




The Relationship Between Knowledge-Based Leadership, Human Resource Development, Innovation Climate, and Creative Work Behavior with Sustainable Competitive Advantage and the Mediating Role of Organizational Innovation

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Abstract

Organizations take more management actions by increasing knowledge-based leadership and ultimately improve performance by improving the level of innovation. Therefore, the present study examines the relationship between knowledge-based leadership, human resource development, innovation climate, and creative work behavior with sustainable competitive advantage with the mediating role of organizational innovation. The statistical population of this study is 80 managers and employees of small and medium-sized companies in Sabzevar city, who were selected as samples using convenience sampling. The data collection tool in this study is a questionnaire, the validity and reliability of which has been confirmed using the content validity method and Cronbach's alpha. In this study, the structural equation modeling approach and SPSS and PLS software were used to examine and test the hypotheses. The findings showed, there is a significant relationship between knowledge-based leadership and sustainable competitive advantage. There is a significant relationship between human resource development and sustainable competitive advantage. There is a significant relationship between knowledge-based leadership and innovation climate. There is a significant relationship between human resource development and innovation climate. There is also a significant relationship between knowledge-based leadership and creative work behavior with the mediating role of innovation climate. There is a significant relationship between human resource development and creative work behavior with the mediating role of innovation climate. There is a significant relationship between creative work behavior and competitive advantage with the mediating role of organizational innovation.

Keywords: Creative Work Behavior, Human Resource Development, Innovation Atmosphere, Knowledge-Based Leadership, Sustainable Competitive Advantage.

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Introduction

• Statement of the Problem

Focusing on the organizational level, the question arises as to how leadership can play roles in harnessing industrial transformation. There are several leadership styles in the literature, one of which is the “strategic leadership” approach, which explains a combination of different leadership styles of the leader. Knowledge-based leadership is a notable feature of the strategy (Banimori, 2021). Knowledge-based leadership establishes accountability mechanisms, facilitates the sharing and integration of customer information through customer-knowledge management, and fosters a culture that values continuous learning, expertise, and innovation over strict hierarchy. It rewards employees for effective knowledge-management practices and discourages behaviors that hinder knowledge transfer, thereby enabling staff to recognize and exploit innovation opportunities and achieve organizational learning goals. Knowledge leadership should include clear communication about role expectations from knowledge workers and corporate goals and provide motivational components. Human resource management (HRM) is the most valuable, rarest asset in a knowledge-based economy, providing the core of thought, creativity and innovation that drive technical and organizational improvement. For a firm to leverage this asset, its culture must promote organizational learning—facilitating knowledge acquisition, improvement, and transfer, build high trust between managers and employees, which is pivotal to a learning organization’s success. Because employees shape and are shaped by the learning culture, their engagement is essential for creating and sustaining a learning organization. Employees and organizational culture also significantly affect employee outcomes such as productivity, absenteeism, and job satisfaction (Sabok-Ro et al., 2020). The knowledge-based economy makes knowledge the primary source of organizational competitiveness and longevity. Because many SMEs lack sufficient human capital and financial resources, they must rely on external knowledge. Knowledge-based leaders create a learning-friendly climate that tolerates mistakes, encourages knowledge acquisition and sharing, and enables employees to discover and apply knowledge for the firm’s benefit. This support improves employees’ ability to cope with uncertainty and strengthens the firm’s competitive advantage. Although recent studies have linked knowledge-based leadership to competitive advantage, the specific effects on innovation and sustained advantage remain under-researched. (Tung and Dung, 2022).

• Aims of the Study

The aim of the study is to determine the relationship among knowledge-based leadership, human resource development, innovation climate, and creative work behavior with sustainable competitive advantage, with organizational innovation acting as a mediating variable so that within a comparative spectrum, the closer or more aligned an organization’s offered values are to the values desired by the customer, the more the organization can be said to have superiority and advantage over its competitors in one or several competitive criteria." Since knowledge is considered as one of the most critical assets for management today, companies need to manage both basic knowledge and knowledge requested by customers. This study examined the relationship between knowledge-based leadership, human resource development, innovation climate, and creative work behavior with sustainable competitive advantage and the mediating role of organizational innovation in small and medium-sized companies in Sabzevar, Iran. The research hypotheses are as follows:

• Hypothesis

There is a significant relationship between the following variables:
knowledge-based leadership and sustainable competitive advantage,



human resource development and sustainable competitive advantage,
knowledge-based leadership and innovation climate,
human resource development and innovation climate.
innovation and creative work behavior,
creative work behavior and organizational innovation,
organizational innovation and sustainable competitive advantage,
knowledge-based leadership and creative work behavior with the mediating role of innovation climate,
human resource development and creative work behavior with the mediating role of innovation climate, &
creative work behavior and competitive advantage with the mediating role of organizational innovation.

Background of the Study

Zarif and colleagues (2023/2024) examined the effect of human-resource development (HRD) on sustainable competitive advantage (SCA) with organizational innovation as a mediating variable (the study was conducted on Parsian Gas Refining Company). Their findings indicate that HRD influences SCA through the mediating role of organizational innovation. It has a statistically significant direct effect on SCA and has a statistically significant effect on organizational innovation, which can have a statistically significant effect on SCA. Sajadi and colleagues (2022/2023) evaluated the long-term performance of commercial banks based on a sustainable-competitive-advantage approach, emphasizing managerial efficiency, through comparing Iranian public and private banks. The results showed that there are both administrative (significant) and linear relationships among variables such as marketing capability and SCA, market-learning capability and organizational innovation, marketing capability and organizational innovation, market-learning capability and marketing capability, and, organizational innovation and SCA. Zhang and colleagues (2023) investigated the effect of open innovation on sustainable competitive advantage, examining the moderating role of knowledge-management capability and the mediating role of organizational learning – specifically the dual dimensions of exploratory and exploitative learning. The results showed that open innovation contributes to sustainable competitive advantage by enhancing organizational learning, including both exploratory and exploitative learning, as well as by balancing these two types of learning. Moreover, knowledge-management capability positively moderates the relationships between open innovation and both exploration and exploitation, as well as the combined effect of the two.

Methodology

This research is descriptive in terms of data collection method, survey type. Based on the purpose of this research, it is applied. The research strategy is deductive and the research method is library and survey and is of applied and cross-sectional type. In fact, the results of the research can be used in relevant studies. In addition, this research is conducted in a specific time period. This research is descriptive. In which the correlation research method is used. To examine the relationships between variables, the correlation research method analyzes the relationship between variables based on each research objective and the calculated coefficient is the Pearson correlation coefficient. The statistical population of the present study includes managers and employees of small and medium-sized companies in Sabzevar city. The sampling method in this study is a complete count and includes all individuals in the statistical population. The present study was conducted in the period from July to December 1403.

Findings

According to the research findings from the hypothesis test, a summary table of results is given.

R	Hypotheses	T-value	Test result
1	knowledge-based leadership and sustainable competitive advantage.	3.924	Approval
2	human resource development and sustainable competitive advantage.	3.907	Approval
3	knowledge-based leadership and the climate of innovation.	2.950	Approval
4	human resource development and the climate of innovation.	3.450	Approval
5	innovation and creative work behavior.	5.724	Approval
6	creative work behavior and organizational innovation.	4.943	Approval
7	organizational innovation and sustainable competitive advantage.	4.223	Approval
8	knowledge-based leadership and creative work behavior with the mediating role of the climate of innovation.	2.14	Approval
9	human resource development and creative work behavior with the mediating role of innovation climate.	3.11	Approval
10	creative work behavior and competitive advantage with the mediating role of organizational innovation.	2.89	Approval

Conclusion

There is a significant relationship between knowledge-based leadership and sustainable competitive advantage. This shows that the higher this leadership has knowledge management, the higher the competitive advantage. The confirmation of the first hypothesis indicates that knowledge-management initiatives, like any improvement program, require senior-management support. Such initiatives can succeed only under capable, effective, flexible, dynamic, and motivated leadership; individuals with a negative attitude should be excluded. Knowledge-management team members must also possess sufficient competence and communicate properly, otherwise the risk of program failure rises. Ultimately, these initiatives contribute to sales differentiation and the attainment of competitive advantage. Human resource development (HRD) significantly boosts sustainable competitive advantage because employees are a strategic, intangible asset that enhances organizational capabilities and value. When HRD is strong, firms gain a lasting edge. The second-hypothesis confirmation suggests that treating people as a strategic asset—by attracting, developing, and motivating talent—is crucial for organizational success. The study confirms a strong link between knowledge-based leadership and an innovative climate. Innovation is identified as a crucial driver of value creation and sustainable competitive advantage. Because knowledge management hinges on interpersonal relations and the use of information technology, knowledge-based leaders must devise solutions that help the organization meet its objectives. In volatile, complex environments, innovation serves as an essential mechanism for maintaining advantage. Firms with higher innovative capability adapt more readily to change and develop new competencies that boost performance. Consequently, an innovative atmosphere, fostered by effective leadership, enables organizations to achieve their strategic goals more successfully. Human resource development (HRD) strongly drives innovation. Since employees constitute an organization's core capital and competitive edge, HRD— a key HRM process—should be leveraged by appointing goal-oriented individuals to decision-making managerial roles, thereby



enhancing the innovation climate. Creative work behavior is significantly linked to organizational innovation—the ability to recombine resources into new products, processes, markets, or even industry structures. To reinforce this link, managers should cultivate a supportive climate that helps employees overcome social pressure and feelings of ineffectiveness, for example by offering workshops and relaxation-technique sessions. Regarding innovation climate and Organizational innovation, a strong link exists. Redesigning jobs and responsibilities with strategic tools to enhance interdisciplinary information flow (both within and across teams) boosts organizational innovation. With regard to organizational innovation and Sustainable competitive advantage, Marketing-driven innovation (cost leadership and differentiation) is a key source of lasting competitive advantage. Identifying and developing the capabilities that generate this advantage is essential in today's dynamic market. As to knowledge-based leadership and creative work behavior (mediated by innovation climate), knowledge-based leaders shape the organizational climate and, a supportive platform, foster employees' creative behavior. Managers should therefore cultivate such a climate to enable creativity. There is a significant relationship between knowledge-based leadership and creative work behavior with the mediating role of the innovation climate. Recognizing employees is a key lever for fostering their innovation and creativity. The tenth hypothesis confirms that superior performance alone does not guarantee competitive advantage; instead, innovative and creative behaviors are essential drivers of an organization's sustainable competitive edge.

Resources

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