

Navigating Change: The Role of Strategic Leadership in Driving Innovative Solutions in Educational System

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Article History:

Submitted: September 20, 2023

Revised: November 23, 2023

Accepted: December 14, 2023

Published online: December 30, 2023

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A B S T R A C T

Purpose - The purpose of this study is to empirically examine the role of strategic leadership and management qualities in predicting innovative performance in Pakistan's higher education institutions.

Study Design/Methodology/Approach - We gathered the information for this research by surveying faculty from various educational institutions. The data has been collected through a proportional stratified sampling procedure. There were 337 respondents to the survey. Data analysis is performed using SPSS and Smart PLS.

Findings- Through direct and indirect route estimations, the findings confirmed the positive and strong association between strategic leadership and innovation performance. The findings also show that the innovative performance of Pakistan's educational institutions directly contributes to their long-term success.

Practical Implications- The innovative performance of higher education is intimately linked to the innovation of the educational institutions' faculty, students, and facilities.

Originality/Novelty- The research offers a more comprehensive understanding that strategic leadership leads to innovative performance via service innovation as a mediator. Drawing on upper echelon theory the research posits the role of strategic leader that streamlines their organization through innovative performance.

Keywords: Strategic Leadership, Innovation Performance, Service Innovation, Upper Echelon Theory

1 | INTRODUCTION

In the contemporary competitive landscape, innovative performance stands as a crucial determinant for ensuring sustainability (Nguyen, Nguyen, & Nguyen, 2021). The higher education sector, influenced by recent global technological advancements and societal transformations, has undergone substantial metamorphosis, particularly amidst the pervasive effects of the COVID-19 pandemic. These multifaceted pressures, stemming from heightened demands and the dynamic interplay of technological and cultural shifts, have necessitated a paradigm shift within Pakistani higher education institutions (Ali, Jiang, Ali, & Environment, 2023). Consequently, there exists a compelling impetus to revise and tailor strategic leadership methodologies to cultivate an environment conducive to fostering innovative performance. By embracing strategic leadership

practices attuned to the demands of the present era, Pakistani higher education institutions can position themselves to proactively address emerging challenges while leveraging opportunities for sustained advancement and relevance in an increasingly competitive global landscape (Alzghoul, Algraibeh, Khawaldeh, Khaddam, & Al-Kasasbeh, 2023).

Strategic leadership denotes the capacity of senior management teams to establish and delineate the strategic trajectory of their organization, cultivate the development of its human capital, integrate ethical principles into operational practices, and oversee the balanced strategic oversight of extant organizational processes and protocols (Kitonga, Bichanga, & Muema, 2016; Sivili, Boateng, & Science, 2023). To develop creativity and the spirit of innovation, leaders must acknowledge the value of fostering creativity and innovation in the workplace. A strong commitment to organizational creativity and innovation performance may be created by organizing an organization around providing an innovative working environment (Supriyanto et al., 2023). Service innovation is defined as major alteration, modifications, and variations in a service delivery channel's process that result in a distinct new experience of the service or gradual improvements to existing service delivery processes that customers perceive as new (Hameed, Nisar, & Wu, 2021; Zomerdijk & Voss, 2011).

The objective of current research is to identify how much leaders influence innovative performance (Maziti, Chinyamurindi, & Marange, 2018). This study is in response to the research problem that how the productivity of educational institutions is improved through strategic leadership that leads to innovative performance. The outcomes from different research reveal that either there is no strong evidence connecting strategic directions and innovative performance or that there are several confounding variables that make it impossible to demonstrate a clear cause and effect (Knies et al., 2016). This work aims to bridge this gap in investigative understanding by studying conceptual and empirical literature on how intervening variables can affect the link between strategic leadership and innovative corporate performance in a dynamic environment. It is also reported that very little research has been carried out to study strategic leadership in Pakistani higher education institutes (Kalsoom, Khan, & Zubair, 2018). Thus, this research's problem lies in the domain of strategic leadership theory (Finkelstein & Hambrick, 1996).

The present research contributes significantly to the literature by exploring the nexus between strategic leadership and innovative performance in Pakistani higher education institutes. Notably, it investigates factors contributing to the differential performance of these institutes, drawing upon the upper-echelon theory. First and foremost, strategic leadership can have an impact on innovative performance at the same time, strategic leadership can contribute to improving innovative performance in Pakistani higher education institutes. The final stage of the research was conducted in Pakistan's higher education institutes to determine the factors that contribute to some higher education institutes outperforming others in this knowledge-intensive industry in the shed of upper echelon theory. The upper echelon theory by Hambrick and Mason (1984) was provided keen attention by numerous researchers. The authors further extended the theory to illustrate that an institute or organization's corporate strategic position can better be predicted by studying all the top and middle-level executives and leaders rather than a chief executive (Chaudhry, Amir, & Environment, 2020; Cyert & Williams, 1993). Specifically, the research highlights the pivotal role played by leaders' behavioral attributes in shaping the effectiveness of strategic decisions. The upper echelon theory's key emphasis revolves around

leaders' and executives' behavioral attributes determining specific strategic decisions' effectiveness (Abatecola & Cristofaro, 2020). Secondly, the current study has emphasized the role of service innovation as an intervening mechanism that fosters innovative performance through strategic leadership. This assertion aligns with existing literature that emphasizes the importance of innovation in organizational success (Tidd & Knowledge, 2023). By elucidating the interplay between strategic leadership and service innovation, the research contributes valuable insights into enhancing the innovative capacity of Pakistani higher education institutions, thereby enriching the scholarly discourse on organizational management and performance enhancement strategies.

2 | LITERATURE REVIEW

2.1 | Relationship of Strategic Leadership and Innovative Performance

The relationship between strategic leadership and innovative performance has been a subject of considerable scholarly interest and research across various fields (Singh et al., 2022). Numerous studies have examined how strategic leadership practices influence an organization's capacity for innovation and ultimately its performance. Strategic leadership, entailing vision-setting, strategy formulation, and the cultivation of an innovative culture, is pivotal in shaping organizational strategies, motivating employees, and facilitating creativity and experimentation. Empirical evidence consistently demonstrates a positive correlation between strategic leadership and innovative performance (Sivili et al., 2023). Studies indicate that firms led by strategic leaders who promote a shared vision, encourage experimentation, and support innovation tend to exhibit superior levels of innovative performance. Transformational leadership, characterized by visionary guidance and intellectual stimulation, has been particularly associated with enhanced organizational innovation. Moreover, strategic leadership is closely linked with fostering an organizational culture that values innovation and encourages risk-taking. Such a culture cultivates creativity, openness to new ideas, and collaboration, essential for generating and implementing innovative solutions. In essence, the literature underscores the crucial role of strategic leadership in driving innovative performance by fostering a supportive culture and providing resources and encouragement for innovation (Muhamad, Bakti, Febriyanto, Kraugusteeliana, & Ausat, 2023).

Innovative executives who are in charge of generating cutting-edge ideas and methods are in charge of generating exceptional items. As businesses meet increasing technological demand and the quick speed of the company's landscape, success is difficult to come by. The researchers conducted the study Martinez, Renukappa, and Suresh (2021) contend that innovation and technology are significant sources of competitive advantage. When it comes to organizations' chances of competing globally, innovating and marketing new goods are essential. These leaders and methods all say that top management positions, such as CEOs and executive vice presidents, are hobbling or helping efficient company functions. Such positions are tied to strategy leadership and innovation (Silva & Di Serio, 2021) and set up a climate that helps or hinders innovation (Matsuo et al., 2022). Supporting cooperation across institutions and encouraging well-paid bonuses may encourage innovation by providing researchers with several options. A competent strategic leader takes charge of the making, growing, and marketing of new goods and services to help their organization succeed in innovation. A strong commitment to organizational creativity and innovation performance may be

created by organizing an organization around providing an innovative working environment. This may be done by building. To cultivate creativity and innovation in any workplace, leaders must empower employees to have the freedom to be creative (Chen, Zheng, Yang, Bai, & Journal, 2016). They were creating an atmosphere where creativity flourishes may help an organization increase its creativity and innovation performance. One way for leaders to develop a friendly and inclusive working environment for their organization's personnel is to construct such conditions. A company's performance is impacted by the attitudes and perceptions of its personnel (Abid et al., 2021).

To succeed, this inspires them to work hard. According to this definition, organizations can empower their employees by valuing, respecting, and leveraging each employee's diverse backgrounds, experiences, and viewpoints while also giving each employee permission to draw on their assets and experiences to further their duties for the organization. Emerging leadership paradigms such as thinking systems, emotional intelligence, and boundary-crossing will assist contemporary leaders in coming up with successful tactics (Brauckmann-Sajkiewicz & Pashardis, 2022; Sadikoglu et al., 2023). Based on the following discussion, hypothesis one is proposed as,

H1: *Strategic leadership may significantly affect innovative performance.*

2.2 | Relationship of Strategic Leadership and Service Innovation

Leadership is an individual's ability to lead and direct a group of people toward a common goal (Chande & Verma, 2022). Strategic leadership can persuade employees to make everyday decisions that benefit both short- and long-term growth and the firm's survival (Arar & Oplatka, 2022). Strategic leadership is a mix of the two perspectives. The most crucial feature of strategic leadership is its principles and a clear vision, which allows employees to make operational decisions while executives focus on its strategic path. Strategic executives encourage innovation in reaction to environmental change and remain forward-thinking while maintaining awareness of the organization's strengths to benefit the company in the short and long term (Zhang, Jia, & Yan, 2022). Strategic leadership is the focus of this study because it stimulates innovation, which leads to increased financial success. Strategic direction, the utilization and maintenance of core competencies, the development of human capital, the maintenance of an influential corporate culture, the promotion of ethical behavior, and the establishment of strategic control are some of the empirical indicators of strategic leadership that have been widely used in the literature (Nahak, Ellitan, & Development, 2022). The practice of developing meaningful distinctions between a company's offerings and competitors is known as differentiation (Armstrong, 2016; Szigeti et al., 2003). A company can differentiate itself in various ways by offering distinctive features, running effective promotions, providing superior service, and developing a firm brand name (Jerdea, 2023). Service innovation is defined as managing all steps required to ensure the success of developing ideas, creating technology, manufacturing, and marketing a product, process, production, or new equipment (Vaux Halliday & Trott, 2010). Thus, the success of innovation is the outcome of a synthesis of all of these processes. Businesses must establish an internal climate that encourages an innovation culture defined by adaptability and a willingness to change in response to new opportunities to ensure innovation success (Hou, Hong, & Zhu, 2019). The quantity of value created and how fast and successful ideas are implemented is measured by innovation performance. It is quantified using empirical

indicators of innovation performance, such as the introduction of new products and services, the percentage of new products in the product portfolio, the number of products and services on new projects, innovation in processes and working methods, the quality of products and new services, and system updates, to bridge the diverse range of innovations (Nahak et al., 2022). These leaders see mistakes as a crucial part of the learning process and do not punish followers who try new ideas but fail (Hana, 2013). As a result, they help shape organizational cultures that encourage individuals to take risks and even make mistakes. Based on the following discussion, hypothesis two is proposed as,

H2: *Strategic leadership may significantly affect service innovation.*

2.3 | Relationship of Service Innovation and Innovative Performance

Service innovation, characterized by the introduction of novel services or enhancements in service delivery processes, holds considerable significance in bolstering organizational performance and competitiveness. Innovations can significantly improve a company's success in a variety of ways. Notably, the literature employs four distinct performance aspects to characterize firm performance (Abdi & Ali, 2013; Gunday, Ulusoy, Kilic, & Alpkın, 2011; Nguon & Management, 2022). These are the following: innovation performance, production performance, market performance, and financial performance. Innovation has a substantial impact on corporate performance because it provides a stronger market position, which translates into a competitive advantage and improved performance (Sandhu, 2019).

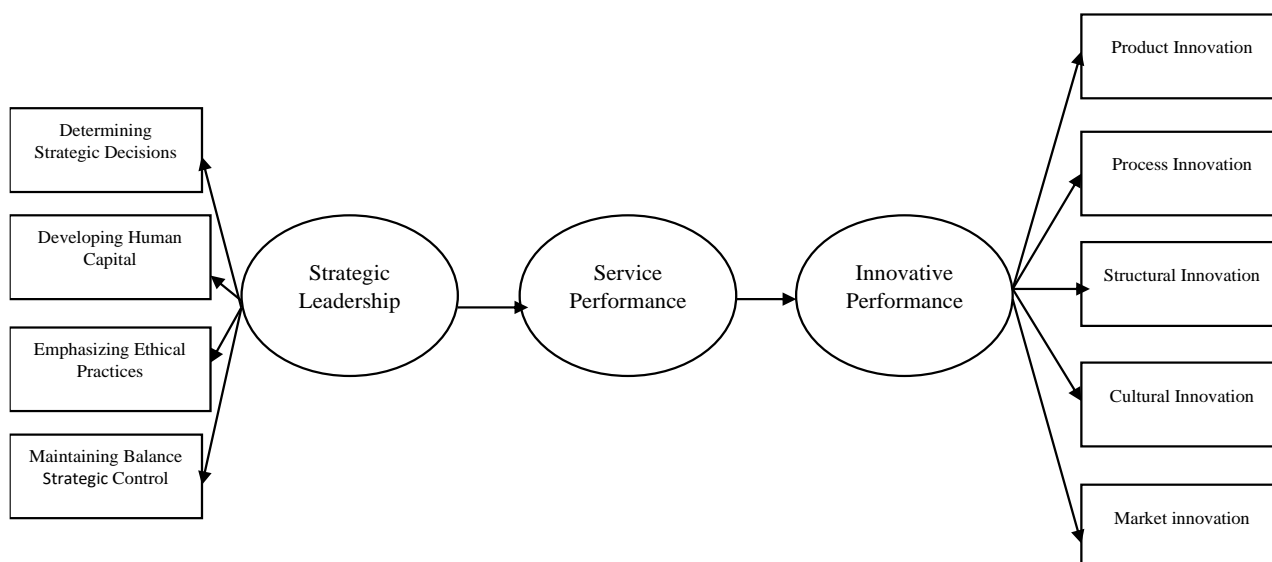
Empirical investigations consistently reveal a positive correlation between service innovation and innovative performance. Le Anh, Nguyen, Tran, and Practice (2023) underscore the pivotal role of service innovation in catalyzing overall organizational innovation and performance. Similarly, Singh et al. (2022) accentuate the strategic importance of service innovation in forging competitive advantage and driving organizational success. Moreover, research underscores the multifaceted impact of service innovation on various dimensions of innovative performance, encompassing product development, customer satisfaction, and organizational expansion. Woo, Kim, and Wang (2021) emphasize how service innovation enhances customer value and fosters a sustainable competitive edge. Likewise, studies by Chang and Lee (2020) illuminate the positive influence of service innovation on organizational performance and customer allegiance. Most of the studies focused on the innovation performance relationship show that higher innovativeness leads to higher performance (Akgül & Tunca, 2019; Ferreira & Coelho, 2020; Kamakia, 2014; Patrick & Research, 2012). However, these studies are frequently conceptual, focusing solely on a particular type of innovation rather than investigating all four types of innovation that have already been identified and then analyzing their impact on performance. The most common types of innovations examined are process and product innovations. Literature has shown strong evidence between process innovation and performance (Hameed et al., 2021; Haryanto & Haryono, 2015; Hou et al., 2019; Nguyen et al., 2021; Walker, 2004) product innovations and performance (Li & Atuahene-Gima, 2001; Li & Atuahene-Gima, 2002; Verhees & Meulenbergh, 2004). As a result, innovative performance is a composite structure based on various performance metrics, such as new patents, new product advertisements, new initiatives, new procedures, and new organizational configurations (Hudec, 2015). Based on the following discussion, hypothesis three is proposed as,

H3: *Service innovation may significantly affect innovative performance.*

2.4 | Service Innovation as Mediator

The exercise of authority and the formulation of strategy, according to several studies, may have an impact on service innovation. These studies argue, among other things, that strategic leaders can inject the organization with their creative concepts and ideas. In particular, these theories are predicated on the assumptions that strategic leaders have a considerable impact on business results and that the overall decision to innovate is taken at higher organizational levels (Hambrick & Mason, 1984). Strategic leaders, as compared to other workers or members of the company, have been proven in studies to have a greater influence on which ideas are pursued and which ideas get less attention (D. J. J. L. r. p. Teece, 2010). Strategic leaders' discretion may change depending on the environment or organizational features, regardless of the situation (Hambrick & Finkelstein, 1987). The ability to make decisions and conduct actions that are directly relevant to the company's innovation activities appears to be available to strategic executives (Schubert & Tavassoli, 2020). They could, for example, pick which service ideas to develop or promote, refine current ideas to make them more aligned with the organization's aims or lend their expertise to a difficult process of implementation (Nadkarni & Chen, 2014). In these perspectives, which rely on position and authority to guide ideas to innovation success, strategic leaders are portrayed as active contributors to new product ideas, selectors of preferred innovation alternatives, or carriers of the necessary experience to lead successful innovation to achieve success. However, the contributions of other organizational members to these efforts are rarely explicitly considered and instead are typically taken for granted as solely operational. Several studies have found that executives' attention patterns enable them to identify innovation opportunities and that this is one way in which they can have a say in the innovation process (Cheng et al., 2015). Executive temporal focus (placing attention on the past, present, or future), external focus (placing attention on the firm's external environment), internal focus (placing attention on the firm), and relevant information search patterns (search selection and intensity) enable executives to recognize and promote the development of innovative ideas and ideas in development (Xu, Jiang, & Wang, 2019).

H4: *Service innovation may significantly mediate the relationship between strategic leadership and innovative performance.*

Figure 1*Conceptual Framework***3 | METHODOLOGY & DESIGN**

The population of this research comprises Pakistani higher education institutions. Knowledge-based economies are envisioned as a primary driving force for achieving societal goals, fostering a sense of community, and growing excellent human beings through higher education. Pakistan's higher education institutes are chosen as the population of this research study because higher education has a significant impact on society's progress. The unit of analysis for this research consists of the upper management and middle management (i.e., including Rectors, Pro-Rectors, Vice Chancellors, Professors, Deans, and Head of the ORIC department, etc.) The upper and middle management of Pakistan's higher education institutions were selected because the construct of prime interest "innovative performance" can be best reflected among the upper and middle management of Pakistan's higher education institutions.

3.1 | Strategic leadership

The construct "strategic leadership" has been measured with four sub-constructs namely setting or determining strategic direction, developing human capital, emphasizing ethical practices, and maintaining balanced strategic control. The sub-construct "setting and determining strategic direction" was measured with five items. The sub-construct "developing human capital" was measured with ten items. The sub-construct "emphasizing ethical practices" was measured with nine items. The sub-construct "maintaining balanced strategic control" was measured with eleven items. This thirty-five-item research instrument was adapted from the existing work of (Kitonga et al., 2016). All items were measured on a five-point Likert scale from 1 as "Strongly Disagree" and 5 as "Strongly Agree".

3.2 | Innovative Performance

The construct "innovative performance" has been measured with five sub-constructs namely product innovation, process innovation, structural innovation, cultural innovation, and market innovation. The sub-construct "product innovation" was measured with four items. The sub-construct "process innovation" was

measured with three items. The sub-construct “structure innovation” was measured with three items. The sub-construct “cultural innovation” was measured with five items and the sub-construct “market innovation” was measured with five items. This twenty-item research instrument was adapted from the existing work of (Škerlavaj, Dimovski, & management, 2007). All items were measured on a five-point Likert scale from 1 as “Strongly Disagree” and 5 as “Strongly Agree”.

3.3 | Service Innovation

The construct “service innovation” is a uni-dimensional construct and has been measured with four items. This four-item research instrument was adapted from the existing work of (Susha, Grönlund, & Janssen, 2015). All items were measured on a five-point Likert scale from 1 as “Strongly Disagree” and 5 as “Strongly Agree”.

4 | RESULTS and ANALYSIS

Data has been collected from five hundred participants (302 participants from the public sector and 198 participants from the private sector of Pakistani’s higher education institutes) using the proportionate stratified sampling strategy as shown in table 1. This approach facilitated the systematic representation of distinct strata within the population of interest, thereby ensuring an equitable distribution of sampling units across pertinent subgroups. Such meticulous sampling design not only enhanced the generalizability of findings but also mitigated potential biases inherent in unstratified sampling methodologies. By meticulously adhering to established protocols of proportional stratified sampling, the research endeavors to furnish a robust empirical basis conducive to nuanced analysis and cogent interpretation, thereby contributing to the advancement of scholarly discourse within the field under investigation. In response, 337 filled questionnaires (213 from the public sector with a response rate of 70.5% and 124 from the private sector with a response rate of 62.6%) were received back. The overall response rate was 67.4 percent as shown in Table 1.

Table 1

Sample Selection

	Strata	Population HEI		Sample Selection		Filled Questionnaire Received Back	Response Rate
		Frequency	Percent	Survey Floated	Percent		
1	Public Sector	141	60.5 %	302	60.4 %	213	70.5 %
2	Private Sector	92	39.5 %	198	39.6 %	124	62.6%
	Total	233	100 %	500	100 %	337	67.4%

4.1 | Statistical Techniques for Data Analysis

SPSS version 21 is used to examine the collected data. Description statistics for study variables are used to create statistical techniques (including group means, standard deviations, and frequencies). The respondents' demographics are also analyzed to show their gender, level of education, and work experience in years. Cronbach's alpha coefficient is determined to ensure the consistency of study constructs between items to check their reliability. Then, the factor analysis is used to calculate the concept validity analysis. When

assessing the validity of study constructs, correlation is a frequent statistical technique. PLS-SEM is used for hypothesis testing and validation of the hypothesized study model.

4.2 | Demographic Analysis

Table 2 shows that 27.30 percent of the total 337 participants were female (92), while the remaining 72.70 percent of the population was male (245). More than 95.25% of the total 337 responses were PhD degree holders (321), and only 4.74% of respondents held a Masters or MPhil degree (16). The results also showed that only 3.26 percent of respondents possess the experience of a period between one and five years (11), and 96.74 possess the experience of a period of more than five years (326).

Table 2

Demographic Analysis of Responses

S #	Demographics Construct	Categories	Frequencies	Percentage
1	Gender	Female	92	27.30
		Male	245	72.70
		Total	337	100
2	Level of Education	Masters, MS, and MPhil	16	4.71
		PhD	321	95.25
		Total	337	100
3	Experience in years	Less than 1 yr – 5yrs	11	3.26
		More than 5 yrs	326	96.74
		Total	337	100

4.3 | Descriptive Analysis

Descriptive analysis results for all latent constructs have been shown in table 3.

Table 3

Descriptive Analysis

Constructs	Sub-Constructs	Mean
Strategic Leadership	Setting and Determining Strategic Direction	4.31
	Developing Human Capital	4.28
	Emphasizing Ethical Practices	4.41
	Maintaining Balanced Strategic Control	4.13
	Strategic Leadership Construct	4.50
Innovative Performance	Product Innovation	3.79
	Process Innovation	4.11
	Structure Innovation	4.17
	Cultural Innovation	4.41
	Market Innovation	4.57
	Innovative Performance Construct	4.39
Service Innovation Construct		4.18

4.3 | Reliability Analysis

The Cronbach's alpha value is the most often used statistical measure for verifying the inter-item consistency of the research instrument. A Cronbach's alpha value over and equal to the range of 0.60 is acceptable, while values above 0.80 are considered excellent. Table 4 displays the reliability analysis results for all latent constructs.

Table 4

Reliability Analysis

Constructs	Sub-Constructs	Cronbach alpha	No of items
Strategic Leadership	Setting and Determining Strategic Direction	0.79	5
	Developing Human Capital	0.68	10
	Emphasizing Ethical Practices	0.81	9
	Maintaining Balanced Strategic Control	0.75	11
	Strategic Leadership Construct	0.73	35
Innovative Performance	Product Innovation	0.85	4
	Process Innovation	0.87	3
	Structure Innovation	0.82	3
	Cultural Innovation	0.87	5
	Market Innovation	0.81	5
	Innovative Performance Construct	0.89	20
	Service Innovation Construct	0.68	4

Before evaluating the research hypotheses, a formal correlation is evaluated among the study constructs to determine the type and amount of the relationship between constructs. The correlation analysis of the study variables is shown in Table 6

Table 6

Pearson Correlations Analysis of Constructs

Constructs		Strategic Leadership	Innovative Performance	Service Innovation
(1) Strategic Leadership	Correlation	1		
	Sig(2-tailed)			
(2) Innovative Performance	Correlation	.727**	1	
	Sig(2-tailed)	.000		
(3) Service Innovation	Correlation	.233**	.187**	1
	Sig(2-tailed)	.000	.000	

4.4 | Hypothesis Testing Using PLS-SEM

PLS-SEM is being used in marketing and other commercial domains (Henseler, Ringle, & Sinkovics, 2009). Scholars believe that the PLS-SEM technique provides a more accurate estimate of the structural model

(Henseler, Ringle, & Sarstedt, 2012). Table 7 reveals the results of PLS-SEM. The results revealed that all the hypotheses are supported by the coefficients in this hypothesized research model. Hypothesis one is found to be supported by the standard coefficient value of .17, t-value of 3.57 (that is greater than 2), and p-value of .000 (that is smaller than .05). hypothesis two is also found to be supported with the standard coefficient value of .48, t-value of 4.87 (that is greater than 2), and p-value of .000 (that is smaller than .05). The results also depict that hypothesis three is also found to be accepted with the coefficient value of .36, t-value of 6.92 (that is greater than 2) and p-value of .000 (that is smaller than .05). The results also depict that hypothesis four is also found to be accepted with the coefficient value of .45, t-value of 11.82 (that is greater than 2) and p-value of .000 (that is smaller than .05).

Table 7

Path Coefficients, t- t-value, and observed p-value.

Proposed Hypothesis	Std. Coeff	t-value	p-value
H1: Strategic leadership → Innovative performance	.17	3.57	.000
H2: Strategic leadership → Service innovation	.48	4.87	.000
H3: Service innovation → Innovative performance	.36	6.92	.000
H4: Strategic leadership → service innovation → innovative performance	.45	11.82	.000

The below-mentioned figure depicts the hypothetical path estimates of direct and indirect constructs.

Figure 2

Theoretical Framework

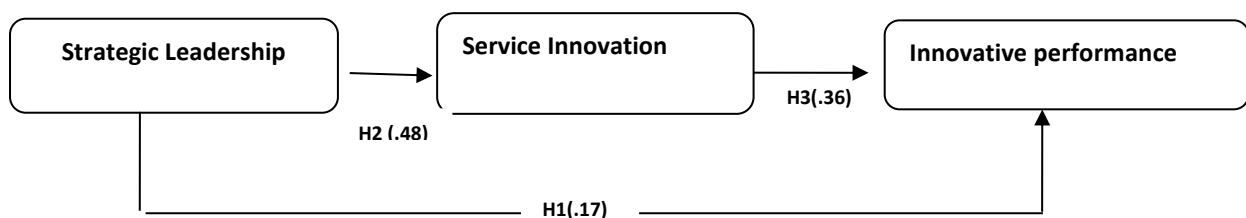


Table 8 summarizes the results of hypothesis testing. It was found that all the four-research hypotheses of this research work are accepted.

Table 8*Summary of Hypothesis Testing*

	Hypotheses	Supported or Not
H1	Strategic leadership may significantly affect innovative performance.	Supported
H2	Strategic leadership may significantly affect service innovation.	Supported
H3	Service innovation may significantly affect the innovative performance.	Supported
H4	Service innovation may significantly mediate the relationship between strategic leadership and innovative performance.	Supported

5 | DISCUSSION

Existing research on service innovation and innovative performance has so far been unable to provide clear answers about whether or not service innovation genuinely influences innovative performance in a wide range of contexts (Rosenbusch, Brinckmann, & Bausch, 2011). The current study is in line with the findings of Durst, Mention, and Poutanen (2015), who conducted a recent assessment of the literature on service innovation and its impact. Rosenbusch, Gusenbauer, Hatak, Fink, and Meyer (2019) found that little is known about the relationship between strategic leadership, service innovation, and innovative performance. They advocate for a thorough investigation into this promising area of study, particularly emphasizing the scarcity of research focusing on service innovation within specific industries. In essence, while there's recognition of the importance of service innovation, there's still much to uncover about its precise impact and the role of strategic leadership in shaping this relationship, especially within various service sectors.

The results of this research study indicate that middle and top management, as indicated by the survey data, have accumulated substantial years of experience in their respective positions, thereby contributing to a noteworthy level of expertise within their organizational roles. This suggests that these managers possess a considerable depth of experience within their workplace environments, potentially influencing their decision-making processes and overall organizational effectiveness. According to Ombaka, Machuki, and Mahasi (2015), the CEO's age, tenure, and education all play a role in how involved he or she is in strategic change. To put it another way, management who lacks sufficient expertise will be unable to adapt to an ever-changing environment (D. J. J. S. M. J. Teece, 2007). Hence, the cognitive processes of management exert a notable influence on innovative performance, aligning with established literature in the field. This observation underscores the critical role that management cognition plays in shaping organizational innovation outcomes, highlighting its importance in scholarly discourse on the subject.

6 | CONCLUSION

6.1 | Practical Implications

Higher education is often viewed as a long-term financial commitment. It's a critical part of society's growth. Throughout history, universities have played a significant role in preparing the next generation of professionals and political leaders as well as religious and social academics (Khursheed, Borcharding, & POLICY, 1998). Before the 1980s, Pakistan's government was solely responsible for higher education in the country. There were very few private institutes of higher learning. Since then, colleges and universities have

sprung up in the sectors of medicine, engineering, information technology, computer science, and general business administration. As the innovative performance of higher education halts, it can be attributed in large part to issues such as instructor competence, curriculum, and student admissions requirements.

The findings of this study shed light on some of the most important aspects of innovative performance. Public and private universities have a variety of advantages and disadvantages, according to the report. The HEC criteria for universities were not applied consistently throughout all of the participating institutions, according to the in-depth investigation. However, universities are currently in a transitional stage, and this can be accepted. Universities are making progress, but innovative performance measures at the national and international levels must be implemented immediately. The faculty at universities may be great, but the physical facilities aren't quite as well-established. A lack of qualified professors is a problem for private institutions, as well as admission requirements violations. The Higher Education Commission bears primary responsibility for ensuring that all institutions of higher learning adhere to the same high standards of innovation.

6.2 | Theoretical Implications

Strategic leaders cultivate a supportive organizational climate for service innovation. They allocate resources, offer support, and establish structures to facilitate innovative idea development and implementation. Through fostering collaboration, encouraging experimentation, and rewarding creativity, they nurture a culture that values and promotes service innovation, ultimately enhancing innovative performance.

In essence, the Upper Echelons Theory underscores the significant influence of top executives' characteristics and actions, particularly their emphasis on service innovation, on organizational outcomes. This perspective underscores the pivotal role of strategic leadership in driving innovation within organizations, especially in service-oriented industries.

6.3 | Future Research Directions

There are certain limitations to this study. First and foremost, the limitation is that it's not clear to what degree this study's findings may be applied to other developing countries. The sample size was too limited to Pakistani's higher education institutes only because of budgetary and schedule constraints, which may have affected the study's external validity and generalizability to the whole service industry and developing economies. The findings cannot be generalized because of the aforesaid considerations. In the future, the research could focus on services such as health care and social services as well as construction, tourism, and the home. Many different types of service innovation can be used to various services to increase their service potential. Additionally, further research might look toward developing sophisticated and cutting-edge matrixes for performance assessment and management, which would allow for an accurate representation of service innovation and performance in all of its facets. Comparative and cross-cultural research spanning different economies and industries can be fruitful. Research on service innovation strategy and process could yield significant information. Stakeholders from all walks of life can benefit from this potentially promising field of research, which can help them improve their businesses and economies, as well as the well-being of the society in which they live. Future research studies could use dynamic managerial capabilities, which include managerial cognition, managerial social capital, and managerial human capital, as a basis for subsequent research to define managers' capacities comprehensively. Having a high level of managerial cognition will

allow the manager to better deal with competitive scenarios. Future research is recommended to explore the existing model from this perspective.

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