

An Empirical Study of Human-Capital as a Mediator on the Relationship between Strategic Leadership Styles and Sustainable Competitive Advantage in Iraqi Private Universities

Nada Ismaeel Jabbouri¹, Ibrahim Zahari²

¹College of Administration and Economics, University of Baghdad, IRAQ

²MBA UNIRAZAK Jalan Tangsi, 50480 Kuala Lumpur, Malaysia

Abstract: *The purpose of this research is to examine the relationship between the Strategic Leadership styles and Sustainable Competitive Advantage via the mediating role of Human Capital as a vital matter in the Iraqi private Universities. The suggested model design of Strategic Leadership styles as an independent variable and Sustainable Competitive Advantage as the dependent variable, asked the participants of questionnaire response. To determine strategic leadership styles with sustainable competitive advantage in the universities' factor analysis was conducted. In this research, the population was consisted of 22 Universities in Iraq. The participants 254 academic staff members with leadership positions were selected. The respondents are chancellors, Vice chancellors, Deans, Deputy Deans, and Departments heads, Division heads, and Heads of centers. Based on a number of relevant measures of research topic, the hypotheses have been prepared. The data were analyzed statistically using several ranges, and the structural equation model has been used to extract results. The regression analysis results indicate a positive and statistically significant association between Strategic Leadership styles with Sustainable Competitive Advantage. Based on this, the researcher recommends the academic staff member with leadership positions to encourage the use Of Human Capital In Iraqi for expand Universities Knowledge Of Human Capital And Promote Sustainable Competitive Advantage In These Universities.*

Keywords: Human Capital, Strategic Leadership Styles, and Sustainable Competitive Advantage

1. Introduction

Information The area of human resource management has witnessed a growing interest in studies of human-capital enhancing. In the issue of leadership, previous studies focused on the relationship among leader or manager and employee was supposed efficient use of resources. The transformational leadership focuses about changing the current situation as well as, individuals within the organization. The previous research focused about management administrative issues of selection, compensation, training requirements, and performance appraisal. Recent research focused on human resource management functions, and how the human resource management is increases the ability of members of the organization to serve the strategic interests of organization. The human capital enhancing and transformational leadership have positive effects on individual and organizational performance, but the nature of the relationship still mysterious phenomena (W. Zhu et al., 2005). In this issue, enhancing of human capital and transformational leadership will be independent. Hence, the transformational leadership would have basic effects far away from management system of formal. In this study, it was suggested that the style of strategic leadership mediated by human capital working on the promotion of sustainable competitive advantage for organizations by improving individual performance and leadership for organizations.

2. Literature Review

2.1. Human Capital Enhancing HRM

Human capital is source of innovation to possess of mentality competencies, skills, expertise necessary to provide appropriate practical solutions for customers (Stewart, 1997). Moreover, human capital represents the economic value of knowledge, expertise, skills and capabilities owned by workers within the possibility of the organization (Daft, 2003). Human resources are the efforts, skills and abilities that individuals contribute to the organization in order to continue to existence. Human capital Perceived as a unique approach to managing people, which seeks to achieve a competitive advantage through the strategic development of the work force (Huselid, 1995; Youndt, Snell, Dean, & Lepak, 1996; W, zau et al., 2005). Human capital refers to intangible an asset that is supporting creativity and innovation through knowledge, skills, expertise enjoyed by the human resource represented of assets intellectual and property intellectual. Thus, the definition of human capital is the sum of personnel who have the knowledge, skills, abilities rare to achieve the goals of organization or the company's with excellence and uniqueness compare with competitors.

The importance of human capital that contributes to the management of human thought and speed of crucial executive

also has an impact on innovation, operations, customer, and performance (Wang & Chang, 2005). The positive effects of human resource management (HRM) and the promotion of human capital is dramatically demonstrated in the researches. The human resource management practices had a positive impact and significant on productivity, performance and enhance HRM practices to improve its global competitiveness (Delaney & Huselid, 1996, Wang & Chang, 2005). The human resource management practices that are sophisticated and integrated have a positive impact on the performance of staff through the increased knowledge, skills and abilities, improved motivation, trust and flexibility for employees, employee commitment, and retention of competent staff, also important patterns of culture and leadership (Towers, 1994).

Human capital enhancing human resource is generally perceived as a distinctive approach to efforts skills and capabilities academics which seek to achieve competitive advantage by the strategic development of leadership styles that have a positive impact on sustainable competitive advantage through increasing abilities and skills of human capital (W. Zhu et al., 2005). The researchers are reported that performing of human resource which include a high innovation has effect on organizational outcomes (Rondeau & Wagar, 2002; Laursen & Foss, 2003). Towers (1994) is reported a positive correlation between human capital enhancing HRM, culture and leadership. Research has shown by (Arthur, 1994; Becker & Gerhart, 2001; Huselid, 1995; Youndt et al., 1996; Guthrie, 2001) have a positive association among human capital HRM and competitive advantage.

2.2. Strategic Leadership Style

Leadership refers to the ability to inspire others and direct them towards the achievement of the organization's mission and goals (Kouzes & Posner, 2002). Strategic thinking is one of the key points that characterize the strategic leaders of the concept on general framework leadership. Strategic thinking is the cognitive process necessary for the collection, processing, and interpretation, evaluation of information and ideas that make up the sustainable competitive advantage of the organization (Neumann & Neumann, 1999). Hill, et al., 2008 reported the ability to clarify of the organization's vision, strategy, and motivate of employees to work under this vision. Thus, strategic leadership can be defined as a set of capabilities that is owned by someone and oriented of drawing the organization's vision, mission and core values, to enable those working in the organization and motivate them to achieve sustainable competitive advantage. Strategic management literature suggests that strategic leadership in organizations is includes the chief executives, heads of companies, and managers of public companies (Gupta, 1984). Strategists' leaders have a major impact on path and the fate of the organization and ability to achieve goals.

Although it theoretically senior management or strategic leadership in the Similar organizations doing the same job, but it performed differently, and then check different results

(Neumann & Neumann, 1999). Hence, interest of strategic study of strategic leadership is to determine the cause of the difference in performance of strategic leaders (Shrivastava & Nachman, 1989). In accordance to (Neumann & Neumann, 1999) the emergence of transformational leadership theory and relationship to strategic leadership, it had the greatest impact at the start of interest in the study patterns of Strategic Leadership. Shrivastava & Nachman (1989) refers to features and characteristics that distinguish strategic commander about other. Neumann & Neumann (1999) are reported a set of features that are owned by the strategic commander, such as skills that define his style of leadership of the organization, and method of dealing with subordinates, which relate mainly with tasks of strategy. Strategic Leadership pattern can be defined as a set of self-features and acquired skills possessed by the person which determine his style of practice of strategic leadership and what be followed by of the tasks and decisions that vary from person to other.

According to Shrivastava & Nachman (1989); Hambrick, (1984) there are four basic patterns of strategic leadership, in 1989, presented the first classification for the patterns of strategic leadership, the adopted of this classification mainly on the content and style of the strategic decision-making. Proceeding from the theoretical classification of patterns of strategic leadership provided by (Hambrick, 1984) this classification depends mainly on the characteristics of the strategic decision based on the role and style of the strategic leader in decision-making. Also, has adopted a number of basic principles, which is the main determinant of the pattern of strategic leadership. These patterns of strategic leadership: are entrepreneurial Pattern, Bureaucratic Pattern, Political Pattern, and Professional pattern. Classification of (Wright, et. al., 1994) strategic leadership includes two major patterns are; (1. Transactional Leadership) in this pattern, managers are used the formal authorities to influence the subordinates and the exchange of benefits between superior and subordinate. (2. Transformational Leadership) by (Burns, 1978, Bass, 1990) Transformational Leadership is an emerged term in 1978 by Burns in the book of leadership. To distinguish between those leaders who are building a relationship with motivational targets with their subordinates of those leaders who rely largely on mutual benefits process to get results (Burns, 1978; Bass, 1990). Transformational Leadership behavior is starts from the values and beliefs personal of leaders not to share interests with subordinates (Bass, 1985). The transformational leadership pattern consists of number of patterns are: (intellectual leadership, reformist leadership, Revolutionary Leadership, heroic leadership, Ideological leadership).

Classification by Neumann & Neumann (1999) the procedural leadership is the traditional process of management processes. The organizations that want access to high levels, they must turn from procedural leadership to the transformational leadership with a focus on jobs and strategic dimensions, the strategic leader must focus of three basic skills. Classification by Neumann & Neumann (1999) the procedural leadership is the traditional process of management processes. The

organizations that want access to high levels, they must turn from procedural leadership to the transformational leadership with a focus on jobs and strategic dimensions. Moreover, the strategic leader should possess basic skills. The essence of mutuality leadership is based on idea of mutual benefit between the two parties (the leader - subordinates). There are three dimensions from the mutuality leadership that is represented by conditional reward, exception management (negative direction), and exception management (the positive direction), which is reflected on the achievement of satisfaction of the employees and raise morale and increased productivity and achieve the organization's goals (Thomson, 2007; Daft, 2004; and Homring, (2006). Transformational leadership model is the confirm to importance of continuous change as an appropriate to cope with the developments taking place in the environment (Prakash, 2014). Transformational leader is always trying to change the organizational culture in order to turn them and transfer to the ideal situation (Benjamin & Betriebswirt, 2004; Certo, 2003).

2.3 Sustainable Competitive Advantage

Sustainable Competitive Advantage is a company's own resources and capabilities must therefore be difficult to imitate, not easily substituted by other resources or capabilities (Coplin, 2002). Barney & Hesterly (2009) Sustainable Competitive Advantage is unable competitors to imitate the source of advantage or if no one conceives of a better offering. There are four elements to construct the basic idea of the sustainable competitive advantage process as subjects, media, and objective and keep changing. Sustainable competitive advantage includes capabilities as well as available assets (Sanchez, 2004). Furthermore, resources are identified as sources of Sustainable Competitive Advantage if they are valuable, rare, costly to imitate, and non-substitutable (Barney, 1991) or organized (Barney, 1995). Empirically, Ljungquist (2008) defined resources as utilization of core competencies. Hafeez, Zhang & Malak (2002) defined resources as anything "tangible" as well as "intangible" owned or acquired by a firm; in addition, they classified resources into three subcategories of physical, intellectual and cultural assets. Resources include financial, technological, human and organizational resources (Jüttner & Wehrli, 1994).

On the other hand, Barney (1991) categorized resources into three groups: physical resources such as plant, equipment, location and assets; human resources such as work force, management team, training and experience; and organizational resources such as culture and reputation. Leadership style is defined as a behavior followed by leaders in dealing with subordinates to pushes them to work and accomplish the required goals (Gonos & Gallo, 2013). Competencies are a set of skills and know - how that resides in strategic business units. Competences evolve through a firm's research and development department by coordination of several capabilities such as research, innovation, experimentation, and adoption or creation of individual customer solutions (Hafeez et al., 2002).

3. Hypotheses

We can say that this study is trying to answer the following question: Does the leadership styles affect the competitive advantage via the directly and indirectly through the influence of human capital in private universities?

To answer the above question Based on the analysis of transformational leadership, sustainable competitive advantage, and human capital, the following hypotheses were tested:

- H1. Human capital mediates positive relationship between Strategic leadership Styles and Sustainable Competitive Advantage.
- H2. There is a relationship between strategic leadership styles and sustainable competitive advantage.
- H3. There is a direct relationship between the strategic leadership styles and human capital.
- H4. There is a direct relationship between human capital and sustainable competitive advantage

4. Proposed Research Model

Depending on previous studies on Leadership Styles as an independent variables. While the Sustainable Competitive Advantage as a dependent variable. Strategic Leadership Styles adopt on the ideas of (Neumann & Neumann, 1990). Sustainable Competitive Advantage adopt on the ideas of (Barney, 1995). The human capital as a mediator variable, and adopt on the ideas of each (Zwell and Ressler, 2000). Figure 1 summarizes our research as follows:

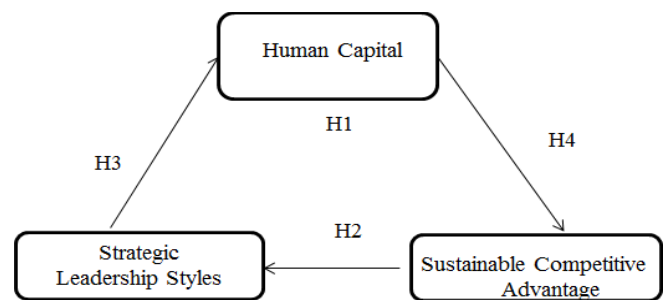


Figure1, proposed research model

5. Methodology of Research and Sample

In this research, the population consists of the 28 universities in Iraq, and the questionnaire was used. The sample of the study is the probability sample, and Sample of 254 was selected of faculty members of with leadership positions. Respondents were selected the questionnaire of advisers, deputy advisers, deans, vice deans, heads of departments and heads of the Division. The structural equation model (SEM) was used to analyses the data. The validity and reliability of the study were examined by experts with calculated was 0.87. In addition, coefficient variation tests were used for data analysis simple regression coefficient, confirmatory factor

analysis, simple linear correlation coefficient, and mean. A questionnaire has used to collect data, Likert with options ranging from completely disagree (1) to total agree (5).

Table 1: Summary of the Measurements of Variables in this study

Variable	Source	No.of Items	Likert Scale
Human Capital	Zwell&Ressler (2000)	20	1-5
Strategic Leadership styles	Neumann & Neumann(1990)	15	1-5
Sustainable Competitive Advantage	Barney (1995)	16	1-5

6. Data Analysis

The results indicated in Table 2, that 26% of the respondents were of female group 74% male, were the age group of 36 to 45 years is a higher rate 39%, were the education level 94% of the doctorate and 6% of master. The work experience was at 11-15 years is a higher rate 53% and least rate 3% of work experience between the five years or least.

Table 2: Frequency distribution of respondents demographic characteristics (n=254)

Variable	Group	N.	%
Gender	Male	187	.74
	Female	67	.26
Age	25-35	27	.11
	36-45	98	.39

	46-55	82	.32
	56 above	47	.18
Education Level	Master	16	.06
	Doctorate	238	.94
Experience	Less than 5 years	7	.03
	6-10	42	.16
	11-15	135	.53
	More than 15 years	70	.28
Total		254	100%

7. Descriptive Results

7.1 Human Capital

This part aimed at identifying the status of human capital. It must be noted that the respondents' comments were studied using 15 items in terms of 5 Likert scale ranging from strongly disagree to strongly agree. Table 3, shows that the highest overall mean related to "Strategic leadership work together with employees and help them to work cooperatively to accomplish objectives." with (M=3.74, SD= 1.25). The second most important item was "Proactively identify for employees with solve problems and exploit of opportunities." with (M=3.73, SD= 1.21) however, the least item of human capital belong to "Strategic leadership aligns employees and allocates resources consistent with organization objectives." with (M=3.25, SD=1.22).

Table 3: Frequency distribution of respondents answer for related items to Human Capital(%) (n=254)

	Item	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	Mean	SD
	In our university							
HC1.	Employees respond quickly to change and easily considering new approaches.	5.5	22.4	28.1	17.3	26.6	3.37	1.24
HC2.	Proactively identify for employees with solve problems and exploit of opportunities.	2.6	15.4	28.3	13.8	40	3.73	1.21
HC3.	Effectively employees impacting university, having persuading capability, and gaining the support of others	4.7	15.6	34.1	23	22.6	3.43	1.14
HC4.	Employees gain the trust by taking responsibility for individual own actions and telling the truth.	4.7	16.1	36.6	19.5	23	3.40	1.14
HC5.	Strategic leadership work together with employees and help them to work cooperatively to accomplish objectives.	3.7	15.9	23.8	15.9	40.6	3.74	1.25
HC6.	Employees commitment to satisfy internal and external clienteles.	3.1	16.3	31.7	17.7	31.1	3.57	1.18
HC7.	Employees focus on achieving desired results, setting and achieving challenging goals.	3.1	15	31.3	22	28.5	3.58	1.14
HC8.	Strategic leadership aligns employees and allocates resources consistent with organization objectives.	8.3	18.5	35	16.3	21.9	3.25	1.22
HC9.	Strategic leadership use varieties of approaches to help employees develop their capabilities.	4.5	15.6	34.3	23	22.6	3.44	1.13
HC10.	Strategic leadership can enhance employees' commitment to work.	4.1	19.3	27.6	19.1	29.9	3.51	1.22
HC11.	Strategic leadership understands and utilizes employees' organizational dynamics to achieve objectives.	4.1	14	30.3	30.5	21.1	3.50	1.10
HC12.	The core competencies of our employees are seeks to achieve the optimum level to organizational	3.9	12.2	28.5	34.6	20.7	3.56	1.07

	goals.							
HC13	Employees are experts in their jobs and develop new ideas and knowledge.	3.5	12.4	26.4	30.9	26.8	3.65	1.11
HC14	Employees are seeking to make university distinct from other.	3.3	11.8	30.1	33.7	21.1	3.57	1.05
HC15	Strategic Leadership gives support to staff by constantly upgrading their skills and education.	2	11.8	28.3	34.3	23.6	3.66	1.03
	Overall Mean						3.53	

HC= Human Capital

6.2 Sustainable Competitive Advantage

The fifteen questions were related to collect information regarding to Sustainable Competitive Advantage, respondents should select the items ranging from strongly disagree to strongly agree. The overall mean of this dimensions was M=3.31 which showed that the level of overall to Sustainable

Competitive Advantage was at moderate level. Items “Our resources are unique and rare among a university’s current and potential competitors.” with (M=3.64, S.D=1.27) had the highest mean score among all related items to Sustainable Competitive Advantage. The least mean belongs to “Competitiveness depend on capabilities inimitable that difficult to copy.” with (M=3.36, S.D=1.07), Table 4.

Table 4: Frequency distribution of respondents answer for related items to *Sustainable Competitive Advantage* (%) (n=254)

	Item	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	Mean	SD
	Compared with key competitors ...							
SA1	Compared with main competitors, our resources add positive value to the university	0.80	13.40	39.20	34.40	12.20	3.44	0.90
SA2	Successfully, our university differentiates itself from others through effective organizing in exploit and maintaining the core competencies	0.80	11.00	36.40	36.20	15.60	3.55	0.91
SA3	Compared with competing universities, our university is organized to exploit these resources	1.40	8.90	41.70	34.60	13.40	3.50	0.88
SA4	Our university has capabilities are valuable incapable of being rapidly developed elsewhere	3.90	19.30	27.40	26.40	23.00	3.45	1.15
SA5	Our university has rare capabilities not many competitors possess	2.40	15.70	34.80	26.00	21.10	3.48	1.06
SA6	Competitiveness depend on capabilities inimitable that difficult to copy	3.90	15.70	38.40	24.00	17.90	3.36	1.07
SA7	Constantly, our university is organized in investing the capabilities that give us an advantage competitive compared to our competitor.	4.30	11.40	31.50	28.90	23.80	3.57	1.10
SA8	Compared to competing competencies, our competencies are valuable unable to be own.	2.80	15.20	28.00	27.40	26.80	3.60	1.12
SA9	Our competitive advantage is based rare competencies not many competitors possess	0.80	5.50	41.10	40.00	12.60	3.58	0.81
SA10	our university is organized to exploit our competencies strategically	0.80	7.70	44.30	34.40	12.80	3.51	0.84
SA11	our competitive advantage is depend on valuable core competencies to neutralize threats and exploit opportunities	1.00	9.40	42.90	37.00	9.60	3.46	0.81
SA12	our core competencies are rare specialist nobody can offer them	10.00	9.80	42.10	25.20	12.80	3.51	0.84
SA13	our competitive advantages are firmly embodied and attached in the core competencies inimitable and nobody can easily copy	0.40	12.20	50.20	27.80	9.40	3.34	0.83
SA14	Our resources are unique and rare among a university’s current and potential competitors	1.20	14.20	45.50	26.60	12.60	3.35	0.91
SA15	It took us several years and great efforts to build our competencies nobody can easily copy that	0.60	13.80	42.90	30.70	12.00	3.40	0.89
	Overall Mean						3.47	

SCA= Sustainable Competitive Advantage

6.3 Strategic Leadership Style

To address the Leadership Style participation fifteen questions were selected with 5 point Likert scale ranging from strongly disagrees to strongly agree. The overall mean of this dimension was M=3.47 which showed that the level of overall to Leadership Style was at moderate level. Items “Our

resources are unique and rare among a university’s current and potential competitors.” with (M=3.60, S.D=1.12) had the highest mean score among all related items to Leadership Style. The least mean belongs to “Possession an entrepreneurial spirit in attitudes and crises.” with (M=2.75, S.D=1.15), Table 5.

Table 5: Frequency distribution of respondents answer for related items to *Strategic Leadership Style* (%) (n=254)

	Item	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	Mean	SD
SL1	Encourage the participation of employees in strategic decision-making.	7.7	13.2	18.1	33.7	27.4	3.60	1.23
SL2	The formulation of the University's mission strictly and clarity	7.5	14.4	16.9	29.5	31.7	3.64	1.27
SL3	Employees urged to participate in problem-solving	9.6	12.8	16.7	32.3	28.5	3.57	1.29
SL4	Support humanitarian relations as a way to perform the work	7.3	15.9	16.1	31.5	29.1	3.59	1.26
SL5	Benefit of employees capabilities, expertise, and knowledge.	9.6	12	20.5	31.1	26.8	3.53	1.27
SL6	Faith in the capabilities of Employees to achieve scientific academic future	3.1	15.7	42.5	28	10.6	3.27	0.96
SL7	The formation of work teams equal in possibilities and tasks	6.3	20.5	36	26	11.2	3.15	1.07
SL8	The tendency for flexibility, follow instructions and work procedures.	6.3	18.9	38.8	28.3	7.7	3.12	1.01
SL9	Ensure the transfer of knowledge to employees	6.7	14.4	31.1	19.1	28.7	3.49	1.23
SL10	Employees urged to practice of strategic thinking	10	15.7	27.8	27.2	19.3	3.30	1.23
SL11	Work in a flexible environment Depends on the continued development	10.4	16.9	23	22.6	27	3.39	1.32
SL12	The ability to insights into the ideas	6.1	21.3	19.5	20.5	32.7	3.52	1.30
SL13	Encourage the learning process in a changing environment	13.2	24.2	28.9	20.7	13	2.96	1.22
SL14	The adoption of creativity and innovation	7.7	18.9	30.7	25.2	17.5	3.26	1.18
SL15	Possession an entrepreneurial spirit in attitudes and crises	13.8	30.3	32.1	14.4	9.4	2.75	1.15
	Overall Mean						3.10	

SL= *Strategic Leadership Style*

8. Measurement Model

The measurement model is important as it provides a test for the reliability of the observed variables employed to measure the latent variables. The main statistical process for testing the research hypothesis was structural equation modeling (SEM) which focuses on two steps: validating the measurement model and fitting the structural model. In this research first the measurement model was evaluated using CFA and in the next step the path model was applied to test the research hypothesis. Individual item reliability can be assessing by evaluating the individual item loadings with values greater than 0.7, which indicates adequate indicator reliability or correlation with each construct (Henseler et al., 2009; Gotz et al., 2010). However, Hair et al. (2010) further suggest the acceptable factor loading (outer loading) of 0.4 if the sample size is 200 or more. Early, author has suggested using the new developed scale, which is 0.50 or higher, should be retain in the measurement model. Table 6, shows the correlations between variables in the surveyed universities of Iraq with the Cronbach's alpha, mean, standard deviation. The results show that all relationships among the study variables were statistically significant.

Table 6: Descriptive Statistical, CR, AVE, and Cronbach's Alpha

Variables	Mean	Standard Deviation	Cronbach's Alpha	Composite Reliability	AVE
Human Capital	3.53	1.148	.96	.90	.51
Strategic Leadership Styles	3.47	0.94	.87	.84	.52
Sustainable Competitive Advantage	3.34	1.19	.85	.85	.63

Table 7: Correlations of variables in the measurement model (AMOS)

Variables	SL	HC	SCA
Strategic Leadership Styles	.71	0	0
Human Capital	.59	.72	0
Sustainable Competitive Advantage	.64	.66	.79

construct will have adequate discriminant validity if the AVE exceeds the squared correlation among the constructs (Fornell & Larcker, 1981; Hair, et. al., 2006). Table 7 show the results, p-value lower than 0.01 level. This means, a positive correlation between all variables in this study. Factor loading were 0.5 and all correlations among all constructs are less than 0.9. The model has correlations between all constructs. The second step was testing of values χ^2 , convergent, and discriminant validity. Therefore, this model was supported as shown in Table 8.

Table 8: Measurement Models Evaluation

Variables	X ²	DF	CFI	CMIN/df	RMSEA	P-Value
Strategic Leadership Styles (SL)	22.63	3.18	0.977	3.91	0.065	.000
Human Capital (HC)	11.261	3.36	0.987	3.27	0.071	.000
Sustainable Competitive Advantage (SCA)	7.348	3.98	0.988	3.57	0.059	.000

9. Structural Modeling and Results of Hypothesized

Tables 9 and 10, shows the relationship among Strategic Leadership Styles, Human Capital, and Sustainable Competitive Advantage. Statistically, there are a significant relationship among the Strategic Leadership Styles as an independent variable, and the Sustainable Competitive Advantage as a dependent variable with the Human Capital as a mediator. Hence, the researcher discussed the results of path analysis of relations in hypotheses as follows:

Table 9: Standardized Regression Weights (β) for Structural Model and Hypothesis Direct Influence

Path	(β)	S.E	C.R	P-Values	Hypotheses Result
SL \rightarrow SCA (H2)	.18**	.06	3.10	.001	H1) Supported
SL \rightarrow HC (H3)	.15**	.07	3.16	.00	H2) Supported
HC \rightarrow SCA (H4)	.19**	.06	2.45	.00	H3) Supported

Strategic leadership Styles = SLS, Sustainable Competitive Advantage = SCA, Human Capital = HC, C.R = Critical Ratio, S.E= Standardized Error, β = Standardized Regression Weights.

Table 10: Mediating hypotheses, indirect effects in Structural Model

Sustainable Competitive Advantage (DV) Human Capital (M)	Independent Variable (IV) Strategic Leadership Styles
Effect of IV on M	.131**
Effect of M on DV	.449**
Direct Effect of IV on DV with M	.102**
Indirect Effect of IV on DV through M	.059**
Total Effect of IV on DV without M	.161**
Mediation Path Hypothesis Result	SL -----> HC -----> SCA H1) Supported

10. Hypothesis Testing

The P value or calculated probability is the estimated probability of rejecting or accepting the hypothesis. If the P value is less than the selected significance level then the null hypothesis will be rejected. The choice of significance level for testing the hypothesis is arbitrary. Conventionally the 5%, 1% and 0.1% ($P < 0.05$, 0.01 and 0.001) levels have been used. In the current study, the significance level was considered 0.05.

H1. Human capital mediates the relationship between Strategic leadership Styles and Sustainable Competitive Advantage.

The results indicated that there was a significant mediating effect of Human capital in the relationship between Strategic leadership Styles and Sustainable Competitive Advantagewas

significant ($\beta = 3.108$, $p < 0.001$) and considering the direct effect of Strategic leadership Styles and Sustainable Competitive Advantage. Which was significant after mediation ($\beta = 0.372$, $p < 0.01$) it can be concluded that there was partially mediation effect and therefor this hypothesis was accepted.

H2. There is a relationship between strategic leadership styles and sustainable competitive advantage.

According to the results of this investigation the direct effect of strategic leadership styles on sustainable competitive advantage was positive and significant ($\beta = 0.498$, $p < 0.001$), so this hypothesis was accepted.

H3. There is a direct relationship between the strategic leadership styles and human capital.

As demonstrated in table 4-20 there was a significant positive relationship between strategic leadership styles and human capital. The relation was positive significant in the model ($\beta = 0.363$, $p < 0.001$) therefore this hypothesis was accepted.

H4. There is a direct relationship between human capital and sustainable competitive advantage

There is a significant positive relationship between human capital and sustainable competitive advantage ($\beta = 0.304$, $p = 0.002$) therefore this hypothesis was accepted.

Table 11: Testing the hypothesis

Hypothesis	Path	CR	P-value	Empirical Evidence
H1. Human capital mediates the relationship between Strategic leadership Styles and Sustainable Competitive Advantage.	SL----> HC ----->SCA	3.108	<0.01	Supported
H2. There is a relationship between strategic leadership styles and sustainable competitive advantage.	SL--> SCA	4.01	<0.001	Supported
H3. There is a direct relationship between the strategic leadership styles and human capital.	SL --> HC	6.404	<0.001	Supported
H4. There is a direct relationship between human capital and sustainable competitive advantage.	HC->SCA	3.143	0.001	Supported

11. Conclusion

The results of this study showed that the Strategic leadership Styles and Human capital can effect of Sustainable Competitive Advantage. Precisely, Strategic leadership Styles was positively associated with Sustainable Competitive

Advantage. As well as, the results showed support for the mediating effect of Human capital on the relationship between Strategic leadership Styles and Sustainable Competitive Advantage supported working beneficial effects through ability of knowledge acquisition and skills. Hence, the results shed light on the importance managers and Human capital to implement of works initiatives in Sustainable Competitive Advantage. The results showed the importance of Human capital in order to development a level of knowledge and skills that is lead to sustainable competitive advantage. This study contributes to the literature through empirically examining the relations between Human capital, Strategic leadership Styles and Sustainable Competitive Advantage. Therefore, this study is proving that Human capital has a mediator role by Strategic leadership Styles that influence on Sustainable Competitive Advantage.

References

- [1] Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover. *Academy of Management Journal*, 37, 670–687.
- [2] Barney, J. (1991). Firm Resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- [3] Barney, J. B. (1995). Looking inside for competitive advantage. *The Academy of Management Executive*, 9(4), 49–61.
- [4] Barney, J., & Hesterly, W. (2009). *Strategic management and competitive advantage: Concepts and cases* (3rd ed.). New Jersey: Prentice Hall.
- [5] Bass, B. M. (1985). Leadership and performance beyond expectations. New York: Free Press.
- [6] Bass, B., M. (a). (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 19–31.
- [7] Becker, B. E., Huselid, M. A., & Ulrich, D. (2001). The HR scorecard: Linking people, strategy, and performance. Harvard Business Press.
- [8] Burns, J. (1978). *Leadership*. New York, Harper & row.
- [9] Certo, S. T. (2003). Influencing initial public offering investors with prestige: Signaling with board structures. *Academy of management review*, 28(3), 432–446.
- [10] Coplin, L. C. H. (2002). Competitive advantages and the SMEs: The role of distinctive competences as determinants of success, are there differences across gender, sector, and size? University Autonoma De Barcelona, Barcelona, Spain: Ph.D. Thesis.
- [11] Daft, R. L. (2003). *Management*. 6th Edition, South-Western West: Thomson.
- [12] Daft, R. L. (2004). Theory Z: Opening the corporate door for participative management. *The Academy of Management Executive*, 18(4), 117–121.
- [13] Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management journal*, 39(4), 949–969.
- [14] Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of marketing research*, 382–388.
- [15] Gonos, J., & Gallo, P. (2013). Model for leadership style evaluation. *Management: Journal of Contemporary Management Issues*, 18(2), 157–168.
- [16] Götz, O., Liehr-Gobbers, K., & Krafft, M. (2010). Evaluation of structural equation models using the partial least squares (PLS) approach. In *Handbook of partial least squares* (pp. 691–711). Springer Berlin, Heidelberg.
- [17] Gupta, A. (1984). *Contingency linkages between strategy and general manager characteristics: a conceptual examination*. *Academy of Management Review*, 9, 1984, pp. 399–412.
- [18] Guthrie, J. (2001). High-involvement work practices, turnover, and productivity: Evidence from New Zealand. *Academy of Management Journal*, 44, 180–190.
- [19] Hafeez, K., Zhang, Y., & Malak, N. (2002). Core competence for sustainable competitive advantage: A structured methodology for identifying core competence. *Engineering Management*, 49(1), 28–35.
- [20] Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). New York: Prentice Hall.
- [21] Hair, J., Black, W., Barry, J., Anderson, R., & Tatham, R. (2006). *Multivariate data analysis* (6th ed.). New Jersey: Prentice Hall.
- [22] Hambrick, D. C. (1984). Taxonomic approaches to studying strategy: some conceptual and methodological issues. *Journal of management* Vol. 10 pp 27–41.
- [23] Henseler, J., Ringle, C. M., and Sinkovics, R. R. 2009. "The Use of Partial Least Squares Path Modeling in International Marketing," *Advances in International Marketing* (20), pp. 277–320.
- [24] Hill, C. W. L., Jones, G. R., & Schilling, M. A. (2008). *Strategic Management: Theory: An Integrated Approach*. Cengage Learning.
- [25] Homrigh, M.A. Transformational leadership. Retrieved July, 26, 2006, from <http://leadership.au.af.mil/documents/homrigh.htm>.
- [26] Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38, 635–672.
- [27] Jüttner, U., & Wehrli, H. P. (1994). Competitive advantage merging marketing and the competence-based perspective. *Journal of Business & Industrial Marketing*, 9(4), 42–53.
- [28] Kouzes, J. M. and Posner, B. Z. (2002), *The Leadership Challenges*, 3rd end, Jossey-Bass, San Francisco, CA.
- [29] Laursen, K., & Foss, N. J. (2003). New human resource management practices, complementarities and the impact on innovation performance. *Cambridge Journal of Economics*, 27, 243–264.
- [30] Ljungquist, U. (2008). Specification of core competence and associated components: A proposed model and a case illustration. *European Business Review*, 20, 73–90.

- [32] Neumann, Yoram and Neumann, Edith (1999), *The Presedent and the College bottom line: the role of strategic leadership style*, the international journal of management, Vol.13, No.2 pp 73-79.
- [33] Prakash, Singh, (2014). Intervention Of Transformational Collegial Leadership To Develop Human Resources". International Business & Economics Research Journal, 13 (1).
- [34] Rondeau, K. V., &Wagar, T. H. (2002, July). Organizational learning and continuous quality improvement: examining the impact on nursing home performance. In *Healthcare Management Forum* (Vol. 15, No. 2, pp. 17-23).Sage CA: Los Angeles, CA: SAGE Publications.
- [35] Sanchez, R. (2004). Understanding competence-based management: Identifying and managing five modes of competence. *Journal of Business Research*, 57(5), 518–532.
- [36] Shrivastava, Paul, and Nachman, Sidney, (1989), *Strategic Leadership Patterns*, Strategic Management Journal, Vol. 10, pp 51-66.
- [37] Stewart, T. A. (1997). *Intellectual Capital: The new wealth of organization*. (1, Ed.). New York: Crown Publishing Group.
- [38] Thomson, P. (2007). Leading schools in high poverty neighborhoods: The national college for school leadership and beyond. In *International handbook of urban education* (pp. 1049-1077).Springer Netherlands.
- [39] Towers, T. (1994). *The handbook of human resource management*.Oxford7 Blackwell.
- [40] WeichunZhua, Irene K.H. Chewb, William D. Spanglerc, (2005), CEO transformational leadership and organizational outcomes: The mediating role of human–capital enhancing human resource management, *The Leadership Quarterly*, 16, 39–52.
- [41] Wen-Ying Wang, Chingfu Chang, (2005) "Intellectual capital and performance in causal models: Evidence from the information technology industry in Taiwan", *Journal of Intellectual Capital*, Vol. 6 Iss: 2, pp.222 – 236.
- [42] Wright, P. M., McMahan, G. C., & McWilliams, A. (1994). Human resources and sustained competitiveadvantage: a resource-based perspective. *The International Journal of Human Resource Management*, 5(2), 301–326.
- [43] Youndt, M. A., Snell, S. A., Dean, J. W., &Lepak, D. P. (1996).Human resource management, manufacturing strategy, and firm performance. *Academy of management Journal*, 39(4), 836-866.
- [44] Zwell, M., & Ressler, R. (2000). Powering the human drivers of financial performance. *Strategic Finance*, 81(11), 40.