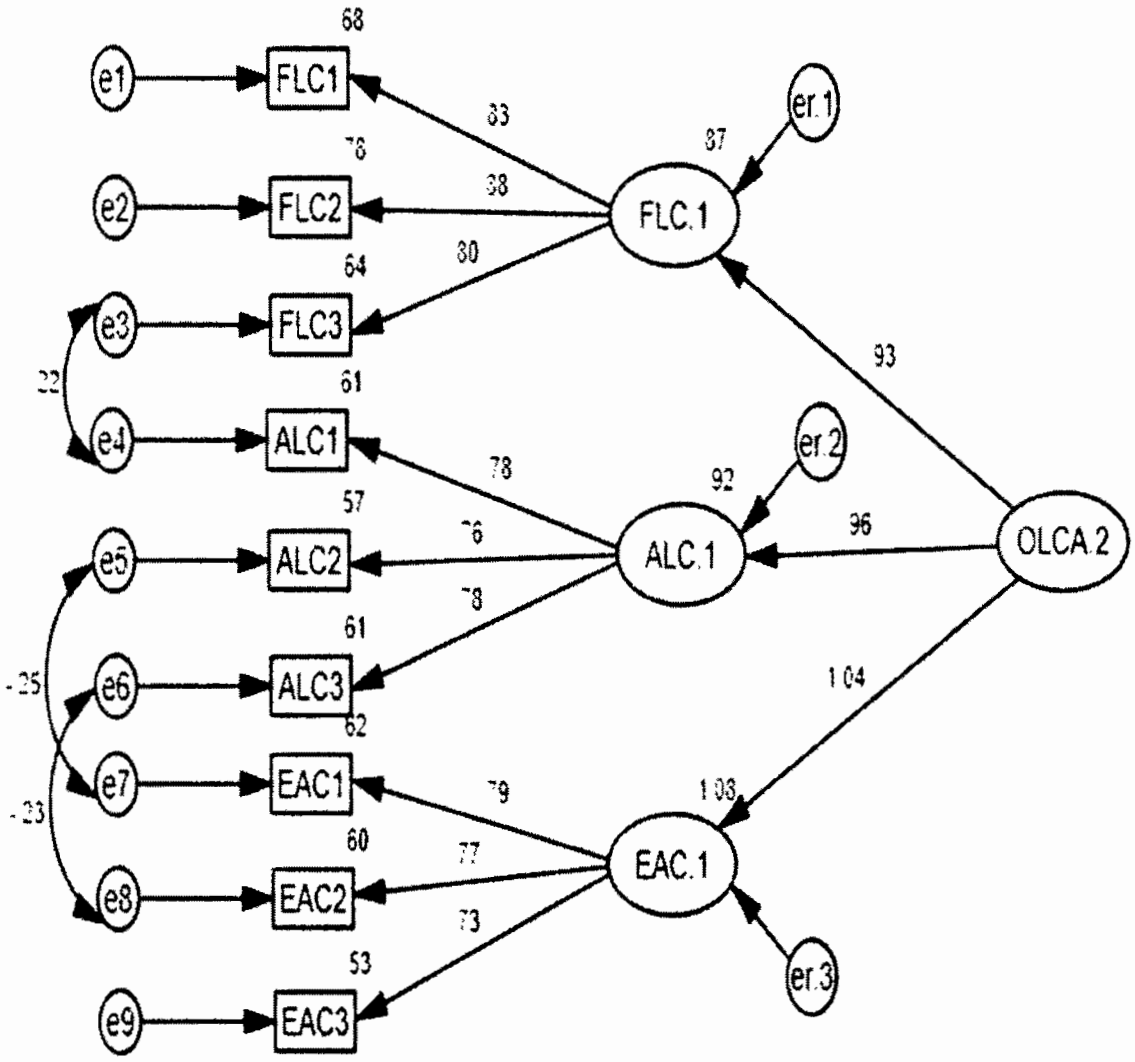


Figure 11: 2nd order CFA Sustained Competitive Advantage (Dependent variable) (SCA)

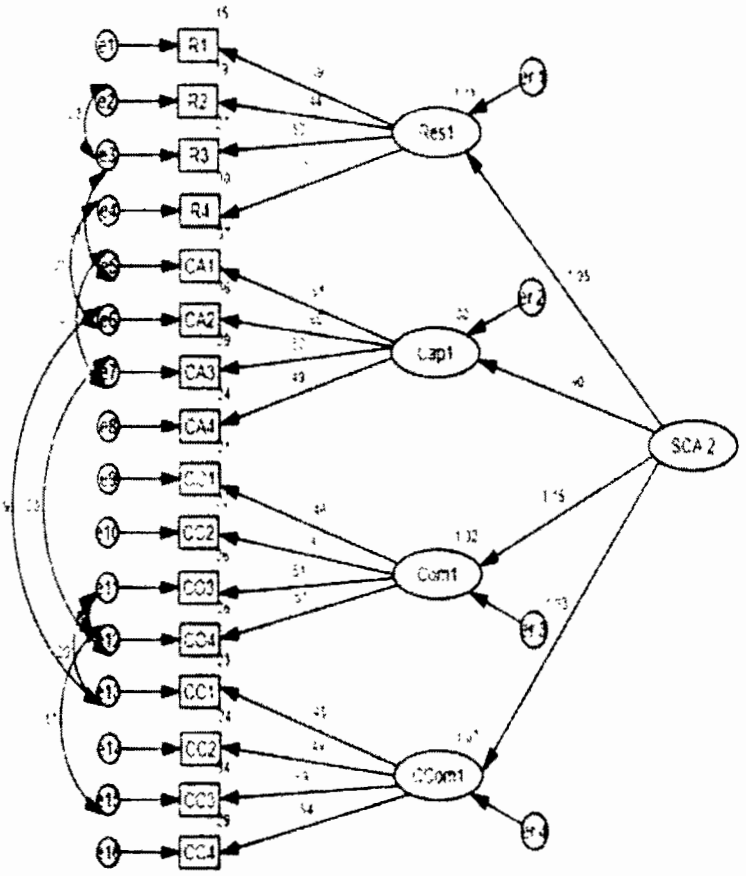


Figure 12: 2nd Order CFA Dynamic Capabilities (Mediator) (DC)

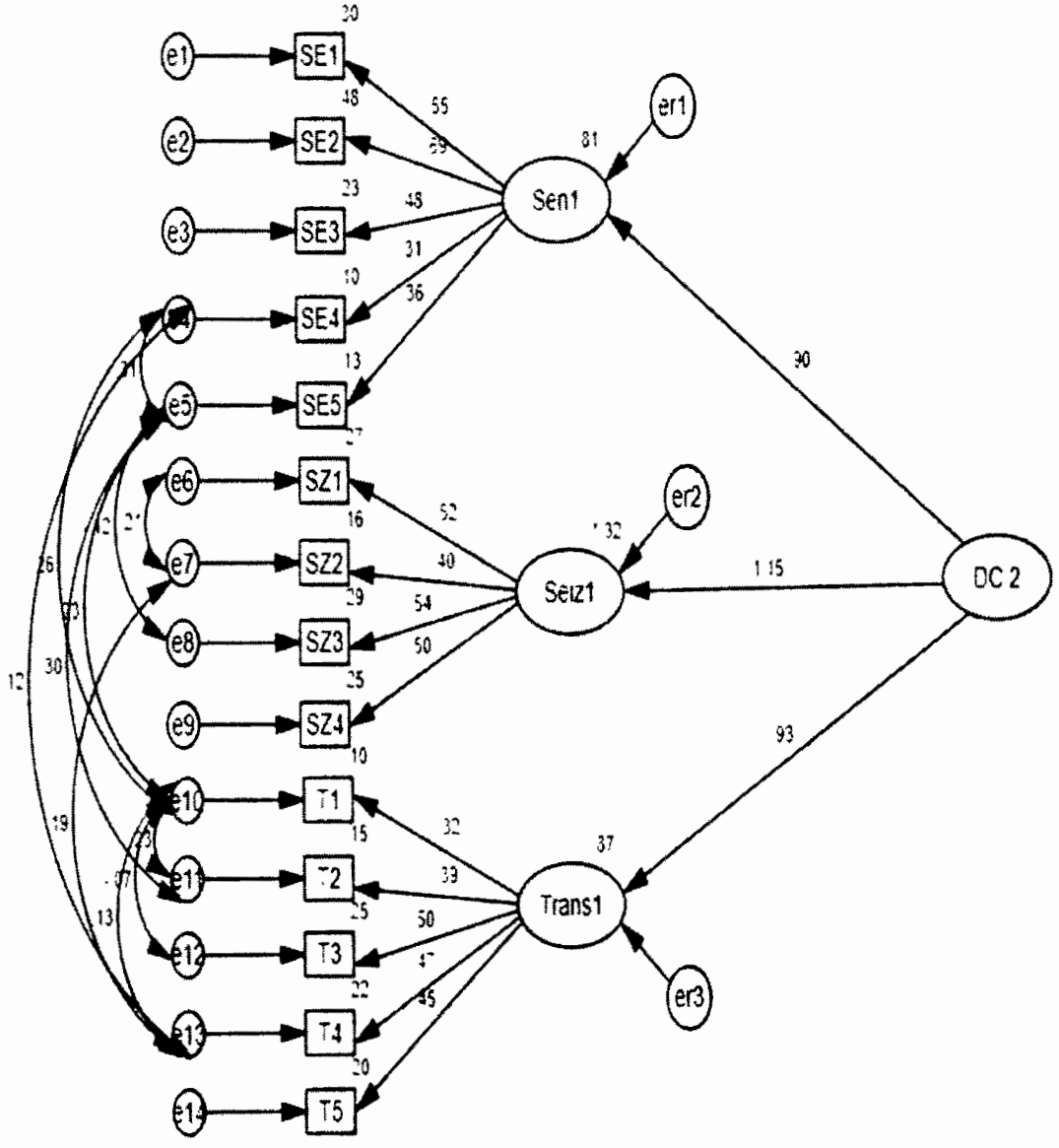


Figure 13: Paired Factor Confirmatory Analysis (IV and Moderator; Time 1)

1-Factor Model IV and Moderator

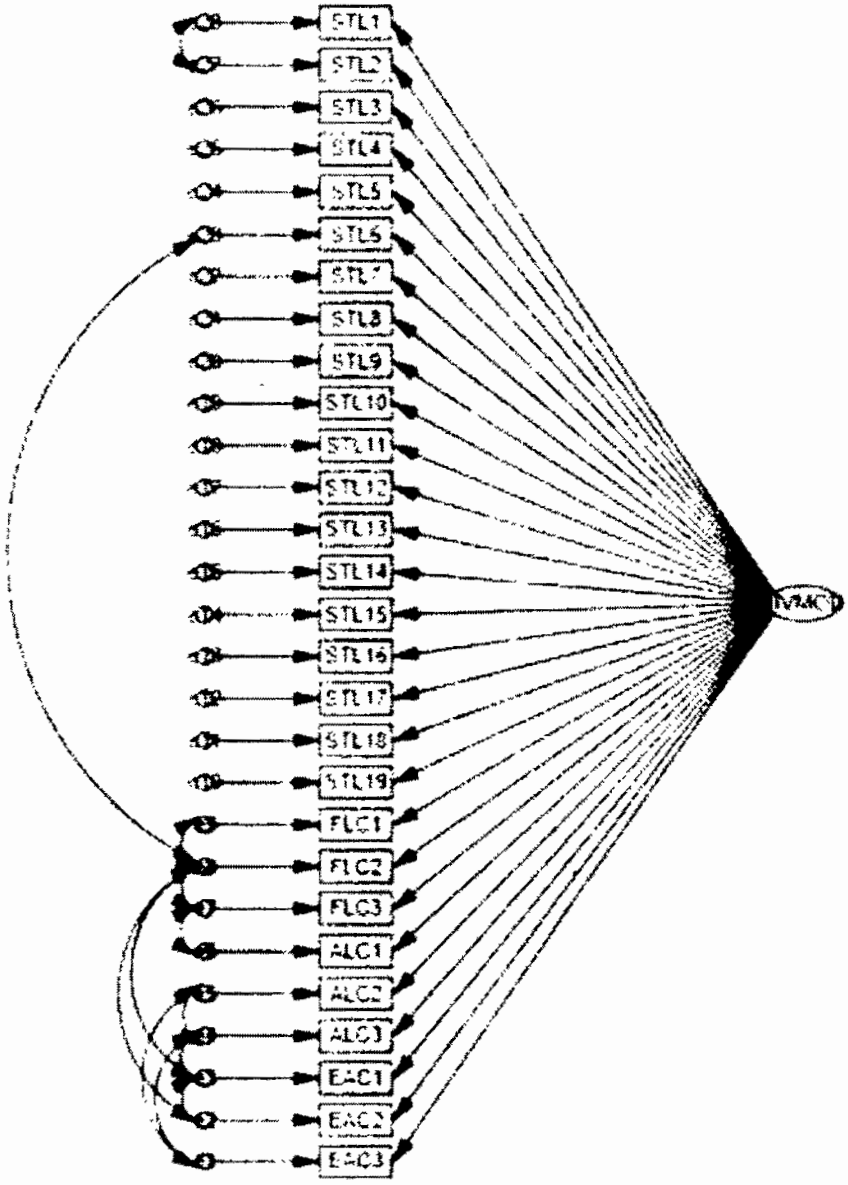


Figure 14: 2-Factor Model IV and Moderator

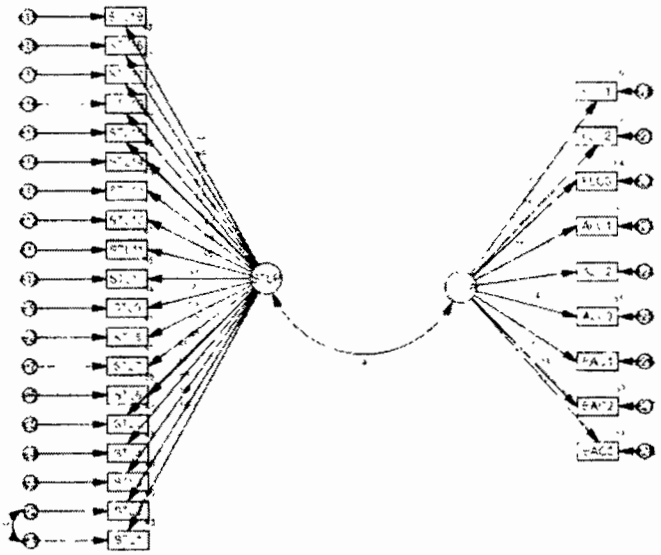


Figure 15: Paired Factor Confirmatory Analysis (DVs; Time 3)

2-Factor SCA and OIV

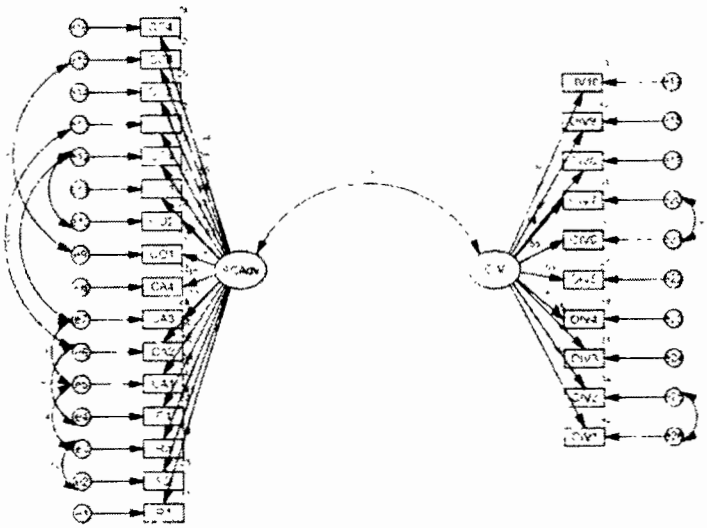


Figure 16: 1-Factor SCA and OIV

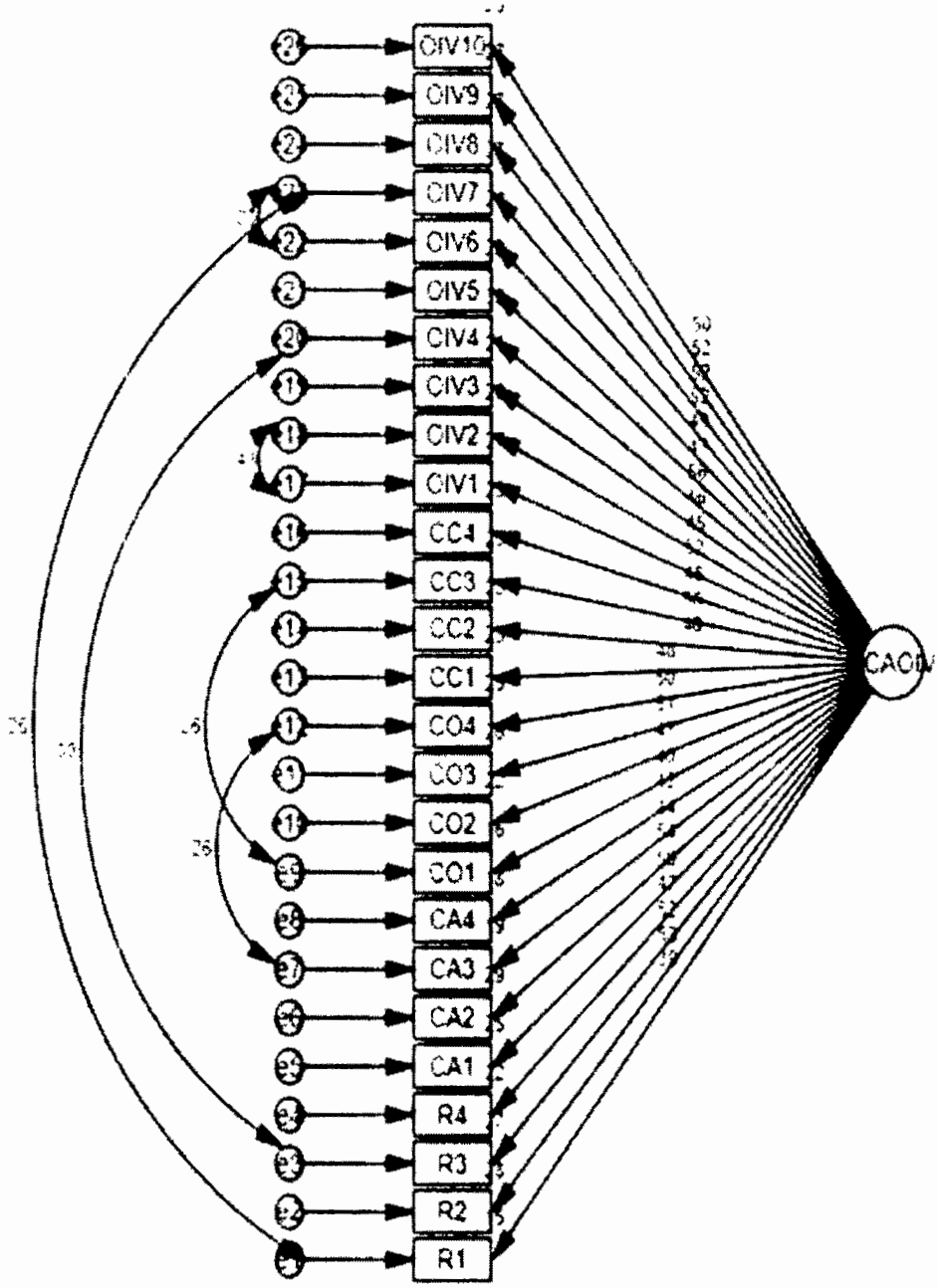


Figure 17: 2-Factor SCA and OR

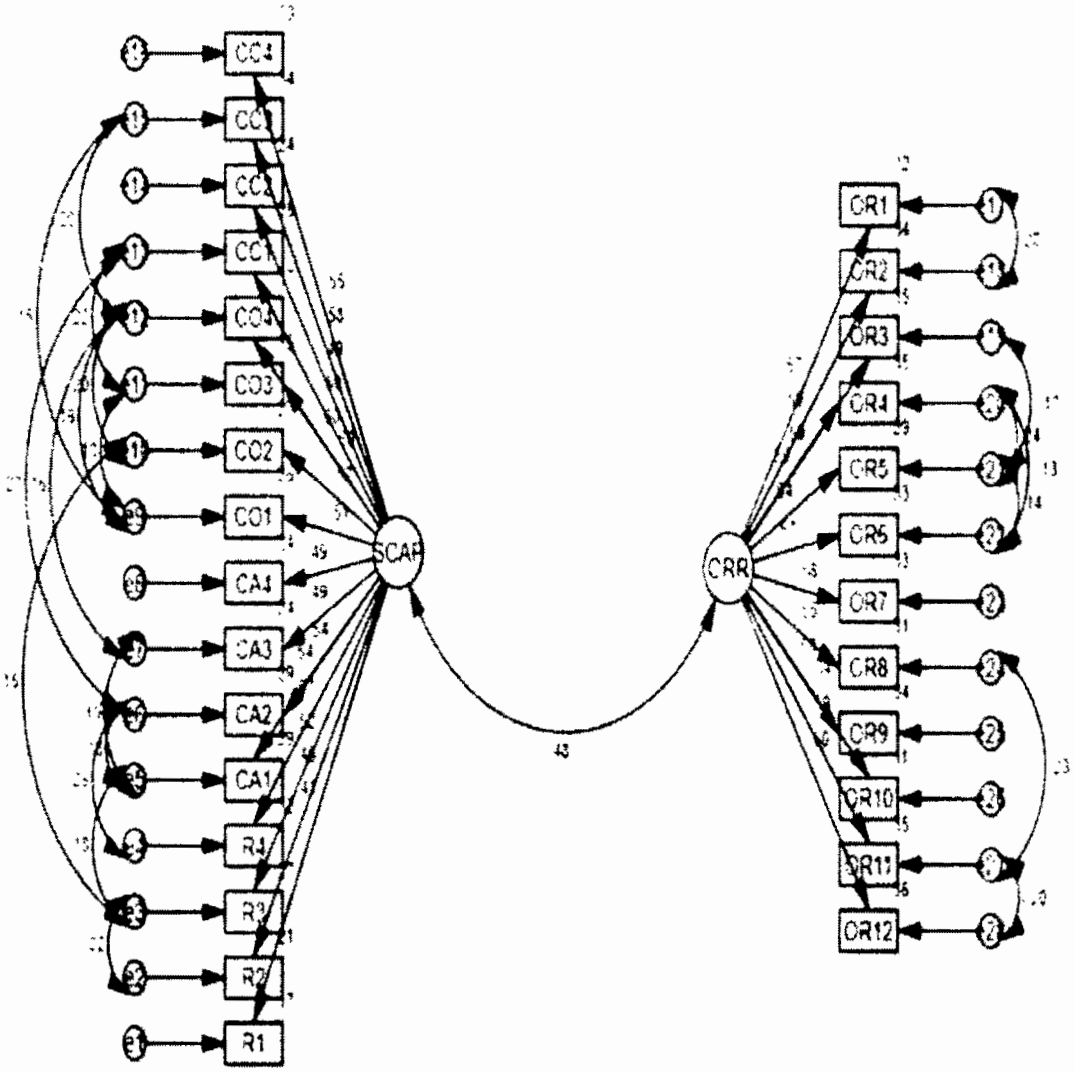


Figure 18: 1-Factor SCA and OR

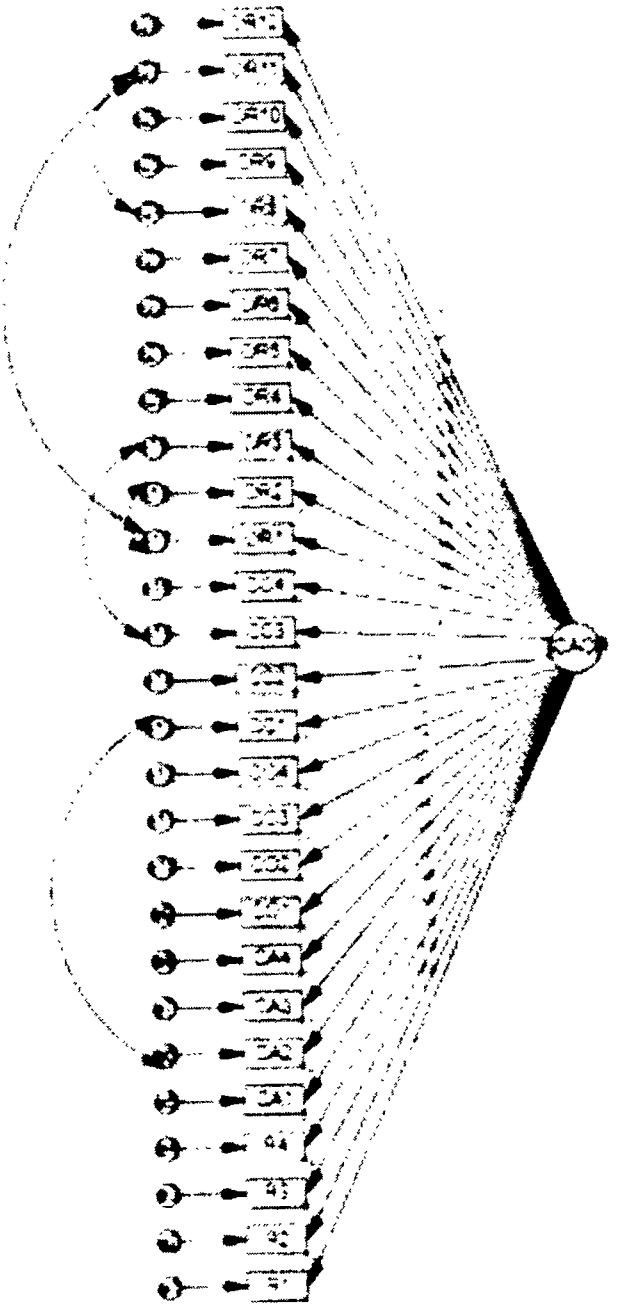


Figure 19: 1-Factor OIV and OR

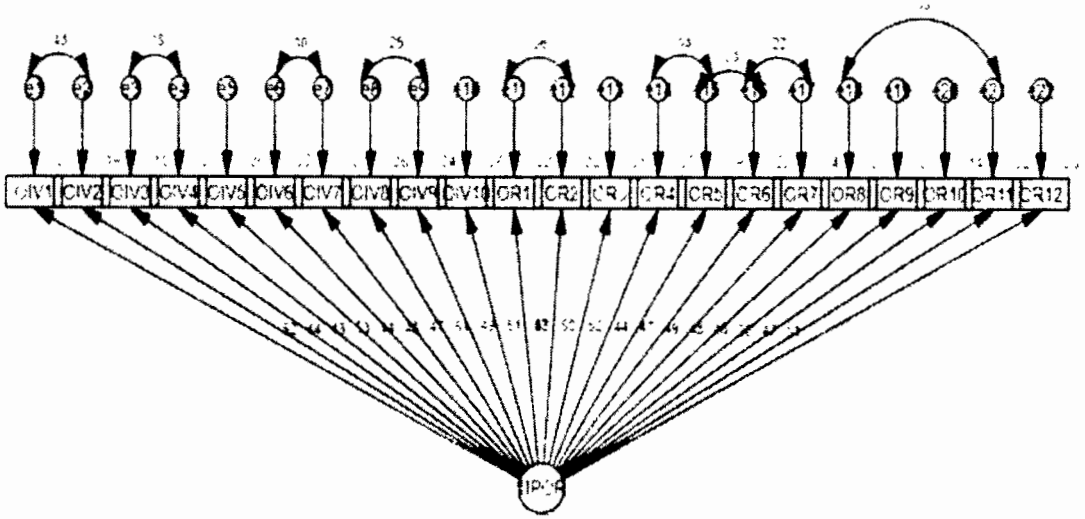


Figure 20: 2-Factor OIV and OR

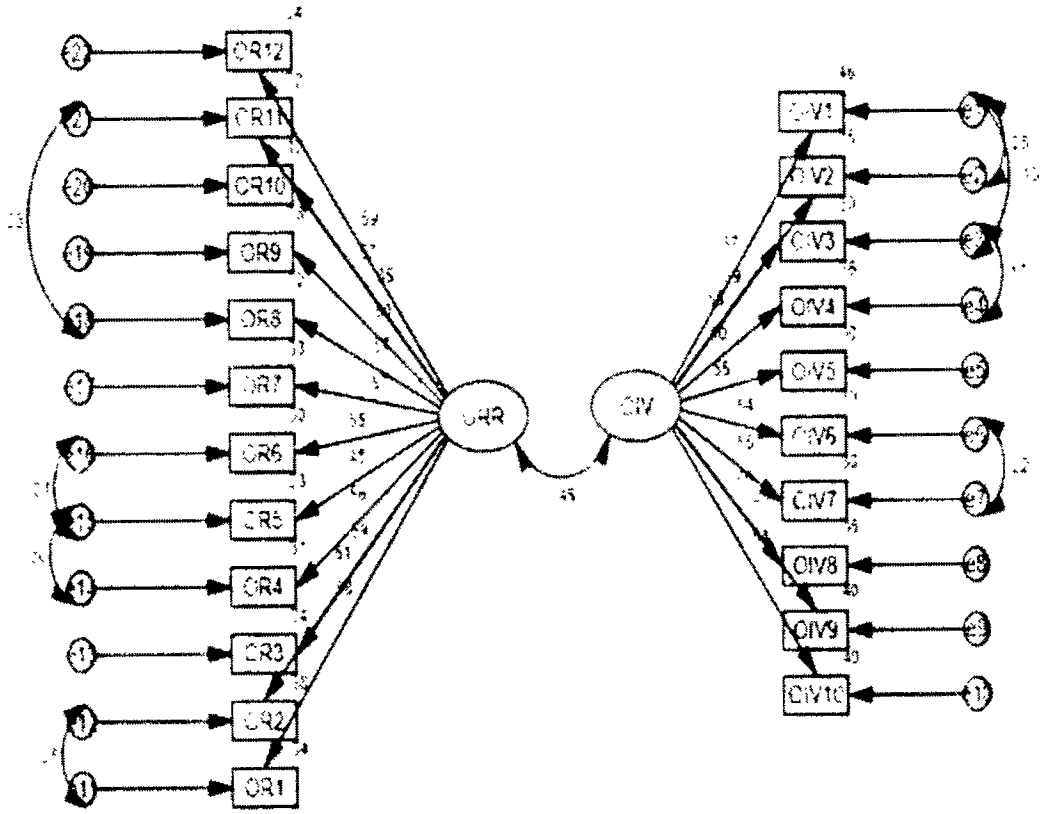


Figure 21: 1-Factor SCA, OIV and OR

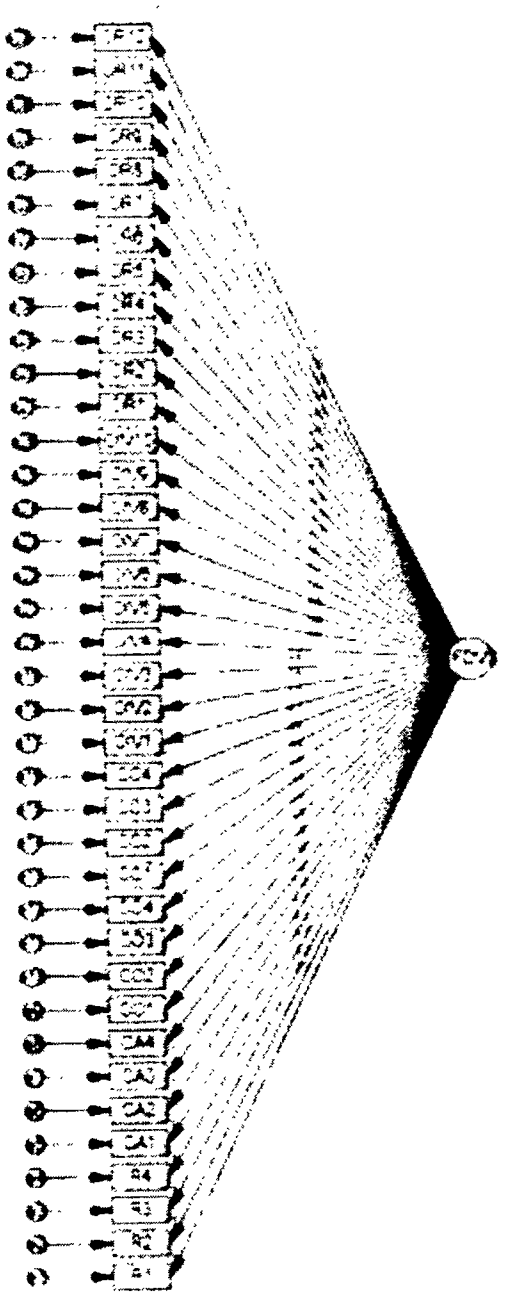


Figure 22: 3-Factor SCA, OIV and OR

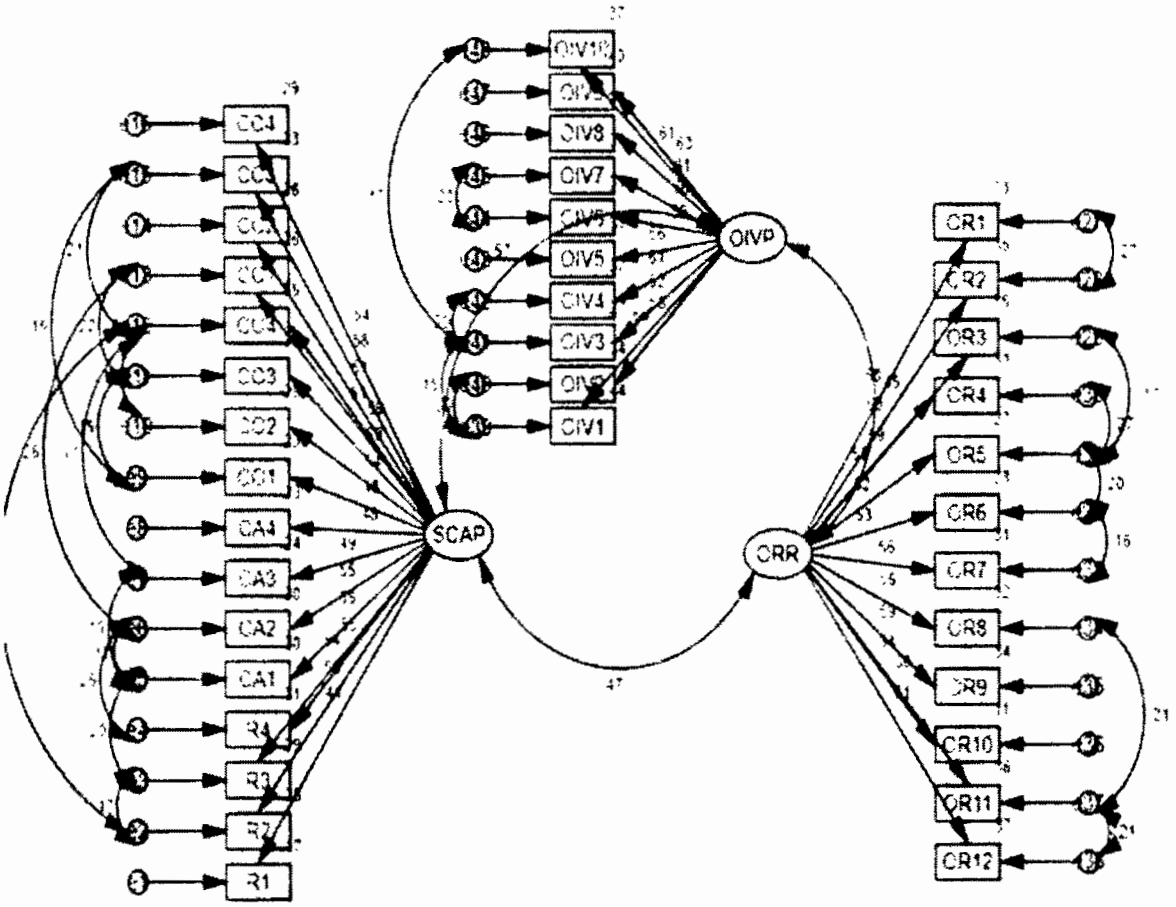
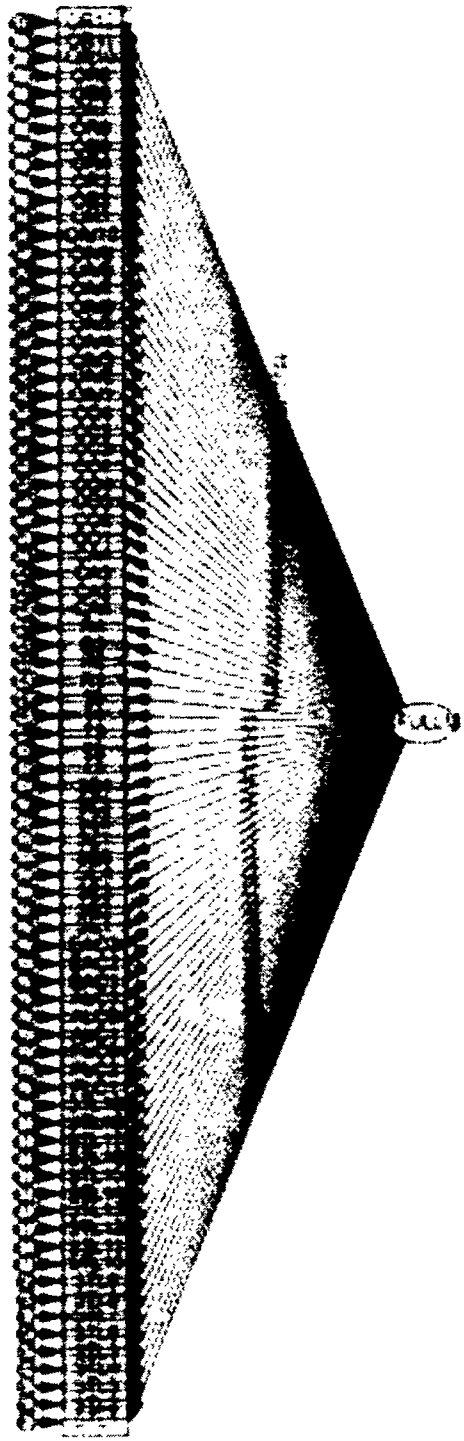


Figure 23: 1 factor CFA Full measurement model



Appendix (B)

EMPLOYEE SURVEY QUESTIONNAIRE

You are invited to participate in a research project. I am writing my PhD thesis at IIUI, and my topic of research is **"Strategic leadership, dynamic capabilities, and organizational outcomes: Moderating Role of Organizational Learning Climate"** in the presence of different resources. This survey will take 10-15 minutes to complete.

Note: Participation is voluntary, and participants have the right to withdraw at any stage up to submitting the questionnaire. Once the questionnaire has been submitted, they cannot be retrieved as they become anonymous data. All the information gathered will remain confidential and will only be used for purely academic research purposes.

Demography Information

Please tick ☑ in the appropriate box wherever required.

Name: ----------

Date: ----------

City of Current Employment: ----------

Organization Name:----------

Gender:

☐ Male ☐ Female

Age:

☐ 26-30 years ☐ 31-35 years

☐ 36-40 years ☐ 41-45 years

☐ More than 45

Educational Level:

☐ Bachelor's ☐ Master ☐ PhD

Organization Type:

☐ Private ☐ Government

Organization Size:

☐ Small ☐ Medium ☐ Large

No. of Employees in the Organization:

☐ 50 to 200 ☐ 200 to 500 ☐ more than 500

Management Level:

☐ Lower Management ☐ Middle Management ☐ Higher Management

Working Experience:

☐ Less than 3 years ☐ 5 years ☐ 0 years 10-☐ years

☐ More than 15 years

Please provide first alphabet of your first and last name followed by month of birth: ---------- (e.g., Ahad Khan; month of birth: January: **AK01**)

Strategic Leadership (STLP)

Directions: Please respond to each item by placing ● around appropriate number based on the 6- point scale where: 1 = "Strongly Disagree", 2 = "Slightly Disagree", 3 = "Disagree" 4 = "Slightly Agree", 5 = "Agree" and 6 = "Strongly Agree".

Strongly Disagree	Slightly Disagree	Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6

CODE	ITEMS	LEVEL OF AGREEMENT					
STLP1	Employees in my organization feel good to be around their superiors.	1	2	3	4	5	6
STLP2	Superiors in my organization communicate in simple word that is easy to understand.	1	2	3	4	5	6
STLP3	In my organization, employees are able to think about old problems in new ways.	1	2	3	4	5	6
STLP4	My organization help employees to develop themselves.	1	2	3	4	5	6
STLP5	Employees in my organization are told what to do if they want to be rewarded for their work.	1	2	3	4	5	6
STLP6	My organization is satisfied when its employees meet an agreed standard.	1	2	3	4	5	6
STLP7	Employees in my organization have complete faith on their superiors.	1	2	3	4	5	6
STLP8	Senior management in my organization have appealing images about what its employees can do.	1	2	3	4	5	6
STLP9	Senior management in my organization provide workers with new ways of looking at puzzling things.	1	2	3	4	5	6
STLP10	Senior management in those organization communicate to their subordinates about their performance.	1	2	3	4	5	6
STLP11	Senior management in this organization provide rewards when employees reach their goals.	1	2	3	4	5	6
STLP12	As long as things are working, my senior management in this organization do not try to change anything.	1	2	3	4	5	6
STLP13	Employees in my organization are proud to be associated with the organization	1	2	3	4	5	6
STLP14	My organization help employees find meaning in their work.	1	2	3	4	5	6
STLP15	My organization gets it employees to rethink ideas that they had never questioned before.	1	2	3	4	5	6
STLP16	In my organization, personal attention is given to those staffs that seem rejected.	1	2	3	4	5	6
STLP17	In my organization, employees are told the standards they have to know to carry out their work.	1	2	3	4	5	6
STLP18	Senior management in my organization, have clear understanding of where the organization is going.	1	2	3	4	5	6
STLP19	Senior management in my organization have clear sense of where he/she want the organization to be in the next five years.	1	2	3	4	5	6

Organizational Learning Climate (OLC)

Directions: Please respond to each item by placing ● around appropriate number based on the 5- point scale where: 1 = "Strongly Disagree", 2 = "Slightly Disagree", 3 = "Disagree" 4 = "Slightly Agree", and 5 = "Agree".

Strongly Disagree	Slightly Disagree	Disagree	Slightly Agree	Agree
1	2	3	4	5

CODE	ITEMS	LEVEL OF AGREEMENT				
	Facilitation learning climate					
FLC1	My organization provides appealing educational facilities (resources).	1	2	3	4	5
FLC2	My organization provides sufficient resources to develop my competences.	1	2	3	4	5
FLC3	In my organization, one receives the trainings he/she needs.	1	2	3	4	5
	Appreciation learning climate					
ALC1	In my organization, employees who continuously develop themselves professionally, are being rewarded	1	2	3	4	5
ALC2	Employees get quickly promoted here, if they engage in continuous professional development	1	2	3	4	5
ALC3	In my organization, employees who make effort to learn new things, earn appreciation and respect	1	2	3	4	5
	Error-avoidance climate					
EAC1	In my organization, one is afraid to admit mistakes	1	2	3	4	5
EAC2	In my organization, employees do not dare to discuss mistakes	1	2	3	4	5
EAC3	Competitiveness depend on capabilities are inimitable and difficult to copy	1	2	3	4	5

Dynamic Capabilities (DC)

Directions: Please respond to each item by placing ● around appropriate number based on the 6- point scale where: 1 = "Strongly Disagree", 2 = "Slightly Disagree", 3 = "Disagree" 4 = "Slightly Agree", 5 = "Agree" and 6 = "Strongly Agree".

Strongly Disagree	Slightly Disagree	Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6

CODE	ITEMS	LEVEL OF AGREEMENT					
	Sensing						
SE1	Our company knows the best practices in the market	1	2	3	4	5	6
SE2	Our company is up-to-date on the current market situation.	1	2	3	4	5	6
SE3	Our company systematically searches for information on the current market situation.	1	2	3	4	5	6
SE4	As a company, we know how to access new information.	1	2	3	4	5	6
SE5	Our company always has an eye on our competitors' activities.	1	2	3	4	5	6
	Seizing						
SZ1	Our company can quickly relate to new knowledge from the outside.	1	2	3	4	5	6
SZ2	We recognize what new information can be utilized in our company.	1	2	3	4	5	6
SZ3	Our company is capable of turning new technological knowledge into process and product innovation.	1	2	3	4	5	6
SZ4	Current information leads to the development of new products or services.	1	2	3	4	5	6
	Transforming						
T1	By defining clear responsibilities, we successfully implement plans for changes in our company.	1	2	3	4	5	6
T2	Even when unforeseen interruptions occur, change projects are seen through consistently in our company.	1	2	3	4	5	6
T3	Decisions on planned changes are pursued consistently in our company.	1	2	3	4	5	6
T4	In the past, we have demonstrated our strengths in implementing changes.	1	2	3	4	5	6
T5	In our company, change projects can be put into practice alongside the daily business	1	2	3	4	5	6

Sustainable Competitive Advantage (SCA)

Directions: Please respond to each item by placing ● around appropriate number based on the 5- point scale where: 1 = "Strongly Disagree", 2 = "Disagree", 3 = "Neither Agree or Disagree" 4 = "Agree", and 5 = "Strongly Agree".

Strongly Disagree	Slightly Disagree	Disagree	Slightly Agree	Agree
1	2	3	4	5

CODE	ITEMS	LEVEL OF AGREEMENT				
R1	Compared with main competitors, our resources add positive value to the organization	1	2	3	4	5
R2	Our resources are unique and rare among a organization's current and potential competitors	1	2	3	4	5

R3	Our resources are imperfectly imitable compared to our competitors	1	2	3	4	5
R4	Compared with competing organizations, our organization is organized to exploit these resources	1	2	3	4	5
CA1	Our organization has capabilities are valuable incapable of being rapidly developed elsewhere	1	2	3	4	5
CA2	Our university has rare capabilities not many competitors possess	1	2	3	4	5
CA3	Competitiveness depend on capabilities are inimitable and difficult to copy	1	2	3	4	5
CA4	Constantly, our organization is organized in investing the capabilities that give us an advantage competitive compared to our competitors	1	2	3	4	5
CO1	Compared to competing competencies, our competencies are valuable unable to be own	1	2	3	4	5
CO2	Our competitive advantage is based rare competencies not many competitors possess	1	2	3	4	5
CO3	It took us several years and great efforts to build our competencies nobody can easily copy that	1	2	3	4	5
CO4	our organization is organized to exploit our competencies strategically	1	2	3	4	5
CC1	our competitive advantage is dependent on valuable core competencies to neutralize threats and exploit opportunities	1	2	3	4	5
CC2	our core competencies are rare specialist nobody can offer them	1	2	3	4	5
CC3	our competitive advantages are firmly embodied and attached in the core competencies inimitable and nobody can easily copy	1	2	3	4	5
CC4	Successfully, our organization differentiates itself from others through effective organizing in exploit and maintaining the core competencies	1	2	3	4	5

Innovative Performance (OIV)

Directions: Please respond to each item by placing ● around appropriate number based on the 6- point scale where: 1 = "Strongly Disagree", 2 = "Slightly Disagree", 3 = "Disagree" 4 = "Slightly Agree", 5 = "Agree" and 6 = "Strongly Agree".

Strongly Disagree	Slightly Disagree	Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6

CODE	ITEMS	LEVEL OF AGREEMENT					
OIV1	In my organization, support is given to those who want to try new ways of doing things.	1	2	3	4	5	6
OIV2	My organization is very cautious in adopting innovative ideas.	1	2	3	4	5	6
OIV3	My organization is willing to take risks to seize and explore 'chancy' growth opportunities.	1	2	3	4	5	6
OIV4	My organization actively responds to the adoption of "new ways of doing things" from other similar institution.	1	2	3	4	5	6
OIV5	My organization constantly seeks unusual, novel solutions to problems via the use of 'innovative men' within the organization.	1	2	3	4	5	6

OIV6	My organization tolerates individuals who do things in a different way.	1	2	3	4	5	6
OIV7	My organization is always willing to try new ways of doing things by seeking unusual novel solutions.	1	2	3	4	5	6
OIV8	My organization people are encouraged to think and behave in original and novel ways.	1	2	3	4	5	6
OIV9	In my organization, when we see new ways of doing things, we embrace them lastly.	1	2	3	4	5	6
OIV10	In my organization, when we cannot solve a problem using conventional methods, we improvise on new methods.	1	2	3	4	5	6

Organizational Resilience

Directions: Please respond to each item by placing● around appropriate number based on the 5- point scale where: 1 = "Strongly Disagree", 2 = "Disagree", 3 = "Neither Agree or Disagree" 4 = "Agree", and 5 = "Strongly Agree".

Strongly Disagree	Slightly Disagree	Disagree	Slightly Agree	Agree
1	2	3	4	5

CODE	ITEMS	LEVEL OF AGREEMENT				
OR1	My organization stands straight and preserves its position.	1	2	3	4	5
OR2	My organization is successful in generating diverse solutions.	1	2	3	4	5
OR3	My organization has the strength to use required resources.	1	2	3	4	5
OR4	My organization develops alternatives in order to benefit from negative circumstances.	1	2	3	4	5
OR5	My organization is agile in taking required action when needed	1	2	3	4	5
OR6	My organization is a place where all the employees engaged to do what is required from them.	1	2	3	4	5
OR7	My organization is successful in acting as a whole with all of its employees.	1	2	3	4	5
OR8	My organization is a powerful organization and not easily affected by outside factors.	1	2	3	4	5
OR9	My organization shows resistance to the end in order not to lose.	1	2	3	4	5
OR10	My organization is powerful to overcome everything.	1	2	3	4	5
OR11	My organization does not give up and continues its path.	1	2	3	4	5
OR12	My organization rapidly takes action.	1	2	3	4	5

Your Comments: _____

Thank you for your kind co-operation.