

## The Influence Of Organisational Culture On Organisational Commitment, Transformational Leadership, And Competitive Advantage After Business Consolidation

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### Abstract

The purpose of this study is to analyze the relationship pattern between organizational culture, organizational commitment, transformational leadership, and competitive advantage. The study was conducted on consolidated State Owned Enterprises manufacturing companies in Indonesia, namely PT. X (Persero) Tbk, which includes PT. A, PT. B, and PT. C. Consolidation was done in achieving the vision and mission of the company as a leading cement company in Indonesia and Southeast Asia. This study used respondents of 121 managers with a stratified random sampling technique. Partial Least Square was used for data analysis. The results suggested that there is a significant positive effect between; (a) organizational culture on organizational commitment, (b) organizational culture towards transformational leadership, (c) organizational culture competitive advantage, (d) organizational commitment towards competitive advantage, and (e) transformational leadership towards competitive advantage.

## Pengaruh Budaya Organisasi Terhadap Komitmen Organisasi, Kepemimpinan Transformasional, Dan Keunggulan Kompetitif Setelah Konsolidasi Bisnis

### Abstrak

Tujuan dari penelitian ini adalah untuk menganalisis pola hubungan antara budaya organisasi, komitmen organisasi, kepemimpinan transformasional, dan keunggulan kompetitif. Penelitian dilakukan pada perusahaan manufaktur Badan Usaha Milik Negara (BUMN) yang terkonsolidasi di Indonesia, yaitu PT. X (Persero) Tbk, yang meliputi PT. A, PT. B, dan PT. C. Konsolidasi dilakukan dalam rangka mencapai visi dan misi perusahaan sebagai perusahaan semen terkemuka di Indonesia dan Asia Tenggara. Penelitian ini menggunakan responden sebanyak 121 manajer dengan teknik pengambilan sampel stratified random sampling. Partial Least Square digunakan untuk analisis data. Hasil penelitian menunjukkan bahwa terdapat pengaruh positif yang signifikan antara; (a) budaya organisasi terhadap komitmen organisasi, (b) budaya organisasi terhadap kepemimpinan transformasional, (c) budaya organisasi terhadap keunggulan bersaing, (d) komitmen organisasi terhadap keunggulan bersaing, dan (e) kepemimpinan transformasional terhadap keunggulan bersaing.

## INTRODUCTION

In the ever-evolving and complex business world, the role of organisational culture is crucial in shaping the character and identity of a company. Organisational culture encompasses the values, norms and beliefs that are shared by members of the organisation. Business consolidation, as the process of merging and integrating various aspects of a company's operations, can be a critical moment where organisational culture can change or be strengthened (Jerab & Mabrouk, 2023; Akpa, Asikhia & Nneji, 2021).

It is important to understand that organisational culture not only affects the internal working atmosphere, but can also have a significant impact on organisational commitment, transformational leadership and competitive advantage of a company. Within this framework, this study will explore the relationship between organisational culture, organisational commitment, transformational leadership, and competitive advantage after business consolidation (Lasrado & Kassem, 2021; Dappa, Bhatti & Aljarah, 2019).

Organisational culture can be considered as the foundation that shapes and guides the behaviour of company members. The values, norms and beliefs embedded in an organisation's culture create a framework for the decisions and actions of every individual within it. In the context of business consolidation, changing or strengthening organisational culture can be key to a company's successful adaptation to

structural and strategic changes (Metwally, Ruiz-Palomino, Metwally & Gartzia, 2019; Carvalho, Sampaio, Rebentisch, Carvalho & Saraiva, 2019; Kustyadi, & WIJAYANTI, 2021).

Organisational commitment reflects the level of employee attachment and loyalty to the company. A strong and positive organisational culture can increase employee commitment as they feel connected to the company's values and goals. Conversely, poorly elaborated cultural changes can create resistance and potentially reduce commitment levels (Agyeiwaah, Dayour & Zhou, 2022; Yu, Yen, Barnes & Huang, 2019).

Transformational leadership involves the leader's ability to inspire and guide team members towards a greater vision. An organisational culture that supports transformational leadership can create an environment where innovation, creativity and change are valued and encouraged. Leaders who are able to adapt the organisational culture well can facilitate post-consolidation integration more effectively (Nguyen, Pham, Le & Bui, 2020; Djastuti, 2019).

A company's competitive advantage depends not only on its business strategy but also on the extent to which the organisation's culture supports the execution of that strategy. A culture that promotes innovation, collaboration and responsiveness can be a strong differentiator in the marketplace. Thus, this study will explore how organisational culture affects competitive advantage post-business consolidation (Ali & Anwar, 2021; Azeem, Ahmed, Haider & Sajjad, 2021; Wang, 2019; Minbaeva, 2018; Singjai, Winata & Kummer, 2018).

This research aims to provide a better understanding of the complex dynamics between organisational culture, organisational commitment, transformational leadership, and competitive advantage after business consolidation. As such, this research is expected to provide strategic insights for leaders of organisations facing post-consolidation challenges.

### **Hypothesis Development Relationship between Two or More Variables**

The influence of organisational culture on organisational commitment has been a major focus in management studies and organisational psychology. Organisational culture encompasses shared values, norms, and beliefs that form a common identity and outlook within an organisation. Organisational commitment, on the other hand, refers to an individual's level of involvement, loyalty and identification with the organisation they work for (Berberoglu, 2018).

The importance of the influence of organisational culture on organisational commitment can be seen through several aspects. First, organisational culture creates a unique work environment and influences the way employees interact with each other. Secondly, the values applied by the organisational culture can shape employees' perceptions of the organisation's goals and mission (Paais & Pattiruhu, 2020).

Empirical studies have shown that there is a significant positive influence between organisational culture and the level of organisational commitment. Organisations that have a strong and

positive culture tend to create a pleasant, supportive and motivating work environment for employees. This in turn can increase the level of employee commitment to the organization (Al-Jabari & Ghazzawi, 2019).

Organisational cultures that promote values such as fairness, cooperation, innovation and sustainability are often associated with higher levels of commitment. Employees who feel engaged in an organisational culture that aligns with their personal values are more likely to feel connected to the organisation and have greater motivation to contribute positively (Imamoglu, Ince, Turkcan & Atakay, 2019).

It is important to note that organisational culture is not a static entity; it can evolve over time and be affected by internal and external changes. Therefore, an in-depth understanding of how organisational culture can shape organisational commitment is key to improving productivity, employee retention and overall organisational well-being. By understanding this positive relationship, organisational leaders can direct their efforts towards strengthening a culture that supports strong commitment from their team members (Eliyana & Ma'arif, 2019).

**H1. There is a significant positive effect of organizational culture on organizational commitment.**

Organisational culture is a concept that encompasses the shared values, norms, beliefs and behaviours that form the basis for interactions within an organisation. This culture not only

reflects the unique identity of an organisation, but can also have a significant influence on various aspects, including leadership (Li, Bhutto, Nasiri, Shaikh & Samo, 2018).

Transformational leadership, on the other hand, is a form of leadership that encourages organisational members to reach their full potential, stimulating creativity, innovation, and personal development (Suifan, Abdallah & Al Janini, 2018).

A strong organisational culture creates a foundation of shared values among the members of the organisation. Transformational leadership tends to utilise these values as a foundation to inspire and guide team members towards a shared vision. Leadership based on shared values creates a strong emotional bond between the leader and team members (Para-González, Jiménez-Jiménez & Martínez-Lorente, 2018).

An organisational culture that supports innovation and creativity will create an enabling environment for transformational leadership. Transformational leaders often explore new ideas, encourage experimentation, and provide support to overcome challenges. A culture that values innovation will reinforce this leadership style (Faupel & Süß, 2019).

A culture that encourages openness and effective communication provides support for transformational leadership. Transformational leaders need to build strong relationships with team members, and a culture that values open communication will help in developing deep trust and understanding among all parties (Abelha, Carneiro & Cavazotte, 2018).

Transformational leadership often focuses on individual development. An organisational culture that gives priority to the personal and professional development of team members will support transformational leadership growth. Transformational leaders provide support for the development of individual skills and potential (Vipraprastha, Sudja & Yuesti, 2018).

Adaptive and flexible cultures are more likely to support transformational leadership. Transformational leaders lead change and create an environment where team members feel comfortable adapting to change. A culture that encourages adaptation will facilitate the implementation of innovation and transformation across the organisation. Overall, a positive organisational culture has great potential to strengthen and support the emergence of transformational leadership. The interdependence between the two creates a solid foundation for organisational growth, innovation and long-term success (Tian, Iqbal, Akhtar, Qalati, Anwar & Khan, 2020).

## **H2. Organizational culture has a significant positive effect on transformational leadership.**

Organisational culture is a concept that reflects the values, norms, and behaviours that are applied and recognised by members of an organisation. Organisational culture has an important role in shaping the characteristics and identity of the company. In this context, the role of a strong organisational culture can have a significant positive influence on the company's competitive advantage. Competitive advantage refers to the

ability of a company to excel in certain things that make it stand out from its competitors (Gürlek & Tuna, 2018).

An organisational culture that encourages innovation and creativity will give a company an edge in coming up with new products or services. An atmosphere that supports new ideas and acceptance of risk can be an enabler for innovation (Arsawan et al, 2022).

An organisational culture that focuses on employee development, training and personal growth, will create a skilled and high-quality team. Employees who feel supported to grow will be more motivated to make maximum contributions, which in turn can increase the company's competitiveness (Arie, Kumalasari & Manuari, 2019).

A culture that places a high value on customer service and a deep understanding of consumer needs will create a positive reputation. Excellence in customer service can be a decisive factor in a company's success in a competitive market (Martínez-Caro, Cegarra-Navarro & Alfonso-Ruiz, 2020). A culture that encourages flexibility and responsiveness to market changes will enable a company to more quickly adapt to a dynamic business environment. The ability to adjust strategies and tactics quickly can be a significant competitive advantage (Sabuhari, Sudiro, Irawanto & Rahayu, 2020).

An organisational culture based on trust and collaboration will create a positive work environment. Trust between team members and good collaboration can improve operational efficiency and enable a company to more effectively achieve its goals (Papadas, Avlonitis, Carrigan & Piha, 2019).

A unique and positive organisational culture can be an integral part of a company's brand image. A strong brand image can create higher consumer appeal and loyalty, providing a long-term competitive advantage (González-Rodríguez, Martín-Samper, Köseoglu & Okumus, 2019).

Thus, it can be concluded that a good organisational culture can be a major key in achieving competitive advantage. A culture that supports innovation, employee development, customer orientation, flexibility, trust, and positive branding will create a solid foundation for companies to compete effectively in a competitive market.

**H3. Organizational culture has a significant positive effect on the company's competitive advantage.**

Organisational commitment is a key element in understanding the internal dynamics of a company. It involves the level of dedication, loyalty and involvement of employees towards the organisation they work for. The existence of high organisational commitment is considered a valuable asset for the company, as this can have a significant positive impact on its competitive advantage (Hamadamin & Atan, 2019).

Competitive advantage is a condition in which a company has certain advantages or advantages that distinguish it from its competitors in the market. This advantage can cover various aspects, including product innovation, operational efficiency, customer service, or the ability to attract and retain quality employee talent (Cantele & Zardini, 2018; Abdirahman et al, 2018).

The existence of strong organisational commitment within a company can provide a solid foundation for achieving competitive advantage. Employees who feel emotionally connected to the organisation, feel valued, and have high engagement tend to be more dedicated to achieving company goals. In this context, organisational commitment can be considered as a catalyst that encourages employees to give their best, collaborate effectively, and contribute to the achievement of the company's business strategy (Edward & Purba, 2020).

In addition, organisational commitment can also create a positive work environment, improve employee morale, and reduce turnover rates. Employees who feel emotionally attached to the organisation tend to be more loyal and willing to overcome challenges with high morale (Soomro & Shah, 2019).

Thus, in the context of increasingly fierce business competition, companies that are able to build and maintain high organisational commitment have a greater chance of creating sustainable competitive advantage. Therefore, research on the positive and significant relationship between organisational commitment and corporate competitive advantage is important to be understood and considered by organisational leaders and human resource managers.

#### **H4. Organizational commitment has a significant positive effect on the company's competitive advantage**

Transformational leadership has become a highly relevant concept in the modern business context. In this

dynamic and changing era, organisations need to view leadership not just as a form of management, but as a force that can change and steer the company in a better direction. Transformational leadership, with its characteristics that include inspiration, idealised influence, intellectual stimulation, and personal attention, is believed to have a significant positive influence on a company's competitive advantage (Yamin, 2020).

Transformational leadership highlights the role of a leader in creating a powerful vision, inspiring employees, and motivating them to achieve higher goals. It differs from traditional leadership styles that emphasise duty and authority (Chen, Lee & Wang, 2020).

One of the key aspects of transformational leadership is the leader's ability to inspire. Leaders who are able to convey a compelling vision and motivate employees to reach their full potential, can create an environment where innovation and creativity flourish (Alqatawenh, 2018).

Transformational leadership also emphasises ethical and moral values. Leaders who model ethical behaviour can create a strong corporate culture that is trusted by customers and business partners, providing a competitive advantage in terms of reputation and trust (Jia, Liu, Chin & Hu, 2018).

Transformational leaders encourage intellectual stimulation by stimulating employees' critical thinking and creativity. By involving employees in problem-solving and decision-making, the company can utilise its collective intelligence to tackle complex business

challenges (Afriyie, Du & Ibn Musah, 2019).

Transformational leadership also includes strong attention to individual needs. Leaders who can recognise and support employees' personal development can create motivated, high-performing teams, providing a competitive advantage in terms of human capital (Atan & Mahmood, 2019).

As such, transformational leadership is not just a leadership model, but a philosophy that can shape an adaptive and innovative corporate culture. Through inspiration, attention to values, and intellectual stimulation, transformational leadership can have a significant positive impact on a company's competitive advantage in a changing business environment.

**H5. Transformational leadership has a significant positive effect on the company's competitive advantage.**

#### METHOD

This study was conducted using a test causality approach and analyzed the relationship between the observed variables, namely organizational culture-OC, organizational commitment-Ocom, transformational leadership-TL, and competitive advantage-CA of the company after consolidation. This study also used observational approach by observing data collection as it is without any

intervention from the researchers. The survey was conducted by providing a list of questions and conducted interviews to the managers who serve as respondents. Questionnaires given to the respondents in this study were private, based on the perception of managers from three consolidated companies. A Likert scale technique was used, with a response option starting from strongly disagree (score 1) to strongly agree (score of 5). The samples, also as respondents, in this study are in part managers who joined the three consolidated companies, with a total of 156 managers. The questionnaires returned and further processed reached up to 121 (response rate of 77.5%). The results of the overall validity and reliability of the questionnaire items and variables are valid and reliable. PLS technique (Partial Least Square) was used to analyze research data.

#### RESULT AND DISCUSSION

Based on Table 1, it is known that most of the respondents in this study are from PT. A, with a total of 70 people (57.9%); has a work span of over 1 to 7 years, up to 41 people (39.9%); a lot more male than female respondents that reached 99 people (81.8%); 28 people are 48 years and older (23.1%); and 72 people have a Bachelor's degree (59.5%).

Table 1: Characteristics of Respondents

Origin of Company	Frequency	Percentage
PT. A	26	21,5
PT. B	70	57,9
PT. C	25	20,7
Age		
1 – 7 y/o	41	39,9
8 – 14 y/o	23	19,0
15 – 21 y/o	21	17,4
22 – 28 y/o	22	18,2
29 – 36 y/o	14	11,6
Gender		
Male	99	81,8
Female	22	18,2
Age		
≤ 23 y/o	7	5,8
24 – 29 y/o	25	20,7
30 – 35 y/o	18	14,9
36 – 41 y/o	24	19,8
42 – 47 y/o	19	15,7
≥ 48 y/o	28	23,1
Level of Education		
Diploma	35	28,9
S1	72	59,5
S2	14	11,6
Total	121	100,0

The result of Partial Least Square (PLS) statistical tests can be seen in Table 2.

Table 2: Path coefficients of Research Variables

Path	Path coefficients	Significance
H <sub>1</sub> : OC → OCom	0.616	0.000
H <sub>2</sub> : OC → TL	0.468	0.000
H <sub>3</sub> : OC → CA	0.644	0.000
H <sub>4</sub> : OCom → CA	0.251	0.003
H <sub>5</sub> : TL → CA	0.216	0.017

Based on Table 2, it can be concluded that:

1. The influence of organizational culture variables on organizational commitment obtained a path coefficient of 0.616 with a significance level of 0.000 (less than 0.05). This suggests that organizational culture variables significantly influence organizational commitment. Thus, the

first hypothesis which states that there was a significant positive influence of organizational culture on organizational commitment is accepted.

2. The influence of organizational culture variables on transformational leadership obtained a path coefficient of 0.468 with a significance level of 0.000 (less than 0.05). This suggests that organizational culture variables



significantly influence transformational leadership. Thus, the second hypothesis which states that organizational culture has an influence on transformational leadership is accepted.

3. The influence of organizational culture variables on competitive advantage obtained a path coefficient of 0.644 with a significance level of 0.000 (less than 0.05). This suggests that organizational culture variables significantly influence competitive advantage. Thus, the third hypothesis which states that organizational culture has a significant positive influence on competitive advantage is accepted.

4. The effect of organizational commitment variables on competitive advantage obtained a path coefficient of 0.251 with a significance level of 0.000 (less than 0.05). This indicates that organizational commitment variables significantly influence competitive advantage. Thus, the fourth hypothesis which states that organizational commitment has a significant positive effect on competitive advantage is accepted.

5. The effect of transformational leadership variables on competitive advantage obtained a path coefficient of 0.216 with a significance level of 0.000 (less than 0.05). This suggests that transformational leadership variables significantly influence competitive advantage. Thus, the fifth hypothesis which states that transformational

leadership has a significant positive effect on competitive advantage is accepted.

## DISCUSSION

### **Organizational culture has a significant positive effect on organizational commitment**

Organisational culture encompasses the values, norms, beliefs, and practices shared by members of an organisation. It provides identity and direction for the organisation, reflecting how people work together, interact and adapt in their work context. The influence of organisational culture on organisational commitment is significant in the context of human resource management and overall organisational productivity.

A strong and positive organisational culture has a significant positive impact on organisational commitment. Organisational commitment refers to the level of engagement and loyalty employees have towards the organisation they work for. A strong organisational culture helps create identification and shared values among members of the organisation. When employees feel that the organisation's values align with their personal values, they tend to feel more connected to the organisation's goals and are more motivated to contribute positively.

A clear and consistent organisational culture provides clear guidelines for employee behaviour. This clarity helps

reduce uncertainty and conflict, creating a stable and supportive work environment. This can increase employees' sense of security and engagement, which in turn, contributes to their commitment. An organisational culture that supports employee well-being and creates a positive atmosphere can increase a sense of attachment and trust. Employees who feel supported by their organisation tend to have higher levels of commitment, as they feel valued and recognised.

An organisational culture that encourages personal development and continuous learning can increase employee satisfaction and commitment to the organisation. Employees who feel that the organisation provides opportunities for growth and development are likely to remain loyal and committed. Through these influences, a positive organisational culture can be a strong driver of commitment, which in turn can bring benefits such as increased productivity, employee retention and quality of work. Therefore, understanding and managing organisational culture is of key importance in the effort to build a successful and sustainable organisation.

**Organizational culture has a significant positive effect on transformational leadership and competitive advantage.**

Organisational culture is a strong foundation for the success of a company. It encompasses the shared values, norms, beliefs and behaviours that shape an organisation's identity and way of working. As times change and business competition intensifies, it is important to understand how organisational culture can have a significant positive influence on two key aspects, namely transformational leadership and competitive advantage. Transformational leadership is a leadership style that focuses on inspiring and moving organisational members to achieve extraordinary results. Organisational cultures that support innovation, risk-taking and employee engagement tend to create an environment conducive to transformational leadership. In such cultures, leaders are more likely to motivate, empower and guide their team members towards a shared vision. Competitive advantage is an advantage that distinguishes a company from its competitors in the market. An organisational culture that promotes values such as innovation, responsiveness to change, and customer focus, can be the foundation for the creation of competitive advantage. When employees feel engaged, energised and have a shared purpose, they are likely to create more innovative products and services and better fulfil customer needs.

The relationship between organisational culture, transformational leadership, and competitive advantage is mutually reinforcing. A culture that supports transformational leadership can create an atmosphere where innovative ideas emerge more easily. On the other hand, effective transformational leadership can reinforce a culture that supports competitive advantage.

Through a deep understanding of this relationship, companies can develop strategies that focus on developing an organisational culture that supports transformational leadership and creates competitive advantage. Thus, it is important for corporate leaders to be change agents in shaping and strengthening organisational cultures that can spur growth and sustainability amidst changing market dynamics.

**Organizational commitment has a significant positive effect on company's competitive advantage**

Organisational commitment is an important phenomenon in the business world that can have a significant positive effect on a company's competitive advantage. Organisational commitment reflects the level of involvement, loyalty, and willingness of organisational members to contribute maximally in achieving common goals. Competitive advantage, on the other hand, is a condition in which a company

has an advantage or advantage that distinguishes it from its competitors in the market.

High organisational commitment can create a healthy, productive, and innovative work environment. Employees who feel emotionally and professionally attached to the organisation tend to be highly motivated to deliver their best performance. In this context, there are several important aspects that show that organisational commitment has a significant positive effect on a company's competitive advantage.

Organisational commitment can increase employee productivity. Employees who feel connected to the company's goals and values are more likely to work with dedication and commitment. High employee performance can be a valuable resource for creating competitive advantage.

Work environments dominated by organisational commitment tend to be hotbeds of innovation and creativity. Employees who feel that the organisation supports new ideas and provides space for innovation development can be a key factor in creating competitive advantage.

Companies with high levels of organisational commitment tend to retain valuable employee talent. Good employee retention can help companies develop unique expertise that is difficult for competitors to

replicate, providing a long-term competitive advantage.

Organisational commitment creates a positive corporate culture, which in turn can affect the company's reputation in the eyes of employees, customers and business partners. A good reputation can be an important factor in building a competitive advantage.

Changes in the business environment are constant. Organisational commitment enables companies to better respond to change, as engaged employees will be more motivated to adapt and contribute to the required change strategy.

Thus, it can be concluded that organisational commitment has a significant positive impact on a company's competitive advantage. Companies that are able to build and maintain high organisational commitment will have an advantage in creating a dynamic, productive, and innovative work environment, thus increasing their competitiveness in the market.

**Transformational leadership has a significant positive effect on company's competitive advantage.**

Transformational leadership is a leadership paradigm that not only focuses on achieving organisational goals, but also seeks to inspire, mobilise and develop employee potential. This leadership model is believed to have a

significant positive impact on a company's competitive advantage. In an ever-changing and competitive business context, transformational leadership is a critical element that can bring about positive change in organisations.

Transformational leadership can be defined as a leadership style that focuses on developing a strong vision, motivation, and influence on team members to achieve common goals. Transformational leaders not only view tasks as a means to achieve results, but also see individual and team development as an important aspect of long-term success.

Transformational leaders are able to communicate a vision that inspires and motivates team members. They help individuals to see the connection between their work and a larger purpose. Transformational leadership involves the ability to design and drive positive change in the organisation. These leaders are not afraid to take risks and change the status quo.

Transformationally led employees tend to be more engaged and dedicated to their work. They feel they have an important role to play in achieving the shared vision. Transformational leadership pays great attention to developing the skills and potential of individuals, creating an environment where employees can grow and develop.

Transformational leadership encourages innovation and creativity in the organisation, as it provides space for the exploration of new ideas and different approaches. In a dynamic business environment, transformational leadership helps organisations become more adaptive and responsive to market changes. Thus, it can be concluded that transformational leadership not only affects individual and team performance, but also contributes to the enhancement of a company's competitive advantage. Through inspiration, vision, and positive change, transformational leaders create an environment that enables companies to thrive and compete effectively in a competitive market.

### **CONCLUSION AND RECOMMENDATION**

Conclusions about the Effect of Organisational Culture on Organisational Commitment, Transformational Leadership, and Competitive Advantage after business consolidation can be formulated as follows:

Effect of Organisational Culture on Organisational Commitment:  
Organisational culture plays an important role in shaping employees' commitment to the organisation.

If the organisational culture is positive, it can increase the level of employee commitment, so that they are more dedicated and contribute optimally.

#### **Effect of Organisational Culture on Transformational Leadership:**

An organisational culture that supports innovation and change can facilitate the emergence of transformational leadership.

Transformational leadership tends to develop better in environments where the values of change and renewal are widely supported.

#### **Effect of Transformational Leadership on Organisational Commitment:**

Transformational leadership can increase employee commitment by inspiring, motivating and guiding them towards a common goal.

Vision-oriented and renewal leadership can create an environment where employees feel emotionally connected and committed to organisational goals.

#### **Effect of Transformational Leadership on Competitive Advantage:**

Transformational leadership can create innovation and change that support the development of competitive advantage. By motivating employees to think creatively and innovate, organisations can achieve competitive advantage in a changing market.

## Effect of Organisational Culture on Competitive Advantage:

An organisational culture that supports values such as collaboration, adaptability and innovation can be a key factor in achieving competitive advantage.

A culture that encourages continuous learning and adaptation can help organisations stay relevant and competitive in the market.

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